

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE MIDWAY CITY
SANITARY DISTRICT OF ORANGE COUNTY
14451 CEDARWOOD AVENUE
WESTMINSTER, CA 92683**

September 8, 2022

CALL TO ORDER

President A. Nguyen called the special meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Thursday, September 8, 2022 at 6:31 P.M.

BOARD MEMBERS PRESENT:

Andrew Nguyen
Sergio Contreras
Charlie Chi Nguyen (via teleconference @ 6:40)
Tyler Diep
Mark Nguyen

BOARD MEMBERS ABSENT:

None

STAFF PRESENT:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Cynthia Olsder, Executive/Board Secretary

OTHERS PRESENT:

James Eggart, General Counsel (via teleconference)
Yousef Alinaghian, CRC Cloud
Mike Parker, CRC Cloud
Joseph Saullo, First-Class Connection
Mike Carey, CR&R

PLEDGE AND INVOCATION

President A. Nguyen led the Pledge of Allegiance. Finance/HR Director R. Housley gave the Invocation.

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF AUGUST 16, 2022

(Roll Call Vote)

A motion was made by President A. Nguyen, seconded by Director M. Nguyen, to approve the minutes of the regular meeting of August 16, 2022. The motion was approved by the following 4-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT: C. Nguyen

APPROVAL OF EXPENDITURES

(Roll Call Vote)

A. Demands in the amount of \$499,402.83

#	CK #	DATE	AMOUNT	VENDOR CHECKS:	MEMO:
1	13941	8/15	1,710.99	Chevron Texaco (Wex Bank)	Gasoline and diesel fuel for Aug-2022
2	13942	8/15	12,864.73	SoCalGas	Natural Gas for CNG Station
3	13943	8/15	6,710.40	US Bank Corporate Payment System	District credit cards
4	13944	8/17	450.00	Alejandra Cruz	08/17/22 Taco luncheon for employees
5	13945	8/17	313.20	AT&T Mobility (First Net)	Cell phone service
6	13946	8/17	750.00	Ayala's Car Wash	Washing and cleaning of District's fleet
7	13947	8/17	84.94	City of Westminster Hydrant	Hydrant water services
8	13948	8/17	789.58	Clean Energy	CNG Station inspection and service
9	13949	8/17	2,762.00	Daniels Tire Service	Restock tires for solid waste
10	13950	8/17	1,825.55	Velocity Truck Centers	Steering column on NG-10
11	13951	8/17	804.23	Merchants Building Maintenance, LLC	Janitorial services Aug-2022
12	13952	8/17	750.00	Radio Bolsa Corp.	Jul-22 (2) 15 Minute Talk shows on KVNR-AM 1480
13	13953	8/17	119.00	Remington Pure	Water filtration service
14	13954	8/17	317.48	CRC Cloud	2nd computer monitor for Executive/Board Secretary
15	13955	8/17	1,742.50	Roadway Displays, Inc	(6) Displays with aluminum backing for solid waste trucks
16	13956	8/17	539.00	Rutan & Tucker, LLP	Legal services Jul-2022
17	13957	8/17	4,426.93	SDRMA - Employee Benefits	Dental and vision premiums
18	13958	8/17	50,204.25	Sierra Container Group, LLC	Restock residential green and black carts
19	13959	8/17	549.19	Snap-On Tools	Tool kit for shop
20	13960	8/17	48.73	SoCalGas	Natural Gas for offices, shop, and wash rack
21	13961	8/17	1,349.00	Spectrum Enterprise (Time Warner Cable)	Internet Services Aug-2022
22	13962	8/17	189.99	Tram Bao	Refund for overpayment for additional trash carts
23	13963	8/17	1,014.64	TSP Printing	(2,750) Vehicle inspection books
24	13964	8/17	480.50	UniFirst Corporation	Employee uniform & laundry services
25	13965	8/17	988.67	Verizon Enterprise	Sewer SCADA Jul-2022
26	13966	8/17	11,036.02	Woodruff, Spradlin & Smart	Legal Services Jul-2022
27	13967	8/19	35.29	City of Westminster-Water Billing	Westminster lift station water
28	13968	8/19	10,075.30	TEC Of California, Inc.	Restock parts, supplies, fleet repairs and maintenance
29	13969	8/19	38.06	Pitney Bowes/Purchase Power	Postage for Aug-2022
30	13970	8/19	441.06	AT&T (Brookhurst Lift Station)	Brookhurst Aug-2022
31	13971	8/29	985.87	Advanced Workplace Strategies, Inc.	DOT random drug and alcohol testing
32	13972	8/29	200.00	Ayala's Car Wash	Washing and cleaning of District's fleet
33	13973	8/29	1,932.47	Clean Energy	CNG Station inspection and service
34	13974	8/29	8,478.41	Composite Access Products LP	(10) Composite Manhole Covers with Frames
35	13975	8/29	181,364.79	CR Transfer, Inc.	Residential solid waste & organic tonnage fees
36	13976	8/29	8,336.83	Daniels Tire Service	Restock tires for district fleet
37	13977	8/29	1,192.90	Frontier Communications	District office phones & lift stations
38	13978	8/29	4,841.60	Hydraforce, Inc.	Restock cylinders for solid waste trucks
39	13979	8/29	33.90	LegalShield	Prepaid legal Aug-2022
40	13980	8/29	120.00	Memorial Care Medical Foundation	Pre-employment drug test and DMV physical for CDL
41	13981	8/29	10,998.50	PumpMan	Lift Station Pump System Maintenance Jul-2022
42	13982	8/29	1,337.52	Standard Insurance Company Life	Life Insurance & AD&D Premiums
43	13983	8/29	71.12	Motion and Flow Control Products, Inc.	Restock hydraulic fittings for solid waste trucks
44	13984	8/29	563.05	UniFirst Corporation	Employee uniform & laundry services
45			\$ 333,868.19	CHECKS SUBTOTAL	
46					
47				PAYROLL:	MEMO
48	ACH	8/24	\$ 75,035.33	Paychex	Employee Payroll - Checks, Taxes, & Direct Deposits
49	ACH	8/24	\$ 7,826.60	Nationwide Retirement Solutions	457 Deferred Compensation (Employees)
50	ACH	9/2	\$ 7,832.76	Paychex	Board of Directors Payroll - Checks, Taxes, & Direct Deposits
51	ACH	9/2	\$ 823.50	Nationwide Retirement Solutions	457 Deferred Compensation (Board of Directors)
52			\$ 82,861.93	ACH TRANSFERS SUBTOTAL	
53					

54				ACH PAYMENTS:	MEMO
55	ACH	8/19	\$ 348.45	Paychex	Time & Attendance Aug-2022
56	ACH	8/24	\$ 16,091.73	CalPERS	Retirement Contributions for 08/08 - 08/21/22
57	ACH	8/25	\$ 66.00	WEX Health	HRA Monthly Fee for Aug-2022
58	ACH	9/1	\$ 59,776.29	CalPERS	Active Employee and Retiree Health Ins Premiums Sep-2022
59	ACH	9/1	\$ 6,390.24	CalPERS	Board of Directors Health Insurance Premiums for Sep-2022
60			\$ 82,672.71	ACH TRANSFERS SUBTOTAL	
61					
62			\$ 499,402.83	TOTAL EXPENDITURES (ACCOUNTS PAYABLE CHECKS, PAYROLL, ACH TRANSFERS)	
63					
64				BANK TRANSFERS:	
65	UB	8/27	\$ 300,000.00	Transfer Funds from LAIF to Union Bank Checking	
66			\$ 300,000.00	BANK TRANSFERS	

A motion was made by Director T. Diep, seconded by Director S. Contreras, to approve the expenditures in the amount of \$499,402.83. The motion was approved by the following 4-0 roll call vote:

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

REPORTS

Report of President

President A. Nguyen thanked staff.

Report of General Manager

GM K. Robbins reported the pre-construction meeting for the building project has started and the trailer installation date will be announced soon.

GM K. Robbins reported the District is still looking to hire a special inspector for the building project.

GM K. Robbins stated that the Calendar Committee will set up a meeting soon to go over the first draft of the 2023 calendar.

Report from CR&R (Quarterly Operations & Tonnage Report)

Mike Carey from CR&R reported the overall diversion percentage for the first half of 2022 was at 43%. He stated that they are looking to find a solution to increase the percentage for multi-family and commercial. CR&R has hired a sustainability specialist who is dedicated for MCSD.

Director C. Nguyen arrived at the meeting via teleconference at 6:40 PM.

Report from District Luncheon on August 17, 2022

Director S. Contreras stated that this was a good chance to connect with everyone and a good opportunity to take a group photo for the annual calendar.

Report from CSDA Conference August 22-August 24, 2022

Director C. Nguyen, President A. Nguyen, GM K. Robbins and Finance/HR Director R. Housley attended the conference. President A. Nguyen reported that the conference, which is specifically designed for special districts, was very educational and informative.

Report from Orange County Sanitation District Meeting on August 24, 2022

President A. Nguyen reported that GM Jim Herberg is retiring in February of 2023. He also reported OCSD approved the collection of sewer services charges to be on the tax roll for Fiscal Year 2022/2023, and that the sewer project at Westminster and Seal Beach is anticipated to be completed late 2022.

Amendment of Agenda.

Director T. Diep requested that the Board Members be permitted to provide reports on the Compost Giveaway Event held at the District on September 27, 2022, even though the event is not specifically listed under "Reports" on the Agenda. The Brown Act permits a member of a legislative body to make a brief report on his or her own activities even if it is not specifically listed on the agenda. General Counsel J. Eggart noted that this would not be an action item and that it would be permissible for the Board Members to make a report on the event under the Board Concerns/Comments portion of the Agenda and that the Board could vote to move up the reports under that portion of the Agenda under its own rules of procedure.

A motion was made by President A. Nguyen, seconded by Director T. Diep, to amend the Agenda to allow Board Members to provide reports on the September 27, 2022 Compost Giveaway Event at this place in the meeting instead of during Board Member Concerns/Comments. 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:

Report from the Compost Giveaway Event on August 27, 2022

President A. Nguyen reported that he attended the event along with Director C. Nguyen, Director S. Contreras, Director T. Diep, GM K. Robbins and Finance/HR Director R. Housley. He stated that the event was a big hit.

Director T. Diep stated that it was such a good turnout that he recommended another compost event sometime next year.

Director C. Nguyen stated that MCSD will do our best to be more organized at the next compost event.

Director S. Contreras reported that it was a well-received event and thanked staff.

CONSENT CALENDAR

(Roll Call Vote)

- A. California Employers' Retiree Benefit Trust (CERBT) Program Financial Statement for the 4th Quarter Ended June 30, 2022
- B. California Employers' Pension Prefunding Trust (CEPPT) Program Financial Statement for the 4th Quarter Ended June 30, 2022

A motion was made by Director T. Diep, 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. CalPERS June 30, 2021 Annual Valuation Reports for the District's Pension Plans ***(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 S. Contreras, to receive and file the CalPERS June 30, 2021 Annual Valuation Reports. The motion was approved by the following 5-0 roll call vote:

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

- B. Discussion and Consideration of the level of participation at the City of Westminster Fall Festival on September 24, 2022 ***(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 District sponsorship of the City of Westminster Fall Festival at the bronze

sponsor level in the amount of \$250.00. The motion was approved by the following 5-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT:

C. Discuss and Approve Recognition for MCSD Employees at Holiday Event **(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 S. Contreras, to authorize staff to select a venue for the holiday event within the authorized budget and to provide gift certificates to employees in the same amount as last year. The motion was approved by the following 5-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT:

D. Re-Consider Proposals for Technology Upgrades Voice Over IP Phone System, Cloud Based Computing and Camera system **(Roll Call Vote)**

GM K. Robbins provided a summary of the RFP process and prior Board action directing the General Manager to negotiate a contract with First Class Connection Corp. and advised the Board that after conducting further due diligence and receiving additional information, he was not comfortable proceeding without further Board direction. GM K. Robbins stated that First Class Connection is a Wyoming corporation that is not registered with the California Secretary of State to do business in California, which is one of the vendor requirements set forth in the RFP; that First Class Connection stated that it has an exception under Corporations Code Section 191; and the company has requested that the District contract with or make payments directly to other companies, some of which are also not registered to do business in California. GM K. Robbins stated that First Class Connection does not meet the minimal requirements set forth in the RFP.

Finance/HR Director R. Housley stated that under First Class Connection's proposed model the District will need to contract separately with those other companies. For that reason, it will create additional billing and additional contract agreements for the District.

J. Saullo stated that First Class Connection is owned by him and his partner, Hung Nguyen. He stated that all of their employees are contracted with First Class Connection and that this is their business model. J. Saullo stated that First Class Connection can bill the District directly, but the District will not have control over the licenses. If the District wants control over the licenses, then they need to be invoiced directly by the companies that are contracted by First Class Connection.

Director T. Diep asked if the District is legally allowed to enter into contract with a company that isn't registered in the state of California.

General Counsel J. Eggart stated that it is extremely unusual for a public agency to do business with a company that refuses to register to do business in that state. In order for the District to hold First Class Connection accountable for the work done for the District, , he recommends that company should be required to be registered with the California Secretary of State.

Director S. Contreras stated that the RFP needs to be rewritten to be clearer.

Director T. Diep suggested that the District re-draft the RFP to address the requirements more clearly or go with First Class Connections and have them register to do business with the State of California and keep everything strictly between the District and First Class Connection with no other companies involved.

Director M. Nguyen stated that he doesn't like the fact that First Class Connection is acting like the broker entity.

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 T. Diep, to table this matter and for staff to bring matter back at a later time and direct legal counsel to provide a memo outline the legal issues in more detail. The motion was approved by the following 5-0 roll call vote:

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

E. RESOLUTION 2022-21

(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 motion was made by Director T. Diep, seconded by President A. Nguyen to approve adoption of Resolution No. 2022-21. 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. Intercare – SDRMA’s new TPA (third-party administrator)

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

The Directors thanked staff who showed up at the compost event.

GM/STAFF CONCERNS/COMMENT

GM K. Robbins thanked Directors for their understanding and time.

R. Housley reported that the audit started to slow down, and the audit report will be given sometime in October.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel, J. Eggart announced that Los Alamitos City Council Member and OCSD Board Member Ronald Bates passed away unexpectedly on Tuesday.

ADJOURNMENT

President A. Nguyen adjourned the meeting at the District office at 8:38 pm to the next Board meeting to be held on Tuesday, September 20, 2022 at 5:30 pm.

Sergio Contreras

Sergio Contreras, Secretary