

**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**

November 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, November 20, 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:

Kenneth Robbins, General Manager
Robert Housley, Finance/HR Director
James Eggart, General Counsel
Danielle Gerardo, Board Secretary
Thanh Tran, CR&R
Mark Shuster, SFG Retirement Plan Consulting, LLC

PLEDGE AND INVOCATION

Director Krippner led the Pledge of Allegiance. GM Robbins gave the Invocation.

PUBLIC COMMENTS

None

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

A motion was made by Director Rice, seconded by Director Diep, to approve the minutes of the regular meeting of Nov. 6, 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 \$ 963,626.12

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	10213	11/2	\$2,259.13	Chevron & Texaco Bus. Card Svcs. - Gasoline Purchases for October 2018	
3	10214	11/2	\$68,467.10	CR Transfer - Tonnage from 10/01/2018 through 10/15/2018	
4	10215	11/2	\$135.60	LegalShield - Member Paid Services for October 2018	
5	10216	11/2	\$61.50	Paychex - Reprint of Check No. 10173, (2) Employee Screenings for New Utility Drivers	
6	10217	11/8	\$950.00	So. Cal. Arborists - Annual Tree Trimming Service of District Yard	
7	10218	11/8	\$322.62	AT&T Mobility-Service for Oct 2018: (KR) 714-310-2313, (NC) 714-310-8653, (RG) 714-325-3606,	
8				Sewer 714-310-8654, Emergency 714-310-9004.	
9	10219	11/8	\$184.32	Cintas - Uniform Services for November 2018	
10	10220	11/8	\$737.98	Deluxe Business Checks & Solutions - (1,000) Checks for Restock	
11	10221	11/8	\$129.98	DirectTV - Service for November 2018	
12	10222	11/8	\$820.74	Staples Business Credit - Restock District Office Supplies for October 2018	
13	10223	11/8	\$13,821.11	US Bank -	
14				(DGe) Board Meeting Refreshments for 10/16	\$6.69
15					Dge Total \$6.69
16				(RH) CSDA Conference Hotel Indian Wells, CA 09/24-09/27/2018 (AK)	\$399.38
17				(RH) CSDA Conference Food Indian Wells, CA 09/24-09/27/2018 (RH)	\$55.88
18				(RH) Remington Water Svcs, SEP-2018	\$64.00
19				(RH) CSDA Conference Hotel Indian Wells, CA 09/24-09/27/2018 (FC)	\$405.09
20				(RH) CSDA Conference Hotel Indian Wells, CA 09/24-09/27/2018 (RH)	\$489.09
21				(RH) CSDA Conference Hotel Indian Wells, CA 09/24-09/27/2018 (MR)	\$405.09
22				(RH) City of Westminster - Water - Hydrant Meter Usage 08/17/18-09/15/18 SEP-2018	\$56.23
23				(RH) City of Westminster - Water - District Offices 08/01/18-09/25/18	\$187.39
24				(RH) City of Westminster - Water - Wash Rack 08/01/18-09/25/18	\$129.42
25				(RH) City of Westminster - Water - Maint. Shop 08/01/18-09/25/18	\$14.72
26				(RH) 2019 QuickBooks Accountant 3-Person Download & CD	\$1,406.42
27				(RH) 10/18/2018 CSMFO Luncheon	\$30.00
28				(RH) (1) 12v Power pack for NGT11 Replacement Pump for Lift	\$1,848.75
29				(RH) Flight Cost for CSDA Conference 11/06/18-11/07/18 (RH)	\$425.96
30				(RH) Registration for CSDA Conference 11/06/18-11/07/18 (RH)	\$300.00
31					RH Total \$6,217.42

32				(NC) Network Cable for Temp. Employee	\$28.26
33				(NC) Phone Cord for Temp. Employee	\$7.16
34				(NC) Restock Batteries	\$28.21
35				(NC) Restock Kitchen Supplies OCT-2018	\$133.98
36				(NC) Lunch for Driver Safety Meeting 10/20/2018	\$266.42
37					NC Total \$464.03
38				(KR) Get Well Arrangement (DS)	\$91.99
39				(KR) (26) 80th Ann. Truck Signs for Fleet	\$5,883.15
40				(KR) (15) UPS Battery Replacement for Generators	\$350.83
41				(KR) Lunch Organics Distribution	\$8.14
42				(KR) Lunch Organics Distribution	\$8.15
43				(KR) Wiarcom GPS Monthly OCT-2018	\$490.95
44				(KR) Wiarcom 36-Month Wireless Service & Activation OCT-2018	\$139.70
45				(KR) ISDOC Qtrly. Luncheon 10/25/18 (KR)	\$17.00
46				(KR) ISDOC Qtrly. Luncheon 10/25/18 (CN)	\$17.00
47				(KR) ISDOC Qtrly. Luncheon 10/25/18 (FC)	\$17.00
48				(KR) ISDOC Qtrly. Luncheon 10/25/18 (MR)	\$17.00
49				(KR) ISDOC Qtrly. Luncheon 10/25/18 (TD)	\$17.00
50				(KR) ISDOC Qtrly. Luncheon 10/25/18 (AK)	\$17.00
51				(KR) (3) Dozen Donuts for Driver Safety Training	\$37.06
52				(KR) Advanced Tracking - Wiarcom	\$21.00
53					KR Total \$7,132.97
54	10224	11/9	\$650,156.16	TEC of California - (2) 2019 Mack Trucks for District Fleet	
55	10225	11/14	\$184.32	Cintas - Uniform Services for November 2018	
56	10226	11/14	\$3,833.59	The Gas Company - CNG Fuel for October 2018	
57	10227	11/14	\$3,792.00	HB Staffing - Administrative Assistant Services for 10/24, 10/31, & 11/07/2018	
58	10228	11/14	\$1,313.25	Verizon Business - Internet Connection for November 2018	
59			\$747,169.40	HANDCUT CHECKS SUBTOTAL	
60					
61				REGULAR CHECKS:	
62	10229	11/14	\$3,360.00	Stater Brother's Market #27 - (35) Gift Cards with 4.0% (\$140.00) Discount Applied	
63	10230	11/14	\$3,833.50	Bodyworks Equipment -Restock(2)Air Cylinders,(1)Dump Cylinder,(1)Grip Cylinder,	
64				(1)Arm RaiseCylinder, (20) Springs, (2) Coils, & (4) Husco Valve Springs.	
65	10231	11/14	\$74,645.88	CR Transfer - Tonnage from 10/16/2018 through 10/31/2018	
66	10232	11/14	\$827.77	CR&R Incorporated - Tonnage & Processing for Clean-Up Event on 10/27/2018	
67	10233	11/14	\$299.43	Cummins Cal Pacific - Restock (1) Water Pump Kit & (1) Thermostat	
68	10234	11/14	\$869.75	Daniels Tire Service - Restock (4) Recaps	
69	10235	11/14	\$121.76	Grainger - (2) Fans for Westminster Lift Station	
70	10236	11/14	\$2,622.46	Haaker Equipment - (1) Replacement Rodder Hose for NG12	
71	10237	11/14	\$10,084.50	Jaycox Construction CNG - (4) 25' Hoses for New Vacor & Three Solid Waste Trucks	
72	10238	11/14	\$417.08	Los Alamitos Napa Auto Parts -Restock(10)Blades,(6)Fittings,(2)Gauges,	
73				(10)Wheel Valves,(4) Chuck; (4) Anti-Freeze for NG10.	
74	10239	11/14	\$550.14	Merchants Building Maintenance - District Offices Janitorial Services for November 2018	
75	10240	11/14	\$42,737.65	Orange County Sanitation District - Permit Fees for October 2018 (MCSD 5% = \$2,249.35)	
76	10241	11/14	\$366.83	Plumber's Depot - Restock (1) Grit & Debris Catcher for Sewer Vacor Trucks	
77	10242	11/14	\$2,175.00	Safety Research Consultants - 4-Hour Driver Training on 10/20/2018	
78	10243	11/14	\$1,755.00	Scott Harrison Plumbing - Replace (3) Flush Valves of District Restrooms	

79	10244	11/14	\$885.64	TEC of California - Restock (3) Brake Pads & (6) Speed Sensors
80	10245	11/14	\$56.20	Underground Service Alert - (28) New Tickets for October 2018
81			\$145,608.59	REGULAR CHECKS SUBTOTAL
82				
83				PAYROLL
84		11/6	\$66,094.80	Payroll - Staff Checks, Taxes & Direct Deposits
85		11/6	\$3,618.33	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
86		11/6	\$1,135.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
87			\$70,848.13	PAYROLL SUBTOTAL
88				
89			\$963,626.12	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)
90				
91				BANK TRANSFERS
92		11/9	\$750,000.00	Transfer Funds from Money Market to Checking Account
93		11/1	\$250,000.00	Transfer Funds from LAIF to Checking Account
94		11/9	\$650,000.00	Transfer Funds from LAIF to Checking Account
95		11/9	\$500,000.00	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 \$ 963,626.12. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that the updated solid waste ordinance would be on the next regular meeting agenda for Board consideration and approval. He stated that General Counsel Eggart has been working on it for some time due to new state laws and making sure the District is in full compliance. He stated that the State has been going agency to agency and, for those without agreements in place to properly dispose of organics, there will eventually be a \$10,000 a day fine for non-compliant agencies that still take them to the landfill.

GM Robbins reported that he would be out of the office on Friday, November 30 and Monday, December 3, 2018.

Report from the Orange County Sanitation District (OCSD) Meeting on Nov. 14, 2018

President Nguyen reported that he attended the administrative committee meeting and that there was discussion regarding the outcome of their internal audit and research regarding engineering vendors.

Report from CR&R – 3rd Quarter Tonnage Report

Mr. Thanh Tran provided the Board with a report of the 3rd quarter tonnage and stated that he is working on the numerical value for all the third party diversion, including scavenging and backhauling within the District, in order to boost the District numbers.

Director Rice asked if there was a clause in the franchise agreement with CR&R that if there are not enough recyclables in the blue containers, they will pull them from the black containers in order to boost the Districts tonnage and she asked if they are doing that.

GM Robbins confirmed that she was correct and it is in the franchise agreement.

Director Rice stated that it is in the contract and that CR&R needs to do their part and she asked Mr. Thanh Tran to take that message back to CR&R from the Board.

Mr. Thanh Tran stated that he would pass the message along and check into it further and report back to the Board at the December 18, 2018 regular meeting.

CONSENT CALENDAR

- A. Approve and file the Treasurer's Investment Report for October 2018
- B. Approval of the October 2018 Financial Reports and Budget Review for the Period of July 1, 2018 through October 31, 2018
- C. Approve Request of Lead Fleet Maintenance Mechanic Juan Salce to Receive 24 hours of Vacation Pay in Lieu of Time Off

A motion was made by Director Diep, seconded by Director Krippner, 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. Consideration of Engaging with Shuster Financial Group Retirement Plan Consulting, LLC (SFGRPC) for Independent Advisory Services of the District's 457(b) Retirement and Omnibus Budget Reconciliation Act (OBRA) Plans

Finance/HR Director Housley stated that Mark Shuster from Shuster Financial Group Retirement Plan Consulting, LLC was running late, and asked the Board if they would like to delay this item to the end of the meeting or he and GM Robbins could address the item.

The Board unanimously agreed to hold off on Agenda Item 9A until the end of the meeting.

- B. Approve Request to Hire Temporary Employee Sang (Leanne) Luu as Administrative Secretary/Accountant, Effective January 14, 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 staff recommendation to approve hiring Sang (Leanne) Lu as an Administrative Secretary/Accountant effective January 14, 2019. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Nguyen and Rice

NAYS:

ABSTAIN:

ABSENT:

- C. Discussion and Approval of Radio Outreach for the Vietnamese Community

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director Diep, seconded by Director Rice, to authorize Vietnamese radio outreach and set aside a \$12,000 budget for December 2018 through December 2109. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Diep, Nguyen and Rice

NAYS:

ABSTAIN: Krippner

ABSENT:

GM Robbins and Directors Diep and Cobo agreed to go to the Vietnamese Radio station on Wednesday, November 21, 2018 at 11:00 A.M. and President Nguyen and Director Rice would go at another time.

Mr. Thanh Tran left the meeting at 5:21 P.M.

INFORMATIONAL ITEMS

- A. Independent Special Districts of Orange County (ISDOC) Executive Committee Secretary Vacancy

Receive and file.

Mr. Mark Shuster from Shuster Financial Group Retirement Plan Consulting, LLC (SFGRPC) arrived at the meeting at 5:30 P.M.

NEW BUSINESS

- A. Consideration of Engaging with Shuster Financial Group Retirement Plan Consulting, LLC (SFGRPC) for Independent Advisory Services of the District's 457(b) Retirement and Omnibus Budget Reconciliation Act (OBRA) Plans

GM Robbins stated that the District has fiduciary responsibilities to help maintain the District's 457 plan and that this group was recommended by the union because they represent other cities and government agencies. He stated that they are able to leverage their group to get a better rate of return on investments.

Mark Shuster from Shuster Financial Group Retirement Plan Consulting, LLC explained that he was doing this presentation as a favor to the Union (American Federation of State, County and Municipal Employees, AFL-CIO Local 1734-01 - AFSCME) because they have seen their work in over 40 cities where they have saved over a billion and a half dollars of employees' money. He stated that, for this Board and organization, it is the fiduciary law that has come about due to the deal wells that focus on this. The law has always been in place but no one was looking at it until two class action law firms decided to go out and sue everybody. In the last 24 months, there have been 36 lawsuits including USC, NYU, Colombia, Brown, American Funds, Fidelity, and Chevron. He stated that their own employees sued them and that the law states something very simple – you must only do what is in the best interests of your participants. They want full disclosure and transparency and in the financial services world the whole thing is revenue sharing ie: kickbacks which the SEC and Finra allow for.

He then explained that he has a little bit of background in this field and that his company manages money for the former presidents of Prudential, John Hancock, Met, Axia and the current president of Guardian. He has consulted to these companies so he knows where every dollar is buried and he simply goes in and cleans up the plans and then that money gets handed back to the employees. As an example, his company just finished with the City of Ontario which had \$110 million dollar impact over 20 years.

He stated that the District has a baby plan in the world of retirement plans at \$1.5 million, and what is interesting is that two thirds of the money is in the fixed account which are paying 3½% because it is an old plan. He stated that the old plans were built when the interest rates were at 7, 8, 9 and 10% because they never thought the interest rates would fall below 3%, let alone 0 on a treasury note. He stated that the District's plan is unique and has hidden revenue in it so one employee pays more than another, which is the same with every government agency. The reason his company got into the government agency side is because they audited plans and saw that this is the CSU system on down. He provided the Board with a list of his company's corporate and city clients and stated that they work for publicly held companies, privately held companies, banks, cities and agencies. He did a comprehensive audit of the District at no cost which shows how he would clean up the plan with all employees paying the same entry fee, which is what the Department of Labor wants. The employee will still chose however aggressive of a fund they want, and his company would come on board as the Districts fiduciary and manage those funds on behalf of the plan.

GM Robbins stated that this service would be at will and year to year.

Director Rice asked Finance/HR Director Housley what he thought.

Finance/HR Director Housley stated that he thought it was a good idea and that what Mr. Shuster's company does and will do for the District's employees is make sure that they are playing on a level playing field and playing by the rules. He stated that the cost is very minimal for the oversight provided and confirmed that the District is staying with Nationwide. Nationwide gives the District a large list of funds, some of which are duplicated, so they will clean up the District's plan by eliminating some of the funds offered.

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 engage with SFGRPC for independent fiduciary advisory services of the District's 457(b) and OBRA Plans and direct staff to bring back a professional services agreement and 457 investment policy for consideration. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Diep, Nguyen and Rice

NAYS:

ABSTAIN: Krippner

ABSENT:

BOARD CONCERNS/COMMENTS

Director Rice congratulated Director Diep on his election as California State Assemblyman.

Director Cobo also congratulated Director Diep on his election as California State Assemblyman and President Nguyen for his election to Westminster City Council. He wished everyone a Happy Thanksgiving.

Director Krippner wished Director Cobo well and stated that his leaving the Board was a loss to the District, and Director Rice agreed.

Director Cobo thanked everyone and stated that he hopes the District continues to move forward and remain debt free.

President Nguyen thanked Director Cobo for his service on behalf of the Board.

Director Diep stated that he learned a lot from being on the Midway City Sanitary District Board and that he wasn't really a participant until Director Cobo came aboard in 2010, and he thanked him. He stated that he hopes that Director Cobo will continue to work in public service and to be active in the community. He thanked the Board and staff for all their help throughout his years at the District. He thanked GM Robbins and praised him for being such a good General Manager.

Director Krippner stated that Director Diep has grown a lot since he first came on the Board.

GM/STAFF CONCERNS/COMMENTS

GM Robbins congratulated Director Diep and thanked him for his time as a Director on the Board and stated that he could take the photograph of him and the Board when he was President. He also thanked Director Cobo for his service and stated that there was a photograph for him as well.

GM Robbins wished everyone a Happy Thanksgiving.

GENERAL COUNSEL CONCERNS/COMMENT

General Counsel Eggart congratulated everyone.

CLOSED EXECUTIVE SESSION

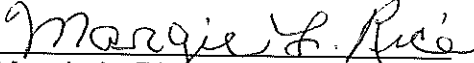
CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government 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, December 4, 2018 at 5:00 P.M. at the District office at approximately 6:02 P.M.


Margie L. Rice, Secretary