

**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**

**May 5, 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, May 5, 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  
Joseph Larsen, Labor Counsel (arrived at 5:22pm)

**PLEDGE AND INVOCATION**

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

**PUBLIC COMMENTS**

None

## APPROVAL OF THE REVISED MINUTES OF THE MEETING OF APRIL 7, 2015

A motion was made by Director Rice, seconded by Director Neugebauer to approve the revised minutes of the meeting of April 7, 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 MEETING OF APRIL 21, 2015

Director Neugebauer stated that, on page nine under Board Concerns, she had suggested, and the Board agreed, that the District add the definition of a public works project to its purchasing policy and she would like the minutes to reflect that request.

A motion was made by Director Neugebauer, seconded by Director Rice to approve the amended minutes of the meeting of April 21, 2015. The motion was approved by the following 4-1 vote:

AYES: Cobo, Krippner, Neugebauer, and Rice

NAYS:

ABSTAIN: Diep

ABSENT:

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$ 757,990.93

| #  | CK # | Date | AMOUNT    | VENDOR  |
|----|------|------|-----------|---|
| 1  |      |      |           | HANDCUT CHECKS:   |
| 2  | 7585 | 4/22 | 159.92    | AT&T - Brookhurst Lift Station Service for April 2015   |
| 3  | 7586 | 4/22 | 2,550.00  | CalPERS Fiscal Services - Fees for GASB-68 Reports & Schedules  |
| 4  | 7587 | 4/22 | 41,915.62 | CalPERS Health Premium - Healthcare Premium for May 2015  |
| 5  | 7588 | 4/22 | 40.00     | City of Westminster - Hydrant Meter Water Usage for March 2015  |
| 6  | 7589 | 4/22 | 56.03     | The Gas Company - District Office & Maintenance Yard Fees for April 2015                              |
| 7  | 7590 | 5/1  | 4,906.21  | CalPERS Retirement - Retirement Contributions for April 2015  |
| 8  | 7591 | 5/1  | 3,382.29  | SDRMA Delta Dental - Dental Insurance Premium for May 2015  |
| 9  | 7592 | 5/1  | 1,711.86  | Southern California Edison - Archives & Parking Garage \$81.79, District Office \$322.43,             |
| 10 |      |      |           | Maintenance Shop \$262.16, Brookhurst Lift Station \$87.73, Westminster Lift Station \$384.03,        |
| 11 |      |      |           | Willow Lift Station \$140.21, Hammon Lift Station \$433.51.   |
| 12 | 7593 | 5/1  | 866.80    | The Standard Life Insurance - Premium Coverage for April 2015   |
| 13 | 7594 | 5/1  | 1,041.66  | Verizon California - District Office Phones & Lift Stations for April 2015; \$573.93 District Office, |
| 14 |      |      |           | \$155.91 Willow Lift, \$155.91 Westminster Lift, \$155.91 Hammon Lift.                                |
| 15 | 7595 | 5/1  | 394.42    | Vision Service Plan - Monthly Premium for May 2015  |

|    |      |     |                      |  |
|----|------|-----|----------------------|--|
| 16 | 7596 | 5/1 | 175.00               | Westminster Prayer Breakfast Committee - Westminster Prayer Breakfast May 7, 2015                                    |
| 17 | 7597 | 5/1 | 304.84               | First Bankcard (NC) - Restock District Kitchen Supplies for April 2015   |
| 18 |      |     | <b>57,504.65</b>     | <b>HANDCUT CHECKS SUBTOTAL</b>   |
| 19 |      |     |                      |  |
| 20 |      |     |                      | <b>REGULAR CHECKS:</b>   |
| 21 | 7598 | 5/1 | 146.90               | Neugebauer, Joy - Health Insurance Reimbursement for May 2015  |
| 22 | 7599 | 5/1 | 104.90               | Rice, Margle - Health Insurance Reimbursement for May 2015   |
| 23 | 7600 | 5/1 | 2,538.41             | Bodyworks - Restock (2) Coils; (2) Coils, (1) Lug Latch Pin, (1) Collar, (1) Pin for T57; (1) In/Out Section for T55 |
| 24 | 7601 | 5/1 | 150.00               | CRC Cloud - QuickBooks 2015 Upgrade  |
| 25 | 7602 | 5/1 | 3,528.74             | CR Transfer - Tonnage from 04/01/2015 through 04/15/2015   |
| 26 | 7603 | 5/1 | 522.03               | Dartco Transmission - Restock (8) High Capacity Filter Kits  |
| 27 | 7604 | 5/1 | 610,872.88           | DPSI - CNG Fueling Station Project   |
| 28 | 7605 | 5/1 | 595.00               | Environmental Outsource, Inc. - Forklift Operator Safety Training  |
| 29 | 7606 | 5/1 | 5,317.25             | Flo-Services, Inc. - Preventative Maintenance for April 2015   |
| 30 | 7607 | 5/1 | 150.00               | Four Pals, Inc. - Backflow Testing   |
| 31 | 7608 | 5/1 | 290.10               | G & K Services - Uniform Services for April 2015   |
| 32 | 7609 | 5/1 | 49.46                | Hillco Fastener Warehouse - (10) Female & (10) Male Weather pack Terminals, (1) Weather pack                         |
| 33 |      |     |                      | Removal Tool, (6) Female & (6) Male Connector Shells for Restock   |
| 34 | 7610 | 5/1 | 1,334.85             | Ironman Parts - D.P.F. Filter Cleaning for M63 & M64; Level 2 D.P.F. Filter Cleaning for T62                         |
| 35 | 7611 | 5/1 | 2,120.98             | Los Alamitos Napa Auto Parts - Restock (8) Hose Ends, (4) Gripper Kits, (4) Brake Drums, (40) Bulbs, (3)             |
| 36 |      |     |                      | Light Assembly, (6) Alarms, (24) 14oz Brakleen.  |
| 37 | 7612 | 5/1 | 319.55               | Proforma Solutions - (525) FOG Lids with District Logo   |
| 38 | 7613 | 5/1 | 1,898.44             | Ray Gaskin Service - (2) Heil Grip Exchange, (1) Heil Arm Rise Exchange, (1) Heil Dump Exchange,                     |
| 39 |      |     |                      | (1) Heil RR Packer Exchange  |
| 40 | 7614 | 5/1 | 1,838.28             | Rufan & Tucker, LLP - Legal Services for March 2015  |
| 41 | 7615 | 5/1 | 1,632.00             | State Water Resources Control Board - Annual Permit Fee for 04/01/2015 - 03/31/2016                                  |
| 42 | 7616 | 5/1 | 609.31               | TEC of California - Restock (32) Lubricant and (1) Air Filter  |
| 43 | 7617 | 5/1 | 2,047.50             | Woodruff, Spradlin & Smart - Legal Services for March 2015   |
| 44 |      |     | <b>\$ 636,066.58</b> | <b>REGULAR CHECKS SUBTOTAL</b>   |
| 45 |      |     |                      |  |
| 46 |      |     |                      | <b>PAYROLL</b>   |
| 47 | 4/24 |     | 4,969.19             | Board of Director's Payroll for the Month of April 2015 Check # 15752 - 15755  |
| 48 | 4/24 |     | 396.50               | Board of Director's Nationwide Deferred Compensation for April 2015 (100% Paid By Directors)                         |
| 49 | 4/28 |     | 57,369.01            | Payroll - Staff Check # 15756 - 15757 Taxes & Direct Deposits  |
| 50 | 4/28 |     | 1,135.00             | Payroll - Nationwide Deferred Compensation (100% Paid By Employees)  |
| 51 | 4/28 |     | 550.00               | Payroll - Nationwide Deferred Compensation (100% Paid By Employees)  |
| 52 |      |     | <b>\$ 64,419.70</b>  | <b>PAYROLL SUBTOTAL</b>  |
| 53 |      |     |                      |  |
| 54 |      |     | <b>\$ 757,990.93</b> | <b>TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)</b>  |

A motion was made by Director Diep, seconded by Director Neugebauer to approve the expenditures in the amount of \$ 757,990.93. 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 stated that the Orange County Water Summit is next Friday, May 15, 2015 and that Finance/HR Director Housley would be attending in his place since he would be returning late that afternoon from the CNG truck inspection at the Heil plant in Tennessee. He stated that he feels it will be an interesting meeting due to the recent drought and with discussions on desalination, ever-changing legislation, reports from the Governor, and possibly the groundwater contamination in Fullerton, CA.

GM Robbins stated that he asked President Cobo to set up a meeting with City Councilmember Sergio Contreras to further discuss the City's abandoned item problem.

GM Robbins reported that on Saturday, May 9, 2015, the District would be holding Driver Safety Training at the District headquarters which will include classroom exercises, an obstacle course and pre-trip inspection.

### **Report from Orange County Sanitation District Meeting (OCSD)**

Director Diep reported that on Thursday, May 7, 2015, OCSD would be offering optional AB1234 Ethics Training for himself and Director Neugebauer, as the Alternate Representative, if they wished to attend.

### **Report from the Administrative Professionals Day Luncheon**

President Cobo stated that he was very happy to spend time together with the District's administrative staff. He wanted to make sure that staff knows that the Directors appreciate everything that they do.

Director Krippner agreed with President Cobo and stated that he enjoyed the luncheon.

Director Rice stated that she also enjoyed the luncheon with District staff and that the food was very good. She was sorry that General Counsel Nixon was not able to attend.

Director Neugebauer stated that it was good to meet with staff in a less formal setting and that it gave the Board an opportunity to express their thanks to staff for all the efforts that go into running the District.

### **Report from the ISDOC Quarterly Meeting**

Director Rice stated that it was an interesting meeting with the main speech on the history of baseball. There was a video on Costa Mesa Sanitary District and Director Rice asked why they can afford to have a Sharp's recycling program and MCSD cannot.

Director Krippner agreed that the speech on baseball was good and long.

GM Robbins stated that he inquired about the sharps recycling program and will be getting more information. Costa Mesa Sanitary District has a private company that comes out to handle it and it must be done house to house. The company must dispose of the sharps properly because the District will be responsible for them forever. There is a huge liability for hazardous waste for hazardous waste lifespan. The District has been using the County's household hazardous waste center so that the County is responsible. AB45 is currently being pushed around in legislation and if passed, it will force waste haulers to pick up and report hazardous waste, and will be very expensive.

Director Rice stated that the Board should send letters to Legislators stating that the Board of Directors of Midway City do not support AB45.

Director Neugebauer stated she was surprised that Chris Epting who is a local historian, spoke about the history of baseball, but she pointed out that he was able to generate more questions and interest by speaking on that subject.

President Cobo stated that the key was that the speaker had done his homework and that it was impressive.

### **Report from the City of Westminster's Mayor's Ball**

Director Rice stated that the Mayor's Ball was great, in fact the best this Mayor has had, that the food was good and that attendees were able to go over to the theater for entertainment which was also outstanding. Mayor Tri Ta recognized all of the City's past mayors of which she was the only one in attendance.

President Cobo stated that Mayor Tri Ta's mother read a poem about mothers and mother's day and dedicated it to Director Rice.

Director Neugebauer stated that she had planned to attend but that she had last minute guests arrive and was not able to.

Labor Counsel, Joseph Larsen arrived at 5:22 P.M.

## **CONSENT CALENDAR**

A. Approval of Attendance for the Midway City Sanitary District Sewer Crew at the 25<sup>th</sup> Collections Training Seminar on Wednesday and Thursday, July 29 & 30, 2015

B. Approval of Attendance for Director of Operations/Safety to Attend a Three Day Target Solutions Training November 2-4, 2015 in San Diego, CA

A motion was made by Director Rice, seconded by Director Diep 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. Discussion and Approval of Conditions and Letter to the City of Westminster Requesting Additional Conditions be Added to the Encroachment Permit for Proposed Geophysical Survey by Signal Hill Petroleum

Director Neugebauer stated that she felt that Midway City Sanitary District should be added to the second bullet on the list of conditions in order to be reimbursed for any expenses as well as the City of Westminster. She also suggested adding President Cobo's signature to the letter to the City along with GM Robbins' signature.

A motion was made by Director Neugebauer, seconded by Director Krippner to approve the amended conditions and letter for the encroachment permit for proposed geophysical survey by Signal Hill Petroleum, as recommended. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

## **NEW BUSINESS**

### **A. Consider Approval of Notice of Prepayment for CSDA Finance Corporation Certificates of Participation (California Special Districts Finance Program) 2005 Series SS**

GM Robbins stated that the District originally entered into the COP agreement in 2005 in order to upgrade the District's sewer system and lift stations. The Board directed staff to provide pay off information at the earliest opportunity in order to payoff that loan off with District reserves and in order to save money on the interest. GM Robbins stated that, if approved by the Board, there would be one last regular payment in July and then the final payment to pay off the COP's would be on August 1, 2015 for \$5.1 million.

Director Neugebauer stated that the word "cash" should be changed to "reserves" on the letter to the Bank of New York Mellon Trust Company from the District and the Board agreed.

A motion was made by Director Rice, seconded by Director Neugebauer to approve the notice of prepayment for CSDA Finance Corporation 2005 Series SS Certificates of Participation and approve the amended letter. The motion was approved by the following 5-0 vote:

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

**NAYS:**

**ABSTAIN:**

**ABSENT:**

### **B. Fiscal Year 2014-2015 Third Quarter Financial Reports and Budget Review for the Period of July 1, 2014 through March 31, 2015**

Finance/HR Director Housley stated that the District is fiscally very healthy.

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

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

**NAYS:**

**ABSTAIN:**

**ABSENT:**

C. Review the Midway City Sanitary District's Reserves and Consider Transferring and Reallocating Funds into the Districts Reserve Accounts

GM Robbins stated that staff did a study of the District's reserves and noted needed adjustments. GM Robbins and Finance/HR Director Housley worked together to put numbers together that they feel will work for the District.

Finance/HR Director Housley stated that he and GM Robbins analyzed the reserve accounts taking into account future projects and the 2015-2016 annual budget and put together some recommendations for the Board to consider.

A motion was made by Director Rice, seconded by Director Diep to approve the transfer and allocation of funds into the Districts reserve accounts as recommended by staff. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

**INFORMATIONAL ITEMS**

None

President Cobo called for a five minute recess at 5:45 P.M.

President Cobo called the meeting back to order at 5:56 P.M. and convened the meeting to closed session at 5:56 P.M. pursuant to Government Code Section 54957.6.

**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.

A. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6) Agency Designated Representatives: General Manager Robbins, Finance Director Housley and Labor Counsel Joseph Larsen, Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01



President Cobo reconvened the meeting at 6:53 P.M.

General Counsel Tom Nixon stated that there was no reportable action taken due to the closed session.

A motion was made by Director Rice, seconded by Director Neugebauer to schedule a meeting for labor negotiations on Tuesday, May 12, 2015 at 4:30 P.M. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

#### **BOARD CONCERNS/COMMENTS**

There were no Board concerns.

#### **GM/STAFF CONCERNS/COMMENTS**

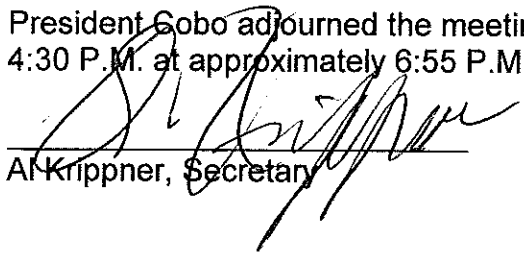
None

#### **GENERAL COUNSEL CONCERNS/COMMENTS**

General Counsel Nixon stated that he would not be able to attend the meeting on Tuesday, May 12, 2015.

#### **ADJOURNMENT**

President Cobo adjourned the meeting to Tuesday, May 12, 2015 at the District office at 4:30 P.M. at approximately 6:55 P.M.

  
\_\_\_\_\_  
Al Krippner, Secretary