

**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**

**October 1, 2019**

**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, Westminister, California on Tuesday, October 1, 2019 at 5:00 P.M.

**BOARD MEMBERS PRESENT:**

Al P. Krippner (absent)  
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  
Daphne Munoz, White Nelson Diehl Evans  
Ashton Kauwe, Resident

**PLEDGE AND INVOCATION**

Director A. Nguyen led the Pledge of Allegiance. Director S. Contreras gave the Invocation.

**PUBLIC COMMENTS**

None

## APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 17, 2019

A motion was made by Director A. Nguyen, seconded by President C. Nguyen, to approve the minutes of the regular meeting of September 17, 2019. The motion was approved by the following 3-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: A. Krippner and M. Rice

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$ 276,072.30

#	CK #	Date	AMOUNT	VENDOR
1				<b>HANDCUT CHECKS:</b>
2	10873	9/16	\$ 1,835.48	Verizon Business - Internet Connection for September 2019
3	10874	9/19	\$ 216.81	AT&T Mobility - Service for September 2019: (KR) 714-310-2313, (NC) 714-310-8653,
4				(RG) 714-325-3606, Sewer 714-310-8654, Emergency 714-310-9004.
5	10875	9/19	\$ 1,440.48	Wex Bank (Chevron) - Fuel for September 2019
6	10876	9/19	\$ 254.25	Cintas - Uniform Services for September 2019
7	10877	9/19	\$ 350.00	Crystal Clear Fleet & Auto Detailing - Wash & Detail Fleet Trucks for 9/17
8	10878	9/19	\$ 36,252.24	Dntech - 2020 District Calendar Printing
9	10879	9/19	\$ 61.21	SoCal Gas - District Office, Maintenance Shop, & Wash Rack Usage Fees for September 2019
10	10880	9/19	\$ 254.48	Pitney Bowes - Lease Payment for Postage Machine October 2019 through January 2020
11	10881	9/19	\$ 150.00	Pitney Bowes/Purchase Power - Postage for Postage Machine August 2019
12	10882	9/19	\$ 2,497.50	Elite Gates - 50% Down Payment for New District Automatic Gate
13	10883	9/20	\$ 2,497.50	Elite Gates - Remaining Balance for Payment of New District Automatic Gate
14	10884	9/25	\$ 311.26	AT&T - Brookhurst Lift Station Service for September 2019
15	10885	9/25	\$ 262.63	Cintas - Uniform Services for September 2019
16	10886	9/25	\$ 340.00	Crystal Clear Fleet & Auto Detailing - Wash & Detail Fleet Trucks for 9/18 & 9/23
17			\$ 46,723.84	<b>HANDCUT CHECKS SUBTOTAL</b>
18				
19				<b>REGULAR CHECKS:</b>
20	10887	9/25	\$ 175.24	Advanced Office - Service for Ricoh MPC3004
21	10888	9/25	\$ 3,157.77	Bodyworks Equipment - Restock (1) Grip Cylinder & (3) RR Dump Cylinders
22	10889	9/25	\$ 84,690.51	CR Transfer - Tonnage from 09/03/2019 through 09/13/2019
23	10890	9/25	\$ 2,479.94	Daniels Tire Service - Restock (12) New Tires & (1) Repair
24	10891	9/25	\$ 700.00	Dntech - Design Fee for 2020 District Calendar
25	10892	9/25	\$ 465.65	Jaycox - (6) Belts for CNG Station

26	10893	9/25	\$	384.34	Los Alamitos Napa Auto Parts - Restock (30) Drain Plugs
27	10894	9/25	\$	2,934.64	Plumber's Depot - For New Vacfor NG16 - (1) Fiber Glass Pole, (2) Leader Hoses, (1) Grit &
28					Debris Grabber, (1) Grease Chopper Head, (1) Horse-Shoe Grabber, (1) Debris Scooper,
29					(1) Debris Grabber, (1) Aluminum Tube, (1) Nozzle, (2) Strainer Screens.
30	10895	9/25	\$	1,604.63	Rosemead Oil - Restock (110) Gallons Transmission Fluid
31	10896	9/25	\$	1,081.00	Rutan & Tucker - Legal Services for August 2019
32	10897	9/25	\$	52.12	SoCal First Aid & Safety - Restock First Aid Kits in All Departments
33	10898	9/25	\$	223.47	TrucPar Co. - Restock (1) Hammer for Shop; (4) Air Fittings
34	10899	9/25	\$	2,836.50	Woodruff, Spradlin & Smart - Legal Services for August 2019
35	10900	10/1	\$	3,160.55	SDRMA Delta Dental - Dental Insurance Premium for October 2019
36			\$	103,946.36	REGULAR CHECKS SUBTOTAL
37					
38					PAYROLL
39		9/24	\$	68,738.67	Payroll - Staff Checks Taxes & Direct Deposits
40		9/26	\$	2,271.94	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
41		9/26	\$	660.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
42			\$	71,670.61	PAYROLL SUBTOTAL
43					
44					ACH TRANSFERS
45		10/1	\$	4,563.01	ACH Board Health Insurance Payment to CalPERS for September 2019
46		10/1	\$	49,168.48	ACH Employee Health Insurance Payment to CalPERS for September 2019
47			\$	53,731.49	ACH TRANSFERS SUBTOTAL
48					
49			\$	276,072.30	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL, ACH TRANSFERS)
50					
51					BANK TRANSFERS
52		9/19	\$	35,000.00	Transfer Funds from Money Market to Checking Account
53		9/25	\$	300,000.00	Transfer Funds from LAIF to Checking Account

A motion was made by Director A. Nguyen, seconded by Director S. Contreras, to approve the expenditures in the amount of \$ 276,072.30. The motion was approved by the following 3-0 vote:

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

## REPORTS

### Report of President

None

## **Report of General Manager**

GM K. Robbins reported that the District would be holding mandatory one-hour harassment training at the District on Saturday, October 19, 2019 from 12:30-1:30 P.M. for all District employees. All Supervisors and Directors must do a two-hour training and will comply by staying until 2:30 P.M. that day.

GM K. Robbins reported that the District's next clean up event was scheduled for Saturday, October 26, 2019 at Park West Park, and that door hangers with information for that event will be delivered to those neighborhoods next week.

GM K. Robbins reported that the City of Westminster provided the District with a draft of a mailer that they would be sending out with water bills. They have asked the District to provide any corrections to the information regarding the District's bulky item service and the used oil recycling. He stated that the District has had to move the oil drop off to inside the yard because the District has been getting a large amount of cooking oil, which the District cannot accept for recycling, and has been taking to the hazardous waste center, but cannot continue to do so.

GM K. Robbins stated that the District's bulky item service is limited to 30 stops per day and that sometimes there is a two-week wait in scheduling due to the large amounts of calls the District gets. He stated that the costs to the District for this program have jumped approximately \$200,000 per year so when the Board contemplates a rate increase, the Board may need to contemplate making changes to this service.

GM K. Robbins stated that he has not sent out the weekly newsletter in a few weeks and received no comments from the Directors. He asked whether they would like him to continue to send it out because he also does an annual report that has all that information in it.

Director S. Contreras stated that he finds the newsletters helpful and appreciates them.

GM K. Robbins stated that he would continue to send the newsletters out.

## **Report from the Orange County Sanitation District (OCSD) Meeting on September 25, 2019**

Director A. Nguyen reported that there was a review of OCSD's master plan for next year at the meeting. OCSD has gone from treating 40-80 million gallons of wastewater per day to over 140 million gallons a day. OCSD has opened a new digester at their second plant in Huntington Beach and will be offering a tour of that facility on Tuesday, October 29 and Tuesday, November 13, 2019 at 10 A.M. He stated that if anyone was interested in going they should contact Plant Director, Mike Silva at 714-883-3775.

Director A. Nguyen stated that OCSD is also hosting its annual State of the District Breakfast on Friday, October 25, 2019 at Mile Square Park Clubhouse from 8 A.M. until 10 A.M., if anyone was interested in attending.

**Report from the California Special District Association (CSDA) Conference in Anaheim, Sept. 25-28, 2019**

Director S. Contreras stated that it was his first District conference and that he enjoyed networking with people from other Districts throughout the state.

Director A. Nguyen stated that he enjoyed the conference and that he saw a lot of familiar faces from other Districts.

President C. Nguyen stated that he found the District-related seminars and training both beneficial and interesting.

Finance/HR Director R. Housley stated that it was a good conference and that he enjoyed the vendors.

**CONSENT CALENDAR**

A. Approve Attendance of Director of Finance and Human Resources, Robert Housley to the Local Agency Investment Fund (LAIF) Conference November 14, 2019

B. Approve Attendance of the Director of Finance and Human Resources, Robert Housley to the California Society of Municipal Finance Officers (CSMFO) Annual Conference Scheduled for January 28-31, 2020

A motion was made by Director A. Nguyen, seconded by Director S. Contreras, to approve the Consent Calendar. The motion was approved by the following 3-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: A. Krippner and M. Rice

**OLD BUSINESS**

None

## NEW BUSINESS

### A. Consider and Approve the Fiscal Year 2018-2019 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2018 through June 30, 2019)

Daphne Munoz, partner from White Nelson Diehl Evans gave a full report of the results of the District's annual audit. She stated that they issued an unmodified opinion, which is the highest opinion that any agency can get, and that in their opinion, the financial statements were presented fairly in all material respects and in accordance with GAAP (Generally Accepted Accounting Principles). She pointed out that the District ended the year with a net position of \$66 million dollars and is in a very unique position with a net OPEB asset and a net pension asset while most Cities, Districts and Local Agencies have liabilities in those categories. She reported that they encountered no difficulties, had no issues or disagreements with management, propose no corrections to the statements and that there was no management letter, as there were no issues to report.

Finance/HR Director R. Housley stated that this is the District's last year with White Nelson Diehl Evans because last year the Board made the decision to go with a one-year extension on their audit contract. He thanked Daphne Munoz and stated that the District has had a good relationship with White Nelson Diehl Evans and that they helped the District bring its accounting up to a higher level. He stated that the District will be going out for an RFP (Request for Proposal) this year and that he will be bringing it to the Board for consideration.

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director A. Nguyen, seconded by Director S. Contreras, to approve the fiscal year 2018-2019 independent financial audit report and to receive and file. The motion was approved by the following 3-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: A. Krippner and M. Rice

### B. RESOLUTION NO. 2019-15

*(Roll Call Vote)*

RESOLUTION NO. 2019-15 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT ACCEPTING AN EASEMENT FOR PUBLIC SANITARY SEWER SYSTEM AND APPURTENANCES PURPOSES DEDICATED ON PARCEL MAP NO. 2016-202

GM K. Robbins stated that this is for the new resort project on Brookhurst and Bolsa in Westminster and that they are dedicating any sewer that is operated by the District on that property to the District.

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by President C. Nguyen, seconded by Director S. Contreras, to approve and adopt Resolution No. 2019-15, accepting an easement for public sanitary sewer system and appurtenances purposes dedicated on parcel map no. 2016-202. The motion was approved by the following 3-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT: A. Krippner and M. Rice

C. Consider Changing the Date of the Friday, December 6, 2019 Reorganization Board Meeting Due to the District's Annual Holiday Event on Saturday, December 7, 2019

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by President C. Nguyen, seconded by Director A. Nguyen, to change the date of the District's reorganization meeting from Friday, December 6, 2019 to Tuesday, December 10, 2019 at 5 P.M. The motion was approved by the following 3-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: A. Krippner and M. Rice

## **INFORMATIONAL ITEMS**

A. Orange County Sanitation District (OCSD) State of the District Breakfast – Friday, October 25, 2019 from 8 AM-10 AM @ Mile Square Golf Course Clubhouse, 10401 Warner Avenue, Fountain Valley, CA

Receive and file.

## 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

## BOARD CONCERNS/COMMENTS

None

## GM/STAFF CONCERNS/COMMENTS

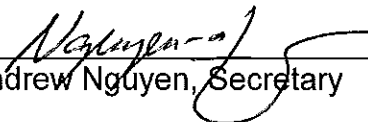
None

## GENERAL COUNSEL CONCERNS/COMMENTS

None

## ADJOURNMENT

President C. Nguyen adjourned the meeting to Tuesday, October 15, 2019 at 5:00 P.M. at the District office at approximately 5:27 P.M.

  
Andrew Nguyen, Secretary