

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

June 7, 2011

CALL TO ORDER

President Rice called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, June 7, 2011 at 4:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Frank Cobo
Margie L. Rice
Tyler Diep
Joy L. Neugebauer

OTHERS AT MEETING:

Ken Robbins, Assistant General Manager
Robert Housley, Finance Director
Tom Nixon, District Counsel
Julia Sales, Administrative Secretary

PLEDGE AND INVOCATION

President Rice led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

APPROVAL OF THE AMENDED MINUTES OF THE MEETING OF MAY 17, 2011

A motion was made by Director Diep, seconded by Director Neugebauer to approve the amended minutes of the meeting of May 17, 2011. The motion was approved by the following vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo, and Rice
NOES: None

APPROVAL OF THE AMENDED MINUTES OF THE MEETING OF MAY 19, 2011

A motion was made by Director Neugebauer, seconded by Director Diep to approve the amended minutes of the meeting of May 19, 2011. The motion was approved by the following vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo, and Rice
 NOES: None

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 255,282.19

#	CK #	CK AMOUNT	VENDOR
1	4578	740.95	Advanced Gas Products - Monthly Cylinder Rental, Compressed Gas, Restock Acetylene,
2			Compressed Gas, Gloves, Grinding Wheel
3	4579	204.00	Advanced Workplace Strategies - Random Drug Testing (SP, JQ)
4	4580	4,385.21	Bodyworks - Replace Crank Gears for T61 \$326.25, Replace Loader Arm on T62 \$4,058.96
5	4581	75.00	Cal's Sweeper Services - Services for May 2011
6	4582	26,144.58	CalPERS Fiscal Services - GASB 45 OPEB ARC Contribution for FY 2010 - 2011
7	4583	2,670.00	CleanFleets.net - Field Technician Services Inspection Phase 1
8	4584	2,674.70	Daniel's Tire Service - Restock (12) New Tires
9	4585	166.56	Darrell Grimes - Reimbursement for education expenses
10	4586	342.82	Dartco - Restock Filter Kits (6)
11	4587	6,094.95	Fleet Service - Regen Panel and Installation for M63 & M64
12	4588	431.82	G & K Services - Uniform Rental Services for May 2011
13	4589	59.05	Grainger - Respirators (2)
14	4590	52.97	Huntington Beach Ford - V-Belt for T4
15	4591	3,500.00	James F. McConnell Attorney At Law - Fee for Lobbying Services for Apr 2011

16	4592	2,916.39	Los Angeles Freightliner - Replace Front Bumper, Step, Step Brace, Side Nameplate, Reflector on T62
17	4593	142.70	Neugebauer, Joy - Insurance Reimbursement Jun 2011
18	4594	486.87	Quality Air - Parts & Labor for A/C on T62
19	4595	4,899.00	Rutan & Tucker, LLP. - Professional Legal Fees for Apr 2011
20	4596	VOID	Printer Malfunction
21	4597	1,012.31	Top Mobile Vision - Replace Damaged Video Cable on Camera for T65 and T53
22	4598	276.00	Wespac Security Services - Monitoring Services for 4/2011-6/2011
23	4599	8,852.00	Woodruff, Spradlin & Smart - Legal Services for Apr 2011
24	4600	1,322.71	Los Alamitos Auto Parts - Credit for Core Return, Replace V-Belt on M64, Restock Air Hoses, Replace
25			Tubes on G2, Restock Serp Belt, Fittings, Hydraulic Hoses, Coolant Filter, Restock Oil Filters, Lights (2)
26	4601	5,340.57	CalPERS - Retirement for Service Period 05-2011-04
27	4602	4,452.65	OCSD - Permit Fees for May 2011 (MCSD 5%= \$234.35)
28	4603	386.10	Tec Of California - Restock Clamps, Replace A/C Hose, Headlamp & Receiver on T62
29		77,629.91	SUBTOTAL
30			
31			ADD HANDCUT CHECKS:
32	4562	505.23	David Hernandez - Reimbursement of over deduction of Nationwide 457
33	4563	191.98	Phillip Mariscal - Reimbursement of over deduction of Nationwide 457
34	4564	93.17	AT&T - Internet Brookhurst Lift Station (714) 531-0272
35	4565	376.50	Blue Shield of California - Nancy Gilbert COBRA Insurance for Jun 2011
36	4566	43,996.48	CalPERS Health - Health Premiums for June 2011
37	4567	1,662.19	DJ Printing - Print and Mail Public Hearing Notice For Commercial Sewer Use Changes
38	4568	78.10	Gas Company - Fleet Maintenance (\$53.27), District Offices (\$24.83)
39	4569	491.86	Verizon Business - Internet Connection for Scada System May 2011
40	4570	523.34	City of Westminster - Maintenance Shop Water (\$14.39), Wash Rack Water (\$242.12)
41			District Office Water (\$266.83) 3/23 - 5/17/2011

42	4571	40.00	City of Westminster - Hydrant Meter for Apr 2011
43	4572	2,156.76	Southern California Edison - Archives & Parking Garage \$69.41, District Office \$213.24, Maint Shop
44			\$525.48 Brookhurst Lift Station \$168.39, Westminster Lift Station \$457.86 Willow Lift Station \$235.71
45			Hammon Lift Station \$ 486.67
46	4573	471.04	Standard Life Insurance - Premiums for Jun 2011
47	4574	633.91	AT&T Mobility - (KR) 714 310-2313 / (AC) 714-310-4406 / (NC) 714-310-8653
48			Sewer 714-310-8654 / Emergency 714-310-9004
49	4575	939.77	Office Max - Office Supplies
50	4576	223.08	Union Bank First Bankcard - (NC) Restock Water, Coffee, Cups, Cleaning Supplies
51	4577	797.77	Verizon CA - Monthly Service - District Fax; 893-3553/893-3554/897-5368
52			District Phones; (714) 893-2299/ 903-1863/ 903-6154/ 903-6274 Lift Stations
53		130,811.09	SUBTOTAL PLUS HANDCUTS
54			
55			Payroll
56		56,621.43	Payroll Date 5/17/11 Staff Chk #15041-15049 Taxes & Direct Deposits
57		2,779.26	Payroll Date 5/17/11 Nationwide Deferred Compensation
58		55,917.27	Payroll Date 5/31/11 Staff Chk #15054-15061 Taxes & Direct Deposits
59		1,610.70	Payroll Date 5/31/11 Nationwide Deferred Compensation
60		7,060.64	Board of Director's Payroll for the Month of May 2011 Chk # 15051 - 15053
61		481.80	Board of Director's Nationwide Deferred Compensation for the Month of May 2011
62			
63		255,282.19	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Neugebauer to approve the expenditures in the amount of \$ 255,282.19. The motion was approved by the following vote:

Director Neugebauer clarified that check number #4592 was for a bumper, not a pumper and that the money being paid out was for the T62 solid waste truck.

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

REPORTS

Report of President

President Rice stated that she met with Huntington Beach Mayor, Joe Carchio regarding the proposed skate park and that he assured her that he would be cooperative with the District on the project.

Report of Assistant General Manager

AGM Robbins reported that truck #T55 broke a front spring suspension and the Board will see the cost on the expenditures for approximately \$2,600.00. All of the refuse trucks were inspected and it was found that several other trucks also need theirs replaced. MCSD is waiting for price quotes before having the front spring suspensions replaced.

AGM Robbins announced that MCSD has applied for an Outreach Grant with Cal Recycle in the amount of \$24,116.00. He is also working with lobbyist James McConnell on another grant with Clean Cities Coalition. There is a meeting set up for June 22, 2011.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the OCSD Operations Committee met on Wednesday, May 25, 2011.

The new Clerk of the Board, Maria Ayala, started work on May 31, 2011. She was selected from over 100 applicants for the position.

The contract has been set for one of the SARI Line improvements.

A team was formed for an assessment of efficiencies and costs savings.

The OCSD June 1, 2011 meeting was cancelled due to a lack of agenda items.

Members of the Operations Committee will attend the administrative committee meeting on Wednesday, June 8, 2011, at which there will be review of the two year budget.

Director Neugebauer asked if the night work on Magnolia and Bolsa has affected the District in any way.

AGM Robbins assured Director Neugebauer as well as the other Directors that MCSD is not being negatively affected.

Report from Orange County Water Summit

Director Diep reported that the presentation that registered the most to him was the discussion on earthquakes. According to the presentation, Southern California is due to have a major earthquake and that it will most definitely disrupt the State's water supply.

Director Cobo agreed with Director Diep and commented that the economy in Orange County will suffer. He was impressed with the maps showing the fault lines and found it all very educational and interesting.

President Rice stated that MCSD needs a plan to be prepared for an earthquake.

Director Krippner agreed that it is vital that MCSD is prepared for an earthquake.

President Rice directed Director Krippner to get a plan in place.

The Board discussed earthquakes and how important it is to be prepared for disaster.

Director Neugebauer stated that she found the Summit well organized and fast moving. She felt that the most impressive speaker was Tom McClintock, U.S. House of Representatives, and in addition to his presentation, had the ability to field and answer every question well. She also felt there was an over emphasis on the Hoover Dam.

President Rice asked about Metropolitan Water and Director Neugebauer responded that little was said about it. The focus was on water as a resource and how it can be better collected and moved throughout the State.

Director Neugebauer expressed her disappointment that Dr. Lucy Jones was the last speaker, which did not allow her enough time to share all of her information.

Director Neugebauer added that the exhibits were exceptional and especially liked the shopping bags that said '*I used to be a plastic bag*'. She stated that she felt that MCSD should try to acquire some of them to hand out on Westminster's Safety Day. Staff was instructed to inquire with Orange County Water District to see if there were any left over.

CONSENT CALENDAR

- A. Approval of the Request of Fleet Maintenance Supervisor Juan Salce to Receive 80 Hours of Vacation Pay in Lieu of Time Off
- B. Approval of the Request of Solid Waste Driver Ignacio Gonzalez to Receive 80 Hours of Vacation Pay in Lieu of Time Off

C. Review Request of Assistant General Manager Robbins to Receive 40 Hours of Vacation Pay in Lieu of Time Off

A motion was made by Director Diep, seconded by Director Neugebauer to approve the items on the consent calendar.

Director Krippner requested that each item be pulled separately for discussion. His intention was to make it clear that he believed that under the MOU regulations that increments of eight hours could be paid in lieu of time off, but not consecutively in 40 or 80 hours.

President Rice asked for Legal Counsel, Tom Nixon to clarify that per the MCSD Contract, the employees are allowed to take vacation time paid in lieu of time off.

Legal Counsel, Tom Nixon confirmed that employees are allowed to take the vacation time paid in lieu of time off at the discretion of the Board.

A. Approval of the Request of Fleet Maintenance Supervisor Juan Salce to Receive 80 Hours of Vacation Pay in Lieu of Time Off

A motion was made by Director Neugebauer, seconded by Director Diep to approve Juan Salce to receive 80 hours of vacation pay in lieu of time off. The motion was approved by the following vote:

AYES: Directors Diep, Neugebauer, Cobo and Rice
NOES: None
ABSTAIN: Director Krippner

B. Approval of the Request of Solid Waste Driver Ignacio Gonzalez to Receive 80 Hours of Vacation Pay in Lieu of Time Off

A motion was made by Director Neugebauer, seconded by Director Cobo to approve Ignacio Gonzalez to receive 80 hours of vacation pay in lieu of time off. The motion was approved by the following vote:

AYES: Directors Diep, Neugebauer, Cobo and Rice
NOES: None
ABSTAIN: Director Krippner

C. Review Request of Assistant General Manager Robbins to Receive 40 Hours of Vacation Pay in Lieu of Time Off

Director Neugebauer verified that AGM Robbins' contract states that he is eligible for his vacation time paid in lieu of time off – the same as the MOU regulations.

Legal Counsel, Tom Nixon confirmed that AGM Robbins was eligible for vacation time paid in lieu of time off – the same as the MOU regulations per his contract.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve Assistant General Manager Robbins to receive 40 hours of vacation pay in lieu of time off. The motion was approved by the following vote:

AYES: Directors Diep, Neugebauer, Cobo and Rice
NOES: None
ABSTAIN: Director Krippner

OLD BUSINESS

None

President Rice asked the Board to consider skipping to New Business Item E before continuing to item A.

A motion was made by Director Neugebauer, seconded by Director Diep to bring forward New Business, Item E - Discuss and Consider a Covenant and Agreement for Provision of Sewer Services with the City of Huntington Beach prior to New Business item A. The motion was approved by the following vote:

AYES: Directors Diep, Neugebauer, Cobo and Rice
NOES: None
ABSTAIN: Director Krippner

NEW BUSINESS

E. Discuss and Consider a Covenant and Agreement for Provision of Sewer Services with the City of Huntington Beach

Representatives from the City of Huntington Beach, California Skateparks and Van's Design Team discussed logistics of the proposed skate park with the Board of Directors.

A motion was made by Director Diep, seconded by Director Neugebauer to have an agreement between the City and the District prepared by Legal Counsel and then brought back to the Board. The motion was approved by the following vote:

President Rice directed Legal Counsel, Tom Nixon to prepare an agreement.

AYES: Directors Diep, Neugebauer, Cobo and Rice
NOES: None
ABSTAIN: Director Krippner

A. Consider Setting a Date for a Study Session in July to Hear the Report from Sean Edgar (Consultant) of Clean Fleets

A motion was made by Director Neugebauer, seconded by Director Diep to hold a study session on July 12, 2011 at 4:00 P.M. The motion was approved by the following vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

B. Resolution No. 2011-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2011-2012 FOR THE DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 9 OF TITLE 1 OF THE CALIFORNIA GOVERNMENT CODE

A motion was made by Director Diep, seconded by Director Neugebauer to approve Resolution No. 2011-04. The motion was approved by the following roll call vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

C. Resolution No. 2011-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING A POLICY APPLICABLE TO DISTRICT DEPOSITS AND INVESTED FUNDS

Director Neugebauer clarified with Finance Director Housley that the funds are not limited to the current list.

A motion was made by Director Neugebauer, seconded by Director Diep to approve Resolution No. 2011-05. The motion was approved by the following roll call vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

D. Resolution No. 2011-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING THE ANNUAL STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2011-2112 (JULY 1, 2011 THROUGH JUNE 30, 2012)

The Board discussed the wording of Resolution No. 2011-06 and clarified that the wording should be clear that one Elected Official must sign along with any Staff or Elected Official. Legal Counsel, Tom Nixon will amend the end of section three in Resolution No. 2011-06 to reflect ‘...for any such transaction, any one of the two signatories shall be a Board Member...’.

A motion was made by Director Neugebauer, seconded by Director Diep to approve Resolution No. 2011-06 with amendment by Legal Counsel. The motion was approved by the following roll call vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

F. Consider Attendance of Sewer Crew at Collections Seminar on July 21, 2011

A motion was made by Director Neugebauer, seconded by Director Diep to approve the Sewer Crews attendance at the Collections Seminar on July 21, 2011. The motion was approved by the following vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

G. Consider Approving and Confirming Attendance to the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on Thursday, June 30, 2011

A motion was made by Director Diep, seconded by Director Krippner to approve attendance of The Board and Staff to the ISDOC Quarterly Meeting on Thursday, June 30, 2011. The motion was approved by the following vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

H. Consider Awarding Two Midway City Sanitary District Employees with Safety Awards

A motion was made by Director Neugebauer, seconded by Director Diep to approve a Safety Awards ceremony with a luncheon. The motion was approved by the following vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

I. Consider Hiring BHI Management Consulting for a Planning Workshop in September 2011

A motion was made by Director Neugebauer, seconded by Director Krippner to delay this item until the first regular meeting of July. The motion was approved by the following vote:

AYES: Directors Krippner, Diep, Neugebauer, Cobo and Rice
NOES: None

BOARD CONCERNS/COMMENTS

Director Krippner stated that during the proceedings today, he was offended by some of the things that were said by two of the Directors.

The Board discussed what should or should not be done during Board meetings.

Director Cobo stated that he is happy to be here working together with the Board in a positive way for the community and thinks that the Board has accomplished a lot.

Director Neugebauer reported that Shirley Kyper, resident of 5111 Cambridge in Westminster called her to report that the sewer crew was at the intersection cleaning something and found her water backed up onto the bathroom floor.

AGM Robbins explained that MCSD has had two other similar complaints and that it is the house vent pipes that are too small. There was a similar problem a few years ago on Cornell and the MCSD crew lowered the pressure in that area while cleaning the lines and hasn't had any further problems. AGM Robbins announced that MCSD crew will lower the pressure in the Cambridge area as well.

Director Neugebauer reported that while driving, an MCSD sewer truck moved from the left lane across two lanes right in front of her. She stated that it seemed like a dangerous maneuver and that maybe the drivers need more safety training.

Director Neugebauer thanked the Chair for always allowing her to express her concerns and/or issues.

The Board discussed their ability or inability to get the Chair's attention during Board meeting discussions.

President Rice apologized for getting upset earlier in this meeting and announced that the next item will be a five (5) minute recess before going into Closed Session.

CLOSED SESSION

President Rice convened the meeting to closed session at 5:35 P.M. pursuant to Government Code Sections 54957.6.

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.

President Rice reconvened the meeting at 6:05 P.M.

Legal Counsel, Tom Nixon stated that there was no reportable action taken during the closed session.

AGM/STAFF CONCERNS/COMMENTS

AGM Robbins clarified the time that he would pick up the Board Members riding with him to the conference in San Diego on Thursday, June 9, 2011. Director Krippner and Director Diep stated that they will be driving themselves.

Director Neugebauer stated that she, AGM Robbins and Legal Counsel, Tom Nixon attended the memorial service for Thomas Woodruff and that it was a fitting tribute to an outstanding man.

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

None

ADJOURNMENT

President Rice adjourned the meeting at approximately 6:09 P.M.

Joy Neugebauer, Secretary