

**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**

September 03, 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, Westminster, California on Tuesday, September 3, 2019 at 5:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Margie L. Rice
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

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF AUGUST 20, 2019

A motion was made by Director A. Nguyen, seconded by Director S. Contreras, to approve the minutes of the regular meeting of August 20, 2019. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 286,575.75

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	10811	8/16	\$ 200.00	Crystal Clear Fleet & Auto Detailing - Wash & Detail Fleet Trucks for 8/13
3	10812	8/22	\$ 288.64	AT&T - Brookhurst Lift Station Service for August 2019
4	10813	8/22	\$ 190.59	AT&T Mobillity - Service for August 2019: (KR) 714-310-2313, (NC) 714-310-8653,
5				(RG) 714-325-3606, Sewer 714-310-8654, Emergency 714-310-9004
6	10814	8/22	\$ 1,294.93	Wex Bank (Chevron) - Fuel for August 2019
7	10815	8/22	\$ 259.23	Cintas - Uniform Services for August 2019
8	10816	8/22	\$ 455.00	Crystal Clear Fleet & Auto Detailing - Wash & Detail Fleet Trucks for 8/19 & 8/20
9	10817	8/22	\$ 261.00	DinTech - Business Cards for Robert Housley, Randy Griffith, Leanne Luu, Julia Book
10	10818-10819	8/22		VOID: Printing Malfunction
11	10820	8/22	\$ 5,510.94	SoCal Gas-CNG Fuel, District Office, Maintenance Shop, Wash Rack Usage Fees for July 2019
12	10821	8/22	\$ 1,343.79	Verizon Business - Internet Connection for August 2019
13	10822	8/28	\$ 175.00	Crystal Clear Fleet & Auto Detailing - Wash & Detail Fleet Trucks for 8/26
14	10823	8/28	\$ 259.23	Cintas - Uniform Services for August 2019
15	10824	9/1	\$ 1,143.24	Frontier Communications - District Office Phones & Lift Stations for August 2019;
16				\$629.96 District Office, \$171.25 Willow Lift, \$171.99 Westminster Lift, \$171.11 Hammon Lift
17	10825	9/1	\$ 127.60	LegalShield - Member Paid Services for August 2019
18	10826	9/1	\$ 3,524.47	SDRMA Delta Dental - Dental Insurance Premium for September 2019
19	10827	9/1	\$ 5,232.00	Southern California Edison-District Office \$3,797.92, Brookhurst Lift Station \$96.17,
20				Westminster Lift Station \$638.23, Willow Lift Station \$202.15, Hammon Lift Station \$497.53
21	10828	9/1	\$ 1,167.52	The Standard Life Insurance-Life Insurance & AD&D Premium Coverage for Sept 2019
22	10829	9/1	\$ 434.99	Vision Service Plan - Monthly Premium for September 2019
23			\$ 21,868.17	HANDCUT CHECKS SUBTOTAL
24				

24					
25				REGULAR CHECKS:	
26	10830	9/1	\$ 77.50	Advanced Gas Products - Cylinder Rental for July 2019	
27	10831	9/1	\$ 173.20	Advanced Workplace Strategies - DOT Drug Testing, Collection Fees, & Mileage Fees	
28	10832	9/1	\$ 75.00	Be Safe Fire Protection - Hands-On Fire Extinguisher Training	
29	10833	9/1	\$ 2,348.22	Bodyworks Equipment - (2) Inner Arms for NG4; (1) Monoblock Valve, (2) Tubes for NG5.	
30	10834	9/1	\$ 175.00	Country City Towing - Tow-Out NG9 on 8/19/2019	
31	10835	9/1	\$ 157,194.51	CR Transfer - Tonnage from 07/16/2019 through 08/15/2019	
32	10836	9/1	\$ 170.63	CR&R incorporated - Tonnage for 40-Yard Bin for Clean-Up Event 06/29/2019	
33	10837	9/1	\$ 835.80	CRC Cloud-Maint&Support for Aug 2019;Renew SiteGround for District Website One-Year	
34	10838	9/1	\$ 1,585.05	Danlels Tire Service - Restock (8) Recaps & (1) Repair	
35	10839	9/1	\$ 279.67	Hose-Man Inc. - (2) Air Hoses for NG10 and for Restock	
36	10840	9/1	\$ 885.65	Jaycox Construction -(6)Belts for CNG Station;Call-Out Service for CNG Station on 2/12/2019	
37	10841	9/1	\$ 1,839.96	Los Alamitos Napa Auto Parts - Restock (7) Air Filters, (6) Fuel Filters, (6) Oil Filters,	
38				(10) Hydraulic Fittings, (4) Air Horns	
39	10842	9/1	\$ 600.20	Merchants Building Maintenance - District Offices Janitorial Services for August 2019	
40	10843	9/1	\$ 24,915.65	Pro-Vision, Inc. - Payment in Full Less 5% Discount for (20) Camera System Installations	
41	10844	9/1	\$ 127.00	Rutan & Tucker - Legal Services for May & July 2019	
42			\$ 191,283.04	REGULAR CHECKS SUBTOTAL	
43					
44				PAYROLL	
45		8/27	\$ 68,221.93	Payroll - Staff Checks Taxes & Direct Deposits	
46		8/27	\$ 220.67	Payroll - Staff Checks Taxes & Direct Deposits	
47		8/27	\$ 2,271.94	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)	
48		8/27	\$ 1,000.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)	
49		8/27	\$ 660.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)	
50			\$ 72,374.54	PAYROLL SUBTOTAL	
51					
52				ACH TRANSFERS	
53		8/28	\$ 1,050.00	ACH Retirement Payment to CalPERS for GASB 68 Reporting Services Fee	
54			\$ 1,050.00	ACH TRANSFERS SUBTOTAL	
55					
56			\$ 286,575.75	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL, ACH TRANSFERS)	
57					

A motion was made by Director A. Krippner, seconded by Director A. Nguyen, to approve the expenditures in the amount of \$ 286,575.75. The motion was approved by the following 5-0 vote:

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

REPORTS

Report of President

None

Report of General Manager

GM K. Robbins reported that there were a few supervisory alarm call outs over the Labor Day weekend due to the heat. Sewer maintenance was called out on Saturday, August 31, 2019 and GM K. Robbins was called out on Sunday, September 1, 2019. He reported that the system was put on bypass and is working normal as of today, Tuesday, September 3, 2019. He added that the District is going on two years without a sewer spill.

GM K. Robbins stated that the District will be working with legal counsel to find out what PERS says the District can and cannot do regarding a possible part-time summer internship program for next year with Westminster high school. The internship would be to assist with the District's bulky item program which has grown tremendously. The District could use additional help and if the intern works out, it could lead to permanent employment.

Director A. Krippner stated that he would like the new Westmont school on Heil recognized by the District.

GM K. Robbins stated that he would look into it and report back.

Report from the Orange County Sanitation District (OCSD) Meeting on August 28, 2019

Director A. Nguyen reported that OCSD has lost approximately \$29 million over the last five years through their OCERS unfunded pension liability.

Report from the Luncheon for MCSD Retiring Lead Mechanic Juan Salce on August 28, 2019

Directors M. Rice and A. Krippner attended and both said that Juan Salce had a wonderful time and loved and appreciated the custom belt buckle given to him.

CONSENT CALENDAR

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

A motion was made by Director M. Rice, seconded by Director S. Contreras, to approve the Consent Calendar. The motion was approved by the following 5-0 vote:

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

OLD BUSINESS

None

NEW BUSINESS

A. RESOLUTION NO. 2019-13

(Roll Call Vote)

A RESOLUTION NO. 2019-13 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2019-2020 FOR THE DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 9 OF TITLE 1 OF THE CALIFORNIA GOVERNMENT CODE

Finance/HR Director R. Housley stated that this resolution had already been adopted prior to the fiscal year, however during the audit process a typographical error was found so the resolution needed to be updated and readopted in order for the District to be in compliance.

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 adoption of Resolution No. 2019-13. The motion was approved by the following 5-0 roll call vote:

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

B. RESOLUTION NO. 2019-14

(Roll Call Vote)

A RESOLUTION NO. 2019-14 OF THE (GOVERNING BODY) OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM

Finance/HR Director R. Housley stated that SDRMA has updated their MOU guidelines for dental insurance in order to be in compliance with the IRS, and the District, in order

to stay within the program, also needs to readopt the MOU between the District and SDRMA to stay in compliance.

A report of a summary of Staff's recommendation was provided and considered by the Board. A motion was made by Director M. Rice, seconded by President C. Nguyen, to adopt Resolution No. 2019-14. The motion was approved by the following 5-0 roll call vote:

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

NAYS:

ABSTAIN:

ABSENT:

C. Consider Approval of Paying \$522,364 Dollars towards the District's Pension Plans' Unfunded Accrued Liability and Receive and File the CalPERS June 30, 2018 Annual Valuation Reports

Finance/HR Director R. Housley stated that at the last meeting, the Board approved opening a new prefund trust account for the future. MCSD has three different retirement plans and the valuation reports came in for those three plans. He explained that this is brought back to the Board each year in order to pay the unfunded liability portion of those retirement plans. All three plans are within the 90% funded status and the biggest change is with the assumptions, with the rate of return being reduced to 7%. By paying \$522,364 in advance, the District will save \$436,000 in interest payments.

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 M. Rice, to approve paying \$522,364 towards the District's pension plans' unfunded accrued liability and receive and file the CalPERS June 30, 2018 annual valuation reports. The motion was approved by the following 5-0 vote:

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

NAYS:

ABSTAIN:

ABSENT:

D. Consider Approval of 2020 Midway City Sanitary District Annual Calendar

There was discussion regarding the color of the cover of the calendar

A motion was made by Director S. Contreras, seconded by Director M. Rice, to change the color of the cover from green to blue. The motion was approved by the following 4-1 vote:

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

A motion was made by Director M. Rice, seconded by Director S. Contreras, to rescind the previous motion. The motion was approved by the following 4-1 vote:

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

A motion was made by Director S. Contreras, seconded by Director M. Rice, to change all green on the calendar to royal blue, with the exception of graphics.

A substitute motion was made by President C. Nguyen to leave it as it was with the previous motion and only change the cover from green to blue. The substitute motion died due to a lack of a second.

The original motion made by Director S. Contreras, seconded by Director M. Rice was approved by the following 4-1 vote:

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

A motion was made by Director S. Contreras, seconded by Director M. Rice, to put a notation on each actual square with the date on the calendar of the Board meetings and a notation at the bottom that states Board meetings are held on the first and third Tuesday of the month, subject to change, on each calendar page. The motion was approved by the following 4-1 vote:

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

Director A. Krippner stated that the glossy paper is difficult to write on.

There was discussion by the Board as to whether to change the paper from glossy, but no motion was made.

Legal Counsel J. Eggart advised the Board that Staff's recommended action was for the Board to approve the calendar with changes and suggested that the Board take action to clarify whether it intended that the calendar be approved, subject to the voted on

changes, or whether it wanted the General Manager to bring the calendar back to the Board for review and final approval after the voted upon changes are made.

GM K. Robbins stated that he was asking for approval with the changes.

A motion was made by Director M. Rice, seconded by President C. Nguyen, giving the General Manager the authority to oversee and approve the 2020 MCSD annual calendar, with changes, and without further approval. The motion was approved by the following 4-1 vote:

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

NAYS:

ABSTAIN: A. Krippner

ABSENT:

E. Consider General Manager Vacation Request – October 19, 2020 through November 6, 2020, for a total of Fifteen (15) Days and Approval of Acting Pay for Finance/HR Director for the Fifteen (15) Days

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 President C. Nguyen, to approve the General Manager's vacation request and approve acting pay for the Finance/HR Director. The motion was approved by the following 4-1 vote:

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

NAYS:

ABSTAIN: A. Krippner

ABSENT:

INFORMATIONAL ITEMS

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

BOARD CONCERNS/COMMENTS

Director M. Rice thanked the Board for agreeing to change the color of the calendar from green to blue.

President C. Nguyen wished Director A. Krippner a happy birthday.

GM/STAFF CONCERNS/COMMENTS

GM K. Robbins wished Director A. Krippner a happy birthday and stated that he was glad everyone had a good Labor Day weekend. He thanked the Board for continuing to move the District forward and stated that their decision to prepay CalPERS was good as well as prudent.

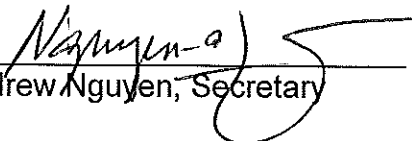
Finance/HR Director R. Housley reported that the auditors had finished the field audit and that the District is now waiting to get the financials back. He stated that he was hopeful that they would do a presentation reporting their findings to the Board during one of the meetings in October. He also stated that the District received the paperwork from the CEPPT trust that was approved at the last meeting and that MCSD is the first agency in the state of California with a CalPERS 115 trust.

GENERAL COUNSEL CONCERNS/COMMENTS

None

ADJOURNMENT

President C. Nguyen adjourned the meeting to Tuesday, September 17, 2019 at 5:00 P.M. at the District office at approximately 5:57 P.M.



Andrew Nguyen, Secretary