

**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**

March 20, 2018

CALL TO ORDER

President Nguyen called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, March 20, 2018 at 5:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Margie L. Rice
Tyler Diep (absent)
Frank A. Cobo
Chi Charlie Nguyen

OTHERS AT MEETING:

Ken Robbins, General Manager
James Eggart, General Counsel
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MARCH 6, 2018

A motion was made by Director Cobo, seconded by Director Krippner, to approve the minutes of the regular meeting of March 6, 2018. The motion was approved by the following 4-0 vote:

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

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 1,561,467.59

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	9710	3/12	313.20	AT&T Mobility-Service for February 2018:(KR)714-310-2313,(NC)714-310-8653,(DGr)714-325-3606,	
3				Sewer 714-310-8654, Emergency 714-310-9004.	
4	9711	3/12	14.15	City of Westminster - Water Usage for Hammon Lift Station 01/10/2018 - 03/06/2018	
5	9712	3/12	129.98	DirectTV - Service for March 2018	
6	9713	3/12	7.94	Crystal Enciso - Training for my CalPERS 03/06 & 03/07, Reimbursement for Meal	
7	9714	3/12	3,741.90	The Gas Company - CNG Fuel for February 2018	
8	9715	3/12	325.16	Staples Business Credit - 2018 Premium Membership Fee	
9	9716	3/12	5,315.42	US Bank	
10				(DGe) Board Meeting Refreshments 02/06 & 02/20	\$21.36
11					DGe Total \$21.36
12				(DGr) Restock Sewer Supplies & 40V Blower	\$377.79
13					DGr Total \$377.79
14				(RH) City of Westminster - Water - Westminster Lift Station 12/19/17-01/16/2018	\$56.23
15				(RH) Remington Water JAN-2018	\$64.00
16				(RH) CSMFO Meeting 03/08 (RH)	\$30.00
17					RH Total \$150.23
18				(NC) 2018 Winter Collections Seminar (DG, RG, CR, MJ)	\$250.00
19				(NC) Wire Protector for S2 & S3	\$2.43
20				(NC) Oil Change for NGT11	\$118.44
21				(NC) Heavy Duty Truck Seal Tool for Shop	\$174.00
22				(NC) (3) Storage Totes for (2) S2 & (1) S3	\$34.70
23				(NC) Restock Foam Ear Plugs	\$24.77
24				(NC) 12V Engine Starter for Shop	\$402.36
25				(NC) Restock District Kitchen Supplies FEB-2018	\$133.17
26				(NC) (6) Straw Bales for 2018 TET Parade	\$74.34
27				(NC) 04/23/2018 Waste Expo Flight Roundtrip (NC)	\$150.60
28					NC Total \$1,364.81
29				(KR) Wiarcom GPS Services JAN-2018	\$490.95
30				(KR) Wiarcom GPS Services FEB-2018	\$490.95
31				(KR) Alejandro Gonzalez Get Well Bouquet 01/24	\$77.95
32				(KR) Employee Meeting Donuts	\$21.98
33				(KR) Trash Bags for Cardboard MCSD Donation Containers	\$108.66

34			(KR) (2) Black Rust Paint for Arrow Boards	\$8.66
35			(KR) Monitor for District Camera System (Front Desk)	\$112.58
36			(KR) (1,000) Door Hangers for 03/17/2018 Clean-Up Event	\$253.21
37			(KR) Lunch for Filming Crew of Orange Slices Promo	\$39.07
38			(KR) Juan Contreras Get Well Soon Bouquet 02/15	\$79.99
39			(KR) (3) Pizzas for Department Meeting 02/14	\$32.16
40			(KR) (2) Pneumatic Pipes & (2) Hi-Flow Hoses for Vactor Trucks (M63 & NG12)	\$1,585.08
41			(KR) Carlos Gomez Get Well Soon Bouquet 02/21	\$99.99
42				KR Total \$3,401.23
43	9717	3/12	1,307.37 Verizon Business - Internet Connection for March 2018	
44			11,155.12 HANDCUT CHECKS SUBTOTAL	
45				
46			REGULAR CHECKS:	
47	9718	3/14	318.49 Advanced Gas Products-February 2018 Cylinder Rentals;Restock(4)Chop saw Blades for Shop,	
48			(20) Grindwheels, (10) Lens Covers for Welding Helmets, (12.1) Gallons Liquefied Propane	
49	9719	3/14	70.00 Asbury Environmental Services - (350) Gallons Used/Mixed Oil Pick-up	
50	9720	3/14	3,603.67 Bodyworks Equipment-Restock(3)Coils,(5)Sourcing Switches,(2)Pivot Hose Kits,(2)Limit Switch	
51			Cams, (1) Dump Cylindar, (1) Tube, (10) Rollers	
52	9721	3/14	807.72 Clean Energy - (1) Valve Solenoid Flow Kit, (5) Aluminum Heads for CNG Pump Stations	
53	9722	3/14	242.44 CRC Cloud - Replacement Harddrive for District Server	
54	9723	3/14	51,182.28 CR Transfer Inc. - Tonnage from 02/16/2018 through 02/28/2018	
55	9724	3/14	1,480.75 Daniel's Tire Service - Restock (7) Recaps	
56	9725	3/14	254.42 G & K Services - Uniform Services for March 2018	
57	9726	3/14	500.12 Hedman - Signature Plates with Charlie Nguyen and Frank Cobo	
58	9727	3/14	264.18 Huntington Beach Ford - (1) Seatbelt for M5	
59	9728	3/14	1,514.22 Los Alamitos Napa Auto Parts - Restock (9) Air Filters, (8) Oil Filters, (12) Mobil Oil, (20) Fittings,	
60			(24) Brakeleen, (12) Huboil, (5) Hubcaps; (2) Fuel, (1) Air, (1) Oil Filters for M64.	
61	9729	3/14	550.14 Merchants Building Maintenance - District Offices Janitorial Services for March 2018	
62	9730	3/14	1,202.31 NVB Equipment - A/C Repairs & Service for NG7	
63	9731	3/14	4,485.00 Rutan & Tucker - Legal Services for February 2018	
64	9732	3/14	3,062.14 RWC Group-Labor & Parts for NG10 ABS&ATC Lamps;(3)Volves for Powersteering,Engine Fan for NG5	
65	9733	3/14	5,129.63 TEC of California - Labor & Parts Replacing Walking Beams, Bolster Springs, Bushings, Hub & Seal,	
66			for NG2; (1) Light Switch for NG2; Restock (1) Wheel Speed Sensor.	
67	9734	3/14	29.80 Underground Service Alert - (12) New Tickets for February 2018	
68	9735	3/14	2,947.50 Woodruff, Spradlin & Smart - Legal Services for February 2018	
69	9736	3/14	1,406,087.00 CalPERS Fiscal Services Division - Payment to Cover 06/30/2019 OPEB Unfunded AAL & APVPB	
70			Re: 07/01/2017 OPEB Actuarial Valuation; Approved by the Board of Directors at the	
71			03/06/2018 Board Meeting.	
72			1,483,731.81 REGULAR CHECKS SUBTOTAL	
73				
74			PAYROLL	
75	3/2		5,716.35 Board of Director's Payroll for the Month of February 2018	
76	3/2		444.99 Board of Director's Nationwide Deferred Compensation for February 2018 (100% Paid By Directors)	

77	3/13	57,961.08	Payroll - Staff Checks Taxes & Direct Deposits
78	3/13	1,618.24	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
79	3/13	840.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
80		66,580.66	PAYROLL SUBTOTAL
81			
86		1,561,467.59	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL, ACH TRANSFERS)
87			
88			BANK TRANSFERS
89	3/7	500,000.00	Transfer Funds from LAIF to Checking Account

A motion was made by Director Cobo, seconded by Director Krippner, to approve the expenditures in the amount of \$1,561,467.59. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

REPORTS

Report of President

President Nguyen stated that he attended the March 14, 2018 Westminster City Council meeting at which he reminded the City Council of the District's clean up event at Bolsa Chica Park on Saturday, March 17, 2018, as well as the District's Helping Hands Program which assists the elderly and disabled.

Report of General Manager

GM Robbins reported that Finance/HR Director Housley and Director of Operations/Safety Nick Castro were at a one-day Special District Risk Management Authority (SDRMA) conference for human resources and safety.

GM Robbins reminded the Board of the Special Meeting to tour CR&R on Thursday, March 22, 2018 at 8:45 A.M.

GM Robbins stated that the District would be at the City of Westminster's Spring Festival on Saturday, March 24, 2018 from 9 A.M. until 3 P.M.

GM Robbins stated that the 2019 Calendar Committee would need to begin meeting soon and that it will include the District's new 80th anniversary logo that the Board has already approved.

GM Robbins reported on and provided photos related to three emergency sewer repairs. The first emergency repair was of a sewer line on Aspenwood near Newland, just south of Bolsa, where it had appeared a sinkhole may be occurring and photos showed substantial rocks and debris in the line. Having determined that immediate action was required in accordance with Public Contract Code Section 22050(a)(1) and that the emergency did not permit a delay resulting from a competitive solicitation for bids, pursuant to the authority delegated him in the District's Procurement Policy, GM Robbins procured the services of Paulus Engineering on a time and materials basis to uncover the line and make necessary repairs. GM Robbins reported that no breaks in the line were discovered. He stated that it's possible the rocks were there due to a resident's lateral project. GM Robbins reported that the rocks were removed, and patch work and repairs were completed.

The second emergency repair was of a sewer line in Garden Grove Blvd., and was due to a Caltrans line that bored through a District sewer main. GM Robbins reported that Sancon was in the process of putting in a liner when its workers came across the collapsed pipe. Having determined that immediate action was required in accordance with Public Contract Code Section 22050(a)(1) and that the emergency did not permit a delay resulting from a competitive solicitation for bids, pursuant to the authority delegated him in the District's Procurement Policy, GM Robbins procured the services of Paulus Engineering on a time and materials basis to make necessary repairs. GM Robbins reported that the work has been completed and that the District will be submitting a claim to Caltrans for the cost of the repairs.

Addition to March 20, 2018 Agenda – Consideration of Emergency Sewer Repair at Westminster Blvd. and Milton

The third emergency repair is for a sewer line located at Westminster Blvd. and Milton. Sancon was going to line this sewer, but discovered that a portion of the line had been destroyed, possibly by sewer gases. GM Robbins reported that he anticipated that this line would be repaired prior to the Board meeting, but was unable to have it done due to the diversion of resources to the other two emergency sewer line repairs and a delay caused by the previous week's rain event. District Staff was not aware at the time the Agenda was posted that the emergency repair could not be undertaken prior to the Board meeting. GM Robbins advised the Board that an emergency repair of the destroyed sewer line needed to be done without further delay to safeguard life, health and property, but because the emergency repairs for this sewer line had not commenced prior to the Board meeting as anticipated, General Counsel Eggart had advised him that it would be appropriate for the Board to make the necessary emergency findings and to authorize expenditure of the funds to make this emergency repair. GM Robbins therefore requested that the Board add an item to the Agenda and provided the Board with a time and material cost sheet for repairs provided by Paulus Engineering, Inc.

General Counsel Eggart advised the Board on the process for adding an item to the Agenda and stated that pursuant to Government Code Section 54954.2(b)(2), the Board may consider approving by a two-thirds vote of its members that there is a need to take immediate action on the item, and the need for action came to the attention of the District subsequent to the agenda being posted. He summarized GM Robbins' prior statements supporting the required findings and stated that the item being requested to be added to the Agenda was that the Board consider making the findings required by Public Contract Code sections 20806 and 22050 and authorizing the General Manager to enter into a contract with Paulus Engineering, Inc. for the emergency repair of the sewer line at Westminster Blvd. and Milton on a time and materials basis.

A motion was made by Director Rice, seconded by Director Cobo, to find that there was a need to take immediate action and the need for action came to the attention of the District subsequent to the Agenda being posted and to therefore add to the Agenda an item for consideration to authorize the General Manager to contract with Paulus Engineering, Inc. for the emergency sewer repairs on Westminster Blvd. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

General Counsel Eggart then advised the Board regarding the necessary findings to approve the recommended action. It was noted that the destroyed sewer line at Westminster Blvd. and Milton is an unexpected emergency that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of health, property and/or essential sewer services. After discussion, a motion was made by Director Rice, seconded by Director Cobo, (1) to find that the emergency will not permit a delay resulting from a competitive solicitation for bids, that immediate repairs are necessary to respond to the emergency, and that the public interest and necessity demand immediate expenditures of funds to safeguard life, health or property; and (2) to authorize the General Manager to enter into a contract with Paulus Engineering Inc. on behalf of the District for the emergency sewer repair at Westminster and Milton Blvd. on a time and materials basis, based on the cost sheet presented at the meeting. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

Report from Orange County Sanitation District (OCSD) Meeting on March 14, 2018

President Nguyen reported that he attended the Administrative Committee Meeting which included discussion regarding the 2018-19 and 2019-20 budgets, and possible emergency situations and their short and long term remedies. President Nguyen stated that there is a Public Hearing scheduled at OCSD for March 28, 2018 to address the 1.2% fee increase.

Report from the Bolsa Chica Cleanup Event on March 17, 2018

President Nguyen, Directors Rice and Cobo, and GM Robbins and some District staff attended the event.

President Nguyen stated that he was impressed with the full service provided to the residents with GM Robbins and staff unloading cars and trucks and placing items into the four large dumpsters for people.

Director Rice stated that you don't see other General Manager's working the way GM Robbins' does and that it was a very worthwhile event.

Director Cobo stated that it was a great event that most other cities do not offer to residents and that it was much appreciated by the residents who took advantage of it.

CONSENT CALENDAR

A. Approve and file the Treasurer's Investment Report for February 2018

A motion was made by Director Krippner, seconded by Director Rice, to approve the Consent Calendar. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

OLD BUSINESS

None

NEW BUSINESS

A. Open Sealed Bids for the Replacement of Three (3) Heating Ventilation Air Conditioning (HVAC) Systems and 25' x 15' Reroof of District Offices at 14451 Cedarwood Avenue, Westminster, CA 92683

GM Robbins opened the only sealed bid received at the District on time. It was from RAN Enterprises in Huntington Beach in the amount of \$136,000. There was a second bid received, but it came in after the deadline and would have to be disqualified.

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 direct staff to review the bid submitted and bring back a recommendation to the Board at the next regular meeting. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

B. Approval of Continued Lift Station Maintenance and Agreement to PumpMan for Fiscal Year 2018/2019

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 approve staff recommendation and approve the contract with PumpMan to assure proper maintenance of all pumps and electrical components at all four lift stations. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

C. Discuss and Consider the Nomination Process for OC Local Agency Formation Commission of Orange County (LAFCO) Regular and Alternate Special District Member Seats

Director Rice stated that there should be someone from a sanitary district on the Orange County LAFCO Board but that she would support current member James Fidler from the Mesa Water District and new candidate Douglass Davert from East Orange County Water District.

General Counsel Eggart stated that LAFCO is asking for the Board to designate an individual to cast a vote on behalf of the District and that the slate is not finalized because someone could still be nominated.

Director Rice stated that she served on the advisory committee to LAFCO when it first formed so she is familiar with it and would volunteer to fill the alternate seat. She asked GM Robbins if the District would prepare a letter to send to all the Board's.

GM Robbins stated that District staff would help her to develop a letter to send out.

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 Krippner, to nominate Director Rice to the Independent Special District Selection Alternate Seat ballot. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

A separate motion was made by Director Rice, seconded by Director Krippner, to designate President Nguyen, with Director Cobo as his alternate, to cast a vote on the Board's behalf on the Declaration of Qualification to Vote for the OC LAFCO Regular and Alternate Special District member seats. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

D. Consider and Approve Scheduling all of the Public Budget Workshop/Study Sessions and Public Hearing for Budget Adoption for Fiscal Year 2018-2019 (July 1, 2018 through June 30, 2019)

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 President Nguyen, to approve scheduling all of the Public Budget Workshops/Study Sessions - the first on April 18, 2018 at 5 P.M., the second on May 22, 2018 at 5 P.M., and the Public Hearing for Budget Adoption for Fiscal Year 2018-2019 (July 1, 2018 through June 30, 2019) at the June 19, 2018 regular Board meeting. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

E. Approve Fiscal Year 2017-2018 Budget Adjustments No. 1

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 approve staff recommendation and approve the proposed fiscal year 2017-2018 budget adjustments. The motion was approved by the following 4-0 vote:

AYES: Cobo, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep

INFORMATIONAL ITEMS

A. Municipal Water District of Orange County (MWDOC) 2018 Water Policy Forum

Receive and file.

BOARD CONCERNS/COMMENTS

Director Rice stated that she was looking forward to the City of Westminster's Spring Festival on Saturday, March 24, 2018.

Director Cobo stated that he was looking forward to the Waste Expo in Las Vegas in April.

President Nguyen stated that he was also looking forward to the Waste Expo in Las Vegas.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that the District usually gets double permits for work on Beach Blvd. and due to the event with CalTrans this week, and in order to get proper permits through them, the District needs a traffic engineer to develop traffic plans per the watch manual so the District can set up properly for traffic. The District will then just need to call to let them know that the District is doing work in a certain area and if the District has a double permit, the contractor can piggyback on the permit. GM Robbins stated that he will be getting bids for traffic control setups for when there is a sewer emergency based on the most current watch manual.

GENERAL COUNSEL CONCERNS/COMMENT

None

CLOSED EXECUTIVE SESSION

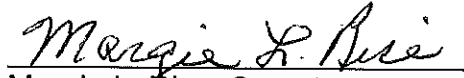
CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government 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 Nguyen adjourned the meeting to Thursday, March 22, 2018 at 8:45 A.M. at the District office at approximately 6:04 P.M.


Margie L. Rice, Secretary