

**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**

August 4, 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, August 4, 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
James Eggart, General Counsel
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JULY 21, 2015

A motion was made by Director Neugebauer, seconded by Director Rice to approve the minutes of the meeting of July 21, 2015, with a change. 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 \$ 4,630,833.85

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7771	7/21	VOID	Printer Malfunction
3	7772	7/21	VOID	Printer Malfunction
4	7773	7/21	4,180,763.11	The Bank of New York Mellon - Final COP Debt Payment
5	7774	7/22	169.99	AT&T - Brookhurst Lift Station Service for July 2015
6	7775	7/22	116.66	Pitney Bowes/Purchase Power - Refill Postage for District Postage Machine
7	7776	8/1	11,225.99	CalPERS Retirement - Retirement Contributions for July 2015
8	7777	8/1	42,154.08	CalPERS Health Premium - Healthcare Premium for August 2015
9	7778	8/1	58.29	The Gas Company - District Office & Maintenance Yard Fees for July 2015
10	7779	8/1	3,038.73	SDRMA Delta Dental - Dental Insurance Premium for August 2015
11	7780	8/1	2,058.90	Southern California Edison - Archives & Parking Garage \$80.44, District Office \$492.02,
12				Maintenance Shop \$372.17, Brookhurst Lift Station \$86.41, Westminster Lift Station \$364.76,
13				Willow Lift Station \$161.09, Hammon Lift Station \$502.01.
14	7781	8/1	879.96	The Standard Life Insurance - Premium Coverage for August 2015
15	7782	8/1	118.83	First Bankcard (NC) - Restock District Kitchen Supplies for July 2015
16	7783	8/1	394.42	Vision Service Plan - Monthly Premium for July 2015
17			4,240,978.96	HANDCUT CHECKS SUBTOTAL
18				
19				REGULAR CHECKS:
20	7784	8/1	146.90	Neugebauer, Joy - Health Insurance Reimbursement for August 2015
21	7785	8/1	104.90	Rice, Margie - Health Insurance Reimbursement for August 2015
22	7786	8/1	197.91	Bodyworks - (2) 8-Pin Plug Protectors for T56
23	7787	8/1	5,945.53	CR Transfer - Tonnage from 07/01/2015 through 07/15/2015
24	7788	8/1	1,981.34	Daniel's Tire Service - (11) Recaps for Restock
25	7789	8/1	237,020.64	DPSI - CNG Fueling Station Project
26	7790	8/1	438.25	G & K Services - Uniform Services for July 2015
27	7791	8/1	67.43	Hilco Fastener Warehouse - (25) Locknuts & (20) Washers for Restock
28	7792	8/1	1,215.19	Los Alamitos Napa Auto Parts - Restock (3) Fuel Filters, (2) Flasher Bulbs, (6) Air Couplers, (6) Air Hoses
29	7793	8/1	1,485.03	Orange County Sanitation District - FOG/BMP Inspections
30	7794	8/1	63,735.47	Rainbow Transfer/Recycling - Tonnage from 07/01/2015 through 07/15/2015
31	7795	8/1	516.13	Mobile Relay Associates - Install Radio & Antennas into NG4 & NG5
32	7796	8/1	3,723.11	Rutan & Tucker, LLP - Legal Services for June 2015
33	7797	8/1	9,524.36	Top Mobile Vision - Parts & Installation for Monitor & Cameras for NG4, NG5, NG6, & NG7
34			\$ 326,102.19	REGULAR CHECKS SUBTOTAL

35
36
37
38
39
40
41
42
43
44
45

PAYROLL

7/21	56,034.05	Payroll - Staff Check # 15782 - 15783 Taxes & Direct Deposits
7/21	1,200.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
7/21	750.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
7/31	5,348.53	Board of Director's Payroll for the Month of July 2015 Check # 15785 -15788
7/31	420.12	Board of Director's Nationwide Deferred Compensation for July 2015 (100% Paid By Directors)
	\$ 63,752.70	PAYROLL SUBTOTAL
	\$ 4,630,833.85	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)

BANK TRANSFERS

4,180,000.00 Transfer Funds from LAIF to Checking Account

A motion was made by Director Rice, seconded by Director Neugebauer to approve the expenditures in the amount of \$ 4,630,833.85. 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 next Tuesday, August 11, 2015 was the ISDOC Emergency Preparedness Training for Elected Officials from 11 A.M. until 1 P.M. and Directors Neugebauer and Rice should be at the District at 10 A.M. in order to carpool.

GM Robbins stated that he would start picking up Directors at 9 A.M. on Wednesday, August 19, 2015 in order to arrive at the CASA Conference in San Diego by 1 P.M.

Director Neugebauer stated for the record, that the Board welcomed James Eggart as the Districts new General Counsel.

Report from Orange County Sanitation District

Director Diep reported that Vice Chair John Nielsen from Tustin officially took over OCSD Board of Directors and the new Vice Chair is Greg Sebourne of Fullerton.

Director Diep also reported that the annual OCSD State of the District Breakfast would be held on Friday, October 16, 2015 at 9 A.M. at Mile Square Park.

Report from the 2nd and 3rd Concert in the Park on July 23 and 30, 2015

Director Rice reported that the District was recognized as a donor at the Concert in the Park and that she and Director Neugebauer went up to the podium to acknowledge the District's participation and to introduce the Board of Directors of MCSD.

Director Neugebauer stated that although not very many people approached the District's table, the few that did, asked very good questions.

Report from Safety Day on July 22, 2015

Director Rice reported that it was a very busy event and the Directors gave away over 800 can lids and coloring books and crayons.

President Cobo reported that there was a huge turnout and over 2,000 hot dogs were cooked for the event.

Director Rice stated that the kids loved seeing the District's new CNG truck.

President Cobo stated that he was able to tell people attending that the new trucks were purchased by the District without having to raise their taxes in order to pay for them.

Report from the Franchise Committee Meeting on July 28, 2015

Director Neugebauer reported that it was a very productive meeting with two representatives from each Rainbow and CR&R. The representatives answered all questions posed and seemed very eager to help resolve the issue.

Director Rice reported that the representatives stated that they would go quite a way back in the books in order to reconcile them. She also reported that she was surprised to hear how the trash was picked up in the community of Driftwood Mobile Homes. They do not have Rainbow bins or MCSD containers in that community. They still use the old style containers that have to be hand emptied and have been charged the wrong rate for years. She stated that she and Director Neugebauer made it very clear that the franchisees should go by their contracts.

Director Neugebauer stated that it was decided that, with regard to Driftwood, if it was cost effective, it would be left as is since there are a lot of the tenants that are senior citizens.

GM Robbins stated that they would be bringing it back to the Board for discussion.

Director Rice stated that there are commercial customers that have been overcharged and others undercharged for many years by the franchise hauler, Rainbow

Environmental, and that Rainbow would have to reconcile that with the customers. The franchisees stated that they will be paying for the audit and attorneys fees.

Report from the Calendar Committee Meeting on July 29, 2015

Directors Neugebauer and Rice reported that they are adding a new page to the calendar in order to make the community aware of what is new at the District – specifically the new CNG trucks and the new fueling station. She also noted that they made the decision to make the date numbers larger.

Report from the Municipal Water District of Orange County (MWDOC) Water Policy Forum on July 29, 2015

Director Krippner attended the MWDOC Water Policy Forum on Wednesday, July 29, 2015 and provided a handout from the event for the Board and staff.

Report from the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on July 30, 2015

Director Rice stated that she hoped that, after the dedication for the new CNG fueling station, GM Robbins would request that ISDOC put the District on their program sometime in the future.

Director Neugebauer reported that the speaker, Jennifer Muir, is the first female to head the Orange County Employees Association.

CONSENT CALENDAR

None

OLD BUSINESS

- A. Discussion and Consideration of the Purchase of Big Belly Solar Trash Compactors and their Placement within the City of Westminster's Civic Center to Promote Recycling

A motion was made by Director Rice, seconded by Director Neugebauer to approve staff's recommendation to purchase three (3) side-by-side units for a pilot program. The motion was approved by the following 5-0 vote:

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

NEW BUSINESS

A. Approval for a One-Day Natural Gas Vehicle (NGV) Technician and Fleet Operations Safety Training and a Two-Day Compressed Natural Gas (CNG) Fuel System Inspector Training to be conducted by Natural Gas Vehicle Institute (NGVi)

GM Robbins stated that the District's drivers have already been instructed on the proper shutdown of the CNG systems on the trucks, but this training is more extensive and precautionary since the CNG system is new to the District.

Director Neugebauer stated that she thought it would be wise to have the Board Chair monitor at least a portion of the class so that he can provide information to the Board.

A motion was made by Director Neugebauer, seconded by Director Diep to approve staff's recommendation to approve NGV Technician and Fleet Operations Safety Training and CNG Fuel System Inspector Training for up to ten staff members. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Approval of Driver's Safety Training for Midway City Sanitary District Commercial Drivers

A motion was made by Director Rice, seconded by Director Diep to approve staff's recommendation to approve driver's safety training for all represented and unrepresented District employees who drive District vehicles. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. Approval of Sale of Five (5) of the District's Solid Waste Automated Side Loader Trucks with Heil Bodies

Director Neugebauer stated that the trucks could still be used in the State of California for five more years - until the year 2020. She recommended that when the other three trucks are sold, they have a minimum bid of \$7,000 for each one so that the District receives the highest amount possible.

A motion was made by Director Neugebauer, seconded by Director Diep to approve the sale of five of the District's solid waste automated side loader trucks with Heil bodies and to put a minimum bid of \$7,000 on each of the next three (3) trucks.

An amended motion was made by Director Rice, seconded by Director Neugebauer to approve the sale of five of the District's solid waste automated side loader trucks with Heil bodies to the highest bidder and to put a minimum bid of \$7,000 on each of the next three (3) trucks. 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 convened the meeting to closed session at 5:48 P.M. pursuant to Government Code Sections 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

B. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6) Agency Designated Representative: James H. Eggart
Unrepresented Employee: General Manager

President Cobo reconvened the meeting at 6:32 P.M.

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

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she was very pleased that the District's \$4,180,763.11 million debt was retired as of August 1, 2015. The debt was incurred from the upgrade and retrofit of all four of the District's lift stations in 2005. This will make the District debt-free as of August 1, 2015 thanks to careful planning and dedication to the District by the Board and management while maintaining its assets to the highest degree. The District has also been pre-paying the District's PERS contribution in order to protect the District's employees' pension fund and she stated that she takes great pride in knowing that.

Director Rice agreed with Director Neugebauer and stated that she felt that the Board should receive a raise too. She stated that it had been ten years since the Board had had an increase in pay, and in fact they decreased their salary by \$50 a few years ago. She asked that it be put on the next agenda for Board discussion.

Director Neugebauer agreed that the Board had taken a reduction in pay and that, in fact, the District used to also pay for the Board's deferred comp.

GM/STAFF CONCERNS/COMMENTS

GM Robbins welcomed General Counsel James Eggart to the District.

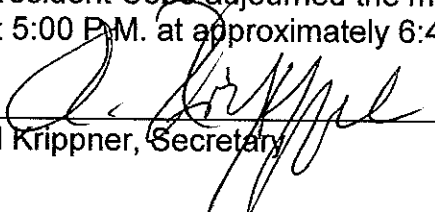
Finance/HR Director Housley stated that the auditors would begin the field work portion of the audit next week on Monday, August 10, 2015 so he was setting up a meeting with the auditors and President Cobo. He also reminded the Board that at the end of last year's audit, they were told that the GASB 68 would need to be put on the books in order for the audit to be complete. The reports have been ordered from CalPERS but probably wouldn't be received until September or October, so the audit would not be presented early this year.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel James Eggart stated that he looked forward to working with the Board for a long time and thanked the Board for the warm welcome.

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, August 18, 2015 at the District office at 5:00 P.M. at approximately 6:40 P.M.


Al Krippner, Secretary