

**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**

May 3, 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, May 3, 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
James Eggart, General Counsel
Danielle Gerardo, Board Secretary
Dean Ruffridge, CR&R
Maria Lazaruk, CR&R
Michelle Clark, Rainbow Environmental Services

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF APRIL 19, 2016

A motion was made by Director Neugebauer, seconded by Director Cobo, to approve the minutes of the regular meeting of April 19, 2016, as presented. The motion was approved by the following 4-0-1 vote:

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

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 139,462.87

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	8337	4/27	197.57	AT&T - Brookhurst Lift Station Service for April 2016
3	8338	4/27	11,152.35	CalPERS Retirement - Retirement Contributions for April 2016
4	8339	4/27	43,221.84	CalPERS Health Premium - Healthcare Premium for May 2016
5	8340	4/27	592.95	Deluxe Business Checks - (1000) Checks for Restock
6	8341	4/27	56.81	The Gas Company - Maintenance Shop, Wash Rack & District Offices Usage Fees for April 2016
7	8342	4/27	149.32	Pitney Bowes/Purchase Power - Postage for District Postage Machine
8	8343	4/27	122.53	South Coast AQMD - AQMD Fee for FY 2015-2016 for District Offices
9	8344	4/27	812.51	The Standard Life Insurance - Life Insurance & AD&D Premium Coverage for May 2016
10	8345	4/27	191.18	First Bankcard (NC) - Restock District Kitchen Supplies for April 2016
11	8346	4/27	385.60	Vision Service Plan - Monthly Premium for May 2016
12	8347	4/27	200.00	Westminster Prayer Breakfast - 2016 Westminster Mayor's Prayer Breakfast (1) Table
13			57,082.66	HANDCUT CHECKS SUBTOTAL
14				REGULAR CHECKS:
15				
16	8348	5/1	153.60	Neugebauer, Joy - Health Insurance Reimbursement for May 2016
17	8349	5/1	104.90	Rice, Margie - Health Insurance Reimbursement for May 2016
18	8350	5/1	1,178.31	Chemsearch, Inc. - (120) Pounds of Maxi-lube for Restock
19	8351	5/1	1,580.80	Daniels Tire Service - Restock (8) Recaps
20	8352	5/1	7,790.00	Flo-Services, Inc. - Preventative Maintenance for April 2016
21	8353	5/1	150.00	Four Pals Inc. - Backflow Testing & Repairs for District Offices & Westminster Lift Station
22	8354	5/1	285.75	G & K Services - Uniform Services for April 2016
23	8355	5/1	1,250.00	Haulaway - One (10') Storage Container
24	8356	5/1	1,564.55	Los Alamitos NAPA Auto Parts - Restock (2) Flash Tubes, (2) Strobe Beacons, (1) Terminal Connection Kit,
25				(2) Air Hose, (7) Air Filters; (1) Flash Tube for S1; (2) Gunite for NG9; (1) Filter for M64.
26	8357	5/1	805.20	Profoma Solutions - (263) F.O.G. Spatulas & (100) Lunch Totes for Restock
27	8358	5/1	762.23	Rainbow Environmental Services - Diesel & Unleaded Purchases for March 2016
28	8359	5/1	276.00	Rutan & Tucker, LLP - Legal Services for March 2016
29	8360	5/1	1,282.00	State Water Resources Control Board - Annual Permit Fee for 04/01/2016-03/31/2017
30	8361	5/1	615.05	TEC of California - Restock (3) Brake Pad Kits
31			17,798.39	REGULAR CHECKS SUBTOTAL
32				

32			
33			PAYROLL
34	4/26	58,169.25	Payroll - Staff Checks Taxes & Direct Deposits
35	4/26	1,100.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
36	4/26	650.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
37	4/29	4,303.71	Board of Director's Payroll for the Month of April 2016 Check # 15845 - 15848
38	4/29	358.86	Board of Director's Nationwide Deferred Compensation for April 2016 (100% Paid By Directors)
39		64,581.82	PAYROLL SUBTOTAL
40			
41		139,462.87	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
42			
			BANK TRANSFERS
	4/22	2,000,000.00	Transfer Funds from LAIF to Checking Account
	4/22	2,661,754.31	Transfer Funds from Money Market to Checking Account

A motion was made by Director Krippner, seconded by Director Neugebauer, to approve the expenditures in the amount of \$ 139,462.87. The motion was approved by the following 5-0 vote:

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

REPORTS

Report of President

President Rice reported that the Oversight Committee met on Thursday, April 28, 2016 to discuss the Westminster City Council's decision to refinance the bonds on the police station and parking structure. Doing so will save money for the school district and MCSD should receive approximately \$34,000.

Report of General Manager

GM Robbins reported that he and Director of Operations/Safety Nick Castro were invited to attend the Advanced Clean Transportation (ACT) Expo in Long Beach and were planning to go on Wednesday, May 4, 2016 to look at the alternative fuel vehicles and get potential vendor contacts.

GM Robbins reported that the police were called by a resident on the sewer crew who were cleaning the sewer main on Hazard on Monday, May 2, 2016. Nothing came of the incident.

Report from the Administrative Professionals Day luncheon on April 20, 2016

Director Cobo stated that he enjoyed the luncheon with staff because he likes to make sure that they know that they are doing a good job and he appreciates everything they do.

Director Neugebauer stated that she enjoys the informal and relaxed environment of the lunch with staff who work so diligently to keep the Board up to date on everything.

Director Krippner stated that he also enjoyed the luncheon with Staff.

Director Diep stated that he feels that it is important to let the office employees know that they are appreciated and important and to spend casual time with them at least once a year.

President Rice stated that she is glad that the Board has the opportunity to show their appreciation and wanted to make everyone aware that she, not the District, paid for her daughter - Anita's lunch.

Report from the Orange County Sanitation District (OCSD) Meeting on April 27, 2016

Director Neugebauer reported that she sat in on the Steering Committee meeting prior to attending the Director's meeting on April 27, 2016. At the meeting, surveying services were deferred, the contract for chloride and sewer cleaning for Tustin and the unincorporated areas was awarded, the Directors reviewed the pipeline condition assessment and had a closed session. The General Manager's report was interesting in that OCSD is saving approximately \$400,000 a year due to no longer adding chemicals to the water being released into the ocean.

Director Neugebauer stated that OCSD received the certificate of achievement for excellence in financial reporting from the Government Finance Officers Association of the United States and Canada, which is the highest form of recognition in governmental accounting.

Director Neugebauer reported that the Chairman of the Board, General Manager and Staff of OCSD travelled to Washington D.C. in order to speak with Senator Diane Feinstein regarding her drought bill and will be receiving a grant due to OCSD's Groundwater Replenishment System.

Director Neugebauer stated that she will be attending the May 12, 2016 Harassment/Discrimination workshop at OCSD and will have a report on that at the next regular meeting on Tuesday, May 17, 2016.

Earth Day Presentation from Rainbow Environmental Services/CR&R to Lexus of Westminster

Michelle Clark of Rainbow Environmental Services stated that each year Rainbow celebrates one customer that has gone above and beyond. Honorees are recommended by Rainbow's drivers. This year there were two winners: Lexus of Westminster for their continued great efforts, and ABC Market, who also did a remarkable job of turning things around and have robust recycling programs. Neither Lexus of Westminster nor ABC Market were able to come to tonight's meeting so she asked to continue the presentation to the next regular meeting on Tuesday, May 17, 2016 in order to present the businesses with their awards.

CONSENT CALENDAR

None

OLD BUSINESS

A. Consider Extending Curbside Residential Solid Waste Service to Mission Del Amo Mobile Home Park at 9702 Bolsa Avenue, Westminster

GM Robbins stated that, per Board direction, he and Director of Operations/Safety, Nick Castro, drove through the Mission Del Amo Mobile Home Park with one of the District's largest trucks to ensure that there was ample room to maneuver a truck and to check for low hanging wires within the neighborhood. GM Robbins reported that they had no issues or problems and suggested making it a Wednesday route because that is the lightest day.

Director Cobo stated that it was good that they signed off any liability or damage to the streets by the District.

Director Neugebauer asked GM Robbins if, since this will change the number of Rainbow bins on site and their financial income from their service agreement, there was anything the District needed to clarify within the District's franchise agreement before entering into the agreement.

GM Robbins responded that the District has serviced mobile home parks in the past.

Director Neugebauer stated that she thought the District should clarify before signing anything in order to not get into any legal jeopardy with the District's franchisees.

General Counsel Eggart suggested that the Board direct GM Robbins to write a letter directed to Rainbow and CR&R letting them know that the District has been approached by the Mission Del Amo Mobile Home Park for a residential service agreement to make

sure that they don't have a problem with it before the District signs the agreement. He stated that it would be better to deal with a possible dispute with it prior to signing.

A motion was made by Director Neugebauer, seconded by Director Cobo, to direct the General Manager to write a letter to Rainbow and CR&R regarding the District's intent to provide residential solid waste service to Mission Del Amo Mobile Home Park prior to signing and to approving the agreement for service, subject to Rainbow and CR&R's concurrence. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Reconsider Approval of the Minutes of the Meeting of April 5, 2016

A motion was made by Director Neugebauer, seconded by Director Diep, to confirm the Board's direction to change a word in the April 5, 2016 regular meeting minutes at the April 19, 2016 regular meeting. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

NEW BUSINESS

A. Consider Approval of Attendance to the Orange County Sanitation District (OCSD) Workshop on Innovations Suitable for Smaller Water/Wastewater Operations on Tuesday, September 20, 2016

Director Neugebauer stated that this is a local event with no cost to attend and she felt it would be worthwhile. OCSD is asking for additional topics to discuss and she would suggest solar power and battery backup, smart covers, sewer monitoring and alarm systems as additional topics.

GM Robbins also suggested the topics of electric vehicles, work trucks and bug control.

Director Cobo stated that he agreed that the District should participate because they would be discussing odor and grease control, which the District deals with.

A motion was made by Director Neugebauer, seconded by Director Cobo, to approve attendance for Directors and Staff at the OCSD Workshop on Innovations Suitable for Smaller Water/Wastewater Operations on Tuesday, September 20, 2016. The motion was approved by the following 5-0 vote:

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

B. Consider Attendance to Required AB 1825 Sexual Harassment Prevention Webinar for Staff and Elected Officials on Wednesday, June 1, 2016 from 10 A.M. – 12 P.M.

A motion was made by Director Diep, seconded by Director Cobo, to approve attendance for Directors and Staff to the Sexual Harassment Prevention Webinar on Wednesday, June 1, 2016. The motion was approved by the following 5-0 vote:

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

C. Discussion of and Direction to Staff on How the Board of Directors' Mail Delivered to the District Office be Handled

Director Neugebauer stated that she had already requested to OCSD that they send her mail directly to her home because she needs to calendar events so that there is not a conflict.

When Director Neugebauer was asked about mail other than that from OCSD, she stated that she did not want her mail opened and would prefer to have someone call her to let her know if something important-looking arrived and to provide her with a mailbox at the District office to hold her mail.

Directors Cobo, Diep, Krippner and Rice stated that they wanted District staff to continue as in the past, opening their mail that arrives at the District office and providing it either in their agenda packets or meetings, whichever comes first.

No formal action was taken. Staff was given direction.

D. Discuss and Consider Ways to Teach and Encourage the Residents of the Midway City Sanitary District Correct Recycling in Order to Lower the District's Tonnage in Black Containers

GM Robbins stated that Staff was directed to come up with some ideas as to how to reduce the District's recyclable tonnage in the black containers and has been working on the numbers. The majority of the issues within the District's jurisdiction are in the Vietnamese or Hispanic communities due to the language barriers. GM Robbins stated that pictures work best because nobody wants to take the time to read and that if a message is not understood within 30 seconds, the opportunity is usually lost.

Director Neugebauer asked if approximately 51% was still the number of recyclables coming out of the black containers.

GM Robbins confirmed that was a correct estimate.

Director Neugebauer stated that the calendars are expensive and are not effective and are not working to get the message to the residents.

GM Robbins suggested the flyer in three languages (English, Vietnamese and Spanish) be delivered with each new container, to be put on the District's website, and a page dedicated to that picture in the calendar.

Director Diep stated that he didn't know how serious of an impression the Board and Staff wanted the outreach effort to be but feels that he and Director Cobo know how to reach the Vietnamese and Hispanic communities and that it would take more than just printing some flyers in certain languages.

Director Cobo stated that the District should provide the schools with information to send home with the students and he asked GM Robbins if he had any information regarding Rainbow's obligations to provide education in the District regarding recycling.

GM Robbins stated that he had done some research and that there was nothing concrete in the contract with Rainbow that states that they have to provide education but he will talk with Rainbow regarding this issue.

Director Neugebauer stated that her original suggestion was to have the Board work together as a committee to come up with ideas before the calendar is put together for next year since it is so expensive and people are not reading it and does not seem to be working. She stated that the 3rd graders that come through the museum are all English speaking and that they are the perfect age to teach. She suggested contacting the school district to find out if the District could provide the recycling coloring books with a flyer inserted.

Director Cobo suggested reaching out to businesses within the District's jurisdiction by way of the Chamber of Commerce.

President Rice stated that the General Manager should meet with Rainbow and have a discussion to see how much they would be willing to share with the District because it is their responsibility the way she interprets the contract.

GM Robbins stated that Rainbow already has an outreach program and that the District could just piggy back off of Rainbow's program because it has already been done and that their responsibility is with the schools but not with the residents.

Director Diep stated that if the Board was serious about targeting the Vietnamese and Hispanic speaking majority of the District, it should be done correctly and suggested an Ad Hoc Committee to come up with ideas.

Director Neugebauer stated that a decision needs to be made soon whether the District is going to spend the money on the calendar or in another way in order to get the message across.

A motion was made by Director Diep, seconded by Director Neugebauer, to designate Directors Cobo and Diep to an Ad Hoc Committee to work with Staff on outreach ideas for the Hispanic and Vietnamese communities, discuss whether or not to do the calendar, and to come back with recommendations for the Board. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

E. Fiscal Year 2015-2016 Third Quarter Financial Reports and Budget Review for the Period of July 1, 2015 through March 31, 2016

GM Robbins stated that the District's total reserves are down about \$3.5 million which is good considering that the District started out this budget year spending approximately \$9 million – the COP debt payoff, 8 new CNG trucks, and the remainder of the CNG fueling station project. Total assets are down by \$1.8 million due to the write-off of 56,000 containers. The District's reserves are approximately 60% funded, total revenues are right where they should be at 74.79%, and all departments are around 63% except the sewer department which was at 89.43% due to the COP payoff. Capital outlay is at 82.05% and probably won't change because there are no foreseeable projects.

President Rice asked GM Robbins specifically how the District was able to save money.

GM Robbins stated that the District has streamlined operations over the years and cut about \$3.2 million or 33% out of its operating budget.

A motion was made by Director Neugebauer, seconded by Director Diep, to receive and file the reports. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Orange County Waste and Recycling – Approval of Amendment to Waste Disposal Agreement

Discussion ensued. No action taken. Receive and file.

BOARD CONCERNS/COMMENTS

Director Neugebauer confirmed that the Mayor’s Prayer Breakfast was on Thursday, May 5, 2016 and the Mayor’s Ball was on Saturday, May 7, 2016 and asked if the District had a table for each event.

GM Robbins stated that the District purchased a table for the Mayor’s Prayer Breakfast and individual tickets for the Mayor’s Ball per the Board’s direction.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that although the Board had already approved a requested vacation during August, he may not take it and instead do something else due to his father’s recent cancer diagnosis and he thanked the Board for their concern.

GENERAL COUNSEL CONCERNS/COMMENTS

None

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, May 10, 2016 at the District office at 5:00 P.M. at approximately 6:14 P.M.



Frank Cobo, Secretary