

**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 18, 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 18, 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 Krippner led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF AUGUST 4, 2015

A motion was made by Director Diep, seconded by Director Krippner to approve the minutes of the meeting of August 4, 2015, as presented.

A motion to amend the main motion was made by Director Neugebauer, seconded by Director Rice, to amend the draft minutes of the meeting of August 4, 2015, as follows: (i) to revise the first sentence at the top of page 5 to read, "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."; (ii) to add a note indicating the date of each meeting specified under "Reports." The motion to amend the main motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

The amended main motion made by Director Diep, seconded by Director Krippner to approve the minutes of the meeting of August 4, 2015, as amended, was then 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 \$ 251,993.94

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	7798	8/13	150.00	Cobo, Frank - CASA Conference Per Diem for San Diego, CA 08/19-08/21/2015	
3	7799	8/13	100.00	Neugebauer, Joy - CASA Conference Per Diem for San Diego, CA 08/19-08/21/2015	
4	7800	8/13	150.00	Rice, Margie - CASA Conference Per Diem for San Diego, CA 08/19-08/21/2015	
5	7801	8/13	339.99	AT&T Mobility - Service for July 2015: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,	
6				Sewer 714-310-8654, Emergency 714-310-9004.	
7	7802	8/13	11,235.78	CalPERS Retirement - Retirement Contributions for August 2015	
8	7803	8/13	1,553.24	Chevron & Texaco Bus. Card Svcs. - Gasoline Purchases for July 2015	
9	7804	8/13	13.78	City of Westminster - Water Usage for Hammon Lift Station 06/03-07/28/2015	
10	7805	8/13	110.98	DirectTV - Service for August 2015	
11	7806	8/13	4,779.33	US Bank -	
12				(KR) Paint for District Vent Fans and Gas Pipes	\$153.79
13				(KR) Shade Stand and Table Cover with District Logos	\$1,658.24
14				(KR) Paint for District Sprinkler System	\$44.23
15				(KR) Acetone & Sprayer for Paint Removal	\$48.48
16				(KR) MWDOC Water Policy Forum 07/29/2015 (AK)	\$80.00
17				(KR) ISDOC Quarterly Luncheon 07/30/2015 (FC, TD, AK, MR, JN)	\$85.00
18				(KR) ISDOC Quarterly Luncheon 07/30/2015 (KR, RH)	\$34.00
19					
20				(DGe) Board Meeting Refreshments for 06/30, 07/07, 07/09, 07/21 Meetings	\$142.68

21			
22		(DGr) Restock Sewer Maintenance Supplies	\$279.15
23			
24		(RH) City of Westminster Water - Westminster Lift Station 04/08-06/02/2015	\$16.74
25		(RH) Remington Monthly Services JLY-2015	\$64.00
26		(RH) Orange County Register Subscription JUN-2015	\$39.97
27		(RH) Registration for CalPERS Conference 10/26-10/28/2015 (RH)	\$399.00
28		(RH) City of Westminster Water - District Offices 05/13-07/07/2015	\$114.63
29		(RH) City of Westminster Water - Wash Rack 05/13-07/07/2015	\$113.72
30		(RH) City of Westminster Water - Maint. Shop 05/13-07/07/2015	\$14.33
31			
32		(NC) (8) Brooms for Restock	\$8.64
33		(NC) (6) Dust Pans, (4) Boxes of Gloves	\$79.38
34		(NC) (10) Padlocks for CNG Stations	\$133.38
35		(NC) (25) Pairs of Mudflaps for CNG Trucks	\$1,107.14
36		(NC) (4) Doorstops	\$30.03
37		(NC) (2) Rigid Flare Tool Clamps for Shop	\$21.86
38		(NC) Smog Test for M1	\$45.00
39		(NC) Latch for Door Shop Restroom	\$2.67
40		(NC) Gloves for Restock	\$49.76
41		(NC) (2) Umbrellas for M63 & M64	\$32.34
42			
43	7807	8/13	442.42 Verizon Business - Internet Connection for SCADA System for August 2015
44	7808	8/13	1,056.01 Verizon California - District Office Phones & Lift Stations for July 2015; \$571.93 District Office,
45			\$161.36 Willow Lift, \$161.36 Westminster Lift, \$161.36 Hammon Lift.
46			19,931.53 HANDCUT CHECKS SUBTOTAL
47			
48			REGULAR CHECKS:
49	7809	8/13	103.56 Advanced Gas Products - (9.7) Gallons of Lquified Propane, Cylinder Rental for July 2015
50	7810	8/13	157.00 Advanced Workplace Strategies - DOT Drug Test
51	7811	8/13	948.67 Bodyworks - Restock (10) Grip Belts & (6) Cushion Kits
52	7812	8/13	15.40 Cobo, Frank - Reimbursement for 2015 Waste Expo Las Vegas, NV 06/01-06/04/2015
53	7813	8/13	727.00 CRC Cloud - Maintenance & Support for August 2015
54	7814	8/13	4,126.87 CR Transfer - Tonnage from 07/16/2015 through 07/31/2015
55	7815	8/13	7,790.00 Flo-Services - Preventative Maintenance for 4th Quarter 2015
56	7816	8/13	145.05 G & K Services - Uniform Services for August 2015
57	7817	8/13	230.00 Hedman L.A. - Maintenance on Check Signature Machine
58	7818	8/13	76.88 Hilco Fastener Warehouse - (275) Locknuts for Restock
59	7819	8/13	185.85 Los Alamitos Napa Auto Parts - (1) Brakerotormicrometer for Shop, (1) Set of Brake Pads for M2
60	7820	8/13	7,912.50 NGVI - 50% Deposit for Natural Gas Vehicle Technician & Fleet Operations Safety Training
61	7821	8/13	172.00 Orange County Health Care Agency - Annual Hazardous Materials Fee for 07/01/15 to 06/30/16
62	7822	8/13	48,781.44 Orange County Sanitation District - Permit Fees for July 2015 (MCSD 5% = \$2,521.80); 2014-2015
63			4th Quarter OCHCA FOG/BMP Inspections
64	7823	8/13	22,753.63 Otto Environmental Systems - (456) 95-Gallon Blue Containers for Restock
65	7824	8/13	69,938.58 Rainbow Transfer Recycling - Tonnage from 07/16/2015 through 07/31/2015
66	7825	8/13	235.00 Griffith, Randy - Reimbursement for CWEA Certification
67	7826	8/13	1,563.80 Ray Gaskin - (3) Cylinder Repair and Heif Arm Rise Exchange for Restock
68	7827	8/13	311.04 Sign Design - (3) Metal Signs for District Yard & MCSD Logo for Generator
69	7828	8/13	1,450.00 Total Compensation Systems - First Installment GASB45 Valuation Services
70	7829	8/13	12.00 Underground Service Alert - (8) New Tickets for July 2015

71	7830	8/13	4,891.00	Woodruff, Spradlin & Smart - Legal Services for July 2015
72			\$ 172,527.27	REGULAR CHECKS SUBTOTAL
73				
74				PAYROLL
75		8/4	57,525.14	Payroll - Staff Check # 15789 - 15790 Taxes & Direct Deposits
76		8/4	1,200.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
77		8/4	750.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
78			\$ 59,475.14	PAYROLL SUBTOTAL
79				
80			\$ 251,933.94	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)

A motion was made by Director Neugebauer, seconded by Director Rice to approve the expenditures in the amount of \$ 251,933.94. 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 the Gas Company had finally come out to install the gas meter for the Districts new CNG fueling station. He stated that it should be finished this week, then it will be inspected before IMW comes out to do the startup. The City of Westminster and the Fire Marshall will also need to sign off on the project in order for the station to be fully operational.

GM Robbins reported that the Districts last two new CNG trucks were scheduled to arrive this week. Several of the new CNG trucks have been rejected due to different issues such as CNG lines not connected properly, shock absorbers, air dryers and back tires out of alignment. The rejected trucks have been sent back to RWC Group in Pico Rivera for repairs.

GM Robbins reported that one MCSD driver will be retiring as of September 15, 2015 after nine (9) years of service at the District. He is up for a safety award and that will be on the next agenda for Board approval. GM Robbins stated that he is not planning to fill that position at this time.

GM Robbins stated that he would begin picking up Directors for the car pool for the California Association of Sanitation Agencies (CASA) Conference in San Diego tomorrow (Wednesday, August 19, 2015) at 9 A.M.

Report from Orange County Sanitation District

Director Diep reported that the Legislative Public Affairs meeting was cancelled for the month of August.

Report from the 4th and 5th Concert in the Park on August 6 and 13, 2015

Director Neugebauer reported that the music has been great but the concerts have been sparsely attended, probably due to the heat. She stated that she feels the choice of entertainment has been excellent and the City of Westminster's water department has had representatives interacting with the public at these events.

Director Rice reported that the water department gave away plants and Home Depot gift certificates for water wise plants.

President Cobo reported that the water department has also given away showerhead timers.

Director Neugebauer stated that she felt that the District should have handouts for the last concert on Family Day at Sigler Park on September 13, 2015 since they are well attended. She asked if there were still coloring books and crayons available.

GM Robbins stated that he would check stock of coloring books and crayons but that the District had plenty of can lids available to hand out.

Report from the Independent Special Districts of Orange County (ISDOC) Emergency Response Training on August 11, 2015

Director Rice reported that the training was quite interesting and she was told that it was in fact, mandated for elected officials.

Director Neugebauer reported that the emergency response training was presented by Kelly Hubbard. Director Neugebauer asked if the attendees would be receiving a certificate of compliance since it is mandated and already received a response letting her know that everyone in attendance would be provided with a certificate of compliance. She stated that the course began with "All disasters begin and end at the local level" and highlighted what are the Standard Emergency Management System (SEMS) and National Incident Management System (NIMS). NIMS is the nationwide standardized approach to incident management and response developed by the US Department of Homeland Security. SEMS is the system required by California Government Code Section 8607(a) for managing emergencies involving multiple jurisdictions and agencies and all state

government agencies must use the system in multi-jurisdictional or multi-agency emergencies.

Director Krippner was not able to attend the event because it was not clearly marked but will be going back to attend the next meeting on Wednesday, August 26, 2015.

Director Neugebauer stated that she brought a copy of the Districts disaster preparedness page from the annual calendar and found that it was up to date and needed no alterations. She feels that ISDOC should work with CASA and CSDA in order to offer the course at the conferences since it is mandated for elected officials.

CONSENT CALENDAR

A. Investment Report for July 2015

A motion was made by Director Diep, seconded by Director Rice 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. Discussion of Compensation for Board of Directors

Director Rice stated that she asked for this item to be placed on the agenda because it had been seven years since the Board had received an increase in pay and she feels that the Board attends a lot of meetings but can only get paid for six.

Director Neugebauer stated that the Board decreased its pay from \$257.46 to \$207.46 in 2008.

Director Krippner asked how the District compares with its neighbors such as Costa Mesa Sanitary District.

Director Diep stated that Costa Mesa Sanitary District just increased their pay to somewhere around \$250 per meeting.

Director Rice stated that they go 5% over every year, which is what you're allowed to do. She stated that she feels the Board deserves a raise because they cut their salary by \$50 in 2008, while still giving District employees a raise.

Director Krippner stated that this would be the time to do it.

Director Neugebauer stated that it did not matter to her.

Director Rice stated that it did matter to her and that everything has gone up in price – including gasoline, etc.

Director Diep stated that if Director Rice made a motion he would certainly support it.

President Cobo stated that he supports it but would prefer to wait until after the District finishes negotiating with the represented employees over the MOU.

Director Neugebauer agreed with President Cobo.

Director Rice stated that she disagreed and stated that the employees have had every chance to accept the Board's generous offer.

A motion was made by Director Rice, seconded by Director Krippner, to direct Staff to bring back a proposed Ordinance to raise Board of Director pay by \$50 per meeting, from \$207.46 to \$257.46.

Director Neugebauer stated that it was her understanding that it would not go into effect until after the next election.

Director Rice stated that that refers to the City and that if you vote a raise at the City it does not go into effect until after the next election.

General Counsel Eggart stated that the law providing for an increase in compensation not to take effect until after the next election is a law that is applicable to cities, but not to special districts. He also stated that the Board would need to determine when it wants any compensation increase to go into effect. General Counsel indicated that, at a minimum, any increase in compensation would not take effect until 60 days after the Board adopts the ordinance, but the Board could make it longer. General Counsel also indicated that notice of the public hearing would need to be published over a two-week period and that he didn't know if there would be sufficient time to make it onto the next agenda.

Director Neugebauer asked what the salary would be going up to.

Director Rice stated that it would be \$257.46 which is what it was in 2008 and that the Board had cut their salary but still gave raises to the employees every year.

Director Krippner stated that the Board had waited a long time.

Director Rice agreed and stated that she attended ten meetings last month.

Director Neugebauer stated that she attended thirteen and was paid for six.

President Cobo stated that he disagreed with doing this now but if the majority of the Board supported it he would just vote no because he didn't support giving himself a raise when the Board is still negotiating with the represented employees and that he would rather get that settled first.

Director Rice stated that the Board gave the employees a raise but that they didn't want it and that it was his choice. She stated that she made the motion and she still supports it.

Director Krippner stated that one does not have to do with the other.

Director Rice stated that the General Manager shouldn't have had to wait for his raise either.

Director Neugebauer stated that she agreed with the Board President to wait until after the negotiations were over. She asked if the Board could go ahead and do the newspaper printing and then make the decision after and that way they wouldn't lose any time.

President Cobo stated that he would support that and Director Krippner agreed.

General Counsel stated that the purpose of the newspaper advertisement was to provide notice of the date and time of the public hearing so that the public could come and have input and that only after the public hearing is a decision is made.

Director Neugebauer asked when was the earliest that the public hearing could be held.

General Counsel stated that it depended on what the newspaper deadlines were.

GM Robbins stated that the Board would need to adopt it by ordinance after the public hearing and that the Board would need to approve what was published so he could bring that back to the next regular meeting on Tuesday, September 1, 2015.

Director Rice stated that she did not want to see it and that she had made a motion.

General Counsel Eggart stated that the public hearing notice could include whatever the Board wanted, but, at a minimum, it should say that there would be a public hearing on a certain date to consider an ordinance to adjust the Board's compensation.

Director Rice stated that it should say that the ordinance would adjust the compensation back to where it was in 2008 and that the Board does not even take what they are allowed to take.

General Counsel Eggart asked if the Board would like a draft public hearing notice brought back for approval at the September 1, 2015 meeting so that they could review it.

Director Neugebauer asked Director Rice if she could modify her motion to state that the public hearing notice be prepared and brought back for review.

President Cobo stated that he would support that.

Director Rice stated that she was through and would not change her motion.

The original motion made by Director Rice, seconded by Director Krippner, to direct Staff to bring back a proposed Ordinance to raise Board of Director compensation by \$50 per meeting from \$207.46 to \$257.46 was voted on and the motion failed by the following 2-3 vote:

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

A second motion was made by Director Krippner, seconded by Director Neugebauer, to direct staff to prepare a public hearing notice concerning Board compensation and bring it back to the Board for review before being published at the next regular meeting on Tuesday, September 1, 2015. The motion was approved by the following 4-1 vote:

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

B. Approval of Agreement with the County of Orange for Collection of Special Taxes, Fees, Charges and Assessments

A motion was made by Director Neugebauer, seconded by Director Diep to approve the agreement with the County of Orange for collection of special taxes, fees, charges and assessments, as recommended. The motion was approved by the following 5-0 vote:

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

C. Fiscal Year 2014-2015 Fourth Quarter Financial Reports and Budget Review for the Period of July 1, 2014 through June 30, 2015

Finance/HR Director Housley reviewed the full fiscal year budget report for the Board. He pointed out that the District's change in cash from the previous year was only down \$812,000 which isn't bad considering the outflow of cash from the District to prefund the GASB 45, retirement funding, the new CNG trucks, and the fueling station project, which have also increased the Districts assets.

There was discussion regarding the numbering of the pages of the report.

Finance/HR Director Housley stated that the District budgeted around \$9 million and the District received almost \$11 million, which is about 112% over the budget. A good portion of the revenues are from pass through funds and how the District budgets for those and franchise fees.

Finance/HR Director Housley stated that each department was at about 80% or less compared to the actual budget. Revenues were at 112% and expenses were at 83% overall, which gave the District a \$3.2 million difference overall budget to actual and it was not deficit spending. The capital outlay and improvements budget was approximately \$5.3 million, which included the fueling station project, new CNG trucks, generator, new SCADA system, and radio system and repeater and cost around \$3.7 or 70%.

Finance/HR Director Housley stated that overall and fiscally the District did well from a planning and implementation standpoint.

A motion was made by Director Neugebauer, seconded by Director Diep to accept and receive and file the fiscal year 2014-2015 fourth quarter financial reports and budget review for the period of July 1, 2014 through June 30, 2015. 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 July 2015 (76,330 Successful Hits)

Receive and file. No action was taken.

General Counsel Eggart announced that the Board would be convening to Closed Session to confer with its designated labor negotiators pursuant to Government Code Section 54957.6 in reference to pending negotiations with the American Federation of State, County and Municipal Employees, Local 1734-01 and the General Manager, an unrepresented employee, and that the District's Labor Negotiators are identified on Item 14 of the Agenda.

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 6:11 P.M.

General Counsel James Eggart stated that the Board met in Closed Session to confer with its designated labor negotiators pursuant to Government Code Section 54957.6 in reference to the employees and employee organizations noted on Items 14.A and 14.B of the Agenda that there was no reportable action as a result of the closed session.

BOARD CONCERNS/COMMENTS

Director Neugebauer suggested another way to number the pages in the financial reports.

Director Krippner stated that he celebrated his 50 year anniversary with his wife Loretta on Friday, August 14, 2015 and also wished President Cobo a happy birthday.

President Cobo stated that he got a follow-up call from Waxie regarding the Big Belly solar trash compactors that the District will soon be placing at the City of Westminster Civic Center.

GM/STAFF CONCERNS/COMMENTS

GM Robbins congratulated Director Krippner on his 50 year anniversary and also wished President Cobo a happy birthday.

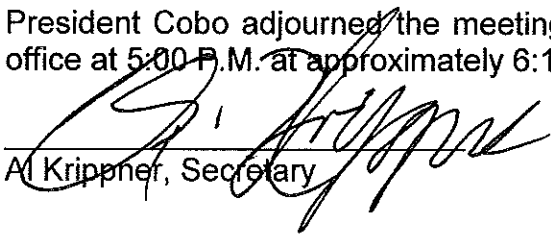
Finance/HR Director Housley stated that the independent auditors were at the District last week and finished with the field work portion of the audit. They are still working on concluding the financials and he will keep the Board informed.

GENERAL COUNSEL CONCERNS/COMMENTS

None

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, September 1, 2015 at the District office at 5:00 P.M. at approximately 6:18 P.M.


Al Krippner, Secretary