

**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**

January 5, 2016

CALL TO ORDER

President Rice called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, January 5, 2016 at 5:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep
Frank A. Cobo
Margie L. Rice

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 DECEMBER 15,
2015**

President Rice stated that she and Director Neugebauer were concerned about the minutes because of the disagreement that was going on over certain things and requested that certain parts of the minutes be done verbatim in order to clarify everyone's comments.

A motion was made by Director Neugebauer, seconded by President Rice to continue approval of the minutes of the meeting of December 15, 2015 to the meeting of January 19, 2016 and to direct the Board Secretary to revise those portions of the minutes pertaining to Consent Calendar Item 7C and New Business Item 9C to be stated in verbatim format. 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 \$ 292,151.44

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	8080	12/16	300.00	Raul Martinez - Ten Year Safety Award
3	8081	12/16	94.99	Darrell Grimes - Reimbursement for Food for Employee Safety Awards
4	8082	12/18	72.93	The Gas Company - District Office and Maintenance Shop & Wash Rack Fees for December 2015
5	8083	12/18	443.42	Verizon Business - Internet Connection for SCADA System for December 2015
6	8084	12/22	30.00	County of Orange Auditor-Controller - County Fee to Process a Change to a Special Assessment
7	8085	12/29	183.69	AT&T - Brookhurst Lift Station Service for December 2015
8	8086	12/29	11,147.39	CalPERS Retirement - Retirement Contributions for December 2015
9	8087	12/29	40.00	City of Westminster - Hydrant Meter Water Usage for November 2015
10	8088	1/1	42,910.40	CalPERS Health Premium - Healthcare Premium for January 2016
11	8089	1/1	284.05	Pitney Bowes - Lease Payment for Postage Machine January 2016 to April 2016
12	8090	1/1	2,952.30	SDRMA Delta Dental - Dental Insurance Premium for January 2016
13	8091	1/1	6,501.93	Southern California Edison - District Office \$5,487.31, Brookhurst Lift Station \$88.31, Westminster Lift
14				Station \$386.04, Willow Lift Station \$145.45, Hammon Lift Station \$394.82.
15	8092	1/1	862.80	The Standard Life Insurance - Premium Coverage for January 2016
16	8093	1/1	445.26	First Bankcard (NC) - Restock District Kitchen Supplies for December 2015
17	8094	1/1	1,159.44	Verizon California - District Office Phones & Lift Stations for December 2015; \$671.61 District Office,
18				\$162.61, Willow Lift, \$162.61 Westminster Lift, \$162.61 Hammon Lift.
19	8095	1/1	385.60	Vision Service Plan - Monthly Premium for January 2016
20			67,814.20	HANDCUT CHECKS SUBTOTAL
21				
22				REGULAR CHECKS:
23	8096	1/1	146.90	Neugebauer, Joy - Health Insurance Reimbursement for January 2016
24	8097	1/1	104.90	Rice, Margie - Health Insurance Reimbursement for January 2016
25	8098	1/1	60.00	Advanced Gas Products - Cylinder Rental for November 2015
26	8099	1/1	173.31	Agility Fuel Systems - (80) 3/8Inch UV Protected Caps for Fleet
27	8100	1/1	789.00	CRC Cloud - Labor & Parts to Install New Desktop for Board Secretary

28	8101	1/1	69.39	CR Transfer - Tonnage from 12/01/2015 through 12/15/2015
29	8102	1/1	7,109.76	Daniel's Tire Service - (12) Recaps for Restock; (8) New Tires for M64
30	8103	1/1	437.22	G & K Services - Uniform Services for December 2015
31	8104	1/1	98.60	Hose Man, Inc. - (20ft) Grease Hose for Shop
32	8105	1/1	484.27	Los Alamitos Napa Auto Parts - (12Qts) Motor Oil for Restock; (1) Oil Filter for T9; Restock (12) Lock Nuts,
33				(11) Blockhead Fittings, (9) Hose End Fittings, (5) Hydraulic Fittings; (1) Serpentine Belt for T65.
34	8106	1/1	7,912.50	NGVI - Balance for Natural Gas Vehicle Technician & Fleet Operations Safety Training
35	8107	1/1	616.80	North American Safety - (48) Straw Hats for Employees
36	8108	1/1	1,391.49	Orange County Sanitation District - 2015-16 Secured Property Tax for District
37	8109	1/1	519.48	Plumbers Depot, Inc. - (2) Leader Hoses & (2) Ball Valves for Vector Trucks
38	8110	1/1	124,788.46	Rainbow Transfer Recycling - Tonnage from 11/15/2015 through 12/15/2015
39	8111	1/1	566.94	Rainbow Environmental Services - Diesel & Unleaded Purchases for November 2015
40	8112	1/1	895.18	Rush Truck Center - (1) Module-Electric ABS for T65
41	8113	1/1	125.35	Rutan & Tucker, LLP - Legal Services for November 2015
42	8114	1/1	391.77	RWC Group - (2) Primary & (2) Secondary Filters for Restock
43	8115	1/1	937.00	Scott Harrison Plumbing - Repairs to Air Conditioning in District Offices
44	8116	1/1	555.20	TEC of California - (2) Air Filters, (2) Lube Filters, (4) Fuel Filters for Restock; Parts & Labor to Repair
45				Coolant Leak and Brake Adjustment for NG2.
46	8117	1/1	344.00	TM Services Company - Annual Fire Extinguisher Maintenance Services
47	8118	1/1	276.39	Wastebuilt - (20) Springs & (20) Switches for Restock
48	8119	1/1	650.00	Wespac Security Services - Burglar, Fire, & Gas Alarm Services for October through December 2015;
49				One Time Registration Fee for Gas Alarm Services; August through September 2015 Gas Alarm Services.
50	8120	1/1	3,410.00	White Nelson Diehl Evans - Final Billing on Audit of the District's Financial Statements FYE June 30, 2015
51	8121	1/1	6,577.35	Woodruff, Spradlin & Smart - Legal Services for November 2015
52			\$ 159,431.26	REGULAR CHECKS SUBTOTAL
53				
54				PAYROLL
55		12/22	56,642.64	Payroll - Staff Checks Taxes & Direct Deposits
56		12/22	1,100.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
57		12/22	700.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
58		12/24	5,996.84	Board of Director's Payroll for the Month of December 2015 Check # 15820 - 15823
59		12/24	466.50	Board of Director's Nationwide Deferred Compensation for December 2015 (100% Paid By Directors)
60			\$ 64,905.98	PAYROLL SUBTOTAL
61				
62			\$ 292,151.44	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
63				
64				BANK TRANSFERS
65		12/30	3,395,000.00	Transfer Funds from Money Market to Checking Account

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the expenditures in the amount of \$ 292,151.44. 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 City of Irvine did not sign the Waste Management Agreement but the County is looking to extend it through June of 2016. He was told that if they don't know by March, they will have to set the rates. There will be an extension to the agreement for the District that will be brought to the Board for approval.

Director Cobo asked if anyone has talked to the Mayor of Irvine to discuss this issue and stated that he wondered if the taxpayers of Irvine knew what was going on because it would be taking more money out of their pockets. He asked if there was still hope that they could be persuaded to sign the agreement.

GM Robbins stated that they are still talking and there is always hope and that everything he has been told is secondhand and hearsay but he has been told that the Mayor of Irvine has left it up to the City Manager.

President Rice stated that the Irvine City Council was very divided and asked if it would do any good if other Cities and Districts sent a letter to them.

GM Robbins stated that every City has already sent something, including the Mayor of Westminster, Tri Ta on behalf of the City Council because it means money coming back to most cities if they sign -- roughly \$300,000-\$400,000 per year.

GM Robbins stated that Orange County Waste and Recycling will be sending a request for an extension which he will bring to the Board for approval. He stated that they are going to continue to raise rates due to the efficient recycling taking place and they need the equivalent of what it takes to run the landfill with less tonnage coming in.

GM Robbins stated that Scott Harrison Plumbing will be at the District on December 6, 2016 to check the sump drains in the mechanics shop and the wash rack because they are draining slowly.

Director Cobo asked if the District had used Scott Harrison Plumbing before and if GM Robbins was happy with their service.

GM Robbins stated that they were professional and he hadn't had any problems with them.

Director Cobo stated that he had some bad experiences with them and that they didn't return calls to him.

GM Robbins stated that bulky truck (T9) has stopped running so the District will rent a stakebed to finish Christmas tree service and to use for the first week of bulky pickups. Depending on what is wrong with the truck, the District may have to purchase a new truck. There is money in the budget for it.

Director Neugebauer asked if there would be trucks at the Waste Expo in June and suggested that their personnel be contacted to assist in finding a new stakebed truck.

Report from Luncheon for Safety Award Recipient, Raul Martinez on December 16, 2015

Director Krippner reported that the luncheon was well done.

Director Cobo reported that he enjoyed the luncheon and mingling with the employees and was pleasantly surprised when they gave all the Board members a gift certificate, which he stated, proves the Board is doing their job.

President Rice was impressed and happy that the employees stated that GM Robbins is the best General Manager they have ever had and that the gift certificate was the first she had ever received from the Districts employees.

Director Neugebauer stated that she especially enjoyed the homemade tamales.

President Rice asked that a thank you letter be sent to Carlos Gomez' mother for the tamales.

Report from Orange County Sanitation District Meeting on December 16, 2015

Director Neugebauer reported that she attended the meeting on December 16, 2015 at which the Board approved the updated 5 year strategic plan, had a review of operational changes made at Plant 1 to address the odor control, reviewed the biosolid shipments to the Orange County landfill and approved the maintenance contracts for janitorial services and digester cleaning and disposal.

Director Neugebauer received a flashdrive that contains the Orange County General Plan PSA, the No Drugs down the Drain service announcement, Hazardous Waste Disposal information, a video of OCSD's 60th Anniversary celebration, the Making Every Day Possible Tour, and the Groundwater Replenishment Video. She asked that a meeting be

scheduled in March to review this up to date information and possibly put some of the information on the District's website.

Director Neugebauer stated that she had a conversation with the Mayor of Irvine after the meeting. She asked him if Irvine had taken any action yet to be part of the agreement at the landfill. She stated that he stepped back and said "And why are you asking?" Director Neugebauer's respond was "Our entity – Midway City Sanitary District – is part of the consortium that is going to be financially impacted by the delay and your City's failure to become a part of it. That's why I'm asking." His response was that they had turned it over to the discretion of their City Manager and it was in his hands.

Director Neugebauer reported that the next Committee meeting will be on February 27, 2016.

Report from the Rainbow Holiday Event on December 17, 2015

Director Cobo stated that he enjoyed the event and was able to speak with a lot of people including Jeff Snow, Sue Gordon and some of the Rainbow employees. He noticed that MCSD mechanic Raul Martinez was there educating Rainbow mechanics on their new CNG trucks.

President Rice asked Director Cobo if Jeff Snow asked him to have a meeting with him because he had asked her to have a meeting with him.

Director Cobo stated that he did and he said that he had no problem with that.

Director Neugebauer stated that she found the event interesting and enjoyed speaking with all the people there, including Jeff Snow and Ron Shenkman.

President Rice stated that she also spoke with Jeff Snow, Ron Shenkman and agreed that it was a nice event.

Report from the Oversight Committee Meeting on December 23, 2015

President Rice reported that she was called at the last minute for an emergency meeting. The State has refused to allow the purchase of the property where the Infinity car dealership on Beach Blvd. is because it cannot be purchased with RDA funds. The oversight committee voted to sell the land the City owns on Bolsa in order to buy the land on Beach Blvd. because the land on Beach Blvd. has a lease which is good revenue for the City of Westminster.

CONSENT CALENDAR

None

OLD BUSINESS

- A. Approve Annual Vacation Pay in Lieu of Time off Requests for Management, Salaried and Unrepresented Employees

Director Krippner handed out information regarding the Federal Fair Labor Standards Act and Non-Exempt versus Exempt employees.

General Counsel Eggart asked Director Krippner to clarify whether he feels that legally the Board cannot take action or whether he disagrees with it from a policy standpoint.

Director Krippner stated that he was not saying that there was a legal issue but that he wanted the Board to be aware that exempt and non-exempt positions are different and should be considered separately.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve annual vacation pay in lieu of time off requests for management, salaried and unrepresented employees, as recommended by staff. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Diep, Neugebauer and Rice

NAYS:

ABSTAIN: Krippner

ABSENT:

NEW BUSINESS

- A. Request Approval to continue using DGA Consultants for On-Call Engineering and Plan Check Reviews

GM Robbins stated that DGA has been doing work for the District for many years but their contract has lapsed. Director Neugebauer requested that it be brought back for Board review, especially considering the 405 freeway project. If the Board elects to use DGA, staff would like to bring back an agreement which stipulates time frames and rates and any large projects would be brought back to the Board for approval.

A motion was made by Director Cobo, seconded by Director Neugebauer to approve using DGA Consultants for on call engineering and plan check reviews, subject to Board approval of a written agreement and to direct Staff to bring back an agreement for approval. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider Adoption of 2016 Midway City Sanitary District Strategic Plan

The Board made several suggestions for change and commended staff for a job well done.

GM Robbins reported that since 2012 when the District reorganized, 17% was cut from administration, 17% was cut from the sewer department, and 8% from the solid waste department totaling about a million dollars in salaries and benefits savings.

A motion was made by Director Neugebauer, seconded by Director Cobo to continue consideration of approval of the amended 2016 MCSD strategic plan to the next meeting to allow for the recommended changes to be made. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider Adjusting the General Manager's Spending Limit Which is Currently at \$5,000

President Rice stated that she asked for this item to be placed on the agenda because prices have escalated since the \$5,000 cap was set and she asked that it be raised to \$10,000.

Director Neugebauer asked GM Robbins what number he would like.

GM Robbins stated that \$10,000 would be good but that he brings everything back to the Board for approval anyway.

Director Krippner stated that he thought the General Manager's spending limit should be \$20,000 because he can be trusted.

Director Neugebauer stated that it couldn't just be changed and that the purchasing policy would need to be changed so the correct motion would be to bring back an amendment to the purchasing policy reflecting a number for the Board's consideration.

A motion was made by Director Neugebauer, seconded by Director Cobo to direct Staff to prepare proposed revisions to the District's Purchasing Policy and Procedures adjusting the General Manager's contracting limit to \$10,000 for the Board's consideration.

Director Krippner stated that he still thought it should be \$20,000.

Director Neugebauer stated that she would not vote for that.

A substitute motion was made by Director Krippner, seconded by Director Diep to direct Staff to prepare proposed revisions to the District's Purchasing Policy and Procedures adjusting the General Manager's contracting limit to \$20,000 for the Board's consideration. The substitute motion was approved by the following 3-2 vote:

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

D. Consider Rescheduling or Cancelling the Tuesday, June 7, 2016 Regularly Scheduled Board Meeting in Order to Accommodate Board Travel to the 2016 Waste Expo in Las Vegas, Nevada, June 5-9, 2016

A motion was made by Director Diep, seconded by Director Cobo to reschedule the regularly scheduled Board meeting on Tuesday, June 7, 2016 to Thursday, June 2, 2016 at 5 P.M. The motion was approved by the following 5-0 vote:

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

INFORMATIONAL ITEMS

None

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that the Board had taken a very positive step forward for the New Year with the leadership of President Rice in preparing for adoption of the strategic plan and commended staff for making it a priority and putting it on the first agenda of the New Year.

Director Cobo wished everyone a happy and prosperous New Year, thanked staff and stated that he was happy to help serve the community.

President Rice asked if everyone saw the mobile ornament that was made by a young child for the District. She stated that she hoped that the receptionist got his phone number so that he could come to a meeting and receive a commendation from the Board. President Rice welcomed back legal counsel and stated that it was nice to see his colleague, Omar Sandoval at the holiday dinner. She stated that she didn't want to complain but noticed that a lot of black containers in her neighborhood were knocked

over today and didn't know why. She also thanked everyone for the gifts that she received.

GM Robbins stated that he would be having a meeting with District employees tomorrow morning and would bring up the knocked over containers.

GM/STAFF CONCERNS/COMMENTS

GM Robbins welcomed back General Counsel Eggart and wished a Happy Birthday to President Rice.

Finance/HR Director Housley stated that White Nelson Diehl Evans would be attending the next Board meeting with their engagement letter and scope of work for the Board to review and approve for the audit of the franchise.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel Eggart thanked the Board for the Edible Arrangement that was sent to him and stated that he appreciated it. He was disappointed that he missed the District's holiday dinner.

General Counsel Eggart reported that he prepared a letter, which was sent to Rainbow/Republic, and he provided the Board with a copy of that letter and the response.

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.

None

ADJOURNMENT

President Rice adjourned the meeting to Tuesday, January 19, 2016 at the District office at 5:00 P.M. at approximately 6:31 P.M.


Frank Cobo, Secretary