

**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**

January 18, 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, January 18, 2022 at 5:31 P.M.

BOARD MEMBERS PRESENT:

Tyler Diep (via teleconference @ 5:33PM)
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
Habib Isaac, IB Consulting
Ashton Kauwe, Resident

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

Director T. Diep arrived at the meeting via teleconference at 5:33 P.M.

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JAN. 4, 2022
(Roll Call Vote)

A motion was made by Director C. Nguyen, seconded by Director S. Contreras, to approve the minutes of the regular meeting of January 4, 2022. 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:

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

A. Demands in the amount of \$ 397,028.20

#	CK #	Date	AMOUNT	VENDOR CHECKS:	MEMO:
1	13399	12/29	\$ 525.00	Ayala's Car Wash	Fleet vehicle wash 12/20/21
2	13400	12/29	\$ 1,173.61	Frontier Communications	District office phones & lift stations
3	13401	12/29	\$ 165.84	Snap-On Tools	Tools for Shop use
4	13402	12/29	\$ 5,197.31	Southern California Edison	District offices, CNG station and Lift stations
5	13403	12/29	\$ 80.02	Time Warner Cable	Service from 12/17/21 - 01/16/22
6	13404	12/29	\$ 243.74	Union Bank (NC)	District credit card 11/19/21 - 12/19/21
7	13405	12/29	\$ 400.00	Alejandra Cruz	12/22/21 Taco luncheon for employees
8	13406	1/4	\$ 832.98	Advanced Office	Restock Ricoh MPC3503 toners- Black, Cyan, Magenta, Yellow
9	13407	1/4	\$ 95.00	Asbury Environmental Services	(350) Gallons used oil/mixed pick up
10	13408	1/4	\$ 391.00	Be Safe Fire Protection	Performed annual maintenance
11	13409	1/4	\$ 1,981.60	Bodyworks Equipment, Inc.	Restock electrical and hydraulic hoses for solid waste trucks
12	13410	1/4	\$ 720.80	Cintas	Employee uniform services for 12/23/21 and 12/30/21
13	13411	1/4	\$ 9,369.32	Clean Energy	Service for CNG Station
14	13412	1/4	\$ 844.00	CRC Cloud	Maintenance & support Jan-2022
15	13413	1/4	\$ 1,460.51	Cummins Sales and Service	Restock CNG motor oil for solid waste trucks
16	13414	1/4	\$ 5,354.41	Daniel's Tire Service	Restock tires for solid waste
17	13415	1/4	\$ 59.81	Dtntech	Business cards (500) Cynthia Olsder
18	13416	1/4	\$ 549.00	Frog Environmental	MCSO facility industrial storm water monitoring
19	13417	1/4	\$ 55.07	Huntington Beach Ford	Diesel cap and windshield wipers for G-2
20	13418	1/4	\$ 116.50	Petty Cash-Ken Robbins	December office supplies and operating expenses
21	13419	1/4	\$ 322.44	Snap-On Tools	Tools for Shop use
22	13420	1/4	\$ 306.15	SoCal Auto & Truck Parts, Inc.	Replacement brakes for solid waste trucks
23	13421	1/4	\$ 1,318.48	Standard Insurance Company	Life insurance & AD&D premium coverage
24	13422	1/4	\$ 300.00	Streamline	Website monthly member fee Jan-2022
25	13423	1/4	\$ 2,841.32	TrucPar Company	Restock parts for solid waste trucks
26	13424	1/4	\$ 1,562.00	Viet Link Radio	30 Minute Radio Talk Show (AM1480) 12/02 - 12/21/21
27	13425	1/12	\$ 2,494.65	Atlas Radiator, Inc.	Radiator repairs for NG-7 for solid waste truck
28	13426	1/12	\$ 715.00	Ayala's Car Wash	Fleet vehicle wash 01/03/22 and 01/10/22
29	13427	1/12	\$ 1,107.81	Bodyworks Equipment, Inc.	Restock hydraulic hoses for solid waste trucks
30	13428	1/12	\$ 222.25	Cameron Welding Supplies	Oxygen & propane for forklift and shop
31	13429	1/12	\$ 1,676.05	Wex Bank (Chevron)	Fuel credit card for Dec 2021
32	13430	1/12	\$ 360.40	Cintas	Employee uniform services for 01/06/22
33	13431	1/12	\$ 33.13	City of Westminster	Westminster lift station 11/10/21 - 01/04/22
34	13432	1/12	\$ 588.00	Clean Energy	CNG station site inspection
35	13433	1/12	\$ 180,377.79	CR Transfer	Residential Waste & Organic tonnage fees 12/01 - 12/31/21
36	13434	1/12	\$ 3,361.79	Daniel's Tire Service	Restock tires for solid waste
37	13435	1/12	\$ 525.00	Frog Environmental	MCSO Facility industrial storm water monitoring
38	13436	1/12	\$ 157.46	Hillco Fastener Warehouse Inc	Radiator parts for solid waste trucks
39	13437	1/12	\$ 487.76	Hose-Man	Restock hoses for solid waste trucks
40	13438	1/12	\$ 2,905.60	Hydraforce, Inc.	Stock hydraulic cylinders for solid waste trucks
41	13439	1/12	\$ 2,352.09	Los Angeles Freightliner	Restock left and right power window motors for solid waste truck
42	13440	1/12	\$ 210.00	Memorial Care Medical Foundation	Pre-employment drug test
43	13441	1/12	\$ 285.00	North American Safety	(30) Safety vests

44	13442	1/12	\$	416.75	NVB Equipment, Inc.	A/C service NG-13 for solid waste truck
45	13443	1/12	\$	15,992.93	Orange County Sanitation District	Permit fees Dec-2021
46	13444	1/12	\$	47.50	SDRMA - Property/Liability	Add'l insured certificate for mattress recycling
47	13445	1/12	\$	1,000.00	Shuster Advisory Group, LLC	Advisory Fee 457(b) & OBRA plan-Q4 2021
48	13446	1/12	\$	524.45	Snap-On Tools	Tools for Shop use
49	13447	1/12	\$	11,144.02	SoCal Gas	CNG Station from 12/01/21 - 01/01/22
50	13448	1/12	\$	321.37	Staples Business Credit	Restock office supplies Dec-2021
51	13449	1/12	\$	1,508.52	TrucPar Company	Restock parts for solid waste trucks
52	13450	1/12	\$	4,499.33	US Bank Corporate Payment Systems	District credit cards
53			\$	269,580.56	CHECKS SUBTOTAL	
54						
55					<u>PAYROLL:</u>	MEMO
56	ACH	12/28	\$	343.37	Paychex	Employee Payroll - Checks, Taxes, & Direct Deposits
57	ACH	1/7	\$	6,827.36	Paychex	Board of Directors Payroll - Checks, Taxes, & Direct Deposits
58	ACH	1/7	\$	733.50	Nationwide Retirement Solutions	457 Deferred Compensation (100% Paid By Board of Directors)
59	ACH	1/12	\$	96,636.46	Paychex	Employee Payroll - Checks, Taxes, & Direct Deposits
60	ACH	1/12	\$	5,306.62	Nationwide Retirement Solutions	457 Deferred Compensation (100% paid by employees)
61	ACH	1/12	\$	1,406.40	Nationwide Retirement Solutions	457 Roth (100% paid by employees)
62			\$	111,253.71	ACH TRANSFERS SUBTOTAL	
63						
64					<u>ACH PAYMENTS:</u>	MEMO
65	ACH	1/12	\$	16,193.93	CalPERS	Retirement Contributions for 12/27/21 - 01/09/22
66						
67			\$	16,193.93	ACH TRANSFERS SUBTOTAL	
68						
69			\$	397,028.20	TOTAL EXPENDITURES (ACCOUNTS PAYABLE CHECKS, PAYROLL, ACH TRANSFERS)	
70						
71					<u>BANK TRANSFERS:</u>	
72	UB	12/29	\$	2,300,000.00	Transfer Funds from Union Bank Checking to LAIF Account	
73	UB	1/3	\$	1,000,000.00	Transfer Funds from Money Market to UB Checking	
74	UB	1/5	\$	2,000,000.00	Transfer Funds from Union Bank Checking to LAIF Account	
75			\$	5,300,000.00	BANK TRANSFERS	

A motion was made by Director C. Nguyen, seconded by President A. Nguyen, to approve the expenditures in the amount of \$397,028.20. 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:

REPORTS

Report of President

President A. Nguyen reminded everyone to be careful and to take care of themselves due to the current COVID spike.

Report of General Manager

GM K. Robbins reported that the District's Lead Solid Waste Driver, Dave Hernandez, was moving and would be leaving the District at the end of February. He stated that he was planning to fill his position by promoting from within and is planning to hire an additional entry level driver. He stated that he has one in mind that would be coming from Waste Management, and would keep the Board informed.

GM K. Robbins reported that he will have the District's IT consultant, CRC, provide a quote for Voice Over Internet Phones (VOIP) and getting the District into the cloud because it would be easier to do it prior to the construction project. He stated that he would bring it to the Board for their consideration.

GM K. Robbins reported that TESCO Controls replaced fuses at the District's lift stations and that the operator control monitor at the Willow station was working intermittently and going in and out. This is the monitor that controls each of the lift stations so if it's out, someone has to go to the District office and control it. He is getting quotes for new monitors for all four lift stations and would bring it before the Board for approval as it will be over his spending limit.

Director C. Nguyen asked how the audit of the District's carts was going.

GM K. Robbins stated that it was going well and explained that almost the entire District had been gone through. If there is cart contamination, photos are taken and a specific letter is sent to the resident. The District has also been checking for second black carts and most residents have been calling to turn them in after being told what goes inside them. Staff explains that it is a State mandate and the District is way ahead of it, so the plan is to go through the District several times. He reminded the Board that the District has a true organics program where the green carts are taken to make CNG or RNG gases, whereas most other communities are simply taking it to make compost, which leads to some confusion.

Report from Orange County Sanitation District Meeting on Jan. 12, 2022

President A. Nguyen reported that the only thing on the agenda which was to continue to allow teleconferencing.

Report from the Outreach Committee meeting for Open House on Jan. 13, 2022

Director T. Diep, President A. Nguyen and GM K. Robbins met at Brodard's to taste and discuss potentially serving their food at the District's Open House.

Report from VNCR Radio Outreach on Jan. 17, 2022

President A. Nguyen reported that he and Director S. Contreras went on VNCR to wish residents a happy new year.

Director S. Contreras reported that it was a good opportunity to update the community on the District's programs, give updates for the year and remind them not to throw their oil and grease down the drain.

Directors M. Nguyen reported that he and Director T. Diep went on VNCR to remind residents that the District's audit of carts was ongoing, that there were no fees or fines associated with it, and was to remind them of which containers to use for what.

CONSENT CALENDAR

(Roll Call Vote)

- A. Approve and File the Treasurer’s Investment Report for December 2021
- B. Approve Increasing the Petty Cash Drawer to \$300.00

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 5-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT:

OLD BUSINESS

None

NEW BUSINESS

- A. Presentation of Cost-of Service Rate Study Regarding the District’s Sewer Services and Residential Solid Waste Services *(Roll Call Vote)*

Finance/HR Director R. Housley stated that they partnered with IB Consulting to do a rate study for the District’s sewer and solid waste rates. The last time that anyone looked at the District’s rates was over 15 years ago and there was never a cost-of-rate study done at this level. District staff felt that it was time to do a study to make sure that the District’s rates were in conformity with the services provided and would like to continue to provide. He stated that this is more about the future as the District is fiscally fine now, but costs are inflating and labor and benefits are increasing and have been absorbed. From an operating standpoint, the District’s net operating revenues and expenses (which have increased by \$3.3 million per year) are higher than the District’s fees. Staff felt that this was a good time to find out what it is costing the District for its services and the rate study was approved by the Board and would be presented by Habib Isaac, one of the owners of IB Consulting.

Habib Isaac from IB Consulting stated that he and his partner specialize in waste water, trash and utilities for cities and Special Districts. He gave a power point presentation to the Board explaining the need for a small rate increase. He reviewed the District’s current sewer and solid waste services, the main objectives of the cost-of-service study goals, the factors impacting the financial plan, key assumptions, the District’s current financial position with no revenue adjustments and at current rates, and the proposed 5-year financial plan with minimal proposed rates for sewer and solid waste services. He stated that the results of the review show that the District is currently in a strong financial position but that the financial plan focuses on maintaining the District’s strong financial health moving forward by making modest adjustments. The proposed increase to residential and commercial sewer rates is approximately \$10.50 per year

and solid waste fees would increase by \$12.94 per year. Even with the potential increases the District would continue as one of the least expensive areas for these services.

Director S. Contreras thanked Habib Isaac for the clear explanation of the study.

Director C. Nguyen also thanked Habib Isaac for the detailed presentation and asked what the process was and when the rate increase would become effective, if approved.

Habib Isaac stated that since the District needs to put it on the tax bills, it must go through the 218 process with notices and public hearings, and adoption of ordinances which would need to occur by June or July because August 10 is the hard deadline for it to be placed on the tax levy.

Director C. Nguyen asked what the consequences would be if the District waited until next year.

Habib Isaac stated that a new annual updated report would need to be done based on the 2023 budget, parcel and actuals and would cost the District approximately \$7,000.

Director C. Nguyen stated that he was hesitant to do this at this time, that the District is proud not to have raised its rates for 15 years and that he would prefer to revisit this item next year since the District is currently financially healthy.

GM K. Robbins stated that it is less than \$2 per month for both solid waste and sewer services, and that the costs of the MRF and OC landfill will be increasing so the longer the District waits to raise its rates, the more it will cost ratepayers.

Habib Isaac stated that by putting off the 3%, next year it would be compounded and be around 6%.

Director C. Nguyen stated that the District has been doing a lot of outreach in order to save money on tonnage fees with proper recycling and asked if those numbers have helped the District.

GM K. Robbins stated that the numbers are getting better but are not enough.

Finance/HR Director R. Housley explained that the District's tonnage and organics fees are all tied to consumer price index (CPI) which is going up and the District has been absorbing those.

Director T. Diep stated that if the current Board had plans to stay on the Board for a few more years, they needed to do this now and not worry about the political circumstances. He stated that he didn't think there would be complaints because it is such a small amount. He asked them to look at it purely as a policy standpoint and if the Board enjoys doing the outreach and offering free services to the ratepayers, they needed to approve it.

Director M. Nguyen stated that he feels that the cost of food, gas and everything else has increased and that the Board should move forward with the reasonable rate increase.

Director S. Contreras stated that he would follow staff's recommendation, that it is necessary to secure the financial security of the District and that it would be easier to do a small increase now.

GM K. Robbins stated that staff's recommendation was to proceed with the report and move forward with the minimal rate increase because it would keep the District financially sound for a long time. He stated that the State would continue to put more legislation into place.

Finance/HR Director R. Housley stated that the District is the only agency in Orange County that has its only in-house solid waste crew and supports it at the lowest rates in the County, even with a minimal increase.

A motion was made by President A. Nguyen, seconded by Director S. Contreras to approve staff's recommendation to continue working with IB Consulting on the final report and move forward with 218 notices. The motion was approved by the following 4-1 roll call vote:

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

Director T. Diep left the meeting at 6:41 P.M.

B. RESOLUTION NO. 2022-02

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING A CELL PHONE REIMBURSEMENT POLICY FOR NON-REPRESENTED EMPLOYEES

A motion was made by Director S. Contreras, seconded by Director M. Nguyen to approve Resolution No. 2022-02, adopting a cell phone policy for non-represented employees of the District. The motion was approved by the following 4-1 roll call vote:

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

C. RESOLUTION NO. 2022-03

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, AUTHORIZING SUBMITTAL OF APPLICATION(S) FOR ALL CALRECYCLE GRANTS FOR WHICH MIDWAY CITY SANITARY DISTRICT IS ELIGIBLE

A motion was made by Director S. Contreras, seconded by Director M. Nguyen, to adopt Resolution No. 2022-03 and approve authorizing submittal of applications for all CalRecycle grants for which the District may be eligible. The motion was approved by the following 4-1 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT: T. Diep

D. Discussion and Consideration of Level of Participation by the Midway City Sanitary District in the 2022 TET Parade on Saturday, February 5, 2022 **(Roll Call Vote)**

GM K. Robbins stated that the TET parade was moving forward but as of yet, had not formally requested that the District provide and manage the solid waste service for the event since CR&R could not due to their own driver shortage. He stated that he just wanted direction from the Board since it was getting close to the date and he needed to organize staff to work that day.

There was discussion regarding the TET organizers not having made a formal request for solid waste services, the District donating money for the event and the Directors' participation in the event.

A motion was made by Director S. Contreras, seconded by Director C. Nguyen, to authorize Staff to provide solid waste service for the TET parade at the actual cost to the District as determined by the General Manager, and to revisit donating to the event and the Board's participation at a later date. The motion was approved by the following 4-1 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT: T. Diep

E. Discussion and Consideration of Holding the Open House at the District on Saturday, February 12, 2022 in Light of Current Health Crisis **(Roll Call Vote)**

GM K. Robbins stated that the District just received a Cal OSHA letter stating that there is now a mandatory 5-day quarantine plus a negative test for unvaccinated employees if exposed to COVID. With a large crowd expected at the open house, there is a potential for infection among staff and operations being potentially hindered.

Director S. Contreras asked if this could be postponed to the next Board meeting instead of cancelling this far in advance.

A motion was made by President A. Nguyen, seconded by Director S. Contreras, to bring this item back to the February 1, 2022 Board meeting. The motion was approved by the following 4-1 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT: T. Diep

INFORMATIONAL ITEMS

None

BOARD CONCERNS/COMMENTS

Director M. Nguyen reminded everyone to stay safe and wash their hands.

Director S. Contreras stated that he appreciated the information provided regarding the District's outreach efforts and would like to revisit it. He suggested that staff check into Spectrum News for local outreach. He also asked that staff continue to have lunches for staff to help keep morale up.

Director C. Nguyen stated that he would like continued updates regarding the District's audit and the results. He also asked about the email he received regarding CR&R's driver shortage and if it effected the District.

GM K. Robbins stated that there is a driver shortage nationwide, but that the District was still not being affected by it.

GM/STAFF CONCERNS/COMMENT

GM K. Robbins stated that he would be contacting the Board regarding their possible participation in the TET parade so that he could order magnetic signs for their vehicles.

Finance/HR Director stated that the Cal OSHA requirements continue to be updated and that the District is in compliance. Approximately 69% of the District's employees are vaccinated with about 31% unvaccinated, and from an HR standpoint there is now a mandatory 5-day quarantine and negative test result for anyone who is unvaccinated and exposed. He stated that he may look into some incentives that could be used to change those numbers. He stated that these requirements will continue and that the District would continue to be proactive. He stated that staff put in a request to WEROC for fast COVID tests for the District and that the District received COVID grant money from the State. He also thanked the Board for their participation and support in the parcel program rate study.

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, February 1, 2022 at 5:30 P.M. at the District office at approximately 7:27 P.M.

Sergio Contreras
Sergio Contreras, Secretary