

**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**

**February 18, 2020**

**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, February 18, 2020 at 5:40 P.M.

**BOARD MEMBERS PRESENT:**

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

**OTHERS AT MEETING:**

Kenneth Robbins, General Manager (absent)  
Robert Housley, Finance/HR Director  
James Eggart, General Counsel  
Danielle Gerardo, Board Secretary  
Gregory Karapoulios, CR&R

**PLEDGE AND INVOCATION**

President C. Nguyen led the Pledge of Allegiance. President C. Nguyen gave the Invocation.

**PUBLIC COMMENTS**

None

## APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 4, 2020

A motion was made by Director A. Nguyen, seconded by Director M. Rice, to approve the minutes of the regular meeting of February 4, 2020. The motion was approved by the following 3-0 vote:

AYES: A. Nguyen, C. Nguyen and M. Rice

NAYS:

ABSTAIN:

ABSENT: S. Contreras, A. Krippner

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$ 270,395.75

#	CK #	Date	AMOUNT	VENDOR	MEMO
1				<b>CHECKS:</b>	
2	11173	2/4	\$ 1,153.48	<b>Frontier Communications</b>	District Office Phones & Lift Stations for January 2020
3	11174	2/4	\$ 4,244.37	<b>Southern California Edison</b>	District Offices, CNG Station and Lift Stations for January 2020
4	11175	2/4	\$ 1,151.92	<b>Standard Insurance Company</b>	Life Insurance & AD&D Premium Coverage for February 2020
5	11176	2/4	\$ 377.34	<b>Staples Business Credit</b>	Office and Printer Supplies
6	11177	2/4	\$ 459.95	<b>Vision Service Plan</b>	Monthly Premiums for February 2020
7	11178	2/10	\$ 145.99	<b>DirectTV</b>	Service for February
8	11179	2/4	\$ 3,924.94	<b>US Bank Corporate Payment Systems</b>	District Credit Cards
9	11180	2/10	\$ 175.70	<b>Advanced Workplace Strategies</b>	DOT Random Drug Testing
10	11181	2/10	\$ 680.00	<b>Ayala's Car Wash</b>	Fleet Truck Washes on 1/27, 2/3
11	11182	2/10	\$ 1,030.09	<b>Bodyworks Equipment</b>	Hydraulic control valve NG-8, Hydraulic hoses for lift assembly
12	11183	2/10	\$ 1,335.91	<b>Wex Bank (Chevron)</b>	Gasoline and Diesel Fuel for February 2020
13	11184	2/10	\$ 529.75	<b>Cintas</b>	Uniform Services for 1/30 and 2/6
14	11185	2/10	\$ 525.00	<b>Country City Towing</b>	NG-1 towed to Darto Transmission/NG-5 towed to District Yard
15	11186	2/10	\$ 85,669.60	<b>CR Transfer</b>	Solid Waste and Organics Tonnage Fees 1/1/2020 through 1/15/2020
16	11187	2/10	\$ 3,713.06	<b>CRC Cloud</b>	Maint&Support for Feb2020&New Computer for Dir of Finance/HR
17	11188	2/10	\$ 78.69	<b>DJ Printing</b>	Office Supplies-Window #10 Envelopes
18	11189	2/10	\$ 5,952.16	<b>Daniel's Tire Service</b>	Restock (5) New Tires & (18) Recaps and Repairs
19	11190	2/10	\$ 6,880.74	<b>Dartco Transmission</b>	NG-1 Transmission replacement/ rebuild
20	11191	2/10	\$ 132.84	<b>Underground Service Alert</b>	2019 Fees for CA State Fee for Regulatory Costs
21	11192	2/10	\$ 6,757.68	<b>SoCal Gas</b>	CNG Fuel for January 2020
22	11193	2/10	\$ 2,232.00	<b>HB Staffing</b>	Temporary Employee Services Week Ending 01/26/2020 and 2/2/2020
23	11194	2/10	\$ 512.83	<b>Hose-Man, Inc</b>	Stock air compressor hose , stainless steel
24	11195	2/10	\$ 2,684.00	<b>Kones, Inc</b>	Quadrennial Load Testing of overhead 5 ton crane in shop
25	11196	2/10	\$ 100.00	<b>MemorialCare</b>	DOT DMV Physical Exam 1/28/2020
26	11197	2/10	\$ 746.74	<b>Merchants Building Maintenance</b>	Janitorial Services for February 2020
27	11198	2/10	\$ 1,337.40	<b>North American Safety</b>	Re-stock T-shirts for giveaways and employees
28	11199	2/10	\$ 385.50	<b>NVB Equipment</b>	NG-9 A/C Repairs/Service

29	11200	2/10	\$ 28,148.50	<b>OC Sanitation District</b>	Permit Fees for January 2020 (MCSD 5% = \$1,481.50)
30	11201	2/10	\$ 10,412.50	<b>PumpMan</b>	3rd Qtr Pump System Planned Preventative Maint for all 4 Lift Stations
31	11202	2/10	\$ 61.68	<b>RAYCOM</b>	Re-stock truck 2-way radio antenna
32	11203	2/10	\$ 198.02	<b>Resource Communications</b>	Install cable to Boardroom for analog conference phone
33	11204	2/10	\$ 4,825.42	<b>TEC of California</b>	NG-3 exhaust repair,re-stock brake pad/filters,NG-13 repairs, air brake governor,NG-14 hydraulic repair
34	11205	2/10	\$ 26.50	<b>Underground Service Alert</b>	(10) New Tickets for January 2020
27	11206	2/10	\$ 1,800.11	<b>Verizon Business</b>	Internet Connection for February 2020
28	11207	2/10	\$ 3,127.50	<b>Woodruff, Spradlin &amp; Smart</b>	Legal Services for January 2020
29			\$ 181,517.91	<b>CHECKS SUBTOTAL</b>	
30					
31				<b>PAYROLL</b>	
32	ACH	2/7	\$ 5,554.92	<b>Paychex</b>	Board of Directors Payroll - Checks, Taxes, & Direct Deposits
33	ACH	2/11	\$ 64,721.02	<b>Paychex</b>	Employee Payroll - Checks, Taxes, & Direct Deposits
34	ACH	2/7	\$ 429.63	<b>Nationwide Retirement Solutions</b>	457 Deferred Compensation (100% Paid By Board of Directors)
35	ACH	2/11	\$ 3,524.76	<b>Nationwide Retirement Solutions</b>	457 Deferred Compensation (100% Paid By Employees)
36	ACH	2/11	\$ 560.00	<b>Nationwide Retirement Solutions</b>	457 Roth (100% Paid By Employees)
37			\$ 74,790.33	<b>PAYROLL SUBTOTAL</b>	
38					
39				<b>ACH PAYMENTS</b>	
40	ACH	2/11	\$ 14,087.51	<b>CalPERS</b>	Retirement Contributions for 1/27/2020-02/09/2020
41			\$ 14,087.51	<b>ACH TRANSFERS SUBTOTAL</b>	
42					
43			\$ 270,395.75	<b>TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL, ACH TRANSFERS)</b>	
44					
45				<b>BANK TRANSFERS</b>	
46	WIRE	2/5	\$ 250,000.00	<b>LAIF</b>	Transfer Funds from LAIF to Union Bank Checking Account

A motion was made by Director M. Rice, seconded by President C. Nguyen, to approve the expenditures in the amount of \$ 270,395.75. The motion was approved by the following 3-0 vote:

AYES: A. Nguyen, C. Nguyen and M. Rice

NAYS:

ABSTAIN:

ABSENT: S. Contreras, A. Krippner

## REPORTS

### Report of President

President C. Nguyen reported that he spoke with Director A. Krippner's wife and that she said that his condition is improving but that he was not ready to attend tonight's meeting. He is hoping to attend the next regular meeting on March 3, 2020.

Director M. Rice stated that she didn't feel that his absence from meetings should continue without a notice from a doctor. She stated that the Government Code provision with regard to Directors' attendance at Board meetings was brought to her by a constituent because

they are concerned that there has not been clarification on his condition and how long he plans to be out.

General Counsel James Eggart stated that the District received a public records request for any policies regarding Directors being absent from meetings and the Government Code Statute that governs all elected officials was provided to the individual because the District does not have it own policy with regard to this matter.

Director M. Rice stated that she just wants the District to be protected.

### **Report of General Manager**

Finance/HR Director R. Housley stated that GM K. Robbins was out because he was not feeling well. He asked that Finance/HR Director R. Housley mention that the District is considering a small pilot program of specialized equipment for fire suppression within the solid waste trucks due to the increased amount of fires recently that were caused by improperly disposed of batteries.

### **Report from CR&R – 4<sup>th</sup> Quarter Tonnage Report**

Gregory Karapoulios from CR&R reported that the Districts total tonnage for 2019 was reported to be 55% and that the Districts new green organics containers were doing well with diversion from landfills.

He stated that CR&R sent out a newsletter to all Midway City residents and businesses explaining the recent truck fires caused by batteries being disposed of improperly and advising residents to properly dispose of hazardous waste.

### **CONSENT CALENDAR**

A. Approve and file the Treasurer's Investment Report for January 2020

B. Approve the January 2020 Financial Reports and Budget Review for the Period of July 1, 2019 through January 31, 2020

C. Approval of Payment to the City of Westminster in the Amount of \$38,600 to adjust Midway City Sanitary District Manholes to Finished Grade within the Public Right-of-Way from Street Projects Year 2018-2019

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

AYES: A. Nguyen, C. Nguyen and M. Rice

NAYS:

ABSTAIN:

ABSENT: S. Contreras, A. Krippner

## **OLD BUSINESS**

None

## **NEW BUSINESS**

A. Receive and File the June 30, 2019 Actuarial Valuation and GASB 75 Report for Fiscal Year Ending June 30, 2020 on the Other Post-Employment Benefits (OPEB) Liabilities of the Midway City Sanitary District

Finance/HR Director R. Housley stated that this valuation report is specific to the District's health care for retirees and active employees and that the District has a trust fund set up for this. This valuation is done every two years by an outside firm and according to government standards. It is then audited by the District's independent auditors and gives a financial snapshot of the District's liabilities for those benefits that have been promised. In this report, which covers this year and next year, the District has additional net assets in the amount of \$ 903,611 due to changing assumptions, the market doing better than expected and health care premiums not rising as high or as fast as expected, as in previous years. He stated that the District will be requesting refunds in order to use these assets to pay for retiree benefits costs.

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 M. Rice, to receive and file the June 30, 2019 Actuarial Valuation and GASB 75 Report for Fiscal Year Ending June 30, 2020 on the Other Post-Employment Benefits (OPEB) Liabilities of the Midway City Sanitary District. The motion was approved by the following 3-0 vote:

AYES: A. Nguyen, C. Nguyen and M. Rice

NAYS:

ABSTAIN:

ABSENT: S. Contreras, A. Krippner

B. Discussion and Consideration of Employee of the Year Award Recipient

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 M. Rice, to approve staff recommendation and honor Utility/Relief Driver, Shannan Clarke with a plaque at a luncheon on April 1, 2020. The motion was approved by the following 3-0 vote:

AYES: A. Nguyen, C. Nguyen and M. Rice

NAYS:

ABSTAIN:

ABSENT: S. Contreras, A. Krippner

C. Consider Approval of Updated Rate Schedule for General Counsel Legal Services

General Counsel James Eggart stated that since this item involves a rate adjustment for the law firm he works for, and since the firm is his employer, he would recuse himself. MR. Eggart left the room during the Board's discussion and consideration of this item.

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 M. Rice, to approve the updated rate schedule for General Counsel legal services provided pursuant to the existing Attorney-Client Fee Agreement with Woodruff, Spradlin & Smart, APC. The motion was approved by the following 3-0 vote:

AYES: A. Nguyen, C. Nguyen and M. Rice

NAYS:

ABSTAIN:

ABSENT: S. Contreras, A. Krippner

General Counsel James Eggart returned to the meeting.

President C. Nguyen reported that the Board approved the rate schedule increase for General Counsel and thanked him for his good work.

**INFORMATIONAL ITEMS**

- A. Rate Study – Hourly Rate of Pay for Legal Counsel Fees
- B. Nationwide Plan Review of Midway City Sanitary District as of march 31, 2019
- C. Orange County Sanitation District News Release – Water Agencies in Orange County Initiate Steps to Protect Public Health
- D. Letter of Thanks from the Little Saigon – Westminster Tet Parade Committee

Receive and file.

**BOARD CONCERNS/COMMENTS**

Director M. Rice stated that her only concern is the person from her neighborhood who brought her a copy of the Government Code statute relating to Board member attendance at District meetings. She stated that people want to know why and for how long Director A. Krippner will be absent.

## **GM/STAFF CONCERNS/COMMENT**

Finance/HR Director R. Housley stated that he would be out of the office on Wednesday and Thursday, February 19th and 20th for jury duty and would return on Friday, February 21st. He stated that GM K. Robbins should be back in the office on Wednesday, but if not, Director of Operations/Safety N. Castro would be in charge.

Finance/HR Director R. Housley stated that the District has a new employee through the temp agency because receptionist J. Book would be out for the month of March, and she seems to be working out well.

## **GENERAL COUNSEL CONCERNS/COMMENTS**

General Counsel James Eggart asked for clarification from the Board as to whether they wished for him to bring back a confidential memo related to the vacancy issue.

Director M. Rice stated that she just wants to know what the District needs to do in relation to the Government Code statute information her neighbor brought to her.

General Counsel James Eggart stated that the government statute does not govern what the Districts obligations are with respect to that and that it is up to the discretion of the Board. The State law does not direct what the District should do – it governs when the elected official is deemed to have vacated the office because they cannot discharge their duties and none of them apply at this time. He stated that he will work with staff on the appropriate way to get information, and what can be disclosed given people's privacy rights.

President C. Nguyen directed General Counsel James Eggart to bring something back onto the next agenda so that the Board could discuss it.

General Counsel James Eggart thanked the Board and stated that the 30-plus year relationship between the District and Woodruff, Spradlin & Smart was a valuable one and that it has been his pleasure to serve the Board.

## 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 Tuesday, March 3, 2020 at 5:30 P.M. at the District office at approximately 6:15 P.M.

Sergio Contreras  
Sergio Contreras, Secretary