

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE MIDWAY CITY
SANITARY DISTRICT OF ORANGE COUNTY
14451 CEDARWOOD AVENUE
WESTMINSTER, CA 92683**

November 18, 2014

CALL TO ORDER

President Cobo called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, November 18, 2014 at 5:30 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep
Margie L. Rice
Frank Cobo

OTHERS AT MEETING:

Ken Robbins, General Manager
Tom Nixon, General Counsel
Danielle Gerardo, Board Secretary
Jeff Snow, Rainbow Environmental Services
Sue Gordon, Rainbow Environmental Services
Vinny Tam, GreenbergFarrow
Joe Mathewson, Diversified Project Services Int'l

PLEDGE AND INVOCATION

Director Diep led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 4, 2014

A motion was made by Director Neugebauer, seconded by Director Rice to approve the minutes of the meeting of November 4, 2014. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice
 NAYS:
 ABSTAIN:
 ABSENT:

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 283,212.20

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7232	11/7	334.11	AT&T Mobility - Service for October 2014: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
3				Sewer 714-310-8654, Emergency 714-310-9004.
4	7233	11/7	105.98	DirectTV - Service for November 2014
5	7234	11/7	992.44	Verizon California - District Office Phones & Lift Stations for October 2014; \$532.69 District Office,
6				\$153.25 Willow Lift, \$153.25 Westminster Lift, \$153.25 Hammon Lift.
7			1,432.53	HANDCUT CHECKS SUBTOTAL
8				
9				REGULAR CHECKS:
10	7235	11/7	4,134.24	Bodyworks Equipment - (2) Crank Gears & (1) Grabber Kit for T57; (12) Cam Followers, (4) Coils for Restock
11	7236	11/7	4,896.41	CalPERS Retirement - Retirement Contributions for November 2014
12	7237	11/7	37,448.84	City of Westminster - Gasoline & Diesel Usage from July through August 2014
13	7238	11/7	500.00	Computer Research Center - Anti-Virus Subscription Update for (10) Systems
14	7239	11/7	2,504.47	CR Transfer - Tonnage for October 2014
15	7240	11/7	5,691.00	CSDA - 2015 Membership Dues
16	7241	11/7	2,886.18	Daniels Tire Service - Restock (12) Recaps
17	7242	11/7	546.73	Dartco Transmisstion - Parts & Labor to Repair Internal Wiring Harness for T57
18	7243	11/7	290.10	G & K Services - Uniform Services for October & November 2014
19	7244	11/7	22.01	Huntington Beach Ford - (1) Gas Cap for T9
20	7245	11/7	253.07	ID Industries - Restock (20) Springs & (6) Proximity Switches
21	7246	11/7	1,618.78	Los Alamitos Napa Auto Parts - (1) Battery & (2) Hood Lift Supports for T4; Restock (10) Grease Fittings, (2)
22				Exhaust Caps, (10) Fittings, (4) Gripper Kits, & (4) Brake Drums
23	7247	11/7	21,205.35	Orange County Sanitation District - Permit Fees for October 2014 (MCSD 5% = \$1,116.07)
24	7248	11/7	290.59	Powertrain Industries - Parts & Labor to Repair Ujoint for T65
25	7249	11/7	2,727.18	Rainbow Transfer Recycling - Natural Gas Fuel Charges for October 2014
26	7250	11/7	131,508.42	Rainbow Transfer Recycling - Tonnage for October 2014
27	7251	11/7	1,356.84	Ray Gaskin Service - Rebuild (2) Heil Dump Cylinders, (1) Heil Grip Cylinder, & (1) Heil Arm-Raise Cylinder
28	7252	11/7	636.70	Shields Consulting Group - Professional Services for Balance Due of 2001/2002 Claims
29	7253	11/7	3,072.00	Stater Brothers Market - (32) Stater Brothers Gift Cards
30	7254	11/7	18.00	Underground Service Alert - (12) New Tickets for October 2014
31	7255	11/7	1,056.00	Westminster Senior Center - (66) See's Candy Gift Cards
32			\$ 222,662.91	REGULAR CHECKS SUBTOTAL

33		
34		PAYROLL
35	57,316.76	Payroll - Staff Check # 15691 - 15692 Taxes & Direct Deposits
36	1,325.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
37	475.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
38	\$ 59,116.76	PAYROLL SUBTOTAL
39		
40	\$ 283,212.20	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)

A motion was made by Director Rice, seconded by Director Neugebauer to approve the expenditures in the amount of \$ 283,212.20. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice
 NAYS:
 ABSTAIN:
 ABSENT:

REPORTS

Report of President

President Cobo reported that the City of Westminster's Christmas tree lighting event would be on December 1, 2014.

Report of General Manager

GM Robbins reported that there was a private spill located at Hazard and Magnolia which prompted a spill meeting with the City of Westminster to clarify who should be responding to spills. After much discussion for several years, a joint effort between the City and the District has now been clarified. The City has previously relied on a single person to handle all private spills. The Water Department will now be on standby in order to turn the water off in the case of a private spill. Whoever arrives first (the City of Westminster or someone from the District) is to contain the spill. The District will then notify the Orange County Health Department and Cal EMA/OES on private spills.

GM Robbins reported that there would be Driver's Safety Training on Saturday, November 22, 2014 from 8am until 12noon at the District's headquarters.

GM Robbins reported that a new hydraulic crimping hose machine was needed for the shop at a cost of \$4,144. The previous one lasted approximately ten years.

GM Robbins reminded the Board that the La Pat Place Cleanup Event would be on Friday, November 21, 2014 from 9 A.M.-12 P.M.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that he attended the OCSD Legislation and Public Affairs meeting on November 10, 2014. OCSD has hired a full time public affairs specialist whose position will be to be more active in the community and attend events in Westminster in order to represent the District.

The Federal Lobbyist reported that there would not be a lot going on due to the "Lame Duck" session going on in Washington D.C. The White House may take executive action on immigration reform, but other than that there is nothing related to sewage or sewers.

Director Diep reported that at the State level, OCSD is very excited that the water bond passed because it means there will be funding for the Ground Water Replenishment System (GWRS) through grants and legislation.

Director Diep also noted that the sole Democratic lawmaker in Orange County is Tom Daly with Lou Correa leaving, which will affect businesses. OCSD will be putting in legislation within the first six months of 2015 to get the GWRS expanded.

Director Diep stated that he would be attending a full Board meeting on Wednesday, November 19, 2014 where they would be considering several issues including raises of 3% for the General Manager and the non-management team which would be retroactive to July 1, 2014.

Report from District Franchisee – 3rd Quarter Tonnage & Financial

Sue Gordon reported that Midway City Sanitary District's overall percentage for recycling is at 52%.

Star View is the only school serviced by Rainbow Environmental since Ware Disposal won the contract last year. Rainbow wants to meet with the new superintendant in order to see if they are satisfied with their service and stated that it's an opportunity to go back and talk to the school district and see if Rainbow can have another chance at the contract.

Rainbow is offering grade schools kindergarten through 8th grade lesson on their website. They have been doing this for several years and are trying to do something with less impact on the environment, so they now have it available to download on their website to be put on electronic white boards instead of being printed out and delivered.

Some of the public outreach events attended this last quarter by Rainbow Environmental were the Chamber of Commerce luncheon, the State of the City luncheon, the Candidates Forum, and the Glitz, Glamour and Grapes event.

Sue Gordon stated that the most recent legislative update is that the Governor signed both organics bills -1846 and 1594. AB 1846 requires commercial businesses generating a certain amount of organic materials to source separate it for composting. There are

several phase in periods. As of January 1, 2020 AB 1594 states that green material used as alternative daily cover at the landfill will no longer count as recycling but will count as disposal. Rainbow Environmental, in conjunction with Republic Services, will be looking at different types of technologies in the next few years, preferably anaerobic digesters that will be able to take that green material and contaminated material and turn it into methane fuel and some compost as residual.

Jeff Snow reviewed the 3rd quarter financial reports for the Board. The total cash basis gross revenues reported to the District for commercial customers was \$1,622,776 for the quarter. He also addressed the issue of safety during daylight savings time and commended the District for the efficient route model that has been developed by Director of Operations Nick Castro and General Manager Ken Robbins. The District's routes are done early so that trucks aren't out on the streets after dark, whereas other haulers are and he stated that he feels it is a public safety hazard which needs to be addressed by the industry. He also stated that there has been a considerable amount of work done developing new policies for the planning department within the communities that the District serves and he commended GM Robbins again on his vision and understanding the impacts that the new mandates signed by Governor Jerry Brown are going to have. The time for putting organic waste streams into the landfill and calling it alternative daily cover and counting it as diversion are over he said. It needs to be recycled, is not waste and is creating pollution. Rainbow supports the new mandates but they will impact customers, their bin enclosures and size. Lastly, he extended a personal and professional invitation to the Board for the Rainbow holiday luncheon on Thursday, December 18, 2014.

Jeff Snow further commented that anaerobic digestion is a great solution for many streams, that their partners at CR&R have an anaerobic digestion project that they hope to launch in 2015 and that Rainbow's partner, Agromin, located in Oxnard, has a different type of dry fermentation technology from zero waste energy which they will be able to create biogases from. He welcomed the Board to come to that facility for a field trip and tour.

CONSENT CALENDAR

A. Investment Report for October 2014

B. Approve Attendance of Finance/HR Director, Robert Housley to the California Society of Municipal Finance Officers (CSMFO) Annual Conference Scheduled for February 17-20, 2015

A motion was made by Director Diep, seconded by Director Rice to approve the consent calendar. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

OLD BUSINESS

A. Consider Setting a Date for a Study Session to Evaluate the District's General Manager and General Counsel

A motion was made by Director Neugebauer, seconded by Director Rice to postpone setting a date for a study session until the first meeting in January, 2015. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

NEW BUSINESS

A. Open Sealed Bids for the 2014 Compressed Natural Gas (CNG) Fueling Station Construction and Building Renovations Project

GM Robbins stated that after soliciting bids, the District had five contractors show up to the mandatory pre-bid meeting but that tonight the District only received one bid by the deadline.

Director Neugebauer asked if the District had heard from any of the other bidders.

GM Robbins stated that Vinny Tam from GreenbergFarrow had heard from them.

Vinny Tam from GreenbergFarrow stated that he did have contact with several of the contractors who were at the pre-bid meeting and that they indicated that due to their current work load they didn't have enough time to prepare and present a bid for the project to the District in the time allotted and that if they were given more time, they could have.

Director Rice stated that if they are so overloaded with work and projects that they can't even present a bid, they obviously can't do the work.

Director Neugebauer stated that the one bid should be opened, then refer it to staff to see if it meets the conditions contained in the proposal and if it is, consider it, and if not, solicit for more bids.

The bid was opened and read into the minutes.

President Cobo stated that the amount of the bid was \$2,711,716.63 from Diversified Project Services International (DPSI) with headquarters in Bakersfield and an office in Long Beach.

A motion was made by Director Neugebauer, seconded by Director Rice to accept the bid received by the District in the amount of \$2,711,716.63 from Diversified Project Services International (DPSI) and refer it to staff for an evaluation and a recommendation. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider Approving the Purchase of Eight (8) New 26-Yard Automated Side Loader, Cab-Over Compressed Natural Gas (CNG) Solid Waste Collection Trucks for the Midway City Sanitary District Fleet

GM Robbins stated that all of the District's solid waste drivers had an opportunity to drive the two new CNG trucks and all but one preferred the Crane Carrier over the Mack truck when asked to evaluate them.

GM Robbins stated that the DPF mufflers that the District was mandated to put on all the District's current diesel trucks have been causing problems and are costing additional funds to repair, so they will be phased out according to cost of repairs needed once the additional CNG trucks are delivered.

Director Neugebauer asked if the CNG fueling station would be completed in time for all the new trucks since it was originally slated for completion in November 2014.

GM Robbins stated that at this point in time, the estimated completion of the CNG fueling station is March 2015 and the new trucks were estimated to be delivered around June 2015.

A motion was made by Director Rice, seconded by Director Neugebauer to approve the purchase of eight new CNG solid waste collection trucks for the Midway City Sanitary District fleet in the amount of \$2,527,739.80 from RWC Group (formerly Boerner Truck Center), which includes a 5 year warranty on the motor and transmission. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. California Association of Sanitation Agencies (CASA) 2015 Membership Dues

A motion was made by Director Diep, seconded by Director Rice to approve the renewal of the District's CASA membership dues for 2015 in the amount of \$8,320. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider Request of Fleet Maintenance Lead Worker Juan Salce to Receive 40 Hours of Vacation Pay in Lieu of Time Off

A motion was made by Director Rice, seconded by Director Neugebauer to approve the request of Fleet Maintenance Lead Worker Juan Salce to receive 40 hours of vacation pay in lieu of time off due to special circumstances. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

E. Consider Alternatives for Fueling of the Midway City Sanitary District's Class C Vehicles

GM Robbins stated that the District has a few options for fueling the seven class C vehicles now that the City yard has become unavailable due to remodeling. A Chevron/Texaco Business Card Program representative contacted the District to share information that is available which would save approximately .11 cents off the lowest posted price at the pump. The District would be able to control who uses the card, when it is used, and put limits on the cards. Another option is the District's Visa CalCard which could be used, but keeping the gasoline information separate would be slightly more difficult to monitor. Director of Operations/Safety Nick Castro would be in charge of the usage of the gasoline cards and they would be checked in and out along with the receipts for charges.

A motion was made by Director Neugebauer, seconded by Director Diep to approve for staff to move ahead with an alternative method of fueling for the District's class C vehicles in the manner that they find most efficient and cost effective. The motion was approved by the following 4-1 vote:

AYES: Cobo, Diep, Neugebauer and Rice

NAYS: Krippner

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. CR&R Transfer Billing Change

B. Review and Discuss Metropolitan Life Insurance Company (MetLife) Dental Insurance Renewal Rates for January 1, 2015 through December 31, 2015

C. Web Site Activity for the Month of October 2014 (44,826 Successful Hits)

Director Rice stated that she is not satisfied with the District's dental insurance.

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file the information items and encourage staff to continue working with the Rule Group to find possible alternatives for the District's MetLife dental insurance. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she thinks the agenda moved the District forward in two very important areas that are going to enhance the service the District provides to its patrons and she commended staff for the effort and completeness of the information that accompanied both the CNG fueling station and the purchase of eight new CNG trucks because it made the decision making process that much easier.

Director Rice wished Director Neugebauer a happy birthday.

President Cobo extended congratulation to staff for always doing a great job.

GM/STAFF CONCERNS/COMMENTS

GM Robbins asked the Board if it was their wish to invite the District's franchisees to the holiday dinner on Sunday, December 7, 2014 and the Board unanimously agreed that they should be invited.

GM Robbins stated that the reason Finance/HR Director Housley was not in attendance due to the Local Agency Investment Fund (LAIF) conference in Sacramento.

GENERAL COUNSEL CONCERNS/COMMENTS

None

CLOSED SESSION

CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time as the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, December 2, 2014 at the District office at 5:30 P.M. at approximately 6:50 P.M.


Al Krippner, Secretary