

**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**

**September 18, 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, September 18, 2018 at 5:00 P.M.

**BOARD MEMBERS PRESENT:**

Al P. Krippner (arrived at 5:07 P.M.)  
Margie L. Rice  
Tyler Diep (arrived at 5:18 P.M.)  
Frank A. Cobo  
Chi Charlie Nguyen

**OTHERS AT MEETING:**

Robert Housley, Acting GM, Finance/HR Director  
James Eggart, General Counsel  
Danielle Gerardo, Board Secretary  
Daphne Munoz, White Nelson Diehl Evans LLP  
Anita Rice, Resident

**PLEDGE AND INVOCATION**

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

**PUBLIC COMMENTS**

Anita Rice asked the Board of Directors when the next Midway City Sanitary District sponsored clean up event would be.

Staff stated that the District's next clean up event was scheduled for Saturday, October 27, 2018 at Russell Paris Park.

Anita Rice stated that she spoke with former Midway City Sanitary District Board member, Joy Neugebauer, who asked to be invited to attend this year's holiday event.

The Board was unanimous in their agreement to invite her to the District's holiday event.

### APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF SEPT, 4, 2018

A motion was made by Director Rice, seconded by Director Cobo, to approve the minutes of the regular meeting of Sept 4, 2018. The motion was approved by the following 3-0 vote:

AYES: Cobo, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep, Krippner

### APPROVAL OF EXPENDITURES

#### A. Demands in the amount of \$ 245,740.77

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	10090	9/5	\$321.36	AT&T Mobility - Service for August 2018:(KR)714-310-2313,(NC)714-310-8653,(DGr)714-325-3606,
3				Sewer 714-310-8654, Emergency 714-310-9004.
4	10091	9/5	\$1,305.46	Chevron & Texaco Bus. Card Svcs. - Gasoline Purchases for August 2018
5	10092	9/5	\$165.21	Cintas - Uniform Services for August 2018
6	10093	9/5	\$395.00	Government Tax Seminars, LLC - Registration for 2018 Tax Seminar-Irvine 11/29/18 for R. House
7	10094	9/5	\$957.63	Staples Business Credit - Restock District Office Supplies for August 2018
8	10095	9/5	\$3,094.90	SDRMA Delta Dental - Dental Insurance Premium for September 2018
9	10096	9/7	\$300.00	Gustavo Carrera - 10-Year Safe Driving Award Reprint
10	10097	9/11	\$147.22	Cintas - Uniform Services for September 2018
11	10098	9/11	\$129.98	DirectTV - Service for September 2018
12	10099	9/11	\$6,668.63	The Gas Company - CNG Fuel for August 2018
13	10100	9/11	\$135.60	LegalShield - Member Paid Services for August 2018
14	10101	9/11	\$1,000.00	SDRMA - Deductible from Claim on 05/23/2018
15	10102	9/11	\$1,301.63	Verizon Business - Internet Connection for September 2018
16			\$15,922.62	HANDCUT CHECKS SUBTOTAL
17				

17			
18			<b>REGULAR CHECKS:</b>
19	10103	9/11	\$200.00 <b>Cobo, Frank</b> - Per Diem for CSDA Conference Indian Wells, CA 09/24-09/27/2018
20	10104	9/11	\$200.00 <b>Rice, Margie</b> - Per Diem for CSDA Conference Indian Wells, CA 09/24-09/27/2018
21	10105	9/11	\$772.18 <b>Advanced Office Service</b> - Restock District Ricoh Printer Toners for August 2018
22	10106	9/11	\$11.19 <b>Bodyworks Equipment</b> - (6) O-Rings for NG1
23	10107	9/11	\$437.50 <b>Country City Towing, Inc.</b> - Tow from District to Cummins of NG1 on 08/21/2018
24	10108	9/11	\$81,993.54 <b>CR Transfer Incorporated</b> - Tonnage from 08/16/2018 through 08/31/2018
25	10109	9/11	\$583.92 <b>CR&amp;R Incorporated</b> - Tonnage & Processing for Clean-Up Event on 08/25/2018
26	10110	9/11	\$1,447.92 <b>Daniels Tire Service</b> - Restock (7) Recaps
27	10111	9/11	\$379.85 <b>Franklin Truck Parts</b> - (1) Hub Assembly & (1) Impact Socket for NG10
28	10112	9/11	\$109.16 <b>Gralnger</b> - Restock (2) Car Wash Brushes & (2) Broom Handles for District Wash Rack
29	10113	9/11	\$1,572.65 <b>Los Alamitos Napa Auto Parts</b> - Restock (50) Feet Heat Hosing, (50) Feet Hydraulic Hosing,
30			(8) Air Filters, (4) Oil Filters, (4) Fuel Filters, (4) Permatex Silicone Tubes.
31	10114	9/11	\$741.27 <b>Velocity Truck Centers</b> - Restock (2) Air Filters; Labor & Parts for NG1 Shut-Down Malfunction
32	10115	9/11	\$550.14 <b>Merchants Building Maintenance</b> - District Offices Janitorial Services for September 2018
33	10116	9/11	\$50,970.37 <b>Orange County Sanitation District</b> - Permit Fees for August 2018 (MCSD 5% = \$2,682.65)
34	10117	9/11	\$1,817.00 <b>Rutan &amp; Tucker</b> - Legal Services for August 2018
35	10118	9/11	\$1,763.64 <b>TEC of California</b> - (1) Rotor & (4) Brake Pads for NG10; Restock (2) Speed sensors, (20) Studs,
36			and, (20) Nuts.
37	10119	9/11	\$2,738.36 <b>TESCO Controls, Inc.</b> - Onsite Professional Services/Repair for Troubleshooting for Westminster
38			Willow Lift Stations.
39	10120	9/11	\$188.71 <b>TrucPar Company</b> - (10) Studs and (4) Wheel Nuts for NG10
40	10121	9/11	\$18.25 <b>Underground Service Alert</b> - (5) New Tickets for August 2018
41	10122	9/11	\$441.00 <b>Wespac Security Services</b> - Burglar, Fire, & Gas Alarm Services for July through September 20
42	10123	9/11	\$1,799.00 <b>ParcelQuest</b> - Subscription Access to County Assessor's Property Data, Tax Information, Parce
43			and Maps for (15) Months 08/30/2018 through 12/01/2019.
44			<b>\$148,735.65 REGULAR CHECKS SUBTOTAL</b>
45			
46			<b>PAYROLL</b>
47		9/11	\$64,909.52 Payroll - Staff Checks Taxes & Direct Deposits
48		9/11	\$600.00 Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
49		9/11	\$2,360.00 Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
50			<b>\$67,869.52 PAYROLL SUBTOTAL</b>
51			
52			<b>ACH TRANSFERS</b>
53		9/11	\$1,288.87 ACH Retirement Payment to CalPERS for PEPRA 08/27/2018-09/09/2018
54		9/11	\$1,214.13 ACH Retirement Payment to CalPERS for Classic 8584 08/27/2018-09/09/2018
55		9/11	\$10,709.98 ACH Retirement Payment to CalPERS for Classic 8583 08/27/2018-09/09/2018
56			<b>\$13,212.98 ACH TRANSFERS SUBTOTAL</b>
57			

57		
58		\$245,740.77 TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL, ACH TRANSFERS)
59		
60		BANK TRANSFERS
61	9/5	\$325,000.00 Transfer Funds from LAIF to Checking Account
62	9/12	\$200,000.00 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 \$ 245,740.77. The motion was approved by the following 3-0 vote:

AYES: Cobo, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT: Diep, Krippner

## REPORTS

### Report of President

President Nguyen stated that he met with some residents who mostly commended the District except for a complaint that GM Robbins had already addressed, but hadn't actually been able to speak with the resident. Director of Operations/Safety Nick Castro will follow up with the resident when he returns to the office on Friday, September 21.

### Report of Acting General Manager/Finance/HR Director

Acting GM/Finance/HR Director Housley reported that GM Robbins was out on vacation but that he had forwarded an email to him regarding the complaint addressed by President Nguyen and that he would have Director of Operations/Safety Nick Castro follow up with it on Friday when he returned to the office.

Acting GM/Finance/HR Director Housley reported that temporary employee Leanne Luu from H.B. Staffing had started on Monday, September 17, 2018, and the District's newest relief driver/utility worker, Robert Cruz, started working at the District a week ago and another relief driver/utility worker has been hired but doesn't have a start date yet.

Acting GM/Finance/HR Director Housley reported that Director of Operations/Safety Nick Castro and Fleet Maintenance Mechanic Mike LaFreniere went to inspect the District's newest trucks as they are coming off the assembly line before being shipped to the District.

### Report from the Orange County Sanitation District (OCSD) Meeting on Sept.12, 2018

Director Krippner stated that he had nothing to report at this time.

## **Report from the City of Westminster Dia de la Familia on Sept. 8, 2018**

All of the Directors attended the event and agreed that it was a worthwhile event.

### **CONSENT CALENDAR**

- A. Approve and file the Treasurer's Investment Report for August 2018
- B. Approve Attendance of the Director of Finance/Human Resources, Robert Housley, to the California Society of Municipal Finance Officers (CSMFO) Annual Conference Scheduled for January 8-11, 2019
- C. Approval of the August 2018 Financial Reports and Budget Review for the Period of July 1, 2018 through August 31, 2018

A motion was made by Director Rice, seconded by Director Cobo, 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

Director Diep arrived at the meeting at 5:18 P.M.

### **NEW BUSINESS**

- A. Consider and Approve the Fiscal Year 2017-2018 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2017 through June 30, 2018)

Daphne Munoz, from White Nelson Diehl Evans LLP presented the completed audit to the Board of Directors. She stated that they encountered no significant difficulties in performing the audit, and as a result of their work there were no corrections to the financial statements. There were no disagreements with management, they requested certain representations from management that are included in a management representation letter, and to their knowledge management did not consult with other independent accountants. She stated that all discussions with management during the normal course of their audit were not a condition to their retention for the District's audit. White Nelson Diehl Evans LLP issued a management letter stating that they did not find

any internal weaknesses to the internal control of the District with only one recommendation for improvement of control which is the utilization of Positive Pay, a fraud deterrent service offered by banks that allows customers to monitor and control the payment of checks.

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 Diep, to approve the fiscal year 2017-2018 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2017 through June 30, 2018). The motion was approved by the following 5-0 vote:

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

B. Consider Approval of Payment to the City of Westminster in the Amount of \$46,818 to Adjust Midway City Sanitary District Manholes to Finished Grade within the Public Right-of-Way from Street Projects Year 2016-2017 and 2017-2018

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 payment to the City of Westminster in the amount of \$46,818 for adjusting Midway City Sanitary District's manholes to finish grade within the public right-of-way from street projects year 2016-2017 and 2017-2018. The motion was approved by the following 5-0 vote:

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

C. Consider Approval to Piggyback on January 2018 Purchase of Two New Trucks for the Purchase of One Additional New 26-Yard Automated Side Loader, Cab-Over Compressed Natural Gas (CNG) Solid Waste Collection Truck for the Midway City Sanitary District Fleet

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 Diep, to approve piggybacking on the January 2018 purchase of two new trucks for the purchase of one additional new 26-yard automated side loader cab-over compressed natural gas (CNG) solid waste collection truck from TEC Equipment for a total of \$325,078.08 for the Midway City Sanitary District Fleet. The motion was approved by the following 5-0 vote:

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

D. Discuss and Approve Recognition for Midway City Sanitary District Employees at Holiday Event on Saturday, December 15, 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 Rice, to approve staff recommendation and follow the same procedure as last year. 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 August 2018 (137,000 Successful Hits)

Receive and file.

**BOARD CONCERNS/COMMENTS**

Director Krippner asked when the temporary office staff would begin working at the District.

Acting GM/Finance/HR Director Housley stated that Leanne Luu from HB Staffing had started working at the District on Monday, September 17, 2018 and was adjusting well.

Director Diep stated that City of Westminster's Mayor Tri Ta had been appointed to succeed Director Phil Anthony on the Orange County Water District Board of Directors.

Director Rice stated that a letter of congratulations should be sent to Mayor Tri Ta from the MCSD Board.

Director Cobo thanked staff for working with the auditors and asked if the District would be participating in the County's Midway City Community clean up event on Saturday, September 22, 2018.

Acting GM/Finance/HR Director Housley stated that he would get more information about the event and let the Board know.

President Nguyen asked staff to prepare a letter of congratulations to Westminster Mayor Tri Ta from the Midway City Sanitary District Board of Directors for his appointment to the Orange County Water District Board of Directors.

### **GM/STAFF CONCERNS/COMMENTS**

Acting GM/Finance/HR Director Housley reminded the Board of the California Special Districts Association conference in Indian Wells, CA next Monday, September 24 through Thursday, September 27, 2018. He stated that he would begin carpooling at noon on Monday for those interested. He stated that AB1234 Ethics training was being offered at the conference in a two-part session on Tuesday, September 25<sup>th</sup> and that all Directors attending should take the training as their certificates were expiring soon.

### **GENERAL COUNSEL CONCERNS/COMMENT**

None

### **CLOSED EXECUTIVE SESSION**

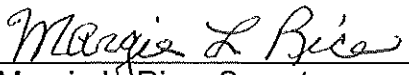
**CLOSED SESSION;** During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government 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 Tuesday, October 2, 2018 at 5:00 P.M. at the District office at approximately 5:42 P.M.

  
\_\_\_\_\_  
Margie L. Rice, Secretary