

**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**

December 18, 2018

CALL TO ORDER

President C. 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, December 18, 2018 at 5:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Margie L. Rice (absent)
Andrew Nguyen
Sergio Contreras
Chi Charlie Nguyen

OTHERS AT MEETING:

Kenneth Robbins, General Manager
Robert Housley, Finance/HR Director
James Eggart, General Counsel
Danielle Gerardo, Board Secretary
Jeff Snow, CR&R
Thanh Tran, CR&R

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF DEC. 4, 2018

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

AYES: S. Contreras, A. Krippner, A. Nguyen, and C. Nguyen
 NAYS:
 ABSTAIN:
 ABSENT: M. Rice

APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF DEC. 7, 2018

A motion was made by Director S. Contreras, seconded by Director A. Krippner, to approve the minutes of the special meeting of Dec. 7, 2018. The motion was approved by the following 4-0 vote:

AYES: S. Contreras, A. Krippner, A. Nguyen, and C. Nguyen
 NAYS:
 ABSTAIN:
 ABSENT: M. Rice

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 1,164,833.12

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	10281	12/12	\$530.00	Orange County Jumpers LLC - Jumpers for Christmas Party on 12/15/2018	
3	10282	12/12	\$3,963.81	Sweet Lou's BBQ Catering - Colored BBQ & Band for Christmas Party on 12/15/2018	
4	10283	12/12	\$1,464.08	Chevron & Texaco Bus. Card Svcs. - Gasoline Purchases for November 2018	
5	10284	12/12	\$368.64	Cintas - Uniform Services for November & December 2018	
6	10285	12/12	\$168.11	DirecTV - Service for December 2018	
7	10286	12/12	\$2,022.40	HB Staffing - Administrative Assistant Services for 11/25/2018 & 12/02/2018	
8	10287	12/12	\$19.83	Pitney Bowes Global Financial Services - Property Tax & Property Tax Admin. Fee for 2019	
9	10288	12/12	\$4,802.17	Us Bank	
10				(DG) Board Meeting Refreshments for 11/06 & 11/20	\$17.78
11					DG Total \$17.78
12				(RH) (10) 1099 Kits from Intuit for 2018	\$76.10
13				(RH) 2018 CalPERS Educational Forum Indian Wells, CA 10/22-10/23/2018 - Food & Room Svc.	\$23.89
14				(RH) 2018 CalPERS Educational Forum Indian Wells, CA 10/22-10/23/2018 - Hotel	\$252.25
15				(RH) (2) Replacement Pumps to Transfer Fluids into Trucks	\$1,066.72
16				(RH) Monthly Svcs OCT-2018	\$64.00
17				(RH) Amano Time Guardian Tech Support	\$449.00
18				(RH) Lunch for Nationwide 457 Lunch & Learn	\$53.67
19				(RH) CSMFO 2019 Membership	\$110.00

20			(RH) 2018 CSDA HR Boot Camp & Fin. Management for Special District 11/07-11/08/2018- Food	\$28.72
21			(RH) 2018 CSDA HR Boot Camp & Fin. Management for Special District 11/07-11/08/2018- Rental Car & Fuel	\$98.55
22			(RH) Monthly Svcs NOV-2018	\$64.00
23			(RH) 2018 CSDA HR Boot Camp & Fin. Management for Special District 11/07-11/08/2018- Hotel	\$250.34
24			(RH) City of Westminster - Water - Hydrant Meter Usage 09/16-10/15/2018 OCT-2018	\$56.23
25			(RH) City of Westminster - Water - Hammon Lift 08/22-10/16/2018	\$14.72
26			RH Total	\$2,608.19
27			(RG) Restock Sewer Safety Supplies NOV-2018	\$14.15
28			RG Total	\$14.15
29			(KR) (2) 30W LED Fixtures for Mechanic Pit - Shop	\$25.01
30			(KR) Plates, Silverware, & Napkins for Holiday Party 2018	\$177.75
31			(KR) Christmas Cards for Holiday Party 2018	\$221.71
32			(KR) Donuts for Driver Meeting	\$13.99
33			(KR) Meeting with Board President	\$22.48
34			(KR) (2) Frames for New Board Member Portraits	\$11.05
35			(KR) (4) Name Tags & Name Plates for New Board Members	\$325.97
36			(KR) Wiacom NOV-2018	\$64.65
37			KR Total	\$862.61
38			(NC) Restock District Kitchen Supplies OCT-2018	\$530.85
39			(NC) Restock Black Rubber Gloves	\$155.69
40			(NC) (60lb) Concrete Mix & Scotch Tape to Raise Manholes on Old Edwards & Industry Way, Springdale & Meinhardt	\$4.32
41			(NC) Clean-Up Event Lunch	\$45.64
42			(NC) LABOR to Repair Pumps to Transfer Fluids into Trucks	\$31.72
43			(NC) Oil Hose for Pumps to Transfer Fluids into Trucks	\$122.39
44			(NC) Replacement Mailbox from Incident on 11/12/2018 NG8	\$89.30
45			(NC) Restock Safety Gloves	\$243.59
46			NC Total	\$1,223.50
47	10289	12/12	\$1,313.25 Verizon Business - Internet Connection for December 2018	
48			\$14,652.29 HANDCUT CHECKS SUBTOTAL	
49				
50			REGULAR CHECKS:	
51	10290	12/12	\$494.29 Advanced Gas Products - Cylinder Rentals for November 2018; Restock Compressed Gas, Liquefied Propane, Mechanics Gloves.	
52				
53	10291	12/12	\$70.00 Asbury Environmental Services - (450) Gallons Used/Mixed Oil Pick-Up	
54	10292	12/12	\$4,491.35 Bodyworks Equipment - Restock (20) Rocker Switches, (2) RR Dump Cylinders, (1) Control Box, (1) In/Out Cylinder.	
55				
56	10293	12/12	\$180.00 Costco Wholesale - Membership for 2019	
57	10294	12/12	\$84,664.75 CR Transfer - Tonnage from 11/16/2018 through 11/30/2018	
58	10295	12/12	\$7,461.29 Daniels Tire Service - Restock (16) Recaps, (8) New Tires, and (5) Repairs	
59	10296	12/12	\$525.00 Frog Environmental - 2018-2019 Storm Water Sample #1	
60	10297	12/12	\$601.51 Golden Bell Products - (55) Gallons Super Butyl for Restock	
61	10298	12/12	\$1,171.80 Heritage Container Corporation - (330) Cardboard Trash boxes for Public Outreach	
62	10299	12/12	\$75.48 Huntington Beach Ford - (1) Tube, (1) Bushing, (1) Plunger for M5	
63	10300	12/12	\$50.00 ISDOC - 2019 Membership for District	
64	10301	12/12	\$578.87 Los Alamitos Napa Auto Parts - (1) Battery for M2; Restock (1) Mirror & Assembly; (1) Exhaust Cap for M64; (1) Air Hose for Shop; Restock (24) 14oz. Brakleen	
65				
66	10302	12/12	\$550.14 Merchants Building Maintenance - District Offices Janitorial Services for December 2018	
67	10303	12/12	\$1,410.69 North American Safety - (60) Navy Caps with 80th Anniversary District Logo	
68	10304	12/12	\$16,910.00 Orange County Sanitation District - Permit Fees for November 2018 (MCSD 5% = \$890.00)	
69	10305	12/12	\$857,689.02 Otto Environmental Systems - Delivery & Distribution of (16,984) 65-Gallon Green Carls	
70	10306	12/12	\$9,313.00 PumpMan - Planned Maintenance for Lift Stations 2nd Payment for FY 07/01/2018-07/01/2019	
71	10307	12/12	\$2,716.36 Rosemead Oil Products - (160) Gallons SAE 15W-40 CNG+ Oil & (45) Gallons Beta lube for Restock	

72	10308	12/12	\$12,259.00	State Water Resources Control Board - Annual Permit Dues for 07/01/2018-06/30/2019
73	10309	12/12	\$242.08	TEC of California - (1) Battery for NG5
74	10310	12/12	\$1,718.72	Tell Steel - (10) Shearing Plates & (10) Flame Cutting Plates for Restock
75	10311	12/12	\$338.99	Top Mobile Vision - Labor & (1) Camera for NG4
76	10312	12/12	\$23.20	Underground Service Alert - (8) New Tickets for November 2018
77	10313	12/12	\$13,612.50	Woodruff, Spradlin & Smart - Legal Services for November 2018
78			\$1,017,148.04	REGULAR CHECKS SUBTOTAL
79				
80				PAYROLL
81		12/4	\$110,153.81	Payroll - Staff Checks Taxes & Direct Deposits
82		12/5	\$1,135.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
83		12/5	\$1,366.68	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
84		12/5	\$2,226.65	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
85		12/7	\$4,406.34	Board of Director's Payroll for the Month of November 2018
86		12/7	\$343.85	Board of Director's Nationwide Deferred Compensation for Nov 2018(100% Paid By Directors)
87			\$119,632.33	PAYROLL SUBTOTAL
88				
89				ACH TRANSFERS
90		12/12	\$1,476.35	ACH Retirement Payment to CalPERS for PEPRA 11/19/2018-12/02/2018
91		12/12	\$1,214.13	ACH Retirement Payment to CalPERS for Classic 8584 11/19/2018-12/02/2018
92		12/12	\$10,709.98	ACH Retirement Payment to CalPERS for Classic 8583 11/19/2018-12/02/2018
93			\$13,400.46	ACH TRANSFERS SUBTOTAL
94				
95			\$1,164,833.12	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL, ACH TRANSFERS)
96				
97				BANK TRANSFERS
98		12/3	\$500,000.00	Transfer Funds from Money Market to Checking Account
99		12/5	\$350,000.00	Transfer Funds from Checking Account to LAIF

A motion was made by Director A. Krippner, seconded by Director S. Contreras, to approve the expenditures in the amount of \$ 1,164,833.12. The motion was approved by the following 4-0 vote:

- AYES: S. Contreras, A. Krippner, A. Nguyen, and C. Nguyen
- NAYS:
- ABSTAIN:
- ABSENT: M. Rice

REPORTS

Report of President

President C. Nguyen welcomed the two new Board members to the District and thanked GM Robbins for attending his swearing in to the Westminster City Council.

Report of General Manager

GM Robbins reported that there was an issue with the Scada system and it was sent to Sacramento where some patch work was done to repair the Windows software. Tesco was able to get it back up and running and it was sent back to the District the next day. GM Robbins asked Tesco for a proposal for the cost to install old style dialers at the lift stations so that the sewer crew could at least get notification that there was something wrong when and if the Scada system was offline. It wouldn't be able to determine exactly what was wrong like the Scada system but it would alert the District that there was something wrong. Tesco will be installing the voltage regulators at each lift station and at that time will do an inspection of the auto dialers.

GM Robbins reported that staff did an audit on Homer Street between Goldenwest and Edwards because the green containers in that area were reported as being extremely contaminated, to the point where the load had to be rejected. Staff found four green carts filled with recyclables so staff tagged them with an explanation of why they were not emptied. CR&R is helping the District by taking pictures of containers that are improperly filled so that MCSD staff can address the issue. GM Robbins confirmed that there is an explanation of what goes into the green container on the lid in 3 languages – English, Spanish and Vietnamese. The new blue carts also have this information on them. Staff will send letters to the residences to clarify what goes where and will continue to work on target areas that need special attention.

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

None. Director C. Nguyen stated that he was not able to attend the meeting. Director A. Nguyen will be attending the next meeting as the District's new representative.

Report from CR&R Regarding a Plan of Action for Diversion within the District

Jeff Snow, Vice President of CR&R, stated that CR&R is eager to work with District staff to improve diversion within the District by sharing information regarding transitioning diversion and recent legislation. The legislation for waste started for the first time in America with AB939 in 1989 which required jurisdictions to divert materials from the landfills. AB341 set a statewide goal of 75% and required that waste be removed from the landfill through source reduction, reuse and recycling and focused on the commercial sector. AB1826, AB1594, and SB1383 are newer and all related to getting organics out of the landfill due to the methane pollution it produces.

Jeff Snow stated that CR&R partners with 52 different municipalities and that the District is ahead of everyone as far as compliance in this area with the new organics program. He explained how the waste stream has evolved over the years with weight based recycling getting harder, materials becoming lighter in weight, China refusing to take recyclables and more stringent contamination standards. AB1378 is in the works and will change recycling goals to more lifecycle based instead of weight based, but the most effective options to divert from landfills continues to be reduce, reuse, recycle, then disposal.

Within the District, the target is 6 pounds per person per day and in 2017 it was 4.8 pounds per day, or approximately 62% diversion, which is well above the State's 50% diversion mandate, and should be in the 70's for diversion due to the curbside organics program. Mass balance differs from total diversion because it only measures how much is recycled divided by how much is collected because source reduction is removed from the equation. The District's mass balance is what CR&R reports to the Board of Directors monthly but it is not inclusive of everything and is not what the State looks at. He pointed out that the District has 44 separate programs that are diversion based.

Thanh Tran addressed the Board regarding an action plan to increase diversion for the District. He stated that the three different colored carts are going to three separate facilities for recycling and with the new organics cart the District will now be diverting all the yard waste to the Perris Anaerobic Digestion Facility to make gas. This will make the black container cleaner and dryer and will increase the recovery and diversion of recyclable materials placed in that container. He said that he would be able to provide the Board with numbers for the District sometime in January for the amount of waste being diverted due to the new green containers.

Director S. Contreras asked if the District has an ongoing program to educate the public about recycling because he feels that the District needs to continue to do so.

GM Robbins stated that the District sent out mailers for the green containers, the annual calendar was mailed to every resident with updated information, sponsors cleanup events within the District, and on a daily basis, educates each and every caller at the District. He stated that the District has been trying to get into the school district to educate at the schools, but that since the District is not their service provider, has not been able to do that as of yet, but will continue to try.

Jeff Snow stated that there is a Senate Bill coming that will standardize the container colors statewide to unify and simplify.

Thanh Tran stated that CR&R sent letters to each of the schools in the Westminster School District informing them of State laws even though they are not their service provider and offered presentations regarding organics recycling, reducing and reusing, and promoted the free bottle and can program.

He stated that some of the challenges within the District are scavenging, the lack of enclosure space and multi families. Opportunities for action are the new organics cart and the cleaner black containers, third party recycling within the District, adding a place on the application for a City Business license specifying what they are going to do with their organics, outreach to all recycling/organics customers again to get the food waste separated out, and send District compliance letters to the large generators within the District such as the Asian Village and the Asian Garden Mall.

CONSENT CALENDAR

- A. Approve and file the Treasurer's Investment Report for November 2018
- B. Approval of the November 2018 Financial Reports and Budget Review for the Period of July 1, 2018 through November 30, 2018
- C. Approve Annual Vacation Pay in Lieu of Time off Requests for Represented Employees
- D. Approve Annual Vacation Pay in Lieu of Time off Requests for Management, Salaried and Unrepresented Employees

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

AYES: S. Contreras, A. Krippner, A. Nguyen, and C. Nguyen

NAYS:

ABSTAIN:

ABSENT: M. Rice

OLD BUSINESS

None

NEW BUSINESS

- A. Power Point Presentation on Midway City Sanitary District Operations

GM Robbins gave an in-depth Power Point presentation regarding the District's operations for the new Board members. He explained that the District reorganized and reduced upper management staff, saving money on salaries and benefits. The District was able to save by converting to SDRMA insurance, started a used oil program with Cal Recycle, changed dental plans and phone systems, upgraded to LED lighting and GPS tracking. In 2015 the District had no CalPERS liability debt, was debt free and built the CNG fueling station. At this point in time, the District was earning interest from CalPERS and maintained over \$5M in its accounts. With that being said, the District, even with its reserves at \$35M can only sustain 5% damage to its sewer system so it is only 30 seconds or an 8.0 earthquake away from bankruptcy.

GM Robbins explained the Solid Waste department, the GPS tracking that the District uses to see where the drivers are at any given moment, the new residential curbside organics recycling program, and the CNG fueling facility within the District yard. He stated that the District has picked up over 448 tons of bulky items so far this year and

sponsors several clean up events throughout the year. The District has a Christmas tree recycling program during the first two weeks in January and a Helping Hands Program for seniors, and the disabled. The District does not maintain the public right of way under its formation (this is the City's responsibility) so debris from illegal dumping and abandoned items are an ongoing problem within the District. He stated that the District has 170 miles of sewer line operations and four lift stations, and a GIS system, which was created in-house and shows every manhole within the District. The District has a Fleet Maintenance department and every 300 hours do inspections on the trucks, and provides biannual commercial driver training to District employees. The District provides outreach by doing a number of community events in order to educate its residents and will be celebrating its 80th anniversary in 2019.

Receive and file.

B. Consider Changing the Date of the Rescheduled Regular Board Meeting on Wednesday, January 2, 2019

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director A. Krippner, seconded by Director S. Contreras, to change the rescheduled regular Board meeting rescheduled for Wednesday, January 2, 2019 on Tuesday, January 8, 2019 and change the regularly scheduled January 15, 2019 Board meeting to Tuesday, January 22, 2019. The motion was approved by the following 4-0 vote:

AYES: S. Contreras, A. Krippner, A. Nguyen, and C. Nguyen

NAYS:

ABSTAIN:

ABSENT: M. Rice

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of November 2018 (192,974 Successful Hits)

Receive and file.

BOARD CONCERNS/COMMENTS

Director A. Nguyen thanked everyone for the MCSD holiday luncheon.

Director S. Contreras said he was grateful for the holiday luncheon and for the presentation given by CR&R and GM Robbins at tonight's meeting.

GM/STAFF CONCERNS/COMMENTS

GM Robbins wished Directors S. Contreras and A. Nguyen a happy birthday.

GENERAL COUNSEL CONCERNS/COMMENT

None

CLOSED EXECUTIVE SESSION

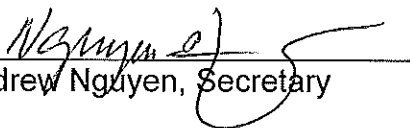
CLOSED SESSION: During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chair may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government 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 C. Nguyen adjourned the meeting to January 8, 2019 at 5:00 P.M. at the District office at approximately 6:50 P.M.



Andrew Nguyen, Secretary