

**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 6, 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, February 6, 2018 at 5:00 P.M.

BOARD MEMBERS PRESENT:

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

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, HR/Finance Director
James Eggart, General Counsel
Danielle Gerardo, Board Secretary
George Lazaruk, CR&R
Thanh Tran, CR&R

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 JANUARY 16, 2018

A motion was made by Director Diep, seconded by Director Cobo, to approve the minutes of the regular meeting of January 16, 2018. 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 \$ 458,947.19

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	9606	1/12		VOID Printing Error	
3	9607	1/19	130.00	Techno Tint - Window Tint for NGT-11 (New Bulky)	
4	9608	1/17	300.00	Gustavo Carrera - 10-Year Safety Driving Award	
5	9609	1/17	550.00	Techno Sound - Window Tint, Refurbish Upholstery for M5	
6	9610	2/1	14.15	City of Westminster - Water Usage for Hammon Lift Station 11/15/17 through 01/09/2018	
7	9611	2/1	1,069.84	Frontier California - District Office Phones & Lift Stations for January 2018; \$582.10 District Office,	
8				\$162.58 Willow Lift, \$162.58 Westminster Lift, \$162.58 Hammon Lift.	
9	9612	2/1	93.71	The Gas Company - District Office, Maintenance Shop, & Wash Rack Usage Fees for Jan 2018	
10	9613	2/1	150.00	Pitney Bowes/Purchase Power - Postage for January 2018	
11	9614	2/1	3,042.68	SDRMA Delta Dental - Dental Insurance Premium for February 2018	
12	9615	2/1	2,870.86	SDRMA - Property/Liability Addition for New Vector Truck NG12 (Replaces M63)	
13	9616	2/1	4,865.62	Southern California Edson-District Office \$3,798.91/Brookhurst Lift Station \$91.58,/Westminster Lift	
14				Station \$384.63/Willow Lift Station \$138.55/Hammon Lift Station \$451.95.	
15	9617	2/1	1,094.48	The Standard Life Insurance - Life Insurance & AD&D Premium Coverage for February 2018	
16	9618	2/1	269.79	Staples Business Advantage - Restock District Office Supplies for January 2018	
17	9619	2/1	250.00	Trío Mariachi Capri - 50% Deposit for 2018 TET Parade Performance on 02/17/2018	
18	9620	2/1	5,122.69	US Bank	
19				(DGe) Board Meeting Refreshments for 01/02 & 01/16	\$19.97
20					Dge Total \$19.97
21				(DGr) (4) New Tires for S-1	\$759.96
22				(DGr) New Door Lock	\$34.66
23					DGr Total \$794.62

24			(RH) 1099 Tax Forms + Organizer for Safe	\$62.46
25			(RH) 1099 Tax Form Helper Software	\$21.23
26			(RH) Brookhurst Lift Station AT&T SEP-2017 through JAN-2018	\$698.32
27			(RH) City of Westminster - Water - Maint. Shop 10/25-12/19/2017	\$14.51
28			(RH) City of Westminster - Water - District Offices 10/25-12/19/2017	\$102.10
29			(RH) City of Westminster - Water - Wash Rack 10/25-12/19/2017	\$104.31
30			(RH) City of Westminster - Water - Westminster Lift Station 11/15/2017-01/09/2018	\$14.72
31			(RH) City of Westminster - Water - District Hydrant Meter Usage DEC-2017	\$56.23
32			(RH) Monthly Remington Svc. DEC-2017	\$64.00
33			RH Total	\$1,137.88
34			(NC) Restock Black Printer Ink	\$41.30
35			(NC) (3) Backrack Headache Rack + (3) Installation Kits for New Chevy Trucks	\$720.00
36			(NC) (48) 28" Traffic Cones	\$943.20
37			(NC) Restock District Kitchen Supplies JAN-2018	\$146.44
38			(NC) Number & Letter Labels for New Chevy Trucks	\$3.78
39			NC Total	\$1,854.72
40			(KR) Employee Photo for Back Office	\$40.71
41			(KR) Excel Residential Records for Services/Public Outreach	\$179.30
42			(KR) ISDOC Quarterly Luncheon 01/25/2018 (@ \$17.00 Each) RH, KR, CN, TD, AK, FC, MR	\$119.00
43			(KR) Bowerman Landfill Tour & OCW&R Meeting 1/11	\$18.19
44			(KR) Phone System Messenger 'On Hold Plus'	\$149.95
45			(KR) (1,000) Door-hangers for Clean-Up Event 03/24/2018	\$298.21
46			(KR) Deposit Westgate Las Vegas Hotel Reservation 04/23/2018-04/26/2018	\$510.15
47			(@ \$102.03 Each) KR, CN, MR, FC, NC	
48			KR Total	\$1,315.51
49	9621	2/1	414.31 Vision Service Plan - Monthly Premium for February 2018	
50			20,238.13 HANDCUT CHECKS SUBTOTAL	
51				
52			REGULAR CHECKS:	
53	9622	2/1	70.00 Asbury Environmental Services - (350) Gallons Used/Mixed Oil Pick-up	
54	9623	2/1	7,155.00 City of Westminster - 2017 Over the Top Fees Collected by CR&R and Remitted to MCSD	
55	9624	2/1	746.00 CRC Cloud - Maintenance & Support for February 2018	
56	9625	2/1	63,625.00 CR Transfer - Tonnage from 01/01/2018 through 01/15/2018	
57	9626	2/1	5,565.55 Danie's Tire Service - (17) Recaps & (2) New Tires for Restock	
58	9627	2/1	745.75 Darco Transmission - (12) Filter Kits for Restock	
59	9628	2/1	7,700.14 DNTech - (19,500) Postcards Promoting Green Organics Program Design, Postage, Mailing	
60	9629	2/1	585.00 Frog Environmental - 2017-2018 Storm Water Sample #1	
61	9630	2/1	381.63 G & K Services - Uniform Services for January 2018	
62	9631	2/1	272.65 Hose-Man - (1) 29.75" Hose for NG2; (6) Hose Sleeves, (2) Clips, (1) 77" Hose for NG9	
63	9632	2/1	2,879.46 Los Alamitos Napa Auto Parts - Restock (50ft) Heat Hose, (4) Air Filters, (3) Fuel Filters, (3) Oil	
64			Filters, (30) Hose Ends, (2) Brake Kits, (2) Brake Drums, (2) Brake Shoes, (1) Cooling System Filter;	
65			(R. & L.) Headlights, (1) Wheel cover for M5; (2) Grease Control Handle, (50) Brakleen for Shop.	
66	9633	2/1	88.00 Memorial Care Medical Foundation - (1) DMV Exam for December 2017	
67	9634	2/1	550.14 Merchants Building Maintenance - District Offices Janitorial Services for January 2018	
68	9635	2/1	60,426.52 National Auto Fleet Group - (2) Chevrolet Trucks S2 & S3	
69	9636	2/1	50,268.30 Orange County Sanitation District - Permit Fees for January 2018 (MCSD 5% = \$2,645.70)	

70	9637	2/1	345.00	Rutan & Tucker - Legal Services for December 2017
71	9638	2/1	108.33	TEC of California - (2) ABS Wheel Speed Sensors for Restock
72	9639	2/1	1,066.00	Tesco Controls - Service/Troubleshoot Communication Loss Issue 11/30/2017
73	9640	2/1	852.30	TSP Printing - (2,750) Restock VCIR Vehicle Inspection Books for Fleet
74	9641	2/1	4,496.50	Woodruff, Spradlin & Smart - Legal Services for December 2017
75			207,927.27	REGULAR CHECKS SUBTOTAL
76				
77				PAYROLL
78	1/16		88,784.44	Payroll - Staff Checks Taxes & Direct Deposits
79	1/17		715.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
80	1/17		1,145.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
81	1/30		62,102.18	Payroll - Staff Checks Taxes & Direct Deposits
82	1/30		715.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
83	1/30		1,145.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
84	2/2		4,702.86	Board of Director's Payroll for the Month of January 2018
85	2/2		364.08	Board of Director's Nationwide Deferred Compensation for January 2018 (100% Paid By Directors)
86			159,673.56	PAYROLL SUBTOTAL
87				
88				ACH TRANSFERS
89	2/1		42,795.70	ACH Employee Health Insurance Payment to CalPERS for February 2018
90	1/31		2,906.03	ACH Board Health Insurance Payment to CalPERS for February 2018
91	2/1		965.48	ACH Retirement Payment to CalPERS for January 2018
92	2/1		1,113.08	ACH Retirement Payment to CalPERS for January 2018
93	2/1		10,624.69	ACH Retirement Payment to CalPERS for January 2018
94	2/1		965.48	ACH Retirement Payment to CalPERS for January 2018
95	2/1		1,113.08	ACH Retirement Payment to CalPERS for January 2018
96	2/1		10,624.69	ACH Retirement Payment to CalPERS for January 2018
97			71,108.23	ACH TRANSFERS SUBTOTAL
98				
99			458,947.19	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL, ACH TRANSFERS)
100				
101				BANK TRANSFERS
102	1/16		346,045.19	Transfer Funds from Money Market to Checking Account

A motion was made by Director Cobo, seconded by Director Rice, to approve the expenditures in the amount of \$ 458,947.19. 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 Nguyen reported that he met with a representative for the TET Parade who confirmed that they already picked up the trash receptacles and liners from the District for the event on Saturday, February 17, 2018.

Report of General Manager

GM Robbins reported that the City of Westminster's annual Spring Festival would be on Saturday, March 24, which conflicts with the District's scheduled Bolsa Chica clean up event. He asked the Board if they would prefer to have it on the Saturday, March 17th or 31st.

President Nguyen suggested having the clean up event on Saturday, March 17, 2018 and there was unanimous consensus from the Board.

General Counsel James Eggart stated that if the Board wanted to take action, it could be put on the next meeting's agenda.

GM Robbins reported that PCTA will be filming at the District for Orange Slices this Thursday, February 8, 2018. The filming will begin at 8:30 A.M., and any Directors who wish to be interviewed for the segment should be at the District between 11-11:30 A.M. There will be discussion about recycling and the District's helping hands program. PCTA will also be going to the CR&R recycling center where one of the District's trucks will be shown dumping its load.

GM Robbins reported that two of the three trucks ordered had been delivered to the District, but that the third was totaled in an accident while in transit. National Auto Fleet Group offered the District another truck but the order for the third truck was cancelled and the District will retain one of its older trucks.

GM Robbins reported that a California Special District Association report came out stating that City pensions will double in the near future.

Report from Orange County Sanitation District (OCSD) Meeting on January 24, 2018

President Nguyen reported that he attended the meeting, but that it was very short, with discussion and approval for the restructuring of the Managers' offices.

Report from the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on January 25, 2018

Director Rice reported that GM Robbins did a superb job speaking for and about the District.

Director Cobo reported that he was impressed with GM Robbins' presentation and felt that he represented the District well.

Director Nguyen thanked GM Robbins for the excellent job he did representing the District and stated that there were several attendees who followed up afterward to ask him questions.

Tonnage Report from CR&R

Thanh Tran from CR&R provided the Board with the 4th quarter diversion report, stating that the District achieved a 50% rate for the quarter. The overall diversion for the District in 2017 was 40% due to the transition of haulers and material which was intended for recycling being land-filled in the first two quarters. He stated that he and GM Robbins met with Orange County Waste and Recycling and that mulched green waste would be considered as diversion, which has not been previously reported. He has conducted education and outreach to all of the District's top tier generators to inform them of the state laws. Many of them had not yet started the Mixed Recycling and Organics Recycling Programs due to the financial burden but would in 2018. With regard to Public Education Outreach, Thanh stated that letters have been sent out to all the schools within Westminster and Midway City regarding the bottles and cans program which refunds the full CRV value to the school at no cost. He also offered to go speak to students at the schools and offered tours of CR&R as well. Two schools – Tom Johnson and Schmidt – are going through the CalRecycle certification process in order to participate in the program.

CONSENT CALENDAR

A. Approve Calendar Year 2017 Compensation and Benefit Information to be posted on the District's Website

A motion was made by Director Rice, seconded by Director Diep, 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 Approval of Design and Specifications for Removal and Replacement of Three Heating, Ventilation and Air Conditioning (HVAC) Systems and 15' x 25' Reroof for District Offices at 14451 Cedarwood Avenue, Westminster, CA 92683

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 to approve the design and specifications for the removal and replacement of three HVAC systems and reroof a 15' x 25' portion of the District offices located at 14451 Cedarwood Avenue, Westminster, CA 92683, and direct staff to solicit sealed bids for the job. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider Approval to Auction or Sell Midway City Sanitary District Surplus Equipment – Two (2) 2001 Trailer-mounted Arrow Boards

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 approve staff recommendation to auction or sell two (2) 2001 trailer-mounted arrow boards. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

C. Consider a Construction Agreement with the Orange County Transportation Authority ("OCTA") to Extend the Encasement of Midway City Sanitary District's Utility Facilities East on Westminster Blvd. from the 405 Freeway

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 approve staff recommendation to approve the construction agreement with the Orange County Transportation Authority to extend the encasement of the District's facilities east on Westminster Blvd. from the 405 freeway. The motion was approved by the following 5-0 vote:

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

D. Consider a Construction Agreement with the Orange County Transportation Authority ("OCTA") to Extend the Encasement of Midway City Sanitary District's Utility Facilities on Heil Avenue West of 405 Freeway

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 to approve the construction agreement with the Orange County Transportation Authority to extend the encasement of the District's utility facilities on Heil Avenue west of the 405 freeway. The motion was approved by the following 5-0 vote:

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

E. Consider Approval of the Fiscal Year 2017-2018 Second Quarter Financial Reports and Mid-Year Budget Review for the Period of July 1, 2017 through December 31, 2017

Finance/HR Director Housley went over a few key points of the report including total checking and savings which is at \$34,661,279, which is a \$4.2 million increase from the prior year and mostly due to money spent last year on CNG station and trucks. Operating funds and reserves are at \$34 million or 50%, with a goal of \$69 million.

GM Robbins reminded the Board that \$34 million is roughly 3% of the District's sewer system and that if there were a major earthquake, the District would go bankrupt.

Finance/HR Director Housley stated that the District is right where it should be for the fiscal year.

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 receive and file the fiscal year 2017-2018 second quarter financial reports and mid-year budget review for the period of July 1, 2017 through December 31, 2017. The motion was approved by the following 5-0 vote:

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

INFORMATIONAL ITEMS

- A. Web Site Activity for the Month of January 2018 (168,729 Successful Hits)
- B. Nationwide 457 Deferred Compensation Plan Review 4th Quarter 2014

Receive and file.

BOARD CONCERNS/COMMENTS

Director Rice thanked GM Robbins for the great presentation he gave at ISDOC and Finance/HR Director Housley for the easy to read financial report.

President Nguyen stated that he attended a City Council meeting and with GM Robbins' help, was able to report to them about the District's successful bulky item program for residents. He stated that he will continue to update them.

GM/STAFF CONCERNS/COMMENTS

Finance/HR Director Housley stated that Legal Shield would be at the District to follow up with employees on Wednesday, February 7, 2018 at noon.

GENERAL COUNSEL CONCERNS/COMMENT

None

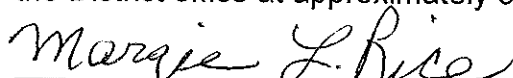
CLOSED EXECUTIVE SESSION

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.

ADJOURNMENT

President Nguyen adjourned the meeting to Tuesday, February 20, 2018 at 5:00 P.M. at the District office at approximately 5:41 P.M.


Margie L. Rice, Secretary