

**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**

September 1, 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, September 1, 2015 at 5:03 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
Joseph Larsen, Labor Counsel

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 AUGUST 18, 2015

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of August 18, 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 \$ 203,821.12

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7831	8/26	186.89	AT&T - Brookhurst Lift Station Service for August 2015
3	7832	8/26	11,235.78	CalPERS Retirement - Retirement Contributions for August 2015
4	7833	8/26	42,154.08	CalPERS Health Premium - Healthcare Premium for September 2015
5	7834	8/26	40.00	City of Westminster - Hydrant Meter Water Usage for July 2015
6	7835	8/26	51.62	The Gas Company - District Office & Maintenance Yard Fees for August 2015
7	7836	8/26	356.17	Office Max - Restock District Offices Supplies for August 2015
8	7837	8/26	3,296.40	SDRMA Delta Dental - Dental Insurance Premium for September 2015
9	7838	8/26	875.26	The Standard Life Insurance - Premium Coverage for September 2015
10	7839	8/26	267.51	First Bankcard (NC) - Restock District Kitchen Supplies for August 2015
11	7840	8/26	394.42	Vision Service Plan - Monthly Premium for September 2015
12			58,858.13	HANDCUT CHECKS SUBTOTAL
13				
14				REGULAR CHECKS:
15	7841	9/1	146.90	Neugebauer, Joy - Health Insurance Reimbursement for September 2015
16	7842	9/1	104.90	Rice, Margle - Health Insurance Reimbursement for September 2015
17	7843	9/1	1,413.75	Bodyworks - Restock (20) Rocker Switches, (10) Grip Belts, (10) Springs
18	7844	9/1	4,424.78	CR Transfer - Tonnage from 08/01/2015 through 08/15/2015
19	7845	9/1	2,808.32	Daniels Tires - (8) Recaps, (6) New, (2) Repairs for Restock
20	7846	9/1	665.82	Darco Transmission - Restock (12) Filter Kits
21	7847	9/1	290.10	G & K Services - Uniform Services for August 2015
22	7848	9/1	307.80	Hedman L.A. - Annual Maintenance Agreement for Check Signature Machine
23	7849	9/1	14.26	Los Alamitos Napa Auto Parts - (6) Windshield Wiper Fluid for Restock
24	7850	9/1	336.58	Los Angeles Freightliner - (1) Belt, (1) Idler, (1) Tightening Belt for M64
25	7851	9/1	311.64	Proforma Solutions - (500) F.O.G. Lids
26	7852	9/1	4,518.49	Rainbow Transfer Recycling - CNG Fuel Purchases for July 2015
27	7853	9/1	7,411.67	Rainbow Transfer Recycling - Diesel Purchases for July 2015
28	7854	9/1	58,206.47	Rainbow Transfer/Recycling - Tonnage from 08/01/2015 through 08/15/2015
29	7855	9/1	1,090.24	Mobile Relay Associates - Parts and Installation for Antenna for NG-6, NG-7, NG-8, NG-9
30	7856	9/1	1,559.15	Rutan & Tucker, LLP - Legal Services for July 2015
31	7857	9/1	2,381.09	Top Mobile Vision - Installed New Monitor and 4-Camera System on NG-8
32	7858	9/1	804.60	TSP Printing - (2,750) Vehicle Inspection Forms for Restock
33			\$ 86,796.56	REGULAR CHECKS SUBTOTAL
34				
35				PAYROLL
36		8/18	56,216.43	Payroll - Staff Check # 15792 - 15793 Taxes & Direct Deposits
37		8/18	1,200.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
38		8/18	750.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
39			\$ 58,166.43	PAYROLL SUBTOTAL
40				
41			\$ 203,821.12	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 203,821.12. 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 Costa Mesa Sanitary District (CMSD) Board has requested a joint meeting with the Midway City Sanitary District's Board on Monday, October 12, 2015 at 9 A.M.

Director Neugebauer stated that CMSD also attended the California Association of Sanitation Agencies (CASA) conference in San Diego and probably requested the meeting to discuss the topic of the legislation that East Bay Municipal Utility District (East Bay MUD) is pushing for that would require lateral inspections prior to the sale of a home. She stated that she did not think that the District would favor that legislation and that CMSD probably also does not favor it and that they may want to discuss and prepare for it.

GM Robbins stated that he would agendize discussion of holding a joint meeting for Board consideration.

GM Robbins reported that staff is beginning to prepare plans and specifications for the phase one lining project resulting from the CCTV work that was completed in 2014. The last time plans and specifications were done was in 2011. General Counsel will need to review the plans and specifications to make sure that it is up to date and correct with all legal requirements.

Director Neugebauer asked how this relates to the video-taping that was completed.

GM Robbins stated that the CCTV work that was completed last year showed lines that were compromised and/or cracked. Collapsed lines were repaired via open cut at the time but no lining was done. This project is to CCTV the lines, add liners, then CCTV it again afterward. This project will be trenchless and \$150,000 has been budgeted for it.

The Natural Gas Vehicle Institute (NGVI) will be at the District training the mechanics and lead workers for three (3) days at a cost of \$15,000, which was Board approved.

Orange County Register reporter Chris Haire called the District and stated that he was not able to attend the District's new CNG fueling station opening and dedication but will print something about it in the paper.

GM Robbins reported that staff is continuing to hold the RWC Group accountable for all the needed repairs on most of the new CNG trucks and is withholding final payment due to those repairs.

Report from Orange County Sanitation District

Director Neugebauer reported that she attended the Orange County Sanitation District meeting in place of Director Diep on Monday, August 26, 2015 and was very pleased to represent the District.

There were several closed session items discussed including existing litigation with Clean Waters Inc. and two Superior Court cases.

Director Neugebauer stated that the General Manager's report is generally the most interesting and that his report was on the topics of OCSD's accomplishments, moving ahead and recovering valuable resources. A total of 109 million gallons per day were being sent to Orange County Water District for the Ground Water Replenishment System program. This month 129 million gallons per day were sent and they are working to increase that amount even more. OCSD has an incentive program with over \$3 returned on every dollar invested. One of OCSD's mechanics designed a tool that saved the District over \$70,000 in labor on its very first use. The power plant operators at OCSD worked together to develop a system to reduce the wait time for an engine to come up to the correct temperature to produce steam and reduce the purging of chemicals from the steam piping.

Director Neugebauer stated that the highlight of the meeting was receiving the CASA Achievement Award at for the Groundwater Replenishment System (GWRS), a joint project with the Orange County Sanitation District (OCSD) and the Orange County Water District (OCWD).

Report from the California Association of Sanitation Agencies (CASA) Conference, San Diego, CA July 19-21, 2015

Director Krippner reported that there were three different tracks to choose from at the conference and he chose to attend the wastewater portion at which the speakers stated that if wastewater is measured it can be managed, that it must be filtered and disinfected regularly and properly, that some kidney stones are a result of not filtering water properly, roof water should be better filtered, there is a need to reduce and manage the amount of phosphorous in our waste water, and discussion on the topic of when buying property, the buyer should find out who is responsible for the laterals.

Director Neugebauer reported that East Bay Municipal Utility District (East Bay MUD) wants all the laterals within its jurisdiction redone because they are all made of clay (terracotta). She attended the watershed portion of the conference and found it confusing until she was finally given the definition of a "watershed," which is any water that drains into a river. Director Neugebauer reported that a multi-year budget was reviewed, continued and approved, the President finished his term and that in the last year CASA hired a new communications manager.

Director Rice stated that after attending the laterals portion of the conference, she feels that the District needs to make the customer aware of what portion of the laterals they are responsible for and what the District is responsible for.

President Cobo stated that he also found the laterals portion of the conference interesting and that East Bay Municipal Utility District (East Bay MUD) wants all homes within their District to have their laterals inspected prior to the sale of a house.

GM Robbins also attended the CASA conference in San Diego.

Report from the Franchise Committee Meeting on Tuesday, August 25, 2015

Directors Neugebauer and Rice attended the franchise committee meeting, which was a continuation of the previous meeting to resolve issues of over and under billing of commercial customers by the franchisee – Rainbow Environmental. Letters drafted by Rainbow to be sent to all those commercial customers to make them aware of their mistake were amended.

Director Rice stated that Rainbow has broken their contract with the District and they need to take their responsibility in it more seriously and that upper management from Rainbow has not attended the meetings like CR&R.

Director Neugebauer stated that she made it clear that the agreement with the franchisees for commercial accounts will be amended after this issue is resolved because this is entirely separate and she does not want the District involved in the lawsuit between Rainbow and CR&R.

Director Rice stated that the amended letters that will go out from Rainbow should be brought to the Board for final approval before being sent out.

Director Neugebauer stated that she felt that it was a very productive meeting and that the next franchise committee meeting will be held on Tuesday, October 13, 2015 at 10 A.M.

Report from the Independent Special Districts of Orange County (ISDOC) Emergency Response Training on August 26, 2015

No one from the District attended the second session of the ISDOC Emergency Response Training.

Report from the Compressed Natural Gas Fueling Station Dedication on Thursday, August 27, 2015

Director Rice stated that she was very proud of the District and its staff and she felt that the event went really well.

President Cobo stated that he felt that it was very well attended, was a positive impact for the District. He has had people approach him with questions about the new trucks and is happy to tell them that their rates were not raised in order to pay for the trucks and that the District is debt free. He stated that he is proud of the District, the teamwork that takes place and the direction the District is taking.

Director Rice stated that CASA or CSDA should let GM Robbins speak at one of their future conferences in order to explain what the District has done.

Director Neugebauer stated that she would like staff to prepare a letter from the Board thanking DPSI for providing the lunch and the tent for the event for the District and the other contractors.

CONSENT CALENDAR

None

OLD BUSINESS

None

NEW BUSINESS

A. General Manager's Employment Agreement

General Counsel Eggart provided a short report on the terms of the proposed new Agreement and changes from the prior Agreement. He also advised the Board that he had provided the General Manager with the required ten days' written notice that the Contract Extension entered into on July 21, 2015 will be terminated upon approval and execution of the new Employment Agreement.

Director Neugebauer stated that on the notification of termination portion which states that it be 90 days each way she would like a caveat that voids that 90 days if the agreement is severed for just cause, since this is a multi-year contract.

General Counsel Eggart explained that that part of the agreement does not apply in the event of termination for just cause and, instead, refers to the end of the term of the agreement - July 31, 2018, and that 90 days prior to the end of that term, and if either party does not wish to renew the agreement, that party is required to give 90 days' notice prior to the termination date.

A motion was made by Director Rice, seconded by Director Diep, to (1) approve the General Manager's Employment Agreement in the form presented and authorize the Board President to sign the Agreement on the behalf of the District, and (2) approve the termination of the Contract Extension entered into between the District and the General Manager on July 21, 2015. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consideration of Public Hearing Notice for Board of Directors' Compensation

A motion was made by Director Neugebauer, seconded by Director Diep, to approve the public hearing notice as presented and have it published for two consecutive weeks in the newspaper. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. Approval of Printer for 2016 Midway City Sanitary District Calendar

A motion was made by Director Diep, seconded by Director Rice, to continue this item until the next regular meeting in order for staff to bring back additional information for the Board. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider Approval of Employee Five (5) Year Safety Award for Midway City Sanitary District Solid Waste Driver, Thomas Garduno

A motion was made by Director Neugebauer, seconded by Director Rice, to approve the five year safety award for Midway City Sanitary District solid waste driver, Thomas Garduno, as recommended by staff. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

Director Neugebauer asked if the Board should schedule a luncheon in order to present the award to MCSD employee, Thomas Garduno.

GM Robbins suggested the luncheon be on Thursday, September 10, 2015 at 12 P.M. and the Board agreed.

INFORMATIONAL ITEMS

None

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 that the District's Labor Negotiators are identified on Item 14 of the Agenda.

President Cobo convened the meeting to closed session at 6:16 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

President Cobo reconvened the meeting at 6:33 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 of the Agenda that there was no reportable action as a result of the closed session.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she would save her concerns for the next regular meeting.

Director Rice stated that she was happy with the conclusion of the General Manager's contract.

Director Neugebauer inquired regarding the date of the last Concert in the Park.

The Board confirmed that Family Day, which is the last concert, will be held on Sunday, September 13, 2015.

Director Neugebauer stated that due to the recent heat wave, she was withdrawing her suggestion to have a strong District showing at Family Day and suggested that the Board attend as individuals.

GM/STAFF CONCERNS/COMMENTS

GM Robbins thanked the Board for his new contract and wished Director Krippner a happy birthday.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel Eggart wished a belated happy birthday to President Cobo and a future happy birthday to Director Krippner.

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, September 15, 2015 at the District office at 5:00 P.M. at approximately 6:36 P.M.


Al Krippner, Secretary