

**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 7, 2017

CALL TO ORDER

President Diep 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 7, 2017 at 5:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Margie L. Rice
Charlie Nguyen
Frank A. Cobo
Tyler Diep

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
James Eggart, General Counsel
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JANUARY 17, 2017

A motion was made by Director Cobo, seconded by Director Rice, to approve the minutes of the regular meeting of January 17, 2017. The motion was approved by the following 5-0 vote:

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

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 466,352.64

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	8887	1/19	12,046.23	CalPERS Retirement - Retirement Contributions for January 2017	
3	8888	1/19	40.00	City of Westminster - Hydrant Meter Water Usage for December 2016	
4	8889	1/19	120.24	The Gas Company - District Office, Maintenance Shop, & Wash Rack Usage Fees for January 2017	
5	8890	1/19	415.08	Hedman - New Signature Plate for District	
6	8891	1/19	150.00	Pitney Bowes/Purchase Power - Postage for Postage Machine December 2016	
7	8892	1/19	467.50	Verizon Business - Internet Connection for January 2017	
8	8893	1/23	1,000.00	Little Saigon Tel Parade 2017 - 2017 Parade Sponsorship	
9	8894	1/25	211.69	AT&T - Brookhurst Lift Station Service for January 2017	
10	8895	1/25	43,716.83	CalPERS Health Premium - Healthcare Premium for February 2017	
11	8896	1/25	150.52	Office Depot - Restock District Office Supplies and Ink Cartridges for January 2017	
12	8897	1/25	2,871.92	SDRMA Delta Dental - Dental Insurance Premium for December 2016	
13	8898	1/25	882.07	The Standard Life Insurance - Life Insurance & AD&D Premium Coverage for February 2017	
14	8899	1/25	385.60	Vision Service Plan - Monthly Premium for February 2017	
15	8900	2/2	327.23	AT&T Mobility - Service for January 2017: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606, Sewer 714-310-8654, Emergency 714-310-9004.	
16					
17	8901	2/2	12,046.23	CalPERS Retirement - Retirement Contributions for January 2017	
18	8902	2/2	920.63	Chevron & Texaco Bus. Card Svcs. - Gasoline Purchases for January 2017	
19	8903	2/2	1,078.46	Frontier California - District Office Phones & Lift Stations for January 2017; \$598.34 District Office, \$160.04 Willow Lift, \$160.04 Westminster Lift, \$160.04 Hammon Lift.	
20					
21	8904	2/2	7,327.07	Southern California Edison - District Office \$5,689.91, Brookhurst Lift Station \$90.53, Westminster Lift Station \$1,021.54, Willow Lift Station \$120.34, Hammon Lift Station \$404.75.	
22					
23	8905	2/2	800.44	Union Bank - Restock District Kitchen Supplies for January 2017	
24	8906	2/2	6,478.01	US Bank	
25				(DGe) Board Meeting Refreshments for 01/03 & 01/17	\$38.94
26					Total \$38.94
27				(RH) Grinder for Shop	\$35.51
28				(RH) Remington Monthly JAN-2017	\$64.00
29				(RH) Ink for GM Printer	\$144.53
30				(RH) OC Register NOV-2016	\$44.18
31					Total \$288.22
32				(NC) Wlarcorn GPS Tracking Units for New CNG F-250 Trucks NGT12, NGT13, NGT14	\$209.55
33				(NC) Returns	-\$268.00
34					Total -\$58.45

35			(KR) Meeting with Board President	\$14.15
36			(KR) Chalk for Water Gun	\$44.31
37			(KR) (5) Frames & (6) Prints for District	\$1,049.82
38			(KR) Hand Rail for Board Float	\$36.29
39			(KR) Oil Filters for CNG Station	\$15.06
40			(KR) ISDOC 01/26/2017 (TD, AK, CN, MR, FC)	\$85.00
41			(KR) ISDOC 01/26/2017 (KR, RH)	\$34.00
42			(KR) Hilton CASA Palm Springs 01/18-01/20/2017 (CN, AK, MR, FC)	\$946.40
43			(KR) Hilton CASA Palm Springs 01/18-01/20/2017 (KR)	\$236.60
44			(KR) Food for CASA Palm Springs 01/18-01/20/2017 (KR)	\$58.67
45			(KR) CWEA Collection System Specialty Workshop 02/08/2017 (KR, NC, DG, AG, MJ, RG, CR)	\$1,114.00
46			(KR) CASA Conference Palm Springs 01/18-01/20/2017 (MR, CN, FC, AK)	\$2,200.00
47			(KR) CASA Conference Palm Springs 01/18-01/20/2017 (KR)	\$550.00
48			(KR) CASA Conference Palm Springs 01/18-01/20/2017 (TD)	-\$175.00
49				Total \$6,209.30
50	8907	2/2	1,068.00 Department of Motor Vehicles - Fleet Motor Carrier Permit Fees for 2017	
51			92,503.75 HANDCUT CHECKS SUBTOTAL	
52			REGULAR CHECKS:	
53				
54	8908	2/2	72.37 Advanced Gas Products - Restock (1) Cylinder Compressed Oxygen, (7.2) Gallons Liquefied Propane	
55	8909	2/2	240.00 Asbury Environmental Services - Pick-Up (200) Gallons Used/Mixed Oil	
56	8910	2/2	403.53 Bodyworks - Restock (20) Rocker Switches and (2) Cables	
57	8911	2/2	1,174.02 CRC Cloud - Maintenance & Support for February 2017 & Website Hosting for 3-Years through 01/23/2020	
58	8912	2/2	60,000.58 CR Transfer - Tonnage from 01/01/2017 through 01/15/2017	
59	8913	2/2	1,538.09 Cummins Cal Pacific - Restock (30) Spark Plugs and (2) Breather Housing Units	
60	8914	2/2	207.36 DJ Printing - (500) Business Cards for Charlie Nguyen and (500) Sheets of Stationary	
61	8915	2/2	4,309.58 Daniels Tire Service - (11) Recaps and (4) New Tires for Restock	
62	8916	2/2	80.00 Fastenal Industrial - (25) Bolts and (25) Flanges for Restock	
63	8917	2/2	1,755.00 Frog Environmental - 2016-2017 Storm Water Payment #2, #3, #4	
64	8918	2/2	448.14 G & K Services - Uniform Services for January 2017	
65	8919	2/2	145,553.30 Institutorm Technologies - Rehabilitation/Repair of Sewer Mains Project	
66	8920	2/2	380.40 Los Angeles Freightliner - Right Window for NG4	
67	8921	2/2	825.00 Maslure - Certification Training for CPR, AED, First Aid for (11) Employees	
68	8922	2/2	81.30 North American Safety - (2) Jackets with District Logo Embroidery for Charlie Nguyen and Al Krppner	
69	8923	2/2	17,331.80 Orange County Sanitation District - Permit Fees for January 2017 (MCSO 5% = \$912.20)	
70	8924	2/2	1,821.66 Profoma Solutions - (630) Totes, (270) Spatulas, (100) Lunchbags for Public Outreach	
71	8925	2/2	2,972.28 Rosemead Oil Products - (110) Pails of Befalube for Restock	
72	8926	2/2	324.00 Sign Design - (2) Banners for Tet Parade Float	
73	8927	2/2	1,021.20 TEC of California - Wheel Balance and Parts for NG2 & (4) Brake Pads for Restock	
74	8928	2/2	338.99 Top Mobile Vision - (1) Rear Camera & Installation for NG8	
75	8929	2/2	1,100.00 VNCR - (4) Talkshow Public Outreach Recycling Promotions at (10) Minutes each on 1/11, 1/16, 1/25, 1/30	
76	8930	2/2	386.23 Wastebuilt - (20) Rocker Switches for Restock	
77	8931	2/2	4,940.00 Woodruff, Spradlin & Smart - Legal Services for December 2016	
78			247,304.83 REGULAR CHECKS SUBTOTAL	

79			
80			PAYROLL
81	1/17	55,989.56	Payroll - Staff Checks Taxes & Direct Deposits
82	1/17	1,370.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
83	1/17	715.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
84	1/31	58,125.27	Payroll - Staff Checks Taxes & Direct Deposits
85	1/31	1,370.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
86	1/31	715.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
87	2/3	7,652.43	Board of Director's Payroll for the Month of January 2017 Check # 15898 - 15899
88	2/3	606.80	Board of Director's Nationwide Deferred Compensation for January 2017 (100% Paid By Directors)
89		126,544.06	PAYROLL SUBTOTAL
90			
91		466,352.64	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
92			
93			BANK TRANSFERS
94	1/17	201,240.42	Transfer Funds from Money Market to Checking Account

A motion was made by Cobo seconded by Director Krippner, to approve the expenditures in the amount of \$ 466,352.64. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

REPORTS

Report of President

President Diep reported that he met with GM Robbins on February 2, 2017 to go over the February 7, 2017 agenda.

Report of General Manager

GM Robbins reported that the District ordered three 25-foot CNG hoses for the CNG station. The 17 foot hoses were a bit tight when used for the truck borrowed from CR&R for Christmas tree pickup and there will be a need for them once the District receives its new CNG sewer Vactor truck and three CNG F-250 trucks.

GM Robbins reported that he and staff met with several members of the City of Westminster's staff to discuss a solution for all the abandoned items within the City of Westminster. He stated that an update of the discussion was provided to the Board in the Information Items portion of the agenda and that the City Manager said he will be sending the District a formal request.

GM Robbins reported that there is a possible opportunity for a grant available from Orange County Waste and Recycling. He stated that this would be a good time to do a pilot program for source separation of organic waste in Midway City since it is the County's jurisdiction. He will talk to the Director of Operations, run numbers and submit an application by the April deadline.

GM Robbins reported that each of the Board members had been provided with 700 forms and reminded them that they are due April 1, 2017.

Report from the Orange County Sanitation (OCSD) Meeting on January 25, 2017

None

Report from California Association of Sanitation Agencies (CASA) Conference in Palm Springs, CA January 18-20, 2017

Director Rice reported that although there wasn't much new information, one item she enjoyed was entitled "Across the Aisle - An Insiders Perspective of the Aftermath of the 2016 General Election" and the discussion of cities converting to Districts in the future. Director Rice stated that she thought that the District made the right decision not to be members of CASA this year because the information mostly pertained to water treatment.

Director Cobo stated that, while doing the expenditures, he noticed that the cost of the conference was doubled due to the District not being members.

Director Rice stated that whoever is representing the District at Orange County Sanitation District should go to the conferences because they are involved in that portion of the Districts matters.

Director Cobo stated that he enjoyed the conference, especially the discussion about Districts.

Director Nguyen reported that he noticed that the conference mostly pertained to water treatment but enjoyed the roundtable discussion with Brent Ives.

Report from the Calendar Committee Meeting on January 25, 2017

Director Nguyen reported that the meeting was very beneficial because the General Manager had spent a lot of time in past years on the calendars.

GM Robbins stated that the company that will be designing the calendar will have all the templates and pictures and will lay it out professionally for \$450.

Director Rice asked if the calendar was going to cost more.

GM Robbins stated that if you considered his hours spent on it, it was going to cost less.

President Diep stated that he had never served on the calendar committee and thus had no idea how it was put together but that the new calendar would not look anything like the previous ones.

GM Robbins reported that the calendar will direct everyone to the website for information.

Director Rice stated that, on that note, former MCSD Director Neugebauer had contacted her and asked that the contact information on the website be updated because she was getting calls for Director Nguyen.

Report from the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on January 26, 2017

Director Rice stated that Michelle Steele was the speaker at the ISDOC meeting.

President Diep stated that she was the headline speaker of the meeting in her new position as Chairman of the Orange County Board of Supervisors and that she gave an update.

Director Cobo stated that she spoke regarding the homeless.

Director Nguyen, GM Robbins and Finance/HR Director Housley also attended the meeting.

Report from the TET Parade on February 4, 2017

Director Cobo reported that he rode in the District's bulky truck with GM Robbins. He stated that the District was in a good position in the parade and felt that the District was well acknowledged.

CONSENT CALENDAR

A. Approve Budget Calendar for Fiscal Year 2017-2018 (July 1, 2017 through June 30, 2018)

A motion was made by Director Rice, seconded by Director Cobo, to approve the Consent Calendar. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

OLD BUSINESS

None

NEW BUSINESS

A. Consider and Approve the Letter of Engagement for Independent Audit Services, of White Nelson Diehl Evans LLP, to perform the Fiscal Year 2016-2017 (July 1, 2016 through June 30, 2017) and Fiscal Year 2017-2018 (July 1, 2017 through June 30, 2018) audits

A motion was made by Director Cobo, seconded by Director Nguyen, to approve the letter of engagement for independent audit services of White Nelson Diehl Evans LLP, to perform the fiscal year 2016-2017 and fiscal year 2017-2018 audits. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Review Calendar Year 2016 Compensation and Benefit Information to be posted on the District's Website

A motion was made by Director Krippner, seconded by Director Rice, to receive and file the calendar year 2016 compensation and benefit information to be posted on the District's website. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

C. California Public Employees' Retirement System (CalPERS) Approves Lowering the Discount Rate Assumption, the Long Term Rate of Return, from 7.50 Percent to 7.00 Percent over the Next Three Years

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

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider Attendance at the 2017 Waste Expo being held at the Ernest N. Morial Convention Center in New Orleans, LA May 8-11, 2017

A motion was made by Director Rice, seconded by Director Cobo, to approve attendance for the Board and staff to the 2017 Waste Expo in New Orleans, LA. The motion was approved by the following 4-1 vote:

AYES: Cobo, Diep, Nguyen and Rice

NAYS: Krippner

ABSTAIN:

ABSENT:

E. Consider Approval of the Fiscal Year 2016-2017 Second Quarter Financial Reports and Budget Review for the Period of July 1, 2016 through December 31, 2016

Finance/HR Director Housley gave a brief summary of the fiscal year 2016-2017 second quarter financial reports and budget review.

A motion was made by Director Rice, seconded by Director Cobo, to receive and file the fiscal year 2016-2017 second quarter financial reports and budget review for the period of July 1, 2016 through December 31, 2016. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. California Public Employees' Retirement System (CalPERS) Circular Letters

B. Web Site Activity for the Month of January 2017 (136,433 Successful Hits)

C. Breakdown of First Meeting with City regarding Potential Negotiations for Handling Abandoned Items

D. Westminster Chamber of Commerce Winter Fest and Business Expo on Thursday, March 2, 2017

E. CSDA – Oversight of Your County's Property Tax Residuals Change in 2018

No action was taken. Receive and file.

BOARD CONCERNS/COMMENTS

Director Rice stated that Wanda Edwards, wife of former Board member Roland Edwards, had passed away and that there would be a service on February 11, 2017 at 2 PM at the First Presbyterian Church, and she suggested that the District send flowers.

President Diep reminded the Board of the AB1234 ethics training in the City Council Chambers on Thursday, February 9, 2017.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that he would be out of the office attending a CWEA class for spills and reporting on Wednesday, February 8, 2017 in Long Beach, CA.

GENERAL COUNSEL CONCERNS/COMMENT

None

CLOSED SESSION

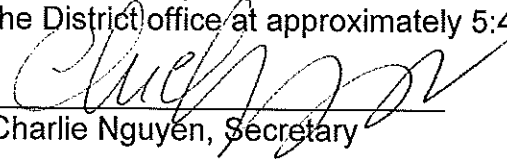
CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government 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 Diep adjourned the meeting to Tuesday, February 21, 2017 at 5:00 P.M. at the District office at approximately 5:43 P.M.


Charlie Nguyen, Secretary