

**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**

July 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, July 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:

Kenneth Robbins, General Manager
Robert Housley, Finance/HR Director
James Eggart, General Counsel
Danielle Gerardo, Board Secretary
Ron Hankle, Standard Insurance Co.
Chris Rasmussen, Vacall Industrial Cleaning Equip.
Anita Spencer, Resident
Donald Neugebauer, Guest

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

Chris Rasmussen introduced himself as a taxpayer in Orange County and vendor representative from Environmental Rental Services. He asked to speak with regard to New Business Item 9D – Consider Approving the Purchase of a New Compressed Natural Gas (CNG) Sewer Vactor Truck. Mr. Rasmussen stated that Vacall's bid on the District's CNG sewer vactor truck was the lowest and he believed that what the Board was being asked to

approve had been misrepresented and required further investigation, and he asked the Board to reconsider the staff recommendation to purchase the Haaker truck.

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JUNE 21, 2016

A motion was made by Director Neugebauer, seconded by Director Diep, to approve the minutes of the regular meeting of June 21, 2016, as presented. 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 \$ 186,510.14

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	8470	6/20	202.57	AT&T - Brookhurst Lift Station Service for June 2016
3	8471	6/20	37.28	The Gas Company - District Office Usage Fees for June 2016
4	8472	6/29	11,444.27	CalPERS Retirement - Retirement Contributions for June 2016
5	8473	6/29	40.00	City of Westminster - Hydrant Meter Water Usage for May 2016
6	8474	6/29	1,128.92	Frontier California - District Office Phones & Lift Stations for June 2016; \$649.58 District Office, \$159.78 Willow Lift, \$159.78 Westminster Lift, \$159.78 Hammon Lift.
7				
8	8475	6/29	550.01	Office Max - Restock District Office Supplies for June 2016
9	8476	6/29	150.00	Pinney Bowes/Purchase Power - Postage for District Postage Machine
10	8477	6/29	7,041.61	Southern California Edison - District Office \$6,087.76, Brookhurst Lift Station \$85.46, Westminster Lift Station \$345.50, Willow Lift Station \$141.67, Hammon Lift Station \$381.22.
11				
12	8478	6/29		VOID Printer Error
13	8479	6/29	323.76	First Bankcard (NC) - Restock District Kitchen Supplies for June 2016
14			20,918.42	HANDCUT CHECKS SUBTOTAL
15				
16				REGULAR CHECKS:
17	8480	6/29	285.62	Rice, Margie - Reimbursement for 2016 Waste Expo Las Vegas, NV 06/05-06/09/2016
18	8481	6/29	1,800.00	Cope, Greg - Sewer Lateral & Cleanout Assistance
19	8482	7/1	1,938.72	Bodyworks - Restock (1) Cylinder Mount Bracket, (1) Arm Raise Cylinder, (1) Inductive Switch
20	8483	7/1	82,553.77	County of Orange - Newland/Oberlin Storm Channel Sewer line Relocation
21	8484	7/1	1,851.26	CR Transfer - Tonnage for June 2016
22	8485	7/1	72.36	DJ Printing - (1,000) Window Envelopes for Restock
23	8586	7/1	293.36	G & K Services - Uniform Services for June 2016
24	8487	7/1	673.98	Los Angeles Freightliner - (1) Blower & (1) A/C Control Panel for M63

25	8488	7/1	5,030.38	Plumber's Depot - (1) Vactor Ignition Switch, (1) Hose Wheel Bearing, (1) Pinch Roller Assembly Kit
26	8489	7/1	605.51	Rainbow Environmental Services - Diesel & Unleaded Purchases for May 2016
27	8490	7/1	550.00	So. Cal. Arborists - Trimming (7) Palm Trees & (2) Polycarpus at District
28	8491	7/1	615.05	TEC of California - Restock (3) Bendix Air Disc Pads
29	8492	7/1	230.00	Westminster Chamber of Commerce - 2016 Spirit Awards Luncheon Tables March 31, 2016
30	8493	7/1	3,262.50	Woodruff, Spradlin & Smart - Legal Services for May 2016
31			99,762.51	REGULAR CHECKS SUBTOTAL
32				
33				PAYROLL
34	6/21		55,792.32	Payroll - Staff Checks Taxes & Direct Deposits
35	6/21		1,345.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
36	6/21		640.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
37	6/24		7,445.09	Board of Director's Payroll for the Month of June 2016 Check # 15857 - 15860
38	6/24		606.80	Board of Director's Nationwide Deferred Compensation for June 2016 (100% Paid By Directors)
39			65,829.21	PAYROLL SUBTOTAL
40				
41			186,510.14	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
42				

A motion was made by Director Neugebauer, seconded by Director Cobo, to approve the expenditures in the amount of \$186,510.14. 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 stated that he had provided the Board with a list of Commissioners on the Little Hoover Commission per President Rice's request.

GM Robbins stated that there would be a study session with a solar panel presentation on Tuesday, July 12, 2016 at 5 P.M.

GM Robbins stated that the California Association of Sanitation Agencies (CASA) conference in Monterey, CA would be Wednesday, August 10 through Friday, August 12, 2016 and to please let staff know if they were planning to attend.

GM Robbins reported that the City of Westminster was having a budget study session on Thursday, July 7, 2016 at 5:30 P.M.

Report from the Orange County Sanitation District (OCSD) Meeting on June 8, 2016

Director Krippner reported that the meeting on June 8, 2016 was short and that everything was approved as per the agenda and he provided the Board with a handout.

Report from the Orange County Sanitation District (OCSD) Meeting on June 22, 2016

Director Neugebauer reported that the Board of Directors approved the Headquarters Complex Site and Security and Entrance Realignment Program Project. She stated that due to the change to the southwest corner, the new administration and laboratory buildings are being relocated because of an action by the Orange County Transportation Authority caused by the California Department of Transportation (the 405 freeway widening project) that will revise the Ellis Avenue onramp to the southbound 405 freeway. This makes it necessary to move and relocate the laboratory and the headquarters buildings on the OCSD property.

Director Neugebauer reported that the budgets for 2016-2017 and 2017-2018 were reviewed and approved.

Report from the Westminster Chamber of Commerce Annual Installation and Awards Luncheon on June 23, 2016

Director Neugebauer stated that she was pleased that GM Robbins and Director Cobo were installed as Directors for the Chamber. She stated that although the accommodations didn't allow for moving around, it was well conducted, well presented and informational. The repeating President gave an overview of the Chamber's accomplishments over the past year and what the priorities are for the coming year.

President Rice stated that she did not like the location of the event because it was hard to walk around and talk to people but that there was a good turnout and the District received a 30-year membership award.

GM Robbins stated that the individuals that were installed will make good Directors and will continue the betterment of the Westminster Chamber of Commerce.

Report from the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on June 30, 2016

Director Neugebauer reported that Deborah Diep was the speaker and that she spoke on the demographics in Orange County and how it shapes the development of the County. Bill Nelson gave a lengthy report on CSDA along with a slide presentation.

Directors Cobo, Krippner and Diep also attended the meeting.

Report from Ron Hankle on District Life Insurance

Ron Hankle from Standard Insurance Company stated that he spoke to the District's employees and just wanted to update the Board with the same information and offer assistance in case of any changes, such as beneficiaries, needed to be made.

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

There was no report. GM Robbins asked the Board if this item could be removed from future agendas, and Board consensus was to not include the item on future agendas.

CONSENT CALENDAR

A. Approval of Attendance to the California Special Districts Association (CSDA) Annual Conference in San Diego, CA October 10-13, 2016

A motion was made by Director Diep, seconded by Director Cobo, 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. Review the Midway City Sanitary District's Reserves and Consider Transferring and Reallocating Funds into the District's Reserve Accounts

Director Neugebauer asked why the District would transfer reserves from the District into the Orange County Midway City Reserve, since any money from the County already went into that dedicated fund, to be spent in one dedicated part of the District. She further commented that when the District budgets and considers a project, every project benefits Midway City equally, and she questioned why, this year, the District would put funds into a reserve that came to be because of funds from the County that are limited in use.

Finance/HR Director Housley responded that before the elimination of the RDA agencies, the District had an agreement with the County that were for pass-through funds and the District designated this account and line item for those funds, and continues to do so, however the District is not restricted by that any longer. The line item can be used for any project within Midway City. Under the previous agreement, the District was only able to use the funds for capital improvements. This line item now takes into account any project or asset replacement within the County, and is a District reserve. The line item is there so the District can keep track of some of the money coming through as pass-through but in addition, making sure there are enough reserves for projects that the Board chooses to do, such as the sewer lining project.

Director Neugebauer asked if, once the funds are transferred into the restrictive fund, and if there is an emergency in another area and the District needs additional funds, if the money can be moved.

Finance/HR Director Housley stated that the money is only designated, not restricted, and could be moved.

A motion was made by Director Neugebauer, seconded by Director Diep, to approve transferring and reallocating funds into the District's reserve accounts as recommended. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Approve of Design and Specifications of 2016 Rehabilitation and Repair of Midway City Sanitary District Sewer Mains

A motion was made by Director Diep, seconded by Director Cobo, to approve the design and specifications of the 2016 rehabilitation and repair of Midway City Sanitary District sewer mains, as recommended by staff. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. RESOLUTION NO. 2016-11

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, COMMENDING SEWER MAINTENANCE WORKER, CODY RANSELM

A motion was made by Director Diep, seconded by Director Krippner, to adopt Resolution No. 2016-11, commending sewer maintenance worker, Cody Ranslem for ten years of service with no work-related injuries at the District. The motion was approved by the following 5-0 roll call vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider Approving the Purchase of a New Compressed Natural Gas (CNG) Vactor Truck for Midway City Sanitary District

General Counsel James Eggart stated that, in light of oral communications made by Mr. Rasmussen, he would like the opportunity, outside of the meeting, to discuss the procurement with the General Manager and the comments and issues raised by the bidder, prior to the Board considering or discussing the matter, and so recommended continuing the matter to the next meeting.

Director Neugebauer stated that she would not be able to attend the next meeting and asked that this item be postponed until she was in attendance.

Director Rice stated that she would like a closed session on this item and asked that the attorney look into the matter.

Director Neugebauer stated that she found it irregular that there were two bids that were older than 30 days old and she wanted that to be part of the discussion as well.

General Counsel Eggart asked GM Robbins if the bid procurement stated that the bids were only good for 30 days or if it was a condition of individual bidders.

GM Robbins stated that it was a condition of individual bidders and that, for instance, he had received another rebid after the agenda had already gone out on Friday, July 1, 2016.

General Counsel Eggart stated that he would need to discuss this with the General Manager and if it is necessary to do this on an expedited basis for any reason, there may need to be a special meeting when the full Board is available.

President Rice stated that she definitely wanted a closed session because she had questions she wanted answered.

Director Cobo stated that he wanted to make sure that it was fair and that he didn't like the idea of a bidder making the comments that were made and making the District look like it had done something wrong.

President Rice stated that he had a right to protest and that it is the Board's responsibility to investigate.

Director Cobo stated that he just wanted to make sure that everything was on the level and fair.

A motion was made by Neugebauer seconded by Director Cobo, to defer consideration of the purchase of a CNG vector truck for the District to a date uncertain to be determined by the General Manager. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

E. Consider Approving the Purchase of a New Compressed Natural Gas (CNG) Solid Waste Bulky Truck

Director Neugebauer asked why the new truck needed to be converted to CNG.

GM Robbins stated that all of the smaller motor trucks had to be converted to CNG, unlike the larger solid waste trucks.

A motion was made by Director Neugebauer, seconded by Director Diep, to approve the purchase of a new CNG solid waste bulky truck from Tom's Truck Center, as recommended by staff. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

F. 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 the Ad Hoc Committee, consisting of Directors Cobo and Diep, met to discuss and come up with recommendations, such as the flyer in three languages to be provided with each new blue container. They suggested simplifying the annual calendar, promoting recycling on the Vietnamese radio station with 30-second public service announcements, and inviting the Vietnamese news to come take a tour of the District in order to promote recycling and the District. Director Cobo will be looking into Spanish radio and newspaper possibilities and the Blessed Sacrament Church newsletter.

Director Cobo stated that the District needs to educate the younger people of the community, who will pass it along to the adults, and that Sergio Contreras from the Westminster City Council would be someone that could help because he has a good base with the Hispanic community.

GM Robbins stated that the Junior Ambassador's group that Sergio Contreras brought to the District would be a good place to start.

Director Neugebauer stated that to the best of her memory, the District has an English-only policy in place and that the Board should research and amend that policy prior to making any drastic changes such as the flyer in several languages.

Director Neugebauer stated that in the Manager's Report this week, the blue recycle carts had 157 tons of waste and that she would like to take some of the credit for that because she had over 150 3rd graders of different ethnicities at the historical museum a few weeks ago. She gave them all the rulers from O.C. Waste and Recycling with a recycling message on one side, and she feels that the District needs to target the young, future generations who will teach their parents about recycling.

A motion was made by Director Diep, seconded by Director Cobo, to continue this item until a later date in order for the District to amend its English only policy. 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 asked the Board what their position was on the District's yearly calendar since there had been discussion regarding whether or not to do it.

Board consensus was that there had been discussion on whether to continue to produce and provide the calendar to the residents of the District and to do so, but to simplify it.

Director Neugebauer stated that she would not be at the next regular Board meeting and was grateful that the Board chose to defer item 9D until she returned.

President Rice stated that she would prefer to postpone the closed session because she had not yet written her evaluation of the General Manager and requested that the agendaized closed session items be deferred to the August 2, 2016 meeting.

President Rice stated that she is tired of Rainbow putting the District off, that it is in their contract that they should be providing education, and she stated that a meeting should be set up with them.

GM Robbins stated that he would ask for a meeting in August.

Director Krippner suggested sending a letter.

Board consensus was to send a letter.

President Rice stated that she wanted a letter sent and not an email so that they would have to respond.

General Counsel Eggart asked if President Rice wanted the letter brought back on the agenda for the Board's for approval.

President Rice asked GM Robbins to write the letter since there was Board consensus and that she would sign it.

General Counsel Eggart asked if it would be a meeting for the Franchise Committee or for the full Board, and stated that it could be agendaized as a meeting if more than the Franchise Committee would be attending.

GM Robbins stated that it could be discussed after a date was set.

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. The Board did not convene into closed session.

GM/STAFF CONCERNS/COMMENTS


Finance/HR Director Housley stated that the District just received the franchise fee review and audit and that staff will review it and bring it back to the Board.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel James Eggart reported that he was invited to participate on a panel for the San Diego County Association of Governments' regional planning and technical working group committee to discuss AB 1826 and collaboration to reduce organic materials from landfills who will meet on July 14, 2016 and advised the Board that if anything useful comes out of it he would report back to the General Manager.

ADJOURNMENT

President Rice adjourned the meeting to Tuesday, July 12, 2016 at 5 P.M. the District office at approximately 6:12 P.M.


Frank Cobo, Secretary