

**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**

April 7, 2015

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, April 7, 2015 at 5:00 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
Robert Housley, Finance/HR Director
Tom Nixon, General Counsel
Danielle Gerardo, Board Secretary
Dylan Wright, OC Waste & Recycling
An Tran, OC Waste & Recycling
Isaac Novella, OC Waste & Recycling
Ron Hankle, InterSecurities, Inc. Rep.

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 MARCH 17, 2015

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of March 17, 2015. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, and Rice

NAYS:

ABSTAIN:

ABSENT:

APPROVAL OF THE MINUTES OF THE ADJOURNED MEETING OF MARCH 25, 2015

A motion was made by Director Neugebauer, seconded by Director Rice to defer the minutes of the meeting of March 25, 2015 until the next regular meeting. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, and Rice

NAYS:

ABSTAIN:

ABSENT:

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 991,904.61

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7519	3/18	4,906.21	CalPERS Retirement - Retirement Contributions for March 2015
3	7520	3/18	592.97	Office Max Contract - Restock District Office Supplies for March 2015
4	7521	3/18	110,991.05	Rainbow Transfer/Recycling - Tonnage for February 2015
5	7522	3/18	24,147.00	SDRMA - Workers' Compensation 4th Qtr APR-JUN 2015
6	7523	3/25	159.89	AT&T - Brookhurst Lift Station Service for March 2015
7	7524	3/25	42,409.35	CalPERS Health Premium - Healthcare Premium for April 2015
8	7525	3/25	5,679.98	CR Transfer - Tonnage from 02/01/15 through 02/15/2015
9	7526	3/25	74.69	The Gas Company - District Office & Maintenance Yard Fees for March 2015
10	7527	3/25	4,237.25	Mellite - Monthly Dental Premium for April 2015
11	7528	3/25	183.70	Pitney Bowes/Purchase Power - Postage for Postage Machine March 2015
12	7529	3/25	867.74	The Standard Life Insurance - Premium Coverage for March 2015
13	7530	3/25	172.54	First Bankcard (NC) - (4) Cases Water \$33.48; (2) Coffee, (2) Creamer, (1) Bag Candy, (1) Large Case Paper
14				Towels, (1) Small Case Paper Towels, (1) Case Toilet Paper \$139.06.
15	7531	4/1	1,533.36	Jesus Quintero-Replacement Payroll Check;Cancelled Direct Deposit,Closed Bank Acctn 03/31/2015Pay date
16	7532	4/1	4,906.21	CalPERS Retirement - Retirement Contributions for March 2015
17	7533	4/1	1,410.09	Chevron & Texaco Bus. Card Svcs. - Gasoline Purchases for March 2015
18	7534	4/1	284.05	Pitney Bowes - Lease Payment for Postage Machine April 2015 through July 2015
19	7535	4/1	1,674.31	Southern California Edison - Archives & Parking Garage \$64.51, District Office \$305.43,
20				Maintenance Shop \$230.95, Brookhurst Lift Station \$102.18, Westminster Lift Station \$405.13,
21				Willow Lift Station \$164.93, Hammon Lift Station \$401.18.

22	7536	4/1	9,048.20	US Bank - (KR) CASA Washington D.C. Conf. 02/22-02/25/2015 Luggage Fees One-Way (MR, JN)	\$50.00
23				(KR) CASA Washington D.C. Conf. 02/22-02/25/2015 Luggage Fees Roundtrip (KR, FC)	\$100.00
24				(KR) CASA Washington D.C. Conf. 02/22-02/25/2015 Food (KR)	\$39.67
25				(KR) Renaissance Hotel CASA Washington D.C. Conf. 02/22-02/25/2015 (KR, FC, MR, JN)	\$3,833.40
26				(KR) CASA Washington D.C. Conf. 02/22-02/25/2015 Airport Parking at L.A.X.	\$120.00
27				(KR) Spirit of Westminster Awards Table (FC, MR, TD, JN, AK, NC, KR, RH)	\$300.00
28				(KR) Waste Expo Conf. Las Vegas 06/02-06/04/2015 Registration Fees (FC, JN, MR)	\$2,307.00
29				(KR) Lumber for Improvements on Storage in Shop	\$45.27
30				(KR) Wlarcorn Monthly Svc. MAR-2015	\$383.20
31				KR Grand Total	\$7,178.54
32				(DGe) Uncle Pete's - Food for Board Meeting on 03/03/2015 & 03/17/2015	\$70.74
33				DGe Grand Total	\$70.74
34				(DGr) Lumber & Parts for Improvements on Shop	\$232.18
35				DGr Grand Total	\$232.18
36				(RH) CSMFO Luncheon Registration Fee 02/26/2015 (RH, CE)	\$60.00
37				(RH) Replacement Cell Phone for Safety Supervisor	\$203.26
38				(RH) Remington Monthly Svc MAR-2015	\$64.00
39				(RH) QuickBooks Upgrade 2015	\$949.95
40				(RH) Orange County Register Monthly Svc. MAR-2015	\$39.97
41				RH Grand Total	\$1,317.18
42				(NC) Restock Leather Gloves (2)	\$22.65
43				(NC) Restock Liquid Soap for District	\$20.90
44				(NC) Replacement Front Windshield for T9	\$206.01
45				NC Grand Total	\$249.56
46	7537	4/1	1,083.16	Verizon California - District Office Phones & Lift Stations for March 2015; \$614.02 District Office,	
47				\$156.38 Willow Lift, \$156.38 Westminster Lift, \$156.38 Hammon Lift.	
48	7538	4/1	394.42	Vision Service Plan - Monthly Premium for April 2015	
49			214,361.75	HANDCUT CHECKS SUBTOTAL	
50				REGULAR CHECKS:	
51					
52	7539	4/1	146.90	Neugebauer, Joy - Health Insurance Reimbursement for April 2015	
53	7540	4/1	104.90	Rice, Margie - Health Insurance Reimbursement for April 2015	
54	7541	4/1	157.00	Advanced Workplace Strategies - Random DOT Drug Test	
55	7542	4/1	3,660.66	Bodyworks - Restock (1) Packer Paddle Kit, (2) Plungers, (2) Coils, (1) Coordinator II, (2) Limit Switches	
56	7543	4/1	5,082.64	CR Transfer - Tonnage from 03/01/2015 through 03/15/2015	
57	7544	4/1	2,337.20	Daniel's Tire Service - (13) Recaps for Restock	
58	7545	4/1	471,202.78	DPSI - CNG Fueling Station Project	
59	7546	4/1	8,125.00	ECIS - Fog Inspections for March 2015	
60	7547	4/1	525.00	Frog Environmental - 4th Quarter 2014-2015 Non-Storm Observation	
61	7548	4/1	443.65	G & K Services - Uniform Services for March 2015	
62	7549	4/1	7.23	Hilico Fastener Warehouse - (1) Bolt for T60	
63	7550	4/1	3.49	Hose Man - (2) Red Bushings for Restock	
64	7551	4/1	351.79	Los Alamitos Napa Auto Parts - Restock (9) Hose Ends, (11ft) Hydraulic Hosing, (1) Ball Mount, (1) Pin	
65	7552	4/1	45,060.40	Orange County Sanitation District - Permit Fees for March 2015 (MCSO 5% = \$2,371.60)	
66	7553	4/1	52,672.67	Rainbow Transfer Recycling - Tonnage from 03/01/2015 through 03/15/2015	
67	7554	4/1	903.14	South Coast AQMD - AQMD Fee for FY 2014-2015 for Hammon & Westminster Lift Stations	
68	7555	4/1	1,054.66	TEC of California - (2) Axles & (1) Axle Lock Switch for T57	

69	7556	4/1	54,370.00	Tesco Controls - New SCADA System for Sewer Lift Stations
70	7557	4/1	3,878.31	TGI - (1) Rockwell Differential, (1) Strap Kit, (1) Yoke, & (1) Thru-Shaft w/case for T57
71	7558	4/1	891.62	Tri-Star Industrial Products - (400lbs) Pink Powder (Absorbent)
72	7559	4/1	276.00	Wespac Security Services - Burglar & Fire Alarm Services for January through March 2015
73	7560	4/1	1,890.00	Woodruff, Spradlin & Smart - Legal Services for February 2015
74			\$ 653,145.04	REGULAR CHECKS SUBTOTAL
75				
76				PAYROLL
77		3/17	57,766.65	Payroll - Staff Check # 15741 Taxes & Direct Deposits
78		3/18	1,135.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
79		3/18	550.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
80		3/27	4,969.19	Board of Director's Payroll for the Month of March 2015 Check # 15743 - 15746
81		3/27	396.50	Board of Director's Nationwide Deferred Compensation for March 2015 (100% Paid By Directors)
82		3/31	57,895.48	Payroll - Staff Check # 15747 Taxes & Direct Deposits
83		3/31	1,135.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
84		3/31	550.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
85			\$ 124,397.82	PAYROLL SUBTOTAL
86				
87			\$ 991,904.61	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
88				
				BANK TRANSFERS
		3/18	560,000.00	Transfer Funds from Money Market to Checking Account

A motion was made by Director Neugebauer, seconded by Director Rice to approve the expenditures in the amount of \$991,904.61. The motion was approved by the following 5-0 vote:

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

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that per Board direction he contacted Westminster Memorial to make them aware that the District will have the easement appraised in order to enter into negotiations to sell it to them.

GM Robbins reported that with the recent drought and water restrictions, the District will cut back to washing the trucks every other week instead of every week.

GM Robbins reported that the District's newest diesel solid waste truck, T-65, is in the shop to check to see if a valve head dropped or if it has piston issues.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep could not attend the most recent OCSD meeting so Alternate Director Neugebauer attended in his absence.

Director Neugebauer reported that the OCSD Board approved the Steering Committee's recommendation that OCSD apply for a funding agreement for a grant up to \$450,000 for the Effluent Reuse Study from the U.S. Bureau of Reclamation. They also approved actions necessary to abandon a pump station in Yorba Linda, reviewed, rewrote and approved a resolution for a new purchasing agreement, cancelling out the old one for the purchase of goods, services and public works. An agreement with Costa Mesa Sanitary District was approved for a lending program for the use of an engineer, when needed, for \$66 per hour. Finally, OCSD's General Manager reported that the agency that oversees the quality of ocean water, and for years had required OCSD to use disinfectants to treat the water prior to discharge into the ocean in order to protect marine life, has removed that erroneous requirement because it has been found that the chemicals are more harmful and have a more negative effect on the ocean life. This will save OCSD over \$440,000 per year in the purchase of chemicals.

Report from the City of Westminster Spirit Awards Ceremony

All Midway City Sanitary District Directors attended the Spirit Awards Ceremony and felt that it was a nice event and were proud to see employee Randy Griffith recognized as Employee of the Year.

Report from the City of Westminster Spring Festival

President Cobo reported that the Spring Festival has grown substantially and was happy that attendance was way up from past years.

Director Diep agreed that it was a nice event, is centrally located and geared toward all the segments of the community.

Director Rice stated that the pancake breakfast went over well and also had a high attendance and that she and Directors Neugebauer and Krippner stayed at the booth until 2 P.M.

Director Neugebauer reported that the Directors and staff gave away a large amount of the District's coloring books.

GM Robbins stated that he was surprised at how many residents know the District's drivers by name.

Director of Operations/Safety Nick Castro and Sewer Lead Worker Darrell Grimes were also in attendance with one of the District's new CNG trucks which the children particularly enjoy.

CONSENT CALENDAR

A. Approval to Send Midway City Sanitary District Employees to Inspect the Eight (8) New Solid Waste Trucks Tentatively Scheduled for Delivery June 2015

A motion was made by Director Rice, seconded by Director Neugebauer 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

None

NEW BUSINESS

A. Presentation by Orange County Waste and Recycling Director Dylan Wright

Dylan Wright of Orange County Waste and Recycling stated that his department is responsible for managing and operating the County's disposal system, which includes three active landfills. He gave a brief history of the organization and explained that since 1997 the County has had a partnership with all the cities in Orange County as well as Sanitary Districts. All the waste generated, excluding recyclables, is taken to County landfills for a fixed rate of \$22 per ton. In 2008, another 10 year agreement was negotiated at a rate of \$29.95 per ton and a CPI adjustment was built in so that they would not have to raise rates substantially every ten years. Since 2004 and 2005, the waste generated has decreased by 30% due to recycling and the economy, but the waste disposal agreement rate was predicated on receiving a certain amount of waste. OC Waste and Recycling has entered into waste importation agreements to pay down bankruptcy debt and to help pay for major capital expansion projects without raising rates. With the passage of AB26 and AB1594 the County will not receive diversion credit for processed green material after 2020. The County's current landfill was estimated for closure due to full capacity in 2067 but has now been moved to after the turn of the century due to diversion.

Mr. Wright explained the terms of the amendment which will extend importation, stabilize rates, repay debt and continue the partnership to 2025.

B. Discussion and Consideration of Amendment of Waste Disposal Agreement (WDA) with Orange County Waste and Recycling (OCW&R)

A motion was made by Director Neugebauer, seconded by Director Rice to approve the amendment of the Waste Disposal Agreement with Orange County Waste and Recycling in order to provide stable rates for residents and businesses. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. RESOLUTION NO. 2015-02

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA APPROVING AN AMENDMENT TO THE 2009 WASTE DISPOSAL AGREEMENT WITH THE COUNTY OF ORANGE

A motion was made by Director Neugebauer, seconded by Director Rice to adopt Resolution No. 2015-02. The motion was approved by the following 5-0 roll call vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider Sponsorship of the City of Westminster's 2015 Summer Concerts in the Park Summer Series

A motion was made by Director Diep, seconded by Director Neugebauer to approve sponsorship of the City of Westminster's 2015 Summer Concerts in the Park Summer Series at the \$1,200 level. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Neugebauer and Rice

NAYS: Krippner

ABSTAIN:

ABSENT:

E. Consider Proposals to Provide an Updated Valuation Report of Other Post Employment Benefits (OPEB) as Required by Governmental Accounting Standards Board (GASB) Statement No. 45

GM Robbins stated that the District is required by State law to have OPEB actuarials done every two years. The District has received three bids for the Board to consider and has funded its OPEB obligations and CalPERS retirement.

Finance/HR Director Housley stated that all three firms are qualified to do the District's actuarial report.

There was discussion by the Board as to whether a final presentation to explain the valuation report was needed or not.

A motion was made by Director Rice, seconded by Director Neugebauer to approve the agreement with Total Compensation Systems for a total cost of \$4,500 which includes a final presentation to the Board. The motion was approved by the following 4-0-1-0 vote:

AYES: Cobo, Diep, Neugebauer and Rice

NAYS:

ABSTAIN: Krippner

ABSENT:

F. Consider Approval of Amendment to Memorandum of Understanding with American Federation of State, County and Municipal Employees (AFSCME), Local 1734 to Provide Dental Insurance through Special District Risk Management Authority's (SDRMA) Delta Dental High Plan

GM Robbins stated that the District can receive better dental benefits and at a lower cost through SDRMA's Delta Dental High Plan than it is currently receiving through MetLife. The Board previously directed staff to present the plan to the District's employees and the union who unanimously voted for SDRMA's Delta Dental High Plan.

A motion was made by Director Diep, seconded by Director Krippner to approve the amendment to the Memorandum of Understanding with American Federation of State, County and Municipal Employees Local 1734 to provide dental insurance through Special District Risk Management Authority's Delta Dental High Plan. The motion was approved by the following 4-1 vote:

AYES: Cobo, Diep, Krippner, and Neugebauer

NAYS: Rice

ABSTAIN:

ABSENT:

G. RESOLUTION NO. 2015-03

(Roll Call Vote)

RESOLUTION NO. 2015-03 OF THE (GOVERNING BODY) OF MIDWAY CITY SANITARY DISTRICT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM

A motion was made by Director Diep, seconded by Director Neugebauer to adopt Resolution No. 2015-03. The motion was approved by the following 4-1 roll call vote:

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

Director Diep stepped out of the meeting at 6:00 P.M.

H. Evaluate and Consider Prepayment or Refunding of the Midway City Sanitary District's 2015 Certificates of Participation

A motion was made by Director Rice, seconded by Director Neugebauer to direct staff to bring back formal paperwork for action by the Board to prepay the Midway City Sanitary District's 2015 Certificates of Participation, saving the District approximately \$806,000. The motion was approved by the following 4-0-0-1 vote:

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

Director Diep returned to the meeting at 6:05 P.M.

I. Consider Approval of Change Order to the Compressed Natural Gas (CNG) Fueling Station Project for Conversion of the Remaining Electrical to the New Southern California Edison Required System

GM Robbins explained that the District is on two different electrical systems and now that the CNG fueling station is being built, needs to be converted in order to have everything on the same system and up to code while making the District property safe.

A motion was made by Director Rice, seconded by Director Diep to approve the change order to the compressed natural gas fueling station project for conversion of the remaining electrical to the new Southern California Edison required system. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

J. Discussion on Promoting the Midway City Sanitary District's Message to the Residents and Businesses within its Jurisdiction

GM Robbins stated that during the District's website review, there was discussion as to whether the District has an English only policy. Staff was able to find Board meeting minutes from 2006 which state that the refuse containers would be English only.

Director Diep stated that he feels that once in a while certain items should be translated if it would be beneficial to the District's operations.

Director Krippner stated that he feels that the District's message needs to be communicated to its residents.

Director Rice stated that it would be very expensive to do the calendar in three languages.

Director Neugebauer stated that there have never been any complaints about the calendar and that if anyone wanted to bring a particular item onto the agenda as an action item in the future for the Board to consider they could.

President Cobo stated that the community needs to be educated and he does not want to discriminate.

A motion was made by Director Neugebauer, seconded by Director Rice to receive and file the information. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Neugebauer and Rice

NAYS: Krippner

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Review of Notice from County of Orange Regarding the County's CPI Increase of Disposal Fees at County Landfills Effective July 1, 2015

B. LAFCO Notice of Public Hearing to Consider Proposed Budget for Fiscal Year 2015-2016

A motion was made by Director Diep, seconded by Director Rice to receive and file the informational items. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

Director Krippner stated that the Board should take the information items individually.

Director Neugebauer stated that she already voted to receive and file both items.

A. Review of Notice from County of Orange Regarding the County's CPI Increase of Disposal Fees at County Landfills Effective July 1, 2015

A motion was made by Director Diep, seconded by Director Rice to receive and file informational item A. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. LAFCO Notice of Public Hearing to Consider Proposed Budget for Fiscal Year 2015-2016

A motion was made by Director Diep, seconded by Director Rice to receive and file informational item B. 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 thanked Ron Hankle for helping to update beneficiaries for the District's employees' life insurance.

Director Rice stated her concern with the Delta Dental insurance since she already has Delta Dental through the City of Westminster.

Director Rice stated that she has received a lot of calls regarding the mistakes on the calendar, including Easter Sunday, and that when it comes to choosing a printer this year, the committee should consider using a new printer.

Director Neugebauer stated that she was sad to receive the call from District General Counsel Tom Nixon informing her that he would be retiring on July 31, 2015, but was very happy for him.

President Cobo stated that staff should bring back an item to discuss and consider the District's legal counsel after Tom Nixon's departure from the firm.

Director Neugebauer stated that Legal Counsel Nixon should be invited to the District's Administrative Professionals Day luncheon as the guest of honor.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that a representative from Delta Dental would be coming to the District to speak with employees on Wednesday, April 15, 2015 at noon.

GM Robbins stated that the District ran out of the promotional can lids and would need to order more.

GM Robbins stated that he is receiving information from the City of Westminster regarding Signal Hill Petroleum and conditional permits to protect sewer lines and private sewer laterals during exploratory work and would keep the Board informed of any news.

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, April 14, 2015 at the District office at 5:00 P.M. at approximately 6:45 P.M.


A. Krippner, Secretary