

**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 6, 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, September 6, 2016 at 5:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep
Frank A. Cobo (arrived at 5:09 P.M.)
Margie L. Rice

OTHERS AT MEETING:

Robert Housley, Finance/HR Director, Acting GM
James Eggart, General Counsel
Danielle Gerardo, Board Secretary
Trinh Tong & Dan Makaena, DJ Printing Systems
Anita Rice, Resident

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF AUGUST 15, 2016

A motion was made by Director Neugebauer, seconded by Director Krippner, to approve the minutes of the special meeting of August 15, 2016. The motion was approved by the following 4-0 vote:

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

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF AUGUST 16, 2016

A motion was made by Director Neugebauer, seconded by Director Diep, to approve the minutes of the regular meeting of August 16, 2016. The motion was approved by the following 4-0 vote:

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

There was Board direction to add "Acting GM" to Finance/HR Director Housley's title under "Others at Meeting" on each set of minutes.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 362,069.11

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	8580	8/25	217.14	AT&T - Brookhurst Lift Station Service for August 2016	
3	8581	8/25	1,950.00	CalPERS Fiscal Services - Fees for GASB-68 Reports & Schedules	
4	8582	8/25	24,092.46	CalPERS Retirement - Retirement Contributions for August 2016	
5	8583	8/25	43,463.63	CalPERS Health Premium - Healthcare Premium for September 2016	
6	8584	8/25	1,137.04	Frontier California - District Office Phones & Lift Stations for August 2016: \$654-91 District Office,	
7			\$160.71	Willow Lift, \$160.71 Westminster Lift, \$160.71 Hammon Lift.	
8	8585	8/25	47.34	The Gas Company - District Office, Maintenance Shop, & Wash Rack Usage Fees for August 2016	
9	8586	8/25	30.92	Pitney Bowes/Purchase Power - Finance Charge for District Postage Machine	
10	8587	8/25	2,723.08	US Bank	
11				(DGe) Board Meeting Refreshments for 07/05, 07/12, & 07/19	\$75.93
12				(DGr) Restock Sewer Supplies JLY-2016	\$153.45
13				(DGr) CWEA Ann. Membership 2016	\$172.00
14				(RH) Remington Monthly Svcs. JLY-2016	\$64.00
15				(RH) City of Westminster - Water - District Offices 04/13-06/07/2016	\$108.68
16				(RH) City of Westminster - Water - Wash Rack 04/13-06/07/2016	\$228.84
17				(RH) City of Westminster - Water - Westminster Lift Station 05/04-06/28/2016	\$14.40
18				(RH) City of Westminster - Water - Maint. Shop 04/13-06/07/2016	\$14.40
19				(RH) OC Register Monthly Svcs. JUN-2016	\$44.29
20				(NC) Restock Refuse Supplies JLY-2016	\$97.97
21				(NC) CWEA Ann. Membership 2016	\$172.00

22			(KR) 06/23 Advanced Office Ricoh Repair	\$135.00
23			(KR) Back-up Power Supply for Ricoh Printer	\$378.00
24			(KR) ADHOC Committee Meeting with FC, TD, & KR	\$32.17
25			(KR) CASA Monterey, CA Conference 08/09-08/12/2016 Flight KR	\$156.20
26			(KR) CASA Monterey, CA Conference 08/09-08/12/2016 Flight JN	\$156.20
27			(KR) CASA Monterey, CA Conference 08/09-08/12/2016 Flight FC	\$156.20
28			(KR) CASA Monterey, CA Conference 08/09-08/12/2016 Flight MR	\$156.20
29			(KR) Wiarcom Monthly Svcs. JLY-2016	\$407.15
30	8588	8/26	2,871.92 SDRMA Delta Dental - Dental Insurance Premium for September 2016	
31	8589	8/26	833.89 The Standard Life Insurance - Life Insurance & AD&D Premium Coverage for September 2016	
32	8590	8/26	385.60 Vision Service Plan - Monthly Premium for September 2016	
33	8591	8/31	300.00 Cody Ranslem - 10 Year Safety Award	
34	8592	9/1	12,046.23 CalPERS Retirement - Retirement Contributions for August 2016	
35	8593	9/1	40.00 City of Westminster - Hydrant Meter Water Usage for July 2016	
36	8594	9/1	6,012.07 US Bank	
37			(DGe) Board Meeting Refreshments for 08/02, 08/15, & 08/16	\$71.02
38			(DGr) Recoil for Leaf Blower	\$36.05
39			(RH) Remington Monthly Svc. AUG-2016	\$64.00
40			(RH) Parking to Drop-Off 2016-17 Parcel Disc @ County	\$1.50
41			(RH) Printer for Finance Director Office	\$215.99
42			(RH) CalPERS Educational Forum 2016 Registration 10/24-10/26/2016 (CE)	\$350.00
43			(RH) Labeler for District	\$39.11
44			(RH) Fax Machine for Receptionist Desk	\$253.11
45			(NC) CWEA Annual Renewal	\$83.00
46			(NC) Restock Refuse Supplies	\$967.31
47			(KR) CASA 2016 Annual Conference Registration (KR)	\$550.00
48			(KR) CASA 2016 Annual Conference Registration (FC, MR, JN)	\$1,650.00
49			(KR) Food for NGVI Training 7/26-7/28/2016	\$211.53
50			(KR) (3) Feeler Gauges for Shop	\$23.73
51			(KR) Cancelled Flight Credit for CASA Monterey 8/10-08/12/2016	-\$156.20
52			(KR) Hotel CASA Monterey Conference 08/10-08/12/2016 (FC, MR, JN)	\$1,651.92
53			96,151.32 HANDCUT CHECKS SUBTOTAL	
54			REGULAR CHECKS:	
55				
56	8595	9/1	153.60 Neugebauer, Joy - Health Insurance Reimbursement for September 2016	
57	8596	9/1	104.90 Rice, Margie - Health Insurance Reimbursement for September 2016	
58	8597	9/1	50.27 Cobo, Frank - Reimbursement for CASA Monterey Conference 08/10-08/12/2016	
59	8598	9/1	255.00 Griffith, Randy - CWEA Membership Reimbursement for 2016	
60	8599	9/1	565.00 Advanced Office Service - Labor & Installation of Power Supply Unit for Ricoh Copy Machine	
61	8600	9/1	179.68 Advanced Workplace Strategies - DOT Drug Testing	
62	8601	9/1	6,061.41 Bodyworks - Restock (10) Broom & Shovel Kits, (2) Interface Boxes, (1) Husco Control Box, (1) In/Out Cylinder	
63	8602	9/1	223.57 Clean Energy - Diagnose & Repair Leaky Valve for CNG Station	
64	8603	9/1	477.20 Color Wheels Custom Paint - Paint Repair for Incident on 08/04/2016	

65	8604	9/1	3,050.60	CRC Cloud - Annual Anti-Virus Renewal, Replacement 2TB Drive for SCADA System, Printer & Fax Installations,
66				Maintenance & Support for September 2016
67	8605	9/1	3,719.23	CR Transter - Tonnage from 08/01/2016 through 08/15/2016
68	8606	9/1	3,170.28	Danlef's Tire Service - (16) Recaps for Restock
69	8607	9/1	597.52	G & K Services - Uniform Services for August 2016
70	8608	9/1	298.21	Huntington Beach Ford - Window Motors (Left & Right) for M5
71	8609	9/1	3,897.06	Los Alamitos Napa Auto Parts - Restock (4) Brake Kits, (4) Brake Drums, (2)Gripper Kits, (11) Oil Filters,
72				(3) Fuel Filter, (4) Plus 32 Wash, (50) Feet Hydraulic Hosing, (7) Air Filters
73	8610	9/1	22,910.59	Otto Environmental Systems - (456) 95-Gallon Blue Containers for Restock
74	8611	9/1	21,923.43	Paulus Engineering - Water Pipe Repair at District
75	8612	9/1	65,519.84	Rainbow Transfer Recycling - Tonnage from 08/01/2016 through 08/15/2016
76	8613	9/1	340.00	RMS - Service Response of Gas Detection System at District
77	8614	9/1	3,801.57	Rosemead Oil Products - Restock (165) Gallons Hydraulic Oil & (90) Gallons Betalube ATF Oil
78	8615	9/1	989.00	Rutan & Tucker, LLP - Legal Services for July 2016
79	8616	9/1	147.46	Wastebullt - (17) Rocker Switches for Restock
80	8617	9/1	1,000.00	White Nelson Diehl Evans - Interim Billing for Rainbow Environmental Services Review
81	8618	9/1	120.00	World Oil Environmental Services - (125) Gallons of Used Oil Picked-Up
82			139,555.42	REGULAR CHECKS SUBTOTAL
83				
84				PAYROLL
85	8/16		57,460.41	Payroll - Staff Checks Taxes & Direct Deposits
86	8/16		1,295.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
87	8/16		690.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
88	8/26		6,271.16	Board of Director's Payroll for the Month of August 2016 Check # 15869 - 15872
89	8/26		513.16	Board of Director's Nationwide Deferred Compensation for August 2016 (100% Paid By Directors)
90	8/30		58,147.64	Payroll - Staff Checks Taxes & Direct Deposits
91	8/30		690.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
92	8/30		1,295.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
93			126,362.37	PAYROLL SUBTOTAL
94				
95			362,069.11	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
96				

A motion was made by Director Diep, seconded by Director Neugebauer, to approve the expenditures in the amount of \$362,069.11. The motion was approved by the following 4-0 vote:

AYES: Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT: Cobo

REPORTS

Report of President

President Rice reported that she received several letters from the candidates running for the Independent Special Districts of Orange County Board which was on the agenda for the Board's consideration.

Director Cobo arrived at the meeting at 5:09 P.M.

Report of General Manager

Finance/HR Director & Acting GM Housley reported that GM Robbins' father had passed away this morning.

Finance/HR Director & Acting GM Housley reported that GM Robbins' desktop portion of his computer had been encrypted with a virus and the system was being held for ransom. CRC was able to remove and isolate it and no data was lost because all the files were backed up on the District's server. GM Robbins also purchased a new laptop computer for the District.

Finance/HR Director & Acting GM Housley reported that the District's main copier/printer/scanner is at the end of its useful life and is constantly being repaired. A replacement is being sought and will cost the District between \$5,000 and \$6,000.

Finance/HR Director & Acting GM Housley stated that GM Robbins wanted the Board to know that there would be Driver's Safety Training at the District on October 15, 2016.

Finance/HR Director & Acting GM Housley reported that the District's voicemail system had stopped working over the weekend. It has been determined that a new backup power supply is needed and it will be repaired this week.

Report from the 3rd and 4th Concerts in the Park on August 18 & 25, 2016

Director Krippner reported that the fourth Concert in the Park was the best and attendance was better than at the others as well.

President Rice reported that she spoke for the District during the intermission and introduced the other Directors.

Director Neugebauer stated that she was disappointed that she didn't see a District banner or cardboard trash containers since the District was a major sponsor of the event.

President Rice and Directors Cobo and Krippner stated that there was a banner and cardboard waste containers at the event.

Director Neugebauer stated that she hopes that the District will have the cardboard waste containers and handouts to encourage recycling at the Day of the Family event on September 11, 2016 at Sigler Park.

Report from the Orange County Sanitation District (OCSD) Meeting on August 24, 2016

Director Neugebauer reported that there was a public hearing at the meeting and the OCSD Board approved the collection of the sewer service fees via the tax roll and the energy policy. There were reports on County outreach and transparency and the Open House on August 11, 2016.

Director Neugebauer reported that OCSD is purchasing 15 new CNG vehicles and participates in the National Auto Fleet in order to get the best discount possible. She stated that the CNG tanks on the trucks OCSD is purchasing are certified for ten years and cannot be used after that period, and she asked if the District's CNG truck tanks also have limits on them.

Finance/HR & Acting GM Housley stated that he would ask GM Robbins and report back.

Report from the Calendar Committee Meetings on August 30 and September 2, 2016

Director Krippner stated that he and Director Cobo worked very hard to make the calendar attractive and he commended GM Robbins for his help.

Report from the Luncheon for Cody Ranslem on August 31, 2016

Director Neugebauer stated that it is always a special occasion when an employee has gone 10 years without an accident, and that the employees seemed very happy.

President Rice stated that Cody Ranslem seemed very proud to receive the plaque and the check.

Director Cobo stated that he was setting a good example for other employees.

Director Krippner stated that he thought Cody enjoyed receiving the plaque more than the check.

CONSENT CALENDAR

A. Approval of Attendance at the Orange County Sanitation District (OCSD) 2016 State of the District Event on Friday, October 14, 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. Open Sealed Bids for the 2016 Rehabilitation/Repair of Sewer Mains

President Rice asked Finance/HR & Acting GM Director Housley to open the bids and announce the amounts for the Board.

The first was from Sancon Technologies Inc. in Huntington Beach, CA in the amount of \$107,060.

The second was from Southwest Pipeline and Trenchless Corp. in Torrance, CA in the amount of \$99,363.

The third was from Insituform Technologies which has a local office but whose corporate headquarters are in Chesterfield, Missouri, in the amount of \$95,938.

A motion was made by Director Neugebauer, seconded by Director Krippner, to direct staff to come back to the next regular meeting with a recommendation of award to the lowest responsible bidder for the 2016 rehabilitation and repair of sewer mains. The motion was approved by the following 5-0 vote:

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

B. California Association of Sanitation Agencies (CASA) Designation of Agency Representatives

A motion was made by Director Neugebauer, seconded by Director Krippner, to direct staff to fill out the California Association of Sanitation Agencies (CASA) Designation of Agency Representatives form with the Board President first, the President Pro-Tem second and any other officer of the MCSD Board that is present. The motion was approved by the following 5-0 vote:

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

C. Consider Election of Independent Special District of Orange County (ISDOC)
Officers

A motion was made by Director Neugebauer, seconded by Director Cobo, to cast a vote for Michael Scheafer, President of the Costa Mesa Sanitary District, for ISDOC President. The motion was approved by the following 5-0 vote:

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

A motion was made by Director Neugebauer, seconded by Director Krippner, to cast a vote for Arlene Schafer, Assistant Secretary of the Costa Mesa Sanitary District, for ISDOC First Vice President (Programs). The motion was approved by the following 5-0 vote:

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

A motion was made by Director Diep, seconded by Director Cobo, to cast a vote for Doug Davert, President of the East Orange County Water District, for ISDOC Second Vice President (Membership). The motion was approved by the following 5-0 vote:

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

A motion was made by Director Diep, seconded by Director Cobo, to cast a vote for Dr. Allan Bernstein, President of the Orange County Mosquito and Vector Control District, for ISDOC Third Vice President (Legislation). The motion was approved by the following 5-0 vote:

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

D. RESOLUTION NO. 2016-12

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT, OF ORANGE COUNTY, CALIFORNIA, RESCINDING DISTRICT RESOLUTION 96-01, AND ESTABLISHING A REVISED POLICY TO PROVIDE GROUP LIFE, MEDICAL AND DENTAL INSURANCE BENEFITS FOR DIRECTORS

A motion was made by Director Neugebauer to amend Section 2 by removing the words "both current and future" and to add the following sentence at the end: "All Directors elected or appointed after the date of this Resolution shall be entitled only for coverage to the Director". The motion failed due to a lack of a second.

A motion was made by Director Neugebauer, seconded by Director Diep, to adopt Resolution No. 2016-12, as presented. The motion was approved by the following 4-1 roll call vote:

AYES: Cobo, Diep, Neugebauer and Rice

NAYS: Krippner

ABSTAIN:

ABSENT:

E. Approval of Printer for 2017 Midway City Sanitary District Calendar

Mr. Trinh Tong from DJ Printing Systems spoke to the Board and encouraged them to choose his company, DJ Printing Systems, over OCC Printing.

A motion was made by Director Neugebauer, seconded by Director Cobo to table approval of the printer for the 2017 MCSD calendar and bring it back on the next regular agenda for Board approval. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

F. Approval of 2017 Midway City Sanitary District Calendar

A motion was made by Director Cobo, seconded by Director Krippner, to approve the calendar as presented, with minor specified changes. The motion was approved by the following 4-1 vote:

AYES: Cobo, Diep, Krippner, and Rice

NAYS: Neugebauer

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of August 2016 (87,803 Successful Hits)

B. 2nd Quarter Tonnage

C. Rainbow Environmental Services Quarterly Accrual to Cash Reconciliation Reports for 2nd Quarter 2015 through 2nd Quarter 2016

D. Draft Agreed-Upon Procedure Review of CR&R Incorporated and Rainbow Environmental Services for Compliance with Certain Provisions of the District's Exclusive Franchise Agreement for Commercial Solid Waste Collection for the Three Fiscal Years Ended June 30, 2013, 2014, 2015

No action was taken but President Rice stated that she would like a Franchise Committee meeting scheduled in order to discuss Item 10D further.

BOARD CONCERNS/COMMENTS

Director Neugebauer extended hers and the Board's heartfelt sympathies for GM Robbins and his family and she commended Acting GM Housley for stepping in.

President Rice suggested that an Edible Arrangement be sent to the family immediately and flowers later for the services.

Director Neugebauer stated that she received a memo marked "confidential" from OCSD and that she is on the OCSD Board as a representative of the District and was not sure how to proceed or if she should share it in a closed session. She asked General Counsel for his input.

General Counsel Eggart stated that he would look into the issue after the meeting and advise if it was a matter that was appropriate to share with the MCSD Board or not.

GM/STAFF CONCERNS/COMMENTS

Finance/HR Director & Acting GM Housley thanked the Board for their support and stated that he would keep the Board informed on GM Robbins' family status.

GENERAL COUNSEL CONCERNS/COMMENTS

None

President Rice postponed the closed session until the next regular meeting.

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.

The Board did not convene to closed session. The agenda item for performance evaluation of the General Manager was postponed to the next regular meeting.

ADJOURNMENT

President Rice adjourned the meeting to Monday, September 12, 2016 at 5 P.M. at the District office at approximately 6:27 P.M.



Frank Cobo, Secretary