

**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**

October 18, 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, October 18, 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
Bill Morgan, White Nelson Diehl Evans
Daphne Munoz, White Nelson Diehl Evans
Tray Hall, Municipal Maintenance Equipment
Matt Minch, Haaker Equipment
Suzanne Gentilini, Opterra Energy Services
Curtis Campbell, Opterra Energy 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 RESCHEDULED REGULAR MEETING OF OCTOBER 3, 2016

A motion was made by Director Neugebauer, seconded by Director Cobo, to approve the minutes of the rescheduled regular meeting of October 3, 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 \$ 349,100.81

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	8669	10/1	40.00	City of Westminster - Hydrant Meter Water Usage for August 2016	
3	8670	10/1	2,871.92	SDRMA Delta Dental - Dental Insurance Premium for October 2016	
4	8671	10/4	16,487.50	OC Commercial Printing - 50% of Printing Cost for 2017 District Calendar	
5	8672	10/5	344.29	AT&T Mobility - Service for September 2016: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606, Sewer 714-310-8654, Emergency 714-310-9004.	
6					
7	8673	10/5	1,269.91	Chevron & Texaco Bus. Card Svcs. - Gasoline Purchases for September 2016	
8	8674	10/5	120.00	County of Orange Auditor-Controller - (8) Parcel Corrections	
9	8675	10/5	1,413.10	OC Treasurer-Tax Collector - 2016-2017 Secured Property Tax Bill for District Offices	
10	8676	10/5	11,191.72	US Bank	
11				(DGe) Board Meeting Refreshments for 09/06, 09/12, & 09/20	\$27.66
12				(DGr) Ice for Luncheon 08/31/2016	\$18.76
13				(DGr) Restock Sewer Supplies SEP-2016	\$232.54
14					Total \$278.96
15				(RH) City of Westminster - Water - District Offices 06/08-08/02/2016	\$98.82
16				(RH) City of Westminster - Water - Wash Rack 06/08-08/02/2016	\$68.94
17				(RH) City of Westminster - Water - Maint. Shop 06/08-08/02/2016	\$14.40
18				(RH) City of Westminster - Water - Westminster Lift Station 06/29-08/23/2016	\$14.40
19				(RH) OC Register Subscription JLY-2016	\$44.29
20				(RH) Remington Monthly Svcs SEP-2016	\$64.00
21				(RH) Bereavement Bouquet for GM Family	\$112.99
22				(RH) Standing Adjustable Desk for Finance Director	\$534.60
23				(RH) 2017 QuickBooks Upgrade for District	\$1,259.96
24				(RH) Monitor Cable for Finance Director Computer	\$29.12
25					Total \$2,241.52

26		(NC) Restock Refuse Supplies SEP-2016	\$1,770.35
27		(NC) Restock District Kitchen Supplies SEP-2016	\$153.41
28			Total \$1,923.76
29		(KR) Wiacom Monthly Svc AUG-2016	\$407.15
30		(KR) Wiacom Monthly Svc SEP-2016	\$407.15
31		(KR) Wiacom for SCADA	\$77.85
32		(KR) Replacement Laptop for District Offices	\$722.16
33		(KR) Computer Monitor for GM	\$167.46
34		(KR) Recycling AD HOC Committee 08/25/2016	\$46.08
35		(KR) CompanionLink Software	\$49.95
36		(KR) Sweet Lou's BBQ Luncheon for Cody Ranslem 10-Year Safety Award	\$689.04
37		(KR) Bolts for Solid Waste Trucks	\$21.38
38		(KR) August Birthdays	\$19.98
39		(KR) CSDA 2016 San Diego Registration 10/10-10/13/2016 (FC)	\$805.00
40		(KR) CSDA 2016 San Diego Registration 10/10-10/13/2016 (AK)	\$805.00
41		(KR) CSDA 2016 San Diego Registration 10/10-10/13/2016 (JN)	\$805.00
42		(KR) CSDA 2016 San Diego Registration 10/10-10/13/2016 (MR)	\$805.00
43		(KR) CSDA 2016 San Diego Registration 10/10-10/13/2016 (KR)	\$805.00
44		(KR) ISDOC Quarterly Luncheon 09/29/2016 (AK)	\$17.00
45		(KR) Franchise Committee Meeting 09/13/2016	\$16.70
46		(KR) L.E.D Light for Flag Pole	\$47.47
47		(KR) Card Reader for Refuse Department	\$15.11
48		(KR) Freight Shipping for GPS Tracker for New Bulky Truck NGT11	\$18.00
49			Total \$6,747.48
50	8677	10/5 250.00 Cobo, Frank - Per Diem for CSDA San Diego, CA Conference 10/09-10/13/2016	
51	8678	10/5 250.00 Neugebauer, Joy - Per Diem for CSDA San Diego, CA Conference 10/09-10/13/2016	
52	8679	10/7 12,046.23 CalPERS Retirement - Retirement Contributions for October 2016	
53	8680	10/7 115.98 DirectTV - Service for October 2016	
54		46,400.65 HANDCUT CHECKS SUBTOTAL	
55		REGULAR CHECKS:	
56			
57	8681	10/7 78.65 Advanced Gas Products - (1) Cylinder Compressed Gas for Restock	
58	8682	10/7 7,011.14 Advanced Office Services - Ricoh Aficio MPC3004 Digital Color Copier	
59	8683	10/7 698.00 CRC Cloud - Maintenance & Support for October 2016	
60	8684	10/7 3,112.95 CR Transfer - Tonnage for September 2016	
61	8685	10/7 7.56 Fastenal - (9) Bolts for Frame Repairs on NG6	
62	8686	10/7 525.00 Frog Environmental - 2016-2017 Storm Water Payment #2	
63	8687	10/7 149.38 G & K Services - Uniform Services for September 2016	
64	8688	10/7 16.12 Hillco - (50) Floorboards & (3) Drill bits for NGT11	
65	8689	10/7 330.00 Konecranes - 2016 Quarterly PM Service of Shop Crane	
66	8690	10/7 195.00 North American Safety - (20) Safety Vests for Restock	
67	8691	10/7 15,366.25 Orange County Sanitation District - Permit Fees for September 2016 (MCSO 5% = \$808.75)	
68	8692	10/7 443.11 Rainbow Environmental Services - Diesel Usage for September 2016	
69	8693	10/7 251.86 TEC of California - (2) Slack Adjusters for NG6	

70	8694	10/7	2,000.00	Tesco - Onsite SCADA Training
71	8695	10/7	721.08	Top Mobile Vision - Monitor & Camera Installation for NGT11
72	8696	10/7	7.50	Underground Service Alert - (5) New Tickets for September 2016
73	8697	10/7	576.00	Wespac Security Services - Burglar, Fire, & Gas Alarm Services for July through September 2016
74	8698	10/7	325.00	White Nelson Diehl Evans - Annual 2016 Government Tax Seminar Registration 12/01/2016 (RH)
75	8699	10/14		VOID Incorrect Dollar Amount
76	8700	10/14	75,712.22	Tom's Truck Center - 2016 Isuzu Replacement to T9 (New Truck NGT11)
77	8703	10/14	128,796.81	Rainbow Transfer Recycling - Tonnage for September 2016
78			236,323.63	REGULAR CHECKS SUBTOTAL
79				
80				PAYROLL
81		9/30	6,525.54	Board of Director's Payroll for the Month of September 2016 Check # 15875 - 15878
82		9/30	533.39	Board of Director's Nationwide Deferred Compensation for September 2016 (100% Paid By Directors)
83		10/11	57,332.60	Payroll - Staff Checks Taxes & Direct Deposits
84		10/11	690.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
85		10/11	1,295.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
86			66,376.53	PAYROLL SUBTOTAL
87				
88			349,100.81	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
89				
90				BANK TRANSFERS
91		10/3	114,893.87	Transfer Funds from Money Market to Checking Account

A motion was made by Director Neugebauer, seconded by Director Diep, to approve the expenditures in the amount of \$349,100.81. 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 she received a call from a resident who had a complaint about the District which she referred to GM Robbins.

Report of General Manager

GM Robbins reported that the complaint was from the resident at 5102 Cumberland Lane in Westminster. The resident stated that the cart damaged his lawn due to being placed on the curb for street sweeping instead of the street. GM Robbins stated that after review of the GPS camera, it was noted that the driver did his job correctly but that the District is always trying to do better. GM Robbins went to speak to the resident and Director of

Operations Nick Castro and Lead Solid Waste Driver David Hernandez also checked out the situation.

GM Robbins reported that the District has three (3) employees who still do not have Class B driver's licenses. The District will do its due diligence by scheduling a specialized training class in order for those 3 employees to prepare to receive a permit December 2016.

GM Robbins reported that the District would be closed on Friday, November 11, 2016 in observance of Veteran's Day this year, with Friday's routes being serviced on Saturday, November 12, 2016.

GM Robbins reported that the City of Westminster called the District regarding their refuse rates increasing. He stated that Republic is doing an audit of all their accounts and anyone that is not at the "not to exceed" cap is being pushed there.

GM Robbins reported that CSDA's "Districts Make a Difference" logo and link is on the District's website so that anyone can see what Special Districts in California are doing. Eventually there will be 60 second videos highlighting District's and what they do.

GM Robbins stated that he learned, at the CSDA conference in San Diego, that the Little Hoover Commission didn't have much to say about Special Districts and are now focusing in on what Special Districts are doing to reduce greenhouse gases.

Report from the California Special Districts Association (CSDA) Conference in San Diego, CA October 10-13, 2016

Director Krippner reported that it was a good conference, with good information and that he learned that there were some changes that he had not been aware of.

Director Neugebauer reported that it was a busy conference with the first day covering "Building a Foundation for Good Governance". The Special District Risk Management Authority, which carries the District's workers compensation insurance, celebrated 30 years. At the Brown Act breakout session, she learned that anytime a worker's compensation claim is filed, it must be on the agenda as information. Finally, she reported that the election of CSDA officers took place at the conference.

Director Cobo reported that he enjoyed the Brown Act breakout session and speaker Ross Schafer.

President Rice reported that she enjoyed the "What Hat Are You Wearing" breakout session as well as the "Board Member and Policy Making" session. They recommended having at least one (1) policy reviewed at each Board meeting and President Rice stated that she would like to begin doing that at Board meetings starting next year.

Report from the Orange County Sanitation District (OCSD) Meeting on October 12, 2016

No report was provided because no Board Members were available to attend the OCSD meeting.

Report from the Orange County Sanitation District (OCSD) State of the District Breakfast on October 14, 2016

Directors Neugebauer and Diep and GM Robbins attended the event.

Director Neugebauer reported that it was very well done and that they were seated with Congressman Lowenthal. She enjoyed the report on the "Utility of the Future" with a message from the General Manager, as well as a video. One of the highlights was the report on water reuse – treating sewer water to become drinking water. The Orange County Sanitation District (OCSD) was sending 90 million gallons of treated water a day to the Orange County Water District (OCWD), and is now sending over 130 million gallons of water per day which produces 70-100 million gallons of potable water per day - enough to serve 850,000 people in Orange County. Director Neugebauer reported that MCSD sewers are a portion of that.

CONSENT CALENDAR

A. Investment Report for September 2016

A motion was made by Director Diep, seconded by Director Krippner, to receive and file the Investment Report for September 2016, as recommended. 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 the Agreed-Upon Procedures Review of Midway City Sanitary District's Franchise Agreement with Rainbow Environmental and CR&R Inc. for the Years ending June 30, 2013, 2014, 2015

Bill Morgan from White Nelson Diehl Evans gave an overview of the agreed-upon procedures review of Midway City Sanitary District's franchise agreement with Rainbow Environmental and CR&R Inc. for the years ending June 30, 2013, 2014, 2015.

A motion was made by Director Neugebauer, seconded by Director Cobo, to receive and file the Agreed-Upon Procedures Review of Midway City Sanitary District's Franchise Agreement with Rainbow Environmental and CR&R Inc. for the Years Ending June 30, 2013, 2014, 2015, as recommended. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider and Approve the Fiscal Year 2015-2016 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2015 through June 30, 2016)

Daphne Munoz from White Nelson Diehl Evans gave an overview of the fiscal year 2015-2016 independent financial audit report for Midway City Sanitary District (July 1, 2015 through June 30, 2016).

A motion was made by Director Neugebauer, seconded by Director Diep, to approve the Fiscal Year 2015-2016 Independent Financial Audit Report for Midway City Sanitary District for July 1, 2015 through June 30, 2016, as recommended. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. Open Sealed Bids for a New Compressed Natural Gas (CNG) Combination Sewer Vactor Truck

GM Robbins opened the sealed bids for a new compressed natural gas combination sewer vactor truck. The following vendor's bids were received by the October 6, 2016 deadline:

Owen Equipment, located in Fairfield, CA - \$440,880.00
Vacall, located in Artesia, CA - \$426,504.63
Haaker Equipment, located in Laverne, CA - \$442,366.92
MME/Vac-Con, located in Placentia, CA - \$485,238.30

A motion was made by Director Neugebauer, seconded by Director Cobo, to move as recommended and direct staff to bring back a recommendation of award to the lowest responsible and responsive bidder to the next regular meeting. The motion was approved by the following 5-0 vote:

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

D. Discussion and Consideration of Solar Panel Installation and Procurement at 14451 Cedarwood Avenue, Westminster, CA 92683

GM Robbins stated that the Board directed staff and General Counsel to come back with procurement options and to look further into the Westminster School District's procurement of solar panels. Having done that, he explained that the Board has several options – sole source, design build, go out for engineering and construction bids, or use Opterra like the Westminster School District. Moving forward, the next step is for the District to have the District's energy needs assessed and to pay for a program development (engineering) before making a decision on the solar panels for the District, which will cost approximately \$15,000. If the Board chooses to go with Opterra, the \$15,000 would go toward the contract.

Director Neugebauer stated her concerns are that the District would not be able to generate any energy for the lift stations, the maintenance of the solar panels and especially the loss of space in the District yard.

General Counsel James Eggart stated that there are several steps involved if the Board wishes to move forward with the solar panels project. The District must first have an assessment of its facilities to determine its current energy costs, determine the District's options to save money, then to develop the project.

A motion was made by Director Neugebauer, seconded by Director Diep to direct the General Manager to negotiate a program development agreement with Opterra Energy Services for Board consideration. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of September 2016 (105,161 Successful Hits)

B. Potential Fiscal Impact on the Midway City Sanitary District Should the City of Westminster Ballot Measure SS Pass, Establishing a 1% Transaction and Use (Sales) Tax

No action was taken on the informational items.

BOARD CONCERNS/COMMENTS

Director Neugebauer reported that she was able to have the \$19.10 daily resort fee removed from the hotel bills for all five who attended the CSDA conference in San Diego.

Director Neugebauer stated that she noticed a charge for ice on the expenditures and asked what happened to the District's ice machine.

GM Robbins stated that it broke and that he was planning to buy a new one.

President Rice stated that she felt that something needed to be done for the MCSD employee who helped an elderly lady during the heat wave last week.

GM Robbins stated that he would have a plaque made for the Board to present to him.

GM/STAFF CONCERNS/COMMENTS

None

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel James Eggart stated that he looked into the issue raised at the prior meeting regarding taxability of the gift cards that the District gives to employees for the holidays. He stated that IRS rules and regulations, as well as the IRS website, states that gift cards for general merchandise are taxable, while gift certificates for specific items (such as See's Candy) may be non-taxable under certain circumstances.

General Counsel James Eggart informed the Board that he may miss the regularly scheduled November 15, 2016 Board meeting due to scheduled surgery and that Omar Sandoval would fill in for him if necessary.

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, November 1, 2016 at 5 P.M. at the District office at approximately 6:18 P.M.


Frank Cobo, Secretary