

**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**

February 2, 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, February 2, 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 JANUARY 19, 2016

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of January 19, 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 \$ 218,565.36

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	8151	1/28		VOID: Printer Error
3	8152	1/28	42,910.40	CalPERS Health Premium - Healthcare Premium for February 2016
4	8153	1/28	13.78	City of Westminster - Water Usage for Hammon Lift Station 11/18/15-01/12/2016
5	8154	1/28	40.00	City of Westminster - Hydrant Meter Water Usage for December 2015
6	8155	1/28	119.54	The Gas Company - District Office, Maintenance Shop, & Wash Rack Fees for January 2016
7	8156	1/28	1,007.66	Office Max - Restock District Office Supplies for January 2016
8	8157	1/28	862.80	The Standard Life Insurance - Life Insurance & AD&D Premium Coverage for February 2016
9	8158	1/28	420.82	First Bankcard (NC) - Restock District Kitchen Supplies for January 2016
10	8159	1/28	412.29	AT&T - Brookhurst Lift Station Service for January 2016
11			45,375.00	HANDCUT CHECKS SUBTOTAL
12				REGULAR CHECKS:
13				
14	8160	2/1	160.30	Neugebauer, Joy - Health Insurance Reimbursement for February 2016; Difference for January 2016
15	8161	2/1	104.90	Rice, Margie - Health Insurance Reimbursement for February 2016
16	8162	2/1	497.45	Bodyworks - (4) Cushion Kits for Restock
17	8163	2/1	162.00	CRC Cloud - Annual Fee for Website Hosting for District Website
18	8164	2/1	585.00	Frog Environmental - Storm Water Sample for January 5, 2016
19	8165	2/1	294.85	G & K Services - Uniform Services for January 2016
20	8166	2/1	3,050.10	Huntington Beach Ford - Labor & Parts to Repair T9 Engine & Fuel Pump
21	8167	2/1	200.00	ISDOC - Annual Membership Dues for 2016
22	8168	2/1	33,125.00	McConnell, James. F. - Lobbyist/Professional Services Rendered in Receipt of MSRC Grant
23	8169	2/1	560.70	Los Alamitos Napa Auto Parts - (4) Fuel & (4) Oil Filters, (50ft) Heat Hose, (3) Weather-strip Adhesive for
24				Restock; (1) Battery for S1; (2) Air Filters and (1) Fuel Filter for T9.
25	8170	2/1	442.80	Plumber's Depot - (2) Swivels for Vactor Trucks M63 & M64
26	8171	2/1	61,689.73	Rainbow Transfer Recycling - Tonnage from 01/01/2016 through 01/15/2016
27	8172	2/1	2,667.06	Rush Truck Centers - Labor & Parts to Service Engine Power Issues on T65
28	8173	2/1	1,104.00	Rutan & Tucker, LLP - Legal Services for December 2015
29	8174	2/1	621.00	Scott Harrison Plumbing - Toilet Repairs and Clear Stoppage to Shop Restroom
30			\$ 105,264.89	REGULAR CHECKS SUBTOTAL
31				PAYROLL
32				
33		1/19	58,979.80	Payroll - Staff Checks Taxes & Direct Deposits
34		1/20	1,100.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
35		1/20	650.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
36		1/29	6,649.55	Board of Director's Payroll for the Month of January 2016 Check # 15827 - 15830
37		1/29	546.12	Board of Director's Nationwide Deferred Compensation for January 2016 (100% Paid By Directors)
38			\$ 67,925.47	PAYROLL SUBTOTAL

39		
40	\$ 218,565.36	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
41		
		BANK TRANSFERS
1/19	218,492.61	Transfer Funds from Money Market to Checking Account
1/20	1,000,000.00	Transfer Funds from Checking Account to LAIF

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the expenditures in the amount of \$ 218,565.36. 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 polo shirts provided to the Board at tonight's meeting were from Dr. Eric Holder from the Orange County Health Department who gave a seminar on food waste recycling on Friday, January 29, 2016. Dr. Eric Holder championed the program in Orange County and GM Robbins stated that he would like the Board's permission to put a link to the Waste Not OC program on the District's website for restaurants with information regarding donating their leftover food. There are several food distributors within the District's jurisdiction including Abrazar, American Family Housing and a number of churches. If the restaurants located within the District's jurisdiction would donate their extra food that would normally become trash, they would receive a tax deduction and have the backing of the Health Department and be protected from any liability under the Good Samaritan Law. Waste Not OC has vendors who will sort and store the food properly before donating it. The program will help the District with the food waste program that was presented by Rainbow and CR&R at the last meeting and that must be implemented for commercial properties with eight or more cubic yards of organic waste by April 1, 2016. This program will also reduce the District's tonnage while helping families in need within the District's jurisdiction. GM Robbins stated that one in five people in Orange County are food deprived and the numbers are going up.

GM Robbins stated that staff is working on updating the District's solid waste ordinance.

GM Robbins reported that the City of Irvine postponed consideration of approval of the Waste Disposal Agreement (WDA) but that Orange County Waste and Recycling is working with Irvine and are confident that they are getting close to an agreement.

Report from Orange County Sanitation District (OCSD) Meeting ON January 27, 2016

Director Neugebauer reported that the OCSD Board voted to cosponsor a proposed bill to bottle some of the advanced purified water. The other item of importance at the meeting was a resolution to put language into the policy that the District would not accept any discharge of fluids from animals and humans being bio-cremated. The fluid will be accepted but it will go through a separate SARI (Santa Ana River Interceptor) line which flows into the ocean.

Director Neugebauer informed Director Krippner, who is the alternate representative for the District, that she would not be able to attend the February 24, 2016 OCSD meeting because she would be at the CASA conference in Washington D.C.

Director Neugebauer reported that she also attended a special meeting today that included a tour of OCSD and the Santa Ana Watershed Protection (SAWP) and that she would report on it at the next meeting.

Report from the California Association of Sanitation Agencies (CASA) Conference in Palm Springs, CA January 20-22, 2016

Director Neugebauer reported that for the first time there was preplanning for delegates for the CASA Washington D.C. conference with tips, talking points and priorities. The main priority will be the Citizens Suit Reform Legislation and she felt that the conference was worthwhile.

Director Cobo reported that he especially enjoyed the in-depth discussion regarding Flint, Michigan's water contamination and the class on hiring and recruiting in the future.

Director Krippner liked the way it was set up and especially enjoyed the smaller breakout groups.

President Rice enjoyed the class on the wastewater treatment plant in East Bay Municipal Utility District (MUD) given by a speaker from the Metropolitan Water District and felt that it was beneficial information for the District. She felt that the information on federal and state grants was also interesting.

Director Neugebauer reported that she also enjoyed the closing session which included a discussion on branding – and especially the speaker who is vice-chairman at OCSD.

GM Robbins reported that he was asked to sit on the CASA nominating committee.

Report from the Municipal Water District of Orange County (MWDOC) Water Policy Forum on January 22, 2016

Director Krippner reported that Felicia Marcus was the speaker and she could not comment on most of the questions asked of her.

Report from the Westminster Oversight Committee Meeting on January 28, 2016

President Rice reported that she attended an emergency meeting to approve a resolution approving the recognized obligation payment, which is referred to as ROP, scheduled 16-17 and authorizing transmittal to the Department of Finance. She was told that there is a possibility that this may be the last big financial decision because the County will be taking over the Oversight Committee at some point once all the last few details are taken care of.

Report from the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on January 28, 2016

Director Neugebauer reported that she was very impressed by County CEO, Frank Kim and his value system, priorities and plan for action.

Director Cobo stated that it was the first time he had met Frank Kim.

President Rice stated that she finds it interesting that they get to hear from different Districts at each meeting and looks forward to the day when MCSD's General Manager can give a report on the Midway City Sanitary District.

Director Krippner and GM Robbins also attended the ISDOC quarterly meeting.

CONSENT CALENDAR

- A. Renewal of Membership to Independent Special Districts of Orange County (ISDOC)
- B. Approve Attendance to California Special Districts Association (CSDA) Workshop on February 9, 2016 in Fountain Valley, CA
- C. Approval to Surplus Old Solid Waste Truck Parts
- D. Approval of Drivers Safety Training for Midway City Sanitary District Commercial Drivers

A motion was made by Director Diep, seconded by Director Krippner 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. Consider Setting a Date to Tour CR&R's Organics Solutions Resources Facility in Perris, CA

A motion was made by Director Neugebauer, seconded by President Rice to approve March 22, 2016 as the date for the Board and staff to tour CR&R's organics solutions resources facility in Perris, California. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Diep, Neugebauer and Rice

NAYS:

ABSTAIN: Krippner

ABSENT:

B. Selection of Date and Location for Midway City Sanitary District's 2016 Employee Holiday Dinner

President Rice stated that she was told that the Districts employees would like to be able to bring their families to the holiday dinner.

Discussion ensued as to whether it should be a family event or not and where it should be held. Details will be discussed and considered at a later date.

A motion was made by Director Neugebauer, seconded by Director Diep to approve setting a date of Sunday, December 4, 2016 for the District's Employee Holiday Dinner and reserve that date at the Rose Center. The motion was approved by the following 4-1 vote:

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

C. Consider Scheduling a Date for the Administrative Professional Day Luncheon

President Rice stated that she was informed that staff would like to have the luncheon at the District and to include all staff in the luncheon.

Discussion ensued and Director Neugebauer stated that it is called Administrative Professionals Day and that the District has luncheons which include everyone periodically. She stated that this should be a day for the administrative staff to be shown the Board's appreciation and didn't want the occasion diluted.

A motion was made by Director Neugebauer, seconded by Director Diep to approve Wednesday April 20, 2016 for the Administrative Professional Day luncheon, with staff to decide the location of the luncheon. The motion was approved by the following 5-0 vote:

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

D. Approval of Amendment to Waste Disposal Agreement with Orange County Waste and Recycling (OCWR)

A motion was made by Director Neugebauer, seconded by Director Diep to approve staff's recommendation to approve the amendment to the Waste Disposal Agreement (WDA). The motion was approved by the following 5-0 vote:

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

E. Discuss and Consider Nominating Midway City Sanitary District General Manager Ken Robbins for California Special Districts Association (CSDA) 2016 Manager of the Year

President Rice stated that, having served on the Board at CASA, her years at the District and knowing how well the District is run, she proposed that the Board nominate GM Robbins for CASA 2016 Manager of the Year. She stated that it is too early to turn anything in but wants to be prepared for it and asked for their support.

Director Neugebauer suggested that each Board member write about some instance when GM Robbins' performance had been outstanding. She stated that she remembered when he was Assistant Manager and wrote up a performance list of everything the sewer crew did that needed to be reported on and that he started his outstanding performance long before he became the General Manager.

President Rice stated that he started as the Bulky guy and that someone should point out how much money he has saved the District over the years.

A motion was made by Director Cobo, seconded by Director Diep to approve the nomination of Midway City Sanitary District General Manager Ken Robbins for CASA 2016 General Manager of the Year. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

F. Consider and Approve Budget Calendar for Fiscal Year 2016-2017 (July 1, 2016 through June 30, 2017)

A motion was made by Director Diep, seconded by Director Cobo to approve the budget calendar for fiscal year 2016-2017, as recommended by staff. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

G. Fiscal Year 2015-2016 Second Quarter Financial Reports and Budget Review for the Period of July 1, 2015 through December 31, 2015

GM Robbins stated that the District is in better shape than planned at this time because of all the expenditures over the last year including paying off debt, retiring liabilities, the CNG station and trucks – all totaling over \$12 million.

Finance/HR Director Housley pointed out a few items including the high amount of cash that went out to pay off the new station and trucks and debt. The District was able to infuse an addition \$1 million back into the budget by paying off the debt, the new trucks are costing less to maintain, grant funds have been received and some revenues are coming in higher than projected based on pass-through funds. He pointed out that the District's reserves have changed due to fully funding of the Districts GASB 45 OPEB, the CNG fueling station and the COP payoff reserve totaling almost \$8 million and cash is down but assets are up due to all the improvements and purchases. He reviewed the statement of net position and pointed out that the bond was paid off and eliminated. He

concluded that all departments are under the targeted 50%, there are no concerns and things are going in the right direction.

President Rice complimented Finance/HR Director Housley on the excellent report.

A motion was made by Director Diep, seconded by Director Neugebauer to receive and file the fiscal year 2015-2016 second quarter financial reports and budget review for the period of July 1, 2015 through December 31, 2015. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

H. Consider to Approve Removal of 45,100 Fully Depreciated Refuse Containers/Carts for the District's Assets List in the Amount of \$2,450,890.70

A motion was made by Director Neugebauer, seconded by Director Diep to approve the removal of 45,100 fully depreciated refuse containers/carts for the District's assets list in the amount of \$2,450,890.70. 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 Krippner thanked Director Cobo for driving him home from the CASA conference in Palm Springs.

Director Cobo stated that it was a good conference and that he was glad he was able to drive Director Krippner home because he got to know him on a personal level.

President Rice stated that the City of Westminster finance committee has been looking into taking the District's franchise fees and when she was asked her opinion she informed them that they do not provide the service and should not try to take the fee away from Midway City Sanitary District. They were also looking into taxing the District's

trucks for driving on City roads and she reminded them that if they tax the District's trucks that they have to tax everyone's. Both ideas were voted down.

Director Neugebauer stated that in the General Manager's Report there was a complaint which referred to the City not enforcing its Ordinance regarding removing carts from the street. She asked if the District had red tagged those carts.

GM Robbins stated that they were red tagged and that he had gone out personally to speak with the resident but no one was home so he left his business card.

President Rice stated that the City had adopted an ordinance years ago and the carts are supposed to be out of sight but that the ordinance has not been enforced.

Director Neugebauer stated that the District does not have any enforcement authority.

President Rice suggested that GM Robbins send a letter to the City of Westminster asking them to enforce the ordinance that was adopted regarding cans left out on the street because of the complaints received by the District.

GM Robbins stated that all complaints about the City are forwarded.

President Rice asked that GM Robbins write a letter and not send an email because emails can be deleted.

Director Neugebauer asked that the customer who complained receive a copy of the letter that staff was asked to write to the City regarding its Ordinance.

GM/STAFF CONCERNS/COMMENTS

GM Robbins thanked the Board for their nomination for CASA's 2016 General Manager of the Year and stated that it was a team effort.

GM Robbins stated that he was concerned with the timing of the letter he was asked to send the City regarding the ordinance because it might be taken negatively against the District, but that he would follow through with the Board's direction.

Finance/HR Director Housley reported that White Nelson Diehl Evans LLP had done an introduction of their audit team to Rainbow and that it would be a process that he would keep the Board up to date on.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel Eggart stated that he had one suggestion for the letter that staff was asked to write to the City of Westminster. He stated that he would suspect that the District does not have the legal jurisdiction to enforce that kind of law. The reason is it lies within the City's jurisdiction and is a land use matter and a use of city streets matter and therefore they have to enforce it. The letter should just point out that the District does not have the legal ability to enforce the Ordinance.

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, February 16, 2016 at the District office at 5:00 P.M. at approximately 6:30 P.M.



Frank Cobo, Secretary