

**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**

August 5, 2014

CALL TO ORDER

President Cobo called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, August 5, 2014 at 5:30 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep (*arrived at 5:32 P.M.*)
Margie L. Rice
Frank Cobo

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Tom Nixon, General Counsel
Danielle Gerardo, Board Secretary
Andrew Taylor, Security Guard
Dean Ruffridge, Senior V.P., CR&R
Joyce Amato, CFO, CR&R
Jeff Snow, V.P. Rainbow Environmental

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

Director Diep arrived at 5:32 P.M.

APPROVAL OF THE MINUTES OF THE MEETING OF JULY 15, 2014

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of July 15, 2014, with a change. The motion was approved by the following 5-0 vote:

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

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 269,814.02

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	6998	7/16	470.18	Verizon Business - Internet Connection for SCADA System for June 2014
3	6999	7/24	2,050.68	American Shield Private Security, Inc. - Services Rendered 07/01-07/15/2014
4	7000	7/24	293.58	AT&T - Brookhurst Lift Station Service for July 2014
5	7001	7/24	40.00	City of Westminster - Hydrant Meter Water Usage for June 2014
6	7002	7/24	59.22	The Gas Company - District Office & Maintenance Yard Fees for July 2014
7	7003	7/24	123.58	Office Max Contract - Restock District Office Supplies for July 2014
8	7004	7/24	310.00	Orange County Fire Authority - Balance of Building Plan & Fire Plan Check Fees for CNG Fueling
9				Station Building Permits.
10	7005	8/1	9,399.42	CalPERS Retirement - Retirement Contributions for July 2014
11	7006	8/1	41,315.58	CalPERS Health Premium - Healthcare Premium for August 2014
12	7007	8/1	3,784.06	MetLife - Monthly Dental Premium for August 2014
13	7008	8/1	3,532.97	Southern California Edison - Archives & Parking Garage \$50.17, District Office \$882.58,
14				Maintenance Shop \$314.63, Brookhurst Lift Station \$179.05, Westminster Lift Station \$429.14,
15				Willow Lift Station \$928.73, Hammon Lift Station \$748.67.
16	7009	8/1	897.82	The Standard Life Insurance - Premium Coverage for August 2014
17	7010	8/1	65.23	First Bankcard (NC) - Restock District Kitchen Supplies for July 2014
18	7011	8/1	1,112.04	Verizon California - District Office Phones & Lift Stations for July 2014; \$652.59 District Office,
19				\$153.15 Willow Lift, \$153.15 Westminster Lift, \$153.15 Hammon Lift.
20	7012	8/1	350.94	Vislon Service Plan - Monthly Premium for August 2014
21			63,805.30	HANDCUT CHECKS SUBTOTAL
22				
23				REGULAR CHECKS:
24	7013	8/1	57.00	Advanced Workplace Strategies, Inc. - Pre-Employment Drug Testing (CG)
25	7014	8/1	3,341.52	Bodyworks Equipment, Inc. - Restock (10) Cam Followers, (2) Cables, and (1) Packer Paddle for Shop
26	7015	8/1	58,856.69	City of Westminster - Gasoline & Diesel Usage from April through June 2014
27	7016	8/1	448.98	Cummins Cal Pacific - Call-Out Service at Westminster & Hammon Lift Stations
28	7017	8/1	27,666.55	Flo-Services, Inc. - Furnished & Installed (2) New Pump Check Valves at Westminster & Willow Lift Stations
29	7018	8/1	525.00	Frog Environmental - 1st Quarter 2014-2015 Non-Storm Observation

30	7019	8/1	424.89	G & K Services - Uniform Services for July 2014
31	7020	8/1	3,211.98	Greenberg Farrow Architecture, Inc. - Engineering Services for CNG Fueling Station
32	7021	8/1	99.66	Interstate Billing Services - (1) Valve Solenoid for T65
33	7022	8/1	375.00	Ironman Parts - DPF Filter Cleaning for T53
34	7023	8/1	274.45	Lexus - T9 Damaged Mirror Incident 7/22/2014
35	7024	8/1	195.00	North American Safety - (20) Yellow Safety Vests for Restock
36	7025	8/1	555.39	Proforma Solutions - (1,100) Recycling Coloring Books for Public Outreach Events
37	7026	8/1	1,516.50	PSI - Wash Rack Steamer Replacement Parts & Repair
38	7027	8/1	1,000.00	SDRMA - Automobile Deductible for 06/12/2014 Incident
39	7028	8/1	3,564.00	Sign Design - (20) Top-Laminated Signs for Fleet
40	7029	8/1	5,985.00	Woodruff, Spradlin & Smart - Legal Services for June 2014
41	7030	8/1	146.90	Neugebauer, Joy - Health Insurance Reimbursement for August 2014
42	7031	8/1	34,347.55	Performance Pipeline Technologies - Sewer Cleaning & CCTV Inspection Progressive Payment
43			\$ 142,592.06	REGULAR CHECKS SUBTOTAL
44				
45				PAYROLL
46	7/22		55,892.47	Payroll - Staff Check # 15662 - 15663 Taxes & Direct Deposits
47	7/22		1,325.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
48	7/22		522.09	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
49	7/25		5,256.98	Board of Director's Payroll for the Month of July 2014 Check # 15665 - 15666
50	7/25		420.12	Board of Director's Nationwide Deferred Compensation for July 2014 (100% Paid By Directors)
51			\$ 63,416.66	PAYROLL SUBTOTAL
52				
53			\$ 269,814.02	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
54				
				BANK TRANSFERS
	7/21		450,000.00	Transfer Funds from Money Market to Checking Account

A motion was made by Director Rice, seconded by Director Diep to approve the expenditures in the amount of \$ 269,814.02. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that since recent events with one driver leaving, hiring of another, and vacations, there has been a shortage of drivers. Three employees are without Class B licenses and are not able to drive the large trucks. In the revised job descriptions, it is stated that a class B license is highly desired, but the three employees that do not have those licenses were hired prior to that revision. Staff will be checking into the cost of training these employees in order to have backup drivers and not have a shortage again in the future. Staff will be bring it back before the Board for approval.

The last day for the District to have access to the fuel pumps at the City Yard is September 30, 2014. The City Yard will be going through a remodel and will take approximately a year to complete. Staff has already contacted Rainbow and CR&R Environmental to inquire about using their facilities for purchasing fuel for the District's trucks.

GM Robbins stated that the District's current server, which was purchased in 2008, has only one terabyte of memory and is almost at capacity. CRC, the District's computer support service provider, has been contacted in order to inquire about the cost of three additional terabytes for the District's computer system.

Staff has applied for an additional \$75,000 in CNG grant funding for shop improvements that will be done when the CNG fueling station is built in the District yard.

GM Robbins reported that the District's first two new CNG trucks should be arriving late this week or early next week. The Crane Carrier truck is undergoing its final inspection and the Mack is still having an air conditioning unit installed and will follow.

The annual field auditors will be starting at the District next week to do the annual audit.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that he attended the July 23, 2014 meeting of the full Board of OCSD at which the Board finalized the administration committees' recommendation to use \$135 million dollars in reserve to pay down unfunded liabilities with Other Post Employment Benefits (OPEB). There was also closed session to discuss labor negotiations with the professional and engineering groups.

Report from Rainbow Environmental – Quarterly Financial Audit, Quarterly Tonnage/Disposal Reporting, Over the Top Informational Item and Solid Waste Management from a Global Perspective Informational Item

Jeff Snow, V.P. of Rainbow Environmental Services, provided a quarterly financial report for the second quarter of 2014. Rainbow's gross billings to commercial customers was unchanged from the previous quarter but drop off bins and rent-a-bins were both up substantially which indicates more construction, remodeling and cleanups. Bad debt write-offs were unchanged from the previous quarter and cash flow for collection improved

dramatically, giving the District a 3.1% increase overall and cash basis gross revenues total reported to the District in the amount of \$1,629,641 for the quarter.

Director Neugebauer inquired whether the fees for the transfer station go up and how Rainbow calculates the weight that goes there from the District because if you weigh a black container truck and deduct all the recyclables, it should be much less.

Jeff Snow explained that there are two different rates from Rainbow and CR&R – one for commingled recyclables and another for the mixed solid waste.

Director Neugebauer stated that she would like to be assured that the black loaded trucks are not being weighed with recyclables included if those items are being removed and recycled properly, and she inquired whether there should be a tare weight for those loads.

Jeff Snow stated that within the District's contract with Rainbow Environmental, the District is receiving a blended tip fee that is substantially lower (nearly \$20 per ton less) than the transfer station fees paid by other third party haulers or the general public.

Director Neugebauer stated that she felt compelled to ask the question with regard to the District's ratepayers and if it were her own personal business she would pursue it further.

GM Robbins stated that the District is not charged for blue recyclable loads and that starting July 1, 2014 the black loads are \$49.82 per ton, per the negotiated contract.

Jeff Snow of Rainbow also gave an informational report on the waste hierarchy of the world, global waste trends and natural waste source consumption. With the population of the world at over 7 billion now, waste is an enormous global issue.

Report from the City of Westminster's first Three (3) Concerts in the Park (July 17, 24, and 31)

Directors Neugebauer and Rice reported that they handed out coloring books and crayons at the concerts and that the attendees are older this year but take them home for their children or grandchildren.

Director Neugebauer stated that the District's logo is on every program as a sponsor.

Director Cobo stated that he felt there was a good turnout for the event.

Report from the City of Westminster's Safety Day

Director Rice stated that it was the most people she had ever seen at this event and that the District handed out an enormous amount of outreach materials.

President Cobo stated that it was a good event, with a good turnout with a lot of participation.

Director Neugebauer suggested a gesture from the District to address and commend the City of Westminster for its outstanding outreach effort to encourage safety in the community.

Report from the Municipal Water District of Orange County (MWDOC) Water Policy Forum

Director Krippner stated that he did not attend the MWDOC Water Policy Forum.

Report from the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting

Director Rice stated that the speaker at the ISDOC quarterly meeting was one of the best in a very long time.

Director Neugebauer stated that there was a treasurer's report, CSDA report, LAFCO report and a commendation for Susan Wilson for 40 years of service and due to the caliber of the speaker she felt that it was a very worthwhile meeting.

CONSENT CALENDAR

None

OLD BUSINESS

None

NEW BUSINESS

A. Fiscal Year 2013-2014 Fourth Quarter Financial Reports and Budget Review for the Period of July 1, 2013 through June 30, 2014

Finance/HR Director Housley gave a macro view of the District's fiscal year 2013-2014 fourth quarter financial reports and budget along with a power point presentation. Revenues, expenses and capital improvements by department were explained as well as the budget for the same period.

Director Diep stated that every time the District goes through a labor negotiation with employees, he is reminded that whatever increase in medical insurance is given to employees, is also given to retirees, which he finds troubling. The District could save a substantial amount of money if there was some way to isolate retiree's medical insurance benefits from current employees.

Finance/HR Director Housley stated that staff will need to do some additional research on that topic because this is a legal area and there may be options and since next year the District will be going through the MOU process, it would be beneficial to get that information prior to that time. He also informed the Board that there are no current retirees that are over the current cap.

Director Neugebauer stated that most of those decisions are made by elected officials.

Director Diep requested that staff research options on a possible way to isolate insured employees from retirees and bring the information back for a study session.

The Board requested that this item be agendaized for further discussion after staff has further information to provide.

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file the fourth quarter financial reports and budget review for fiscal year 2013-2014. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider Press Release Regarding 75 Year History of the Midway City Sanitary District's Solid Waste Department

A motion was made by Director Neugebauer, seconded by Director Diep to approve the press release, with an addition and after the two new CNG trucks have arrived in order to also provide a photo. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. LAFCO Alternate Public Member Press Release and Application

B. Midway City Sanitary District General Managers and Service Dates

A motion was made by Director Neugebauer, seconded by Director Rice to receive and file the informational items. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she received a letter of recognition and an application from Special District Legislative Foundation in January for completing the Special District Leadership Academy training and wondered whether the other Board members who attended had also received it. She would like the recognition for the District and would pay the \$65 fee personally. Nobody else had received the letter and she asked that it be agendaized for further discussion.

Director Neugebauer stated that she received information along with her gas bill with safety tips for clearing exterior sewer lines.

GM Robbins stated that they provide the information because they do directional bores through the sewer laterals.

Director Neugebauer inquired about the progress of the CCTV sewer cleaning project and asked GM Robbins how that project was going.

GM Robbins stated that it is going well and that it is close to completion.

Director Neugebauer stated that she came across the proposal and agreement for the CCTV sewer line cleaning that the District is currently having done and that the completion date was 60 days ago. According to provision number 13 of the agreement, the contractor will pay the District \$500 per day for damages after the completion date for the delay. The Board asked staff to look into this matter.

GM Robbins stated that legal counsel will need to look into it for legal concerns.

GM/STAFF CONCERNS/COMMENTS

Finance/HR Director Housley stated that the District's parcel program user fees have been submitted to the County of Orange.

GENERAL COUNSEL CONCERNS/COMMENTS

None

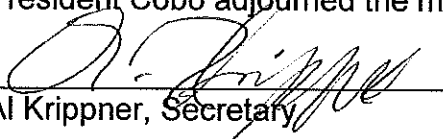
CLOSED SESSION

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.

ADJOURNMENT

President Cobo adjourned the meeting at approximately 6:55 P.M.


Al Krippner, Secretary