

**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**

**July 21, 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, July 21, 2015 at 5:00 P.M.

**BOARD MEMBERS PRESENT:**

Al P. Krippner  
Joy L. Neugebauer  
Tyler Diep (arrived at 5:08 P.M.)  
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  
James Eggart, General Counsel  
Joseph Larsen, Labor Counsel  
Adam Acosta, AFSCME Chief Negotiator  
10 MCSD Represented Employees including:  
Gustavo Carrera, Raul Martinez, Cody Ranslem

**PLEDGE AND INVOCATION**

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

**PUBLIC COMMENTS**

Adam Acosta, AFSCME Chief Negotiator for the District (1734), stated that he has been the represented bargaining agent for the District since 2000 (almost 15 years) and that this was the first time that he had approached the Board in order to raise concerns and to share comments. He stated that the MCSD labor negotiating team has been bargaining for over 4 months and are not that far apart from the Board and that both sides have made great strides in order to reach a resolution to the MOU. He stated that the Board has

provided a decent wage proposal and the represented employees are in agreement with the PEPRA rules and their obligation to pay their portion of their PERS retirement before January 1, 2018. The Board has acknowledged Veteran's Day and raised the boot allowance. The main area of concern is health costs which continue to rise. Everyone is in agreement in terms of a multi-year deal but the costs of health insurance in 2017 and 2018 are unknown. He stated that not everyone is at the cap because MCSD employees settle for a lesser plan. There are several employees who have insurance through their spouse and do not take the insurance offered by the District and in some places, like the City of Westminster for instance, you would get some of that money back or a portion of it. He stated that there are areas that still need resolving. The group health insurance is greatly appreciated by the District's employees and he has enjoyed working with Joseph Larsen but if there continue to be areas of concern that, if they cannot be worked out, State mediation or fact finding will need to be sought out and will lengthen the bargaining time. Mr. Acosta stated that he hopes to resolve all of the issues in the next few weeks and thanked the Board.

Raul Martinez, MCSD mechanic for almost ten (10) years stated that he and his coworkers are 100% about safety. They receive awards and are told that they are doing a great job, reducing risk and liabilities and saving the District money. He asked the Board to take into consideration that they are only asking for a reasonable cost of living increase to their health benefits for their families.

Cody Ranslem, MCSD sewer employee for over eleven (11) years stated that he was very grateful to the Board for his job and benefits. He stated that the reason that some employees are not over the cap is because every year, during open enrollment, the cap forces him and others to choose a lower level health plan for their families in order to save money. The multi-year agreement is scary because of future unknown rising health care costs.

Gustavo Carrera, MCSD employee and President of the AFSCME local (MCSD employees) thanked the Board and stated that he is also very grateful but would like better medical care for himself and his family and hoped that the Board would reconsider the medical cap.

#### **APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JULY 7, 2015**

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of July 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 SPECIAL MEETING OF JULY 9, 2015

A motion was made by Director Neugebauer, seconded by Director Rice to approve the minutes of the meeting of July 9, 2015. The motion was approved by the following 4-0-1-0 vote:

AYES: Cobo, Krippner, Neugebauer, and Rice

NAYS:

ABSTAIN: Diep

ABSENT:

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$ 308,015.07

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	7738	7/9	342.38	AT&T Mobility - Service for June 2015: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,	
3				Sewer 714-310-8654, Emergency 714-310-9004.	
4	7739	7/9	110.98	DirectTV - Service for July 2015	
5	7740	7/9	5,238.84	US Bank- (KR) Hilton Las Vegas, NV Cancelled Reservations (MR, JN, AK, FC, NC, KR)	\$1,001.28
6				(KR) Westgate Hotel Waste Expo Las Vegas, NV (FC, JN, MR, KR, NC)	\$1,015.20
7				(KR) Westgate Hotel Waste Expo Las Vegas, NV 05/31-06/04/2015 (KR)	\$98.56
8				(KR) Conference Fees Waste Expo Las Vegas, NV 05/31-06/04/2015	\$275.00
9				(KR) Food Waste Expo Las Vegas, NV 05/31-06/04/2015 (KR)	\$160.47
10				(KR) Carl Waste Expo Las Vegas, NV 05/31-06/04/2015 (AK)	\$80.00
11				(KR) Westminster Chamber of Commerce Installation Meeting 06/25/2015 (FC, TD, MR, JN, AK)	\$175.00
12				(KR) Westminster Chamber of Commerce Installation Meeting 06/25/2015 (KR, RH, CE)	\$105.00
13				(KR) Westgate Hotel Waste Expo Las Vegas, NV 05/31-06/04/2015 (FC, MR, JN, AK)	\$573.06
14				(KR) Westgate Hotel Waste Expo Las Vegas, NV 05/31-06/04/2015 (NC)	\$98.56
15				(KR) (4) Frames & Signs for District Refuse Trucks	\$1,240.00
16					<b>Total \$4,822.13</b>
17				(DGe) Board Meeting Refreshments for 05/26, 06/16, 06/18 Meetings	\$119.44
18					<b>Total \$119.44</b>
19				(DGr) Restock Sewer Supplies	\$234.16
20					<b>Total \$234.16</b>
21				(RH) City of Westminster Water - Maint. Shop - 03/18-05/12/2015	\$14.33
22				(RH) City of Westminster Water - Wash Rack - 03/18-05/12/2015	\$118.55
23				(RH) City of Westminster Water - District Offices - 03/18-05/12/2015	\$121.87
24				(RH) Orange County Register Monthly Service for May 2015	\$39.97
25				(RH) Remington Monthly Service for June 2015	\$64.00
26					<b>Total \$358.72</b>
27				(NC) Restock Sewer Maintenance Supplies	\$21.79
28				(NC) (2) Replacement Rakes for District	\$28.02
29				(NC) T10 Tailgate Repairs	\$32.83
30				(NC) T9 Rear Tires	\$945.38
31				(NC) Waste Expo Conference Food, Valef, Carryon Las Vegas, NV 05/31-06/04/2015 (NC)	\$160.54
32				(NC) Replacement Refuse Fridge	\$518.39
33					<b>Total \$1,706.95</b>

34	7741	7/16	10,769.17	CalPERS Retirement - Retirement Contributions for July 2015
35	7742	7/16	40.00	City of Westminster - Hydrant Meter Water Usage for June 2015
36	7743	7/16	148.85	SDRMA - Add NG-3 to District Insurance
37	7744	7/16	442.42	Verizon Business - Internet Connection for SCADA System for July 2015
38			<b>17,092.64</b>	<b>HANDCUT CHECKS SUBTOTAL</b>
39				
40				<b>REGULAR CHECKS:</b>
41	7745	7/16	15.39	Rice, Margie - Reimbursement for 2015 Waste Expo Las Vegas, NV 06/01-06/04/2015
42	7746	7/16	60.00	Advanced Gas Products - (1) Cylinder Rental for June 2015
43	7747	7/16	70.00	Asbury Environmental Services - (2) Used Oil & Gasoline Filter Pick-ups
44	7748	7/16	3,108.53	Bodyworks - Parts & Labor to Repair Heil Rapid Rail System for T65
45	7749	7/16	71,687.00	CalPERS Retirement - Tier 1 3% @ 60 for FY 2015-2016
46	7750	7/16	181.00	CalPERS Retirement - Tier 2 2% @ 55 for FY 2015-2016
47	7751	7/16	17,587.36	County of Orange - Allocation of FY 2015-2016 LAFCO Costs
48	7752	7/16	7,508.36	CR Transfer - Tonnage from 06/16/2015 through 06/30/2015
49	7753	7/16	755.30	Danief's Tire Service - (4) Recaps for Restock
50	7754	7/16	525.00	Frog Environmental - 1st Quarter 2015-2016 Non-Storm Observation
51	7755	7/16	290.10	G & K Services - Uniform Services for July 2015
52	7756	7/16	180.96	Grainger - Restock (4) Brushes with Handles for Wash Rack
53	7757	7/16	634.95	Ironman - D.P.F. Filter Cleaning for T61
54	7758	7/16	328.87	Los Alamitos Napa Auto Parts - Restock (3) Flasher Bulbs; Replace (1) Die Grinder; (1) Front Brake Pads, (2) Brake Rotors for T9.
55				
56	7759	7/16	1,869.00	NGVI - NGV Driver & Fueling Training
57	7760	7/16	45,261.80	Orange County Sanitation District - Permit Fees for June 2015 (MCSD 5% = \$2,382.20)
58	7761	7/16	58,873.84	Rainbow Transfer/Recycling - Tonnage from 06/16/2015-06/30/2015
59	7762	7/16	2,825.65	Rainbow Transfer Recycling - CNG Fuel Purchases for June 2015
60	7763	7/16	9,932.72	Rainbow Transfer Recycling - Diesel Purchases for June 2015
61	7764	7/16	1,613.99	RWC Group - Parts & Labor Front Axle Disc Brake Repairs for NG1
62	7765	7/16	439.00	Scott Hamison Plumbing & Heating - Change (4) Filters, Run A/C (2) Units for District Offices
63	7766	7/16	1,298.57	Shields Consulting Group - Professional Services for Balance Due of 2001/2002 Claims
64	7767	7/16	709.50	Tech Air Mobile Services - Labor & Parts for A/C Repair on T62
65	7768	7/16	2,381.09	Top Mobile Vision - Installed New Monitor and 4-Camera System on NG-3
66	7769	7/16	10.50	Underground Service Alert - (7) New Tickets for June 2015
67	7770	7/16	2,902.50	Woodruff, Spradlin & Smart - Legal Services for June 2015
68			<b>\$ 231,050.98</b>	<b>REGULAR CHECKS SUBTOTAL</b>
69				
70				<b>PAYROLL</b>
71			58,121.45	Payroll - Staff Check # 15779 - 15780 Taxes & Direct Deposits
72			1,200.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
73			550.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
74			<b>\$ 59,871.45</b>	<b>PAYROLL SUBTOTAL</b>
75				
76			<b>\$ 308,015.07</b>	<b>TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)</b>
77				
				<b>BANK TRANSFERS</b>
	7/8		1,500,000.00	Transfer Funds from LAIF to Checking Account

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 308,015.07. 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 Wednesday, July 22, 2015 was Safety Day at Sigler Park from 11:30-1:30PM and that he would be there with one of the new CNG trucks as well as promotional items from the District for the Board members to hand out.

GM Robbins stated that next Thursday, July 30, 2015 there was an ISDOC quarterly meeting and if any Board members wanted to carpool in the District van, they would need to be at the District at 11AM.

GM Robbins stated that there would be minimum staff in the front office on Thursday, July 23, 2015 due to the power being switched over to the new CNG fueling facility equipment by Edison.

GM Robbins stated that he received three bids on the surplus trucks which he provided to the Board in the weekly newsletter. The highest bid was \$35,000 and the lowest was \$2,500.

Director Neugebauer stated that when the District puts things out to bid, there should be a minimum and she asked that staff place an item on the next agenda for discussion and let the Board decide whether to accept or reject the highest bid.

GM Robbins stated that the Board already approved the surplus of the old trucks, but that he would bring it back if the Board chooses to do so.

Director Neugebauer stated that the District should advertise the sale of the trucks nationally at a higher price and that she would like the bids brought back for review by the Board.

President Cobo stated that he felt that the General Manager had done his due diligence, that he supports him and that the Board should trust him and let him handle it. He asked GM Robbins if he thought that he could get more money for the trucks than the current offers.

GM Robbins stated that he could check the cost to advertise in Waste magazine but that if a truck sold out of state, the District would also probably have to drive it to its destination. He stated that the trucks cannot not be used within the state of California which makes it more difficult to sell them at a higher price.

President Cobo and Directors Diep and Krippner all agreed that it was not worth bringing back because the trucks are old and obsolete and the Board should let GM Robbins handle the surplus of the older trucks.

President Cobo asked GM Robbins to bring the surplus of the trucks back onto the next agenda for discussion by the Board as Director Neugebauer had requested.

GM Robbins stated that the District would be sending the final payoff of the Certificates of Participation (COP) per Board direction and would be seen on the next payables.

#### **Report from Orange County Sanitation District**

Director Diep stated that he was not able to attend the meeting and that Director Neugebauer attended in his place.

Director Neugebauer stated that she was not able to attend a meeting in Fountain Valley with only 45 minutes notice.

Director Rice stated that people are calling her and asking why the District is not represented at OCSD meetings and that the Board should appoint someone else to the position if Director Diep cannot attend the meetings.

#### **Report from the 1<sup>st</sup> Concert in the Park**

Director Rice stated that she was disappointed that the District was not recognized as a sponsor except on the flyer.

Director Neugebauer stated that the District's name was on the program but that she did not notice any mention of acknowledgement at the beginning or the end of the program and since the District paid the highest level of sponsorship there should be some recognition. She also felt that it was disappointing that there were only 2 food vendors there.

President Cobo stated that he was also disappointed that there were only 2 food vendors there but that it is hard to find vendors due to the low attendance rate.

## **CONSENT CALENDAR**

A. Investment Report for June 2015

B. Approve Attendance to the Westminster State of the City Luncheon on Thursday, September 24, 2015

C. Approve Attendance to the Independent Special Districts of Orange County (ISDOC) Elected Officials Emergency Response Training on Tuesday, August 11, 2015 or Wednesday, August 26, 2015

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**

None

## **NEW BUSINESS**

A. RESOLUTION NO. 2015-10

*(Roll Call Vote)*

**A RESOLUTION OF THE GOVERNING BODY OF THE MIDWAY CITY SANITARY DISTRICT FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

A motion was made by Director Rice, seconded by Director Neugebauer to adopt Resolution no. 2015-10, voting for the three candidates that the Board chose at the July 7, 2015 Board meeting. The motion was approved by the following 5-0 roll call vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Discussion of RESOLUTION NO. 2015-11 and Appointment of James Eggart to be General Counsel

There was discussion regarding the interim agreement. No action was taken.

C. RESOLUTION NO. 2015-11

*(Roll Call Vote)*

A RESOLUTION OF THE BOARD OF DIRECTORS OF MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA APPOINTING THE GENERAL COUNSEL

A motion was made by Director Rice, seconded by Director Neugebauer to adopt Resolution No. 2015-11. The motion was approved by the following 5-0 roll call vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider Approval of General Manager Robbins' Contract Extension

A motion was made by Director Rice, seconded by Director Diep to approve General Manager Robbins' contract extension, with amendments. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

E. Discussion Regarding CNG Fueling Station Dedication

GM Robbins stated that DPSI, the contractor for the Districts new CNG fueling station would like to showcase the project to all local agencies and suggested a dedication on Thursday, August 27, 2015 from 11-2 PM.

Director Neugebauer asked that this item be brought back for further discussion because she favors an open house so that the public can attend.

GM Robbins stated that he feels that the District should do both events – a dedication with local agencies and an open house for the public.

Director Neugebauer stated that she did not support the dedication event and would not vote in favor of it because it is more of a PR event for the contractor.

Director Rice stated that she was in favor of it because the District's new CNG fueling station is the first of its kind in the area and it is a plus for the District.

A motion was made by Director Rice, seconded by Director Diep to approve staffs recommendation to approve having the CNG fueling station dedication celebration paid for by DPSI on Thursday, August 27, 2015 from 11-2PM and to have a separate open



house for the public paid for by the District at a later date to be determined by the Board. The motion was approved by the following 4-1 vote:

AYES: Cobo, Diep, Krippner, and Rice

NAYS: Neugebauer

ABSTAIN:

ABSENT:

## INFORMATIONAL ITEMS

None

President Cobo convened the meeting to closed session at 5:52 P.M. pursuant to Government Code Sections 54957.6., 54956.9(d)(2) and 54957.

## 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. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6) Agency Designated Representative: Thomas F. Nixon  
Unrepresented Employee: General Manager

C. CONFERENCE WITH LEGAL COUNSEL  
Anticipated Litigation  
Significant Exposure to Litigation  
Pursuant to Government Code Section 54956.9(d) (2) (1 Potential Case)

President Cobo reconvened the meeting at 7:14 P.M.

General Counsel Tom Nixon stated that there was no reportable action as a result of the closed session.

### **BOARD CONCERNS/COMMENTS**

Director Neugebauer stated that, with regard to the July 7, 2015 meeting minutes that were just approved by the Board, where General Counsel Nixon reported that Costa Mesa Sanitary District (CMSD) had been fined by the State Water Board for two instances where they had sewer spills and their employees were not able to handle the emergencies due to lack of training, she felt that MCSD sewer employees should have additional training in order to prevent such an incidence as well as the lawsuits and penalties that would be involved. She stated that the Board was following its purchasing policy and that Flo Services increased their rates, so the District should consider future discussion on training its employees to also be able to do the lift station maintenance work.

Director Neugebauer stated that she also wanted to publicly congratulate James Eggart on taking over General Counsel Tom Nixon's position as General Counsel for MCSD as of August 1, 2015.

Director Rice also congratulated the District's new General Counsel, James Eggart. She also stated that she was disappointed in the negotiation procedures and the District's employees.

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

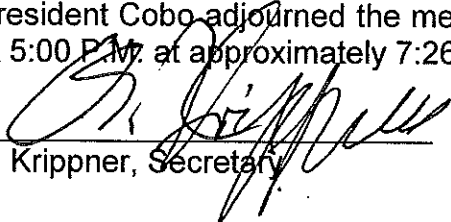
GM Robbins and Finance/HR Director Housley thanked General Counsel Nixon for his service to the District.

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

General Counsel Nixon thanked the Board for the many years of service.

### **ADJOURNMENT**

President Cobo adjourned the meeting to Tuesday, August 4, 2015 at the District office at 5:00 P.M. at approximately 7:26 P.M.

  
Al Krippner, Secretary