

**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**

**May 17, 2022**

**CALL TO ORDER**

President A. 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, May 17, 2022 at 5:35 P.M.

**BOARD MEMBERS PRESENT:**

Tyler Diep (via teleconference @ 6:30 PM)  
Sergio Contreras  
Chi Charlie Nguyen  
Andrew Nguyen  
Mark Nguyen

**OTHERS AT MEETING:**

Ken Robbins, General Manager  
Robert Housley, Finance/HR Director  
James Eggart, General Counsel  
Danielle Gerardo, Executive Board Secretary  
Cynthia Olsder, MCSD Receptionist  
Ashton Kauwe, Resident  
Mike Carey, CR&R  
Joseph Saullo, First-Class Connection  
Mike Parker & Yousef Alinaghian, CRC Cloud

**PLEDGE AND INVOCATION**

Director M. Nguyen led the Pledge of Allegiance. GM K. Robbins gave the Invocation.

**PUBLIC COMMENTS**

None

**APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF APR. 19, 2022**  
**(Roll Call Vote)**

A motion was made by Director M. Nguyen, seconded by Director C. Nguyen, to approve the minutes of the regular meeting of April 19, 2022. The motion was approved by the following 4-0 roll call vote:

AYES: S. Contreras, A. Nguyen, C. Nguyen, M. Nguyen  
 NAYS:  
 ABSTAIN:  
 ABSENT: T. Diep

**APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF MAY 6, 2022**  
**(Roll Call Vote)**

A motion was made by Director S. Contreras, seconded by President A. Nguyen, to approve the minutes of the regular meeting of May 6, 2022. The motion was approved by the following 3-0-1 roll call vote:

AYES: S. Contreras, A. Nguyen, M. Nguyen  
 NAYS:  
 ABSTAIN: C. Nguyen  
 ABSENT: T. Diep

**APPROVAL OF EXPENDITURES** **(Roll Call Vote)**

A. Demands in the amount of \$ 389,186.78

#	CK #	Date	AMOUNT	VENDOR CHECKS:	MEMO:
1	13664	4/13	560.00	Ayala's Car Wash	Solid waste trucks fleet wash
2	13665	4/13	184,192.82	CR Transfer, Inc.	Residential Waste & Organic tonnage fees
3	13666	4/13	2,504.65	CR&R Incorporated	March clean up event
4	13667	4/13	7,788.78	Daniels Tire Service	Restock tires for solid waste
5	13668	4/13	1,000.00	SDRMA - Property/Liability	Deductible for 02/18/22 accident claim
6	13669	4/13	400.00	Alejandra Cruz	04/13/22 Taco luncheon for employees
7	13670	4/20	2,450.24	Advanced Thermal Products, Inc	Restock exhaust pipes for trash trucks (3)
8	13671	4/20	95.37	AT&T Mobility (First Net)	Cell phone service
9	13672	4/20	525.00	Frog Environmental	MCSO Facility industrial storm water monitoring
10	13673	4/20	3,348.00	HB Staffing/Cathyjon Enterprises, Inc.	Temporary employee services
11	13674	4/20	804.23	Merchants Building Maintenance, LLC	Monthly janitorial service
12	13675	4/20	1,118.00	North American Safety	(100) Trucker caps w/ district logo
13	13676	4/20	490.00	Rutan & Tucker, LLP	Legal services Mar- 2022
14	13677	4/20	4,310.12	SDRMA - Employee Benefits	Dental and Vision benefits Apr-2022
15	13678	4/20	11,034.27	SoCalGas	Gas service for CNG Station
16	13679	4/20	1,738.00	SWRCB	Annual Permit Fee 04/01/2022-03/31/2023
17	13680	4/20	12,617.50	Woodruff, Spradlin & Smart	Legal Services Mar-2022
18			<b>\$ 234,976.98</b>	<b>CHECKS SUBTOTAL</b>	
19					
20				<b>PAYROLL:</b>	<b>MEMO</b>
21	ACH	4/20	\$ 6,225.16	<b>Nationwide Retirement Solutions</b>	457 Deferred Compensation (100% paid by employees)
22	ACH	4/20	\$ 67,653.39	<b>Paychex</b>	Employee Payroll - Checks, Taxes, & Direct Deposits
23			<b>\$ 73,878.55</b>	<b>ACH TRANSFERS SUBTOTAL</b>	
24					

24					
25				<b>ACH PAYMENTS:</b>	<b>MEMO</b>
26	ACH	4/20	\$ 15,087.56	CalPERS	Retirement Contributions for 04/04 - 04/17/22
27	ACH	5/2	\$ 58,858.55	CalPERS	Active Employee and Retiree Health Ins Premiums May-2022
28	ACH	5/2	\$ 6,385.14	CalPERS	Board of Directors Health Insurance Premiums for Mar-2022
29			\$ 80,331.25	<b>ACH TRANSFERS SUBTOTAL</b>	
30					
31			\$ 389,186.78	<b>TOTAL EXPENDITURES (ACCOUNTS PAYABLE CHECKS, PAYROLL, ACH TRANSFERS)</b>	
32					
33				<b>BANK TRANSFERS:</b>	
34	UB	3/29	\$ 250,000.00	Transfer Funds from UB Money Market to UB Checking	
35	UB	4/13	\$ 300,000.00	Transfer Funds from LAIF to Union Bank Checking	
36	UB	4/22	\$ 2,500,000.00	Transfer Funds from UB Money Market to UB Checking	
37	UB	4/22	\$ 2,000,000.00	Transfer Funds from Union Bank Checking to LAIF	
38			\$ 5,050,000.00	<b>BANK TRANSFERS</b>	

A motion was made by Director M. Nguyen, seconded by Director C. Nguyen, to approve the expenditures in the amount of \$ 389,186.78. The motion was approved by the following 4-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT: T. Diep

## APPROVAL OF EXPENDITURES

(Roll Call Vote)

### A. Demands in the amount of \$ 160,990.27

#	CK #	Date	AMOUNT	VENDOR CHECKS:	MEMO:
1	13681	4/29	\$ 1,500.00	DeMAIO Plumbing, Inc.	Claim D. Schartung broken water pipe
2	13682	5/2	\$ 190.00	Asbury Environmental Services	(450) Gallons Used oil/mixed pick up
3	13683	5/2	\$ 397.98	AT&T (Brookhurst Lift Station)	Brookhurst Apr 2022
4	13684	5/2	\$ 750.00	Ayala's Car Wash	Solid waste trucks fleet wash
5	13685	5/2	\$ 9,071.49	Bodyworks Equip. Inc.	Heil parts for solid waste trash truck
6	13686	5/2	\$ 443.86	Cameron Welding Supply	Restock welding materials for Shop
7	13687	5/2	\$ 33.13	City of Westminster-Water Billing	Westminster lift station water
8	13688	5/2	\$ 84.94	City of Westminster Hydrant	Hydrant water service
9	13689	5/2	\$ 62.00	County of Orange Treasurer-Tax Collector	Quarterly cost allocation for WeRock emergency radio 04/01 - 06/30/22
10	13690	5/2	\$ 792.00	CRC Cloud	Monthly maintenance & Support
11	13691	5/2	\$ 3,696.34	Daniels Tire Service	Restock tires for solid waste
12	13692	5/2	\$ 8,875.00	ECIS	(355) FOG Inspections
13	13693	5/2	\$ 1,177.01	Frontier Communications	District office phones & lift stations
14	13694	5/2	\$ 1,674.00	HB Staffing/Cathyjon Enterprises, Inc.	Temporary employee services
15	13695	5/2	\$ 99.44	Hillico Fastener Warehouse Inc.	Weather pack seal, terminals, washers, lock nuts and bolts for solid waste
16	13696	5/2	\$ 110.08	Hose-Man, Inc.	Elbow fitting and straight fittings for Solid Waste trucks
17	13697	5/2	\$ 809.80	Hydraforce, Inc.	Cylinders for solid waste trucks
18	13698	5/2	\$ 475.00	Konecranes, Inc.	Qtrly. Inspection of Shop crane and fuel
19	13699	5/2	\$ 33.90	LegalShield	Prepaid legal Apr-2022
20	13700	5/2	\$ 140.96	Petty Cash-Ken Robbins	Apr-2022 Petty Cash
21	13701	5/2	\$ 196.62	Pitney Bowes/Purchase Power	Postage for Apr-2022
22	13702	5/2	\$ 175.42	Raycom	2-Way radio antenna for NG-3 solid waste
23	13703	5/2	\$ 147.51	SoCal Auto & Truck Parts, Inc.	Oil filter and motor oil for trucks
24	13704	5/2	\$ 5,833.86	Southern California Edison	District Offices, CNG station and Lift stations
25	13705	5/2	\$ 1,438.01	Spectrum Enterprise (Time Warner Cable)	Television service
26	13706	5/2	\$ 1,291.68	Standard Insurance Company Life	Life Insurance & AD&D Premium Coverage
27	13707	5/2	\$ 470.65	Union Bank (NC)	District Credit Card
28	13708	5/2	\$ 43.22	Cynthia Loan Olsder	Outreach Committee Lunch reimbursement
29	13709	5/3	\$ 14,558.91	TEC Of California, Inc.	Solid waste repairs and maintenance
30			\$ 54,572.81	<b>CHECKS SUBTOTAL</b>	
31					

A motion was made by Director M. Nguyen, seconded by Director C. Nguyen, to approve the expenditures in the amount of \$ 160,990.27. The motion was approved by the following 4-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT: T. Diep

## **REPORTS**

### **Report of President**

None

### **Report of General Manager**

GM K. Robbins reported that the District would be receiving a CalRecycle grant for organics and pertaining to SB 1383 in the amount of approximately \$140,000.

GM K. Robbins reported that the Prop. 218 Notices were sent out and to date there were 10 protests.

GM K. Robbins reminded the Board of the Westminster Public Works Open House from 3-7 PM on Wednesday, May 18, annual Driver Safety Training on Saturday, May 21, and a Memorial Day luncheon for employees at the District on Wednesday, May 25 at noon.

### **Report from Orange County Sanitation District Meeting on Apr. 27 and May 11, 2022**

President A. Nguyen reported that the Board received a budget update and that the cost of everything is going up due to inflation, including an increase in the cost of insurance. He stated that there was a little accident with the project in Westminster but it has been fixed. OCSD is doing an internet video on how they treat wastewater and are able to process approximately 350,000,000 gallons per day.

### **Report from CR&R – Tonnage and SB1383 Update**

Mike Carey from CR&R gave the first quarter tonnage report and stated that the numbers are consistent. He stated that the dirty (contamination from not source separating mixed waste) MRFing (material recovery facility) is keeping the numbers lower and that separating the organics is what will move the percentages up. CR&R is addressing the District's commercial and multi-family customers to find solutions for separating their waste. The shopping center that houses Jon's Market has proactively signed up for an organics and food waste program. He stated that he is working with the Vineyards Townhomes in Westminster who were also signing up for a food waste

and organics recycling program. Lastly, he stated that CR&R is in the process of hiring a dedicated coordinator for MCSD.

Director C. Nguyen asked about the driver shortage and if it was getting any better, and stated that he thought it was important to continue with the radio shows because he is getting a lot of positive feedback.

Mike Carey stated that they filled a vast majority of positions but the poaching of drivers continues to be a problem.

Director S. Contreras stated that he was grateful for the help with the Driftwood Mobile Home Park.

### **Report from the Outreach Committee Meeting on Apr. 20 and May 4, 2022**

Director C. Nguyen reported that District employee C. Oldster was able to get price lists from the radio stations and decided that the District would be doing a radio talk show two times a month.

### **Report from the ISDOC Quarterly Meeting on Apr. 28, 2022**

Directors M. Nguyen, C. Nguyen and President A. Nguyen all felt the meeting was interesting.

Director C. Nguyen suggested that GM K. Robbins do another presentation regarding the District.

### **Report from the Clean-Up Event at Park West Park on Apr. 30, 2022**

Directors S. Contreras, T. Diep and President A. Nguyen all attended, reported that it was well attended and the next clean up event is on June 18.

### **Report from the Waste Expo in Las Vegas, NV May 9-12, 2022**

Director C. Nguyen reported that it was informative but that all the vendors are not back since the pandemic. He stated that it was interesting and that there was a lot about electric vehicles.

President A. Nguyen stated that they cost \$700,000 each.

GM K. Robbins stated that the District will be receiving a demo but that it can only be operated every other day because it needs to be recharged. He stated he thinks that the technology will be there in about 5 years.

## **CONSENT CALENDAR**

***(Roll Call Vote)***

- A. Approve and File the Treasurer's Investment Report for April 2022
- B. Approve the 3<sup>rd</sup> Quarter Fiscal Year 2021-2022 Financial Reports and Budget Review

- C. Receive and File the California Employers' Retiree Benefit Trust (CERBT) Program Financial Statement for the Quarter Ended March 31, 2022
- D. Receive and File the California Employers' Pension Prefunding Trust (CEPPT) Program Financial Statement for the Quarter Ended March 31, 2022
- E. Approve the Fiscal Year 2021-2022 Budget Adjustments No. 3 and Contributions to the District's CEPPT 115 Trust Fund

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

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

NAYS:

ABSTAIN:

ABSENT: T. Diep

## **OLD BUSINESS**

- A. Consider Proposals for Technology Upgrades Voice-Over IP Phone System, Cloud-Based Computing and Camera System for the Midway City Sanitary District  
*(Roll Call Vote)*

A report of a summary of Staff's recommendation was provided and considered by the Board. Joseph Saullo from First-Class Connection and Yousef Alinaghian and Mike Parker from CRC Cloud both addressed the Board regarding their respective proposals and answered questions from Board members.

Mr. Saullo of First-Class connection clarified that the items that appeared not to be on the proposal were, in fact, included. He stated that he did not provide vendor names for certain items because he would be purchasing the most recent and less expensive version of what the District wanted. He gave the background of his company and stated that they specialize in being a technology broker.

Director C. Nguyen asked for clarification as to whether the proposal included the UPS battery backup and surge protector.

Joseph Saullo clarified that they were included in the RFP bid.

Director M. Nguyen asked whether the three types of phones were included and who the District would contact if there were problems.

Joseph Saullo clarified that the phones were all included and that the District would receive a dedicated administrator, project manager and account manager, as well as support.

Director C. Nguyen asked what makes First Class Connection the better option for the District.

Joseph Saullo responded by stating that there were three things lacking in the other proposal that were included in his: (1) how they are going to integrate Microsoft 365 with the phone system, (2) the virtual desktop solution and (3) his company brokers with many more different companies.

Director T. Diep arrived at the meeting via teleconference at 6:30 P.M. and was given an update.

Yousef Alinaghian and Mike Parker from CRC Cloud addressed the Board and stated that they had been providing computer service to the District for 14 years, during which they made three changes to the server room. He stated that they have offsite backup and partners with Ring Central and Cox among others.

Director C. Nguyen asked what makes CRC Cloud better than First Class Connection.

Yousef Alinaghian stated that there are many versions of the items that the District will be needing and that they are not being compared apples to apples, but instead apples to oranges. He stated that everything he proposed was "business standard" and that he could go for the more expensive version but that it was not necessary. Mike Parker stated that CRC picked the best quality cable for this project.

Yousef Alinaghian stated that, to give some perspective, he went to Best Buy to buy an HDMI cable and it was \$75 but that you can also buy one on Amazon for \$5.50. He stated that the difference is the one from Best Buy had an end that was gold plated and that this cable provides the sound. He purchased an HDMI tester and tested them both and found them incomparable.

Director S. Contreras stated that he was concerned because he wasn't sure what the District's needs are and is looking for direction.

GM K. Robbins stated that it might be in the Board's best interest to set up a committee with Director M. Nguyen as part of it since he works in IT, in order to compare apples to apples, and to help make this difficult decision.

Joseph Saullo stated that the RFP was very specific as to which kind of cables were needed for the District's project and he cautioned the Board against picking specific vendors since the job is still months out and prices will change in that time.

Directors C. Nguyen and M. Nguyen asked technical questions regarding software, response time, backup, encryption, compliance, and manpower, and were provided with responses from both CRC and First-Class Connection.

General Counsel, J. Eggart advised the Board that an unidentified person dropped off an unsigned letter for the Board a few minutes prior to the meeting concerning this item and asked that it be delivered to the Board members. The individual did not identify herself or stay to address the Board directly. The document was provided to the Board members present and made available to the public in attendance. General Manager Eggart briefly described the documents, stating that the letter made certain allegations against an individual affiliated with

one of the proposers relating to alleged criminal history and previous crimes. General Counsel Eggart advised the Board that neither he nor District staff had had an opportunity to vet any of the information and could not speak to the veracity of the claims or authenticity of the documents attached, that the Board should therefore not base its decision on this information, and that if the Board wanted Staff to review and investigate the information provided, this item would need to be continued.

A motion was made by Director C. Nguyen, to table this item until the documents had been looked into. The motion was not seconded.

Mike Parker from CRC Cloud stated that the information is incorrect and untrue and they are taking legal action.

Joseph Saullo asked the Board to do their due diligence because he did not want to win based on false allegations.

Director T. Diep stated that the Board could table this item or could go ahead and made a motion, but to make it contingent on a background check done by staff, so as not to revisit this item again.

General Counsel J. Eggart stated that the staff recommendation is to have the General Manager negotiate with one of the vendors, not to have the Board award a contract.

After further discussion, a substitute motion was made by Director C. Nguyen, seconded by Director T. Diep, to authorize the General Manager to negotiate and execute a contract with First-Class Connection. The motion was approved by the following 3-0-2 roll call vote:

AYES: T. Diep, C. Nguyen, M. Nguyen

NAYS:

ABSTAIN: S. Contreras, A. Nguyen

ABSENT:

## **NEW BUSINESS**

### **A. Discussion and Consideration of Bidding Requirements for the District's Addition and Remodel and Construction Project *(Roll Call Vote)***

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by President A. Nguyen, seconded by Director S. Contreras, to approve staff's recommendation to lower Orange County subcontractor percentages by 5% in each category and rebid the project with revised bid forms per the recommendations of Rengel Architects and direct the General Manager to bring back the change order for Rengel Architects for Board approval at the next meeting. The motion was approved by the following 5-0 roll call vote:



AYES: S. Contreras, T. Diep, A. Nguyen, C. Nguyen, M. Nguyen  
NAYS:  
ABSTAIN:  
ABSENT:

B. Discussion of Election Information for the November 8, 2022 General Election and Transmittal of Election Information Special District **(Roll Call Vote)**

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director S. Contreras, seconded by Director T. Diep, to approve as recommended by staff. The motion was approved by the following 5-0 roll call vote:

AYES: S. Contreras, T. Diep, A. Nguyen, C. Nguyen, M. Nguyen  
NAYS:  
ABSTAIN:  
ABSENT:

C. Consider Approval of the Outreach Committee Recommendations **(Roll Call Vote)**

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director C. Nguyen, seconded by Director M. Nguyen, to approve staff recommendation. The motion was approved by the following 5-0 roll call vote:

AYES: S. Contreras, T. Diep, A. Nguyen, C. Nguyen, M. Nguyen  
NAYS:  
ABSTAIN:  
ABSENT:

D. RESOLUTION NO. 2022-12 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2022-2023 FOR THE DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 9 OF TITLE 1 OF THE CALIFORNIA GOVERNMENT CODE **(Roll Call Vote)**

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director T. Diep, seconded President A. Nguyen, to approve and adopt Resolution No. 2022-12. The motion was approved by the following 5-0 roll call vote:

AYES: S. Contreras, T. Diep, A. Nguyen, C. Nguyen, M. Nguyen  
NAYS:  
ABSTAIN:  
ABSENT:

E. RESOLUTION NO. 2022-13

***(Roll Call Vote)***

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, MAKING SPECIFIED FINDINGS AND REAUTHORIZING THE USE OF TELECONFERENCING IN ACCORDANCE WITH ASSEMBLY BILL 361 AND GOVERNMENT CODE SECTION 54953(e) FOR MEETINGS OF THE MIDWAY CITY SANITARY DISTRICT BOARD OF DIRECTORS AND OTHER DISTRICT COMMITTEES SUBJECT TO STATE OPEN MEETINGS LAWS

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director C. Nguyen, seconded by Director S. Contreras, to approve adoption of Resolution No. 2022-13. The motion was approved by the following 5-0 roll call vote:

AYES: S. Contreras, T. Diep, A. Nguyen, C. Nguyen, M. Nguyen

NAYS:

ABSTAIN:

ABSENT:

**INFORMATIONAL ITEMS**

- A. Midway City Sanitary District Board of Directors' Notice of Cancellation of the Regular Board Meeting on May 3, 2022

Receive and file.

**BOARD CONCERNS/COMMENTS**

None

**GM/STAFF CONCERNS/COMMENT**

GM K. Robbins reminded the Board of all upcoming events.

Finance/HR Director R. Housley stated that Monday, May 23 would be Shannon Frost's (the District's new receptionist) first official day and he provided the Board with information regarding college savings plans for children from the State Treasurers office.

**GENERAL COUNSEL CONCERNS/COMMENTS**

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 A. Nguyen adjourned the meeting to Tuesday, June 7, 2022 at 5:30 P.M. at the District office at approximately 7:51 P.M.

Sergio Contreras

Sergio Contreras, Secretary