

**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 2, 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, May 2, 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
George and Maria Lazaruk, CR&R
Craig Dibley, CR&R Supervisor
Thanh Tran, CR&R Sustainability Coordinator

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF APRIL 18, 2017

A motion was made by Director Rice, seconded by Director Cobo, to approve the minutes of the regular meeting of April 18, 2017. The motion was approved by the following 5-0 vote:

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

APPROVAL OF THE MINUTES OF THE ADJOURNED REGULAR (BUDGET) MEETING OF APRIL 25, 2017

A motion was made by Director Krippner, seconded by Director Nguyen, to approve the minutes of the adjourned regular (budget) meeting of April 25, 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 \$ 151,639.48

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	9082	4/19	71.89	The Gas Company - District Office, Maintenance Shop, & Wash Rack Usage Fees for April 2017
3	9083	4/19	150.00	Pitney Bowes/Purchase Power - Postage for Postage Machine April 2017
4	9084	4/26	211.74	AT&T - Brookhurst Lift Station Service for April 2017
5	9085	4/26	1,056.53	Frontier California - District Office Phones & Lift Stations for April 2017; \$576.17 District Office, \$160.12 Willow Lift, \$160.12 Westminster Lift, \$160.12 Hammon Lift.
7	9086	4/26	883.01	The Standard Life Insurance - Life Insurance & AD&D Premium Coverage for May 2017
8	9087	4/26	385.60	Vislon Service Plan - Monthly Premium for May 2017
9			2,758.77	HANDCUT CHECKS SUBTOTAL
11				REGULAR CHECKS:
12	9088	5/1	250.00	Cobo, Frank - Per Diem for Waste Expo New Orleans, LA May 7 - May 11, 2017
13	9089	5/1	250.00	Castro, Nick - Per Diem for Waste Expo New Orleans, LA May 7 - May 11, 2017
14	9090	5/1	250.00	Rice, Margle - Per Diem for Waste Expo New Orleans, LA May 7 - May 11, 2017
15	9091	5/1	62.00	Advanced Gas Products - Cylinder Rental for March 2017

16	9092	5/1	8,591.18	Bodyworks - Restock (2) Hose Tray Kits, (20) 2' Cam Followers, (4) 4" Cam Followers, (4) Cushion Kits,
17				(1) Wire Harness, (2) Dump Cylinder, (6) Sourcing Switches, (20) Rocker Switches
18	9093	5/1	1,400.00	City of Westminster - 2017 Sponsorship of Summer Concerts in the Park Series
19	9094	5/1	75.00	City of Westminster FARP - 2nd False Alarm within 365 days
20	9095	5/1	69,162.28	CR Transfer - Tonnage from 04/01/2017 through 04/15/2017
21	9096	5/1	368.40	G & K Services - Uniform Services for March & April 2017
22	9097	5/1	245.58	Hillco Fastener Warehouse - (10) Hex Cap Screws, (4) Tubes, (20) Terminal Seals, (50) Ring Seals
23	9098	5/1	330.00	Konecranes - 2017 Quarterly PM Service of Shop Crane
24	9099	5/1	2,013.69	Los Alamitos Napa Auto - Restock (10) Adapters, (4) Lamps, (2) Valve Drains; (1) Gray Jack for Shop
25	9100	5/1	368.00	MemorialCare Medical Group - Preventative Services for March 2017
26	9101	5/1	255.56	Plumber's Depot - (1) 24' Fiberglass Pole for Sewer
27	9102	5/1	125.00	PumpMan - Westminster Lift Station Maintenance
28	9103	5/1	3,029.25	Woodruff, Spradlin & Smart - Legal Services for March 2017
29			86,775.94	REGULAR CHECKS SUBTOTAL
30				
31				PAYROLL
32	4/25		59,944.77	Payroll - Staff Checks Taxes & Direct Deposits
33	4/25		1,445.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
34	4/25		715.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
35			62,104.77	PAYROLL SUBTOTAL
36				
37			151,639.48	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
38				
39				BANK TRANSFERS
40	4/19		10,286.00	ACH Retirement Payment to CalPERS for March 2017
41	4/19		1,066.50	ACH Retirement Payment to CalPERS for March 2017
42	4/19		703.97	ACH Retirement Payment to CalPERS for March 2017
43	4/21		2,610,000.00	Transfer Funds from Money Market to Checking Account
44	4/21		2,000,000.00	Transfer Funds from Checking Account to LAIF

A motion was made by Director Cobo, seconded by Director Rice, to approve the expenditures in the amount of \$ 151,639.48. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

REPORTS

Report of President

Director Diep reported that he met with GM Robbins on April 27, 2017 to go over the agenda at which time they also discussed possible outreach activities such as a community cleanup day at Sigler Park in August.

Report of General Manager

GM Robbins reported that MCSD Sewer Pump Man, Randy Griffith, was out due to emergency surgery and that he had been sent an Edible Arrangement on behalf of the Board of Directors and staff.

GM Robbins reported that the District is still waiting for the CNG F-250 pickup trucks because the California Air Resources Control Board has still not certified vendors for 250 CNG vehicles. He is hoping to get them sometime in June and may need to move the purchase over into next year's budget.

GM Robbins reported that the District had reserved a table for the City of Westminster Mayor's Prayer Breakfast on Thursday, May 4, 2017 at 7 A.M.

GM Robbins reported that departure for the 2017 Waste Expo in New Orleans would begin at 6:30 A.M. on Sunday, May 7, 2017.

Report from the Orange County Sanitation (OCSD) Meeting on April 26, 2017

None

Report from the Administrative Professionals Day luncheon on April 26, 2017

Director Nguyen stated that he was late but that he enjoyed it very much.

Director Rice stated that it is always good to visit with District staff and she felt that everyone enjoyed it.

Director Cobo stated that he liked that everyone was there to show their appreciation and support and acknowledge staff for their work.

Report from CR&R – 1st Quarter Tonnage

Marie Lazaruk from CR&R introduced Sustainability Coordinator, Thanh Tran and Supervisor, Craig Dibley, who are the District's designated team from CR&R.

Craig Dibley stated that CR&R had completed several route characterizations to evaluate the materials in each waste stream within the District. He stated that it appears that the

previous hauler was including construction and demolition in both residential and commercial reporting, which increases both categories and provides a false representation of the actual waste stream and that CR&R is now reporting the construction and demolition within its own category and is currently delivered to the Rainbow Recycling Facility in Huntington Beach. In January, 0% of the waste stream was recycled, 16 ½% was recycled in February and 28% was recycled in March. He stated that it appears that the commercial waste could actually reach 30-32% on average if all of it is recycled. CR&R would like to take all of the commercial waste from the District to the CR&R Facility in Stanton for processing but at this time the facility is near maximum capacity. In order to have all of the capacity to accept the waste from the District, they will need to send notifications to other cities and haulers that they can no longer accept their materials at their facility but that will require at least a 6-12 month process to implement. After reviewing the 1st quarter report, CR&R has already begun to evaluate commercial accounts that have predominant amounts of recyclable materials and those that have few recyclable items and/or very large quantities of wet waste. The accounts with large quantities of recyclables will be placed on an "A" route and the wet waste routes will be placed on a "B" route. The "A" route will be delivered to the CR&R Facility in Stanton for recycling and processing and the "B" route materials will continue to go to the Rainbow facility in Huntington Beach for processing. In addition, beginning this week, CR&R will deliver the residue from the processed materials to the SERFF location in Long Beach, CA for transformation where it will receive 100% recycling diversion credit. Thanh Tran, CR&R's Sustainability Coordinator, and who speaks Vietnamese, will begin visiting all commercial accounts within the District to inform them that they are required to begin recycling and begin organic recycling of organic material, both of which will increase the recycling diversion within the District.

Director Rice stated that she did not understand why the District's diversion rate had dropped to 29%.

Maria Lararuk stated that CR&R would like to review the numbers in more detail with the Franchise Committee and explain what they are proposing for the District and what they feel has happened in the past. She stated that the District is in good shape as far as CalRecycle standards per capita disposal and that the District has great programs in place but that CR&R would like to review how the District's refuse was recorded in the past and what they plan to do moving forward to resolve the problem.

Director Rice stated that, to her knowledge, the way the contract is written, if there are not enough recyclables in the residential, it is to be pulled out of the black container numbers to make up the difference. She stated that the City will get fined \$10,000 a day which it cannot afford and she would like to have a meeting soon to go over this matter.

Maria Lazaruk stated that they have gone over last year's numbers and that there are a lot of inconsistencies.

GM Robbins stated that the District received the 1st Quarter Tonnage report last night and that he met with CR&R this morning to review the numbers. He informed CR&R that there

is a 50% diversion minimum requirement for each - the City of Westminster and Midway City.

GM Robbins asked what the SERFF facility in Long Beach was.

Craig Dibley stated that it is a facility in Long Beach that transforms waste into energy. They burn waste and turn it into steam energy which powers a portion of the City of Long Beach. The small amount of residue that is left over is used as amendment to pave roads so there is 100% credit for the residue, which would otherwise be land-filled.

CONSENT CALENDAR

A. Approve Attendance of Finance/HR Director Robert Housley and Administration Secretary/Accountant, Crystal Enciso to the CalPERS Education Forum October 23-25, 2017

B. Approve Request of Solid Waste Driver Robert Mayfield to Receive 40 Hours of Vacation Pay in Lieu of Time Off

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. A RESOLUTION NO. 2017-05 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING A POLICY APPLICABLE TO DISTRICT DEPOSITS AND INVESTED FUNDS

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director Cobo, seconded by Director Rice, to adopt Resolution No. 2017-05. The motion was approved by the following 5-0 roll call vote:

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

B. A RESOLUTION NO. 2017-06 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING THE ANNUAL STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2017-2018 (JULY 1, 2017 THROUGH JUNE 30, 2018)

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director Cobo, seconded by Director Nguyen, to adopt Resolution No. 2017-06. The motion was approved by the following 5-0 roll call vote:

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

C. Consider Approval of the Fiscal Year 2016-2017 Third Quarter Financial Reports and Budget Review for the Period of July 1, 2016 through March 31, 2017

Finance/HR Director Housley pointed out that that there was a \$3.088 million increase in assets from last year and a \$1.738 million decrease in long term liabilities. The District's reserves increased \$4.679 million and are now 54% funded. The District's total revenues for the fiscal year are at 70.8% and expenditures are at 49.3%.

Director Cobo asked when the District would be getting the new sewer vector truck.

GM Robbins stated that the District should take possession sometime in June.

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director Rice, seconded by Director Cobo, to receive and file the report. The motion was approved by the following 5-0 vote:

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

INFORMATIONAL ITEMS

A. Local Agency Formation Commission of Orange County (LAFCO) Alternate Public Member Press Release and Application

B. CR&R Solid Waste and Recycling Services Annual Rate Adjustment for 2017 – April 10, 2017 Deliverables

No action taken. Receive and file.

BOARD CONCERNS/COMMENTS

Director Nguyen stated that the Vietnamese radio station spot to explain recycling was very beneficial and should be used again for the community clean up day in August in order to promote it.

President Diep asked if there were still outreach funds left in the budget for that.

GM Robbins confirmed that there were funds for that and that CR&R would donate the bins.

President Diep suggested that Director Nguyen and GM Robbins do another radio spot to promote recycling.

Director Cobo stated that he was looking forward to going to the Waste Expo in New Orleans and hoped to get some new ideas to benefit the District.

Director Rice stated that she was happy to see the District's budget in such good shape and thanked staff.

GM/STAFF CONCERNS/COMMENTS

None

GENERAL COUNSEL CONCERNS/COMMENT

None

CLOSED EXECUTIVE SESSION

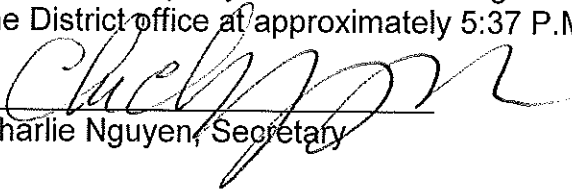
CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government 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, May 16, 2017 at 5:00 P.M. at the District office at approximately 5:37 P.M.


Charlie Nguyen, Secretary