

**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 19, 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 19, 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  
Sue Gordon, Rainbow Environmental  
George Lazaruk, CR&R Environmental  
Joe Mathewson, V.P., DPSI  
Sean Culp, On Site Project Manager, DPSI  
Jim Edwards, DPSI

**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 MAY 5, 2015

A motion was made by Director Rice, seconded by Director Neugebauer to approve the minutes of the meeting of May 5, 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 MAY 12, 2015

A motion was made by Director Neugebauer, seconded by Director Rice to approve the minutes of the meeting of May 12, 2015. 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 \$ 169,536.37

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	768	5/7	339.93	AT&T Mobility - Service for April 2015: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,	
3				Sewer 714-310-8654, Emergency 714-310-9004.	
4	7619	5/7	1,155.79	Chevron & Texaco Bus. Card Svcs. - Gasoline Purchases for April 2015	
5	7620	5/7	108.81	DirecTV - Service for May 2015	
6	7621	5/7	582.22	Office Max - Restock District Offices Supplies for April 2015	
7	7622	5/7	3,466.30	US Bank- (KR) Table Top Luncheon (FC, MR, JN, TD, AK, KR)	\$150.00
8				(KR) WiFi Adaptor for District Laptop	\$75.59
9				(KR) ISDOC Qtrly Luncheon 04/30/2015 (MR, JN, FC, AK, TD, KR, RH)	\$119.00
10				(KR) 2015 Westminster Mayor's Ball (MR, JN, AK, TD, FC, KR)	\$332.00
11				(KR) Board Meeting Food for 4/21/2015 (FC, MR, JN)	\$29.00
12				(KR) Wlarcam Monthly Service APR-2015	\$383.20
13					<b>KR Grand Total \$1,088.79</b>
14				(DGe) Board Meeting Food for 4/07/2015 & 4/14/2015 Meetings	\$76.14
15					<b>DGe Grand Total \$76.14</b>

16		(RH) City of Westminster Water - District Offices - 1/21-03/17/2015	\$97.74
17		(RH) City of Westminster Water - Maint. Shop - 1/21-03/17/2015	\$14.33
18		(RH) City of Westminster Water - Wash Rack - 1/21-03/17/2015	\$104.07
19		(RH) Remington Monthly Service APR-2015	\$64.00
20		(RH) CSMFO Luncheon 4/09/2015 (RH, CE)	\$60.00
21		(RH) Ricoh Copier Service & Replacement Toner	\$455.89
22		(RH) City of Westminster Water - Westminster Lift Station - 2/11-04/07/2015	\$14.33
23		(RH) Hotel Refund from CSMFO Conf. Monterey Bay, CA 2/18-02/20/2015 (RH)	-\$179.00
24			<b>RH Grand Total \$631.36</b>
25		(NC) Employee Luncheon Spirit Award (RG) & 30 Year Dedicated Service (JS) 03/25/2015 Rosie's BBQ	\$571.29
26		(NC) Lunch Spring Festival 03/28/2015 (NC, DGr, KR, JN)	\$21.55
27		(NC) Heavy Duty Dash Fan (T56, T57, T59, Restock)	\$100.80
28		(NC) (4) Starting Fluid for M63	\$16.37
29		(NC) Bendix Brake Training 8/18-8/20/2015 (RM, ML)	\$600.00
30		(NC) Replace Catalytic Converter M1	\$260.00
31		(NC) Smog Test for M2 & M4	\$100.00
32			<b>NC Grand Total \$1,670.01</b>
33	7623 5/13	4,906.21 CalPERS Retirement - Retirement Contributions for May 2015	
34	7624 5/13	438.04 Verizon Business - Internet Connection for SCADA System for May 2015	
35		<b>10,997.30 HANDCUT CHECKS SUBTOTAL</b>	
36			
37		<b>REGULAR CHECKS:</b>	
38	7625 5/13	60.00 Advanced Gas Products - Cylinder Rental for April 2015	
39	7626 5/13	956.12 Bodyworks - Restock (1) Cylinder Mount Bracket and (3) Cushion Kits	
40	7627 5/13	727.00 CRC Cloud - Maintenance & Support for May 2015	
41	7628 5/13	3,679.21 CR Transfer - Tonnage from 04/16/2015 through 04/30/2015	
42	7629 5/13	290.10 G & K Services - Uniform Services for April & May 2015	
43	7630 5/13	550.14 Hillco Fastener Warehouse - (60) Female & (60) Male Weather pack Terminals, (50) Weather pack Seals,	
44		(200) Nylon Ties for Restock	
45	7631 5/13	1,154.85 Ironman Parts - D.P.F. Filter Cleaning for T65, T60, T61	
46	7632 5/13	2,742.17 Los Alamitos Napa Auto Parts - Restock (4) Brake Drums, (6) Air Hose Couplers, (2) Fittings, (4) Grip Kits,	
47		(5) Oil Filters, (1) Oil Filter Cap, (50ft) Hydraulic Hosing, (10) Hose Ends, (1) Exhaust Cap	
48	7633 5/13	6,916.00 Orange County Sanitation District - Permit Fees for April 2015 (MCSD 5% = \$364.00)	
49	7634 5/13	485.26 Plumber's Depot - (1) Vactor Joystick Control for M63	
50	7635 5/13	60,508.93 Rainbow Transfer Recycling - Tonnage from 04/16/2015 through 04/30/2015	
51	7636 5/13	1,826.45 Rainbow Transfer Recycling - CNG Fuel Purchases for April 2015	
52	7637 5/13	12,052.16 Rainbow Transfer Recycling - Diesel Purchases for April 2015	
53	7638 5/13	172.80 Reyes Alternators - (1) New Starter for T4	
54	7639 5/13	5,498.87 Rush Truck Center - Engine Repairs for T65	
55	7640 5/13	976.91 RWC Group - (3) Primary, (3) Secondary, & (3) Gas Filters for Restock and NG1	
56	7641 5/13	309.00 Scott Harrison Plumbing & Heating - Service & Repair District Men's Restroom Vacuum Breaker Flush Valve	
57	7642 5/13	36.40 TEC of California - Restock (1) Air Filter	
58	7643 5/13	19.50 Underground Service Alert - (13) New Tickets for April 2015	
59		<b>\$ 98,961.87 REGULAR CHECKS SUBTOTAL</b>	
60			

61			<b>PAYROLL</b>
62	5/12	57,827.20	Payroll - Staff Check # 15759 Taxes & Direct Deposits
63	5/12	1,200.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
64	5/12	550.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
65		\$ 59,577.20	<b>PAYROLL SUBTOTAL</b>
66			
67		\$ 169,536.37	<b>TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)</b>
68			
			<b>BANK TRANSFERS</b>
	4/30	2,760,000.00	Transfer Funds from Money Market to Checking Account
	5/1	2,000,000.00	Transfer Funds from Checking Account to LAIF

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 169,536.37. 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 he and Director of Operations/Safety Nick Castro went to Tennessee to visit the Heil plant in order to inspect the District's new CNG trucks. One truck was completed in order to make any necessary changes and the remaining seven are ready for the assembly line. GM Robbins stated that it was an educational trip, everything looked good and is going according to plan, and the new trucks should be delivered to the District in July as planned. GM Robbins stated he would like to do a couple of collage books in order to show the District's conversion to CNG – one for the District and one for the Westminster Historical Museum.

GM Robbins stated that on Thursday, May 21, 2015 the District would participate in the 2015 Surf Quake which is an exercise that simulates a 7.5 earthquake on the Newport/Inglewood fault line. The exercise is specifically for the sewer crew in order to simulate what would happen and how the District's sewer crew would respond in an emergency. GM Robbins stated that he would be reporting the results of the exercise to the Board.

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

Director Diep reported that last week he attended the OCSD Administration Committee meeting at which the Board authorized staff to once again purchase earthquake insurance in case of a natural disaster.

### **Report from District Franchisee – Rainbow/CR&R Environmental Tonnage & Financial Reports**

Sue Gordon presented the Board and the District with a Sustainable Business Award in honor of Earth Day due to all the great efforts by the District to improve recycling.

She stated that she would be reporting on the District's diversion rate, public outreach efforts by Rainbow Environmental and financial reports for the first quarter of 2015.

Sue Gordon reported that the District is at an overall rate of 53%, up 2% from the last quarter in 2014. The increase is largely due to the strike at the Long Beach port which has been resolved. Rainbow was able to find only one paper mill within the state of California to send their paper product to during the strike.

Director Rice stated that the commercial sector is still pulling the Districts total numbers down and that Rainbow needs to do something about it.

Sue Gordon stated that she had good news and that Rainbow has hired six salespeople who are going to be going out and working on source separation with the businesses in Westminster and Midway City in order to reduce contamination and bring commercial recycling rates up. Sue Gordon stated that Rainbow is going to be doing more work with regard to food waste in the future as well.

Sue Gordon reported that public outreach events that Rainbow attended were the City of Westminster's Mayor's Ball, the Mayor's luncheon and Rainbow hosted the Spirit Awards.

Sue Gordon provided the Board with the first quarter financial reports and asked the Board if they had any questions. There were none.

### **Report from the City of Westminster's Mayor's Prayer Breakfast**

Director Rice stated that there was a good turnout and a very nice event and that the speaker and the food was good. She noticed that there were no legislators or other local mayors except her in attendance.

President Cobo stated that past mayors usually attend this event and that he also noticed that none were in attendance.

Director Neugebauer stated that she agreed with everyone's comments and that it was a great way to start the day.

Director Diep, GM Robbins and Finance Director Housley also attended.

### **Report from the Franchise Committee Meeting**

Director Rice stated that it was a social luncheon and no business was discussed.

Director Neugebauer stated that she didn't consider it anything but a social visit. She stated that she has known Ron Shenkman for about 45 years and that it was nice to just visit and reminisce about past events and not talk about business.

### **Report from the Orange County Water Summit**

President Cobo reported that the Orange County Water Summit was a good event and that they spoke about the newly redesigned port of Long Beach which will cost approximately \$1.3 billion but will produce about 30,000 jobs to the area.

Director Neugebauer stated that it was the 8<sup>th</sup> Annual Orange County Water Summit sponsored by the Orange County Water District and that it was very interesting and a day well spent. The event was divided into 4 sessions – the Mother of Necessity, What Happens in California Doesn't Stay in California, Ocean Desalination: Moving in the Right Direction, The City of the Future and the luncheon session was entitled A Tale of Three Cities. Director Neugebauer stated that most interesting part is the people that you get to interface with and that share similar concerns. The City of Westminster was represented by Water Superintendant Scott Miller and Council Woman Diane Carey.

Director Rice stated that she learned that there are still 82,000 farms left in California and that 91% of them are family owned.

Finance/HR Director Housley stated that it was very informative and covered everything including the drought, desalination, the Delta, the cyclical events causing the current events and the many solutions to the State's water problems.

Director Krippner also attended the event and stated that Directors Neugebauer, Rice and Cobo covered the information well.

### **CONSENT CALENDAR**

#### **A. Investment Report for April 2015**

A motion was made by Director Diep, 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. Update on Midway City Sanitary District's Compressed Natural Gas (CNG) Fueling Station Project by Diversified Project Services International (DPSI)**

Joe Mathewson, Vice President of Operations for DPSI International, introduced himself to the Board as well as Sean Culp, the onsite project manager and stated that together they have been working through the District's CNG fueling station project in order to make it a first class state of the art facility. He provided a slide show to the Board in order to show the progress and update them on the District's CNG fueling station project. He stated the mission of the project, the primary scope of work done, the new facility and its benefits. He provided construction photos and went over the milestones per the current schedule. Due to the 51 day delay by Southern California Edison the new estimated completion date is June 19, 2015, with June 30, 2015 as the anticipated startup date. Mr. Mathewson suggested a joint celebration event with a date to be determined upon completion and to be sponsored by DPSI and the other principals as a joint effort on the project in order to thank the District for the job and in order for the District to showcase the model project.

Director Neugebauer stated that she felt that their wanting to host the event is great but that the agenda and program for that event should be the responsibility of the District.

Mr. Mathewson stated that it was his intent that it would be in coordination with the District's program and he and the other principals on the project would like to financially sponsor it by providing the food and entertainment, but at the Board's direction and guidance.

Directors Rice, Neugebauer and Cobo were happy with the presentation.

No action was taken.

### **B. Revisions to Purchasing Policy and Procedures to Clarify Application of Prevailing Wage Law to District Contracts**

General Counsel Tom Nixon stated that before the Board was a proposed amendment of the District's purchasing policies and procedures with regard to the new prevailing wage laws. At the last meeting of the Board of Directors, Director Neugebauer had raised a question about the definition of public works projects in the Districts purchasing policy on prevailing wage requirements as a result of an article in the Special Districts magazine. He stated that it is important to recognize that there is a difference in the definition of public works projects for purposes of the public bidding statute and for

purposes of prevailing wage law. The article in the magazine was on prevailing wage requirements. Under the California Public Contract code it provides a definition for public works projects for sanitary districts for purposes of bidding and the bidding process. That definition is the definition that is used in the District's purchasing policy because it defines the purchasing policy and the process for procuring contracts. The contract code does not require public bidding for routine maintenance or repair. Aside from that is the issue of prevailing wage and when that must be paid and the California Labor Code provides separate and different definitions of public works. That definition was in the magazine and requires payment of prevailing wages for routine maintenance and repair work. In order to address the issue raised by Director Neugebauer and to assist District staff on the prevailing wage issue, General Counsel Nixon stated that he proposed additional language to be incorporated into the District's purchasing policy.

Finance/HR Director Housley stated that it is difficult to determine whether a job is prevailing wage or not and staff may need to consult with legal counsel to determine whether future jobs are prevailing wage or not.

Director Neugebauer stated that her concern and reason for bringing up the article regarding SB854 was that it stated that every public works project over \$1,000 has to be reported to the State and her concern is that she does not want the District to be cited for failing to report any such jobs. She asked that the additional language, "properly reported per SB854", be added to address the reporting of prevailing wage jobs in the District's purchasing policies and procedures.

General Counsel Nixon confirmed that the reporting requirements have been phased in and the mandatory requirements began on March 1, 2015.

A motion was made by Director Neugebauer, seconded by Director Krippner to approve the revisions to the District's purchasing policies and procedures, with language added regarding SB854 compliance. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

## **INFORMATIONAL ITEMS**

### **A. Web Site Activity for the Month of April 2015 (77,826 Successful Hits)**

No action was taken.



President Cobo convened the meeting to closed session at 6:03 P.M. pursuant to Government Code Section 54957.6 and 54957 (b).

## **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

B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957 (b)) Title: General Counsel

Director Diep left the meeting at 6:18 P.M.

President Cobo reconvened the meeting at 6:29 P.M.

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

## **BOARD CONCERNS/COMMENTS**

Director Neugebauer stated that since the City of Westminster did not ask the District to participate in the earthquake exercise, and since Westminster is where the District should be involved because that is where the requests for help are going to come from in case of an emergency, she would like an agenda item in order for the Board to address the benefit of going with the County of Orange versus the City of Westminster with regard to the earthquake drill.

GM Robbins stated that the District belongs to the Water Emergency Response Organization of Orange County (WEROC) program, along with all the other water

agencies within the County, the Sheriff's Department and Westminster Water Department. Westminster has not invited the District to be part of the Emergency Operations Center (EOC). The last meeting they had was about 5-6 months ago and Chief Baker, City Manager Eddie Manfro and Sergeant Kingsmill called GM Robbins to let him know that the District would be at the next meeting and that the City of Westminster is getting a grant for emergency preparedness. It is a County wide program and anyone who wants to be involved can be involved.

Director Neugebauer stated that this is a very important issue.

GM Robbins stated that there has been no training at the City of Westminster for years but he would add discussion of the District's emergency action plan with regard to the results of the earthquake drill per Director Neugebauer's request.

Director Neugebauer stated that she may not be able to attend the adjourned Board meeting on Friday, June 5, 2015.

President Cobo stated that Director Neugebauer was needed at the meetings.

There was discussion by the Board whether to reschedule or cancel the first Board meeting for the month of June.

A motion was made by Director Neugebauer, seconded by Director Rice to bring an item on the agenda because it came to the attention of the Board after the agenda was posted. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

A motion was made by Director Neugebauer, seconded by Director Rice to cancel the adjourned Board meeting on Friday, June 5, 2015 and continue to the next regular meeting on Tuesday, June 16, 2015. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

Director Krippner agreed with the postponement of the meeting and stated that all Directors need to be present for Board meetings.

Director Neugebauer stated that past Mayor of Westminster Frank Fry's wife passed away and that the District should acknowledge her with flowers.

The Board directed staff to purchase flowers for the memorial service to be held on Thursday, May 21, 2015.

President Cobo asked who requested help from Rainbow Environmental for the Little Saigon Cleanup Day because if they are using bins the District should have been informed.

GM Robbins stated that he did not know but if one was donated the request came through the City of Westminster and/or the police department and that any bins donated had to come through the District for approval.

President Cobo asked if that wasn't in conflict with the contract between the District and Rainbow and asked GM Robbins to find out if it was the County or the City.

GM Robbins said it was not the County, that the request was Board approved and the event is set for Saturday, June 20, 2105.

Director Rice asked that a letter be sent to Rainbow reminding them that they work for the District.

GM Robbins asked if the Board wanted General Counsel to draft the letter.

The Board asked staff to verify the facts and then asked General Counsel to assist in writing the letter to Rainbow Environmental Services.

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

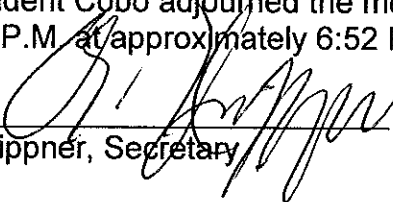
GM Robbins stated that the District would need a professional services agreement with Flo-Services for the lift station maintenance with an attachment of their agreement due to the new prevailing wage laws.

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

None

#### **ADJOURNMENT**

President Cobo adjourned the meeting to Tuesday, May 26, 2015 at the District office at 5:00 P.M. at approximately 6:52 P.M.

  
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Al Krippner, Secretary