

**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**

August 20, 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, Westminister, California on Tuesday, August 20, 2019 at 5:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Margie L. Rice
Andrew Nguyen
Sergio Contreras (arrived at 5:08 P.M.)
Chi Charlie Nguyen

OTHERS AT MEETING:

Kenneth Robbins, General Manager
Robert Housley, Finance/HR Director
James Eggart, General Counsel
Danielle Gerardo, Board Secretary
Thanh Tran, CR&R

PLEDGE AND INVOCATION

Director A. Nguyen led the Pledge of Allegiance. Director M. Rice gave the Invocation.

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF AUGUST 6, 2019

A motion was made by Director A. Nguyen, seconded by Director A. Krippner, to approve the minutes of the regular meeting of August 6, 2019. The motion was approved by the following 4-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: S. Contreras

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 191,194.39

#	CK #	Date	AMOUNT	VENDOR	
1				HANDCUT CHECKS:	
2	10786	8/6	\$ 258.57	Cintas - Uniform Services for August 2019	
3	10787	8/6	\$ 280.00	Crystal Clear Fleet & Auto Detailing - Wash & Detail Fleet Trucks for 8/05	
4	10788	8/6	\$ 538.67	Staples Business Credit - Restock District Office Supplies for July 2019	
5	10789	8/6	\$ 2,981.42	US Bank (District Credit Card) -	
6				(DG) CSDA Webinar Records Retention and Document Management 07/30/2019 (DG)	\$ 65.00
7				(DG) CSDA Webinar Records Retention and Document Management 07/30/2019 (LL)	\$ 65.00
8				DG Total	\$ 130.00
9				(RH) Roundtrip Flight for CalPERS Educational Forum Oakland 10/28/2019-10/29/2019	\$ 408.96
10				(RH) Water Svcs. JLY/AUG-2019	\$ 68.00
11				(RH) City of Westminster - Water - Dist. Offices 05/08/19-07/02/19	\$ 116.76
12				(RH) City of Westminster - Water - Wash Rack 05/08/19-07/02/19	\$ 75.57
13				(RH) City of Westminster - Water - Maint. Shop 05/08/19-07/02/19	\$ 15.63
14				(RH) City of Westminster - Water - Hydrant Meter Usage 06/15/19-07/15/19	\$ 56.23
15				RH Total	\$ 741.15
16				(NC) CWEA SARBS Classic Collections Summer Seminar 2019	\$ 55.00
17				(NC) CWEA SARBS Classic Collections Summer Seminar 2019 (RG, CR, AG, MJ)	\$ 295.00
18				(NC) (2) Relays for NG2	\$ 10.77
19				(NC) Restock District Kitchen Supplies JLY-2019	\$ 175.83
20				(NC) Yard Sprinkler Supplies for Repair	\$ 46.38
21				(NC) CWEA Annual Membership Renewal	\$ 192.00
22				NC Total	\$ 774.98
23				(RG) Restock Sewer Supplies for JUN-2019	\$ 78.00
24				RG Total	\$ 78.00
25				(LL) Food for VSP Lunch & Learn Meeting 06/26/2019	\$ 65.98
26				LL Total	\$ 65.98
27				(KR) 80th Open House Photos	\$ 30.68
28				(KR) Meeting with Board President 6/26	\$ 10.15
29				(KR) 80th Open House Poster Board & Photos Framing	\$ 380.48
30				(KR) Hamburger Buns & Cheese for 06/29 Clean Up Event Staff	\$ 33.96
31				(KR) (4) 8x10 Photo Prints	\$ 7.71
32				(KR) Frame for 2019 CSDA Article on District's Organic Program	\$ 129.35
33				(KR) (2) Boxes of Event Box Liners for Restock	\$ 45.65
34				(KR) Donuts for Staff 7/18	\$ 22.48
35				(KR) Warcom JLY-2019	\$ 530.85
36				KR Total	\$ 1,191.31

37	10790	8/12		VOID Incorrect Dollar Amount
38	10791	8/12	\$	465.79 Cintas - Uniform Services for August & (5) Embroidered Polos for Board Directors
39	10792	8/12	\$	140.00 Crystal Clear Fleet & Auto Detailing - Wash & Detail Fleet Trucks for 8/06
40	10793	8/12	\$	158.23 DirecTV - Service for August 2019
41	10794	8/12		VOID Incorrect Spelling of Payee
42	10808	8/12	\$	275.00 Griffith, Randy - 2019 CWEA Renewal
43	10809	8/12	\$	1,770.00 Viet-Nam California Radio - Reprint of Ck. No. 10694
44	10810	8/12	\$	4,937.50 Trendzfitons - 50% Retainer for TrendzFit Services
45			\$	11,805.18 HANDCUT CHECKS SUBTOTAL
46				
47				REGULAR CHECKS:
48	10795	8/12	\$	65.00 Asbury Environmental Services - Picked-Up (300) Used/Mixed Oils
49	10796	8/12	\$	1,605.87 Bodyworks Equipment - Restock (20) Rocker Switches, (2) Inner Arms, (1) Husco Control Box, 50 (2) Tubes, (1) Interface Box
51	10797	8/12	\$	38,829.36 CR Transfer - Tonnage from 07/16/2019 through 07/31/2019
52	10798	8/12	\$	1,078.30 Daniels Tire Service - Restock (5) Recaps & (2) Repairs
53	10799	8/12	\$	48.79 Hilco Fastener Warehouse - Restock (10) Bolts & (20) Flat Washers
54	10800	8/12	\$	795.07 Los Alamitos Napa Auto Parts - Restock (2) Mother's Aluminum Polish & (50) Ft. Hydraulic Hosing
55	10801	8/12	\$	1,041.97 NVB Equipment - A/C Service & Repair for NG9
56	10802	8/12	\$	346.00 Orange County Health Care Agency - Above Ground Storage Tank 07/01/2019-06/30/2020
57	10803	8/12	\$	35,798.85 Orange County Sanitation District - Permit Fees for July 2019 (MCSD 5% = \$1,884.15)
58	10804	8/12	\$	2,005.04 Orange County Sanitation District - FOG Inspections 2018-2019 Q4
59	10805	8/12	\$	992.55 Top Mobile Vision - Labor & Parts for (1) 64GB Micro SD Card for NG14, (2) 65GB Micro SD Cards 60 for NG13, & (2) 40ft. Video Cables for NG2.
61	10806	8/12	\$	19.90 Underground Service Alert - (6) New Tickets for July 2019
62	10807	8/12	\$	1,485.00 Woodruff, Spradlin & Smart - Legal Services for July 2019
63			\$	84,111.70 REGULAR CHECKS SUBTOTAL
64				
65				PAYROLL
66		8/2	\$	5,354.84 Board of Director's Payroll for the Month of July 2019
67		8/2	\$	416.37 Board of Director's Nationwide Deferred Compensation for July 2019 (100% Paid By Directors)
68		8/13	\$	69,926.69 Payroll - Staff Checks Taxes & Direct Deposits
69		8/13	\$	2,271.94 Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
70		8/13	\$	1,500.00 Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
71		8/13	\$	660.00 Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
72			\$	80,129.84 PAYROLL SUBTOTAL
73				
74				ACH TRANSFERS
75		8/12	\$	11,568.56 ACH Retirement Payment to CalPERS for Classic 8583 07/15/2019-07/28/2019
76		8/12	\$	2,220.89 ACH Retirement Payment to CalPERS for PEPR 07/15/2019-07/28/2019
77		8/12	\$	1,358.22 ACH Retirement Payment to CalPERS for Classic 8584 07/15/2019-07/28/2019
78			\$	15,147.67 ACH TRANSFERS SUBTOTAL
79				
80			\$	191,194.39 TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL, ACH TRANSFERS)
81				
82				BANK TRANSFERS
83		8/1	\$	500,000.00 Transfer Funds from LAIF to Checking Account

A motion was made by Director A. Krippner, seconded by Director A. Nguyen, to approve the expenditures in the amount of \$ 191,194.39. The motion was approved by the following 4-0 vote:

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

NAYS:

ABSTAIN:

ABSENT: S. Contreras

REPORTS

Report of President

President C. Nguyen reported that he met with the District's auditors on Monday, August 19, 2019 and that there were no concerns to report.

Report of General Manager

GM Robbins reminded the Board of the luncheon for retiring Lead Mechanic, Juan Salce on Wednesday, August 28 at noon.

GM K. Robbins stated that he would be out of the office on Monday, August 26, 2019 in order to play in the annual Westminster Boys' and Girls' Club Golf Tournament.

GM K. Robbins reported that the District received seven applications for the Relief Driver/Utility Worker position. Staff interviewed the top three qualified applicants and were currently in the process of doing background checks. He also stated that due to Lead Mechanic, Juan Salce's retirement, there will be a mechanics position opening up and that several of the District's current employees have expressed interest in it. Staff is planning to test all applicants on their knowledge for the position. Whoever is hired for that position will be sent to school for instruction for the District's trucks.

Director S. Contreras arrived at the meeting at 5:08 P.M.

Report from the City of Westminster Summer Concerts on August 8 & 15, 2019

Directors A. Krippner, A. Nguyen and C. Nguyen attended the City of Westminster's Summer Concerts and felt that there was a good turnout.

Report from the MCSD Clean Up Event on August 10, 2019

Director A. Nguyen stated that he feels that the District needs to do another clean up event in that neighborhood (Westminster Village Park) because the bins were full by 11:30 A.M. and a lot of people were turned away towards the end.

President C. Nguyen agreed and thanked Thanh Tran from CR&R for providing the bins.

Director A. Krippner stated that he agrees that more clean up events are needed at all the locations.

Director S. Contreras stated that he was surprised at how fast the bins were filled and that he is grateful to MCSD staff for their hard work.

Report from CR&R – 2nd Quarter Tonnage Report

Thanh Tran from CR&R reported that the second quarter tonnage numbers continue to be above 50%. He stated that the Southeast Resource Recovery Facility (SERRF), which burns waste to make energy, was closed for the month of June and that it lowered the District's numbers because that tonnage could not be diverted. He also noted that the numbers for the District's green organics carts look good.

CONSENT CALENDAR

- A. Approve and file the Treasurer's Investment Report for July 2019
- B. Receive and File the California Employers' Retiree Benefit Trust (CERBT) Program Financial Statement for the Quarter Ended June 30, 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:

Thanh Tran from CR&R left the meeting at 5:23 P.M.

OLD BUSINESS

None

NEW BUSINESS

A. Consider and Approve the Establishment of a California Employers' Pension Prefunding Trust (CEPPT) Account with CalPERS for the Purpose of Prefunding the Midway City Sanitary District's Required Pension Contributions and Authorize an Initial \$2,500,000 Payment to Develop the Trust Account

Finance/HR Director R. Housley stated that in 2010 the District set up a 115 trust fund for the District's Other Post Employment Benefits (OPEB) for health care. It can only be used for future retirees' health care and is protected from creditors. The District initially invested approximately \$187,000 and has since invested another \$4.2 million. He stated that, as of this date, there is approximately \$5.5 million, with the District receiving almost \$1.5 million in interest. The California Employers' Pension Prefunding Trust (CEPPT) is a new program now being offered by CalPERS for the District's future unfunded liabilities and will give the District a better return on its monies.

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 Director A. Krippner, to approve staff's recommendation to 1) Approve the California Employers' Pension Prefunding Trust Program Agreement with CalPERS, 2) Approve the Delegation of Authority, appointing the General Manager and Director of Finance and Human Resources, to administer and request disbursements from the California Employer's Pension Prefunding Trust, 3) Approve the California Employers' Pension Prefunding Trust (CEPPT) Certification of Funding Policy, and 4) Approve the initial funding investment of \$2,500,000 to develop the trust account. 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:

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 stated that she continues to be concerned that the tonnage CR&R reports are not higher. She also thanked Finance/HR Director R. Housley for his report and stated that the District's employees are lucky to have him looking out for them.

Director S. Contreras inquired about possible stickers for the District's containers to remind residents of what goes into each container.

GM K. Robbins stated that the cost for that is too high and that the District's new containers come with a permanent sticker already attached. He stated that the District does individual audits of streets and/or communities that need to be educated on what goes where, that the District's list of what goes into each container has been translated into Spanish and Vietnamese and has been added to the annual calendar, the District's website, all flyers and newsletters that go out, and that it is on all new containers that are given to residents when containers are exchanged.

GM/STAFF CONCERNS/COMMENTS

GM K. Robbins thanked the Board for approving to prefund the District's retirees' benefits and stated that it will save the District a large amount of money.

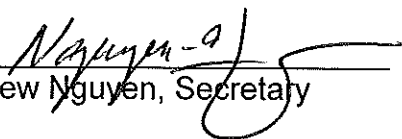
Finance/HR Director R. Housley stated that it is a multi-year and multi-pronged approach for the future of the District.

GENERAL COUNSEL CONCERNS/COMMENTS

None

ADJOURNMENT

President C. Nguyen adjourned the meeting to Tuesday, September 3, 2019 at 5:00 P.M. at the District office at approximately 5:35 P.M.



Andrew Nguyen, Secretary