

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

July 19, 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, July 19, 2011 at 4:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo
Margie L. Rice (departed at 4:36 PM)
Tyler Diep

OTHERS AT MEETING:

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

PLEDGE AND INVOCATION

Director Krippner led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING OF JULY 5, 2011

A motion was made by Director Krippner, seconded by Director Diep to bring back the minutes of the meeting of July 5, 2011, with changes. The motion was approved by a 5-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF JULY 12, 2011

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of July 12, 2011, with changes. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

Mr. Phil Hodges, who is on the Energy Commission for the City of Westminster, addressed the Board and stated his interest in reducing the amount of trash going to land-fills. He also wanted to know what type of fuel the District was using for its fleet, and whether or not the District was interested in changing over to natural gas.

AGM Robbins responded that at this time the District fleet is currently using diesel, but will be starting the changeover to natural gas in the very near future because it must be done prior to the year 2020.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 253,692.56

#	CK #	CK AMOUNT	VENDOR
1	4678	404.82	Advanced Gas Products - Monthly Cylinder Rental, Restock Grinding Wheels (20)
2	4679	963.05	Bodyworks - Restock Parts (Rocker Switches, Limit Switches, Tubes, and Rollers)
3	4680	1161.43	Chemsearch - Maxi-Lube Ultra (1x120LB)
4	4681	727.00	Computer Research Center - Maintenance & Support for Aug 2011
5	4682	18,880.76	County Of Orange Auditor-Controller - FY 2011-2012 LAFCO Fee
6	4683	26,442.22	CR Transfer, Inc. - Tonnage for June 2011
7	4684	1,167.34	Dartco - Restock Filter Kits (8), Push Button for T60
8	4685	375.00	Frog Env., Inc. - 2011/2012 1st Qrty Storm Water Services
9	4686	287.88	G & K Services - Uniform Rental Services for June & July 2011
10	4687	583.74	Golden Bell Products, Inc. - Fleet Operating Supplies (Super Butyl 1x55 Gallon)
11	4688	143.52	Hillco - Fleet Operating Supplies
12	4689	96.26	Hose-Man, Inc. - Replace Fittings and Nuts on T62
13	4690	427.90	Huntington Beach Ford - Coil Assembly for T9
14	4691	8,299.31	Instituform Technologies, Inc. - Rehabilitation & Repair of Sewer Retention Invoice
15	4692	3,500.00	James F. McConnell Attorney At Law - Fee for Lobbying Services for June 2011
16	4693	953.99	Los Alamitos Auto Parts - Restock Filters, Starter Fluid, Hoses and Fittings
17	4694	8,952.80	OCSD - Permit Fees for June 2011 (MCSD 5%= \$471.20)
18	4695	125.06	PSI - Restock Hoses and Double-Wire Braid
19	4696	105,919.69	Rainbow Disposal - Tonnage Fee for June 2011
20	4697	747.66	Rosemead Oil Products, Inc. - Restock All Weather Gear Oil 80W-90
21	4698	3,617.39	Rutan & Tucker, LLP. - Professional Legal Fees for June 2011
22	4699	103.33	Tyler Diep - SDI Conference Travel & Expense Reimbursement
23	4700	15.00	Underground Service Alert - 10 New Tickets June 2011 Services

24			
25		183,895.15	SUBTOTAL
26			
27			ADD HANDCUT CHECKS:
28	4674	629.04	AT&T Mobility - (KR) 714 310-2313 / (AC) 714-310-4406 / (NC) 714-310-8653
29			Sewer 714-310-8654 / Emergency 714-310-9004
30	4675	86.99	DirectTV - Monthly Service June 2011
31	4676	5,611.00	Zenith Insurance Company - Worker's Compensation / Progressive Payment
32	4677	190.98	Office Max - Office Supplies
33			
34		190,413.16	SUBTOTAL PLUS HANDCUTS
35			
36			Payroll
37		61,661.31	Payroll Date 7/12/11 Staff Chk # 15085 - 15092 Taxes & Direct Deposits
38		1,618.09	Payroll Date 7/12/11 Nationwide Deferred Compensation
39		91,712.95	Final Payout for Jon G. Nordbak - Sick \$6,883.80, Vacation \$14,104.15, Severance \$70,725.00
40		253,692.56	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 253,692.56. The motion was approved by a 5-0 vote.

REPORTS

Report of President

President Rice requested that parts of the agenda be moved forward so that she might leave early, but be involved in certain items.

A motion was made by Director Neugebauer, seconded by Director Cobo to move items 9A, 9E, and 9F out of order to the front of the agenda. The motion was approved by a 5-0 vote.

Report of Assistant General Manager

AGM Robbins reported that the Westminster Herald serves 4000 subscribers and the Westminster Journal serves 13,000, and that he had already asked Legal Counsel to find out whether both newspapers are certified.

Legal Counsel stated that he made the determination that they are both certified and that the District is not required to post the public notices in two different newspapers.

Director Neugebauer stated that she would like to use the less expensive Westminster Herald and President Rice stated that she would prefer the larger distributed Westminster Journal. It was agreed that this would be brought back and discussed further at a later date.

AGM Robbins stated that he had scheduled BHI Management Consultants for the study session on September 17, 2011 from 9 AM to 3 PM per the Board's request.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the Operations Committee met on July 6, 2011 and that the authority of the General Manager had been expanded to approve housekeeping details. She reported that a few thousand dollars were spent to hire a design firm to design a better technical approach for treating sewage.

CONSENT CALENDAR

A. Investment Report for June 2011

A motion was made by Director Neugebauer, seconded by Director Diep to approve the Consent Calendar. The motion was approved by a 5-0 vote.

NEW BUSINESS

A. Renewal of Midway City Sanitary District's Commercial Package Insurance Program Proposal for August 1, 2011 – July 31, 2012

AGM Robbins stated that the Board annually renews the District's insurance package as of August 1, and that this year there was an increase of approximately \$10,000 which Scott Snowden of the Rule Group would explain.

Scott Snowden went over the new policy, any changes to the policy, the reason for the increase and answered questions from the Board.

A motion was made by Director Diep, seconded by Director Cobo to approve the new insurance proposal in the amount of \$146,325.50, and does not include the additional pollution policy. The motion was approved by a 5-0 vote.

E. RESOLUTION NO. 2011-11 (represented employees)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

A motion was made by Director Neugebauer, seconded by Director Diep to adopt the resolution and waive further reading. The motion was approved by a 5-0 roll call vote.

F. RESOLUTION NO. 2011-12 (unrepresented employees and the Board)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

A motion was made by Director Neugebauer, seconded by Director Diep to adopt the resolution and waive further reading. The motion was approved by a 5-0 roll call vote.

President Rice asked Director Cobo to take over the meeting for her after a brief recess.

The meeting was adjourned at 4:30P.M., and President Rice departed the meeting at 4:36 P.M.

President ProTem Cobo reconvened the meeting at 4:45 P.M.

OLD BUSINESS

A. Consider the 2011 Midway City Sanitary District Emergency Action Plan

A motion was made by Director Diep, seconded by Director Neugebauer to defer this item to the next agenda. The motion was approved by a 4-0 vote.

B. Response to Grand Jury Report Regarding Compensation Survey of Orange County Water and Sanitation Districts

Director Neugebauer requested several changes to the letter of response from the Board to the Grand Jury.

A motion was made by Director Neugebauer, seconded by Director Diep to return the Grand Jury letter promptly, as amended. The motion was approved by a 3-1 vote, with Director Krippner abstaining.

NEW BUSINESS

A. Renewal of Midway City Sanitary District's Commercial Package Insurance Program Proposal for August 1, 2011 – July 31, 2012

This agenda item was taken out of order earlier in the meeting.

B. Consider Midway City Sanitary District's Participation in the City of Westminster's Founder's Day Parade on October 22, 2011

Director Neugebauer asked what the cost of the event would be.

AGM Robbins stated that it would depend on whether the Board wanted to hire the mariachi band to perform for approximately \$500. The Board directed staff to hire the mariachi band for this occasion.

A motion was made by Director Diep, seconded by Director Neugebauer to approve the District's participation in the parade. The motion was approved by a 4-0 vote.

C. Consider Food Service Options for the August 3, 2011 Employee Lunch

A motion was made by Director Diep, seconded by Director Neugebauer to approve Steiner's BBQ Shack for the employee luncheon. The motion was approved by a 4-0 vote.

D. Confirm Attendance to CASA Conference in San Diego August 10-13, 2011

Directors Diep, Neugebauer and Krippner, and AGM Robbins confirmed their attendance at the CASA Conference. Director Cobo and President Rice will notify staff of their attendance after checking their calendars.

E. RESOLUTION NO. 2011-11 *(Roll Call Vote)*

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT.

This agenda item was taken out of order earlier in the meeting.

F. RESOLUTION NO. 2011-12 *(Roll Call Vote)*

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

This agenda item was taken out of order earlier in the meeting.

G. Consider Attending the Hydrogen Energy Station Celebration at the Orange County Sanitation District on August 16, 2011

A motion was made by Director Diep, seconded by Director Neugebauer to approve attendance for Directors and Staff. The motion was approved by a 4-0 vote.

H. 2012 Midway City Sanitary District Calendar

A motion was made by Director Cobo, seconded by Director Krippner to appoint Directors Neugebauer and Krippner to the calendar committee. The motion was approved by a 4-0 vote.

BOARD CONCERNS/COMMENTS

Director Neugebauer requested that the response to her question regarding whether the District legally could post the rate increase in only one newspaper be in the minutes.

Director Neugebauer expressed how pleased she was that President Rice was able to come to the meeting today after just having had surgery and that it was a mark of her dedication to the District that she made that effort to be at the Board meeting today, and she commended her for that.

AGM/STAFF CONCERNS/COMMENTS

AGM Robbins reported that Lobbyist James McConnell would like to set up a meeting with the Environmental Protection Agency (EPA) in Washington D.C. in September. AGM Robbins let him know that he would need to bring it back to the Board to see if anyone was able to travel there to meet with him at that time.

Director Neugebauer asked AGM Robbins to get some tentative dates to bring back to the Board.

Director Neugebauer asked staff to provide Mr. Hodges with a copy of the report that the Board received at the last meeting with Clean Fleets since he was interested in the fleet, fuel, and energy regulations.

Finance Director Housley stated that he will be out of the office on vacation for a few days.

GENERAL COUNSEL CONCERNS/COMMENTS

None

CLOSED SESSION

There was no closed 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.

INFORMATIONAL ITEMS

Director Neugebauer reminded the Board that the dental insurance carrier was changed from MetLife to the Standard last year to save the District and its employees' money on their dental insurance.

Finance Director Housley stated that he had contacted the Standard Dental Insurance to let them know that the District was unhappy with the rise in cost. The cost is still below that of MetLife, the District's previous carrier.

Director Krippner stated that he is not happy with the coverage offered by the Standard Insurance, and informed the Board that this insurance could be changed with only thirty days notice.

A motion was made by Director Neugebauer, seconded by Director Krippner to bring the dental insurance back on the next agenda. The motion was approved by a 4-0 vote.

Director Neugebauer thanked Westminster City Manager, Mitch Waller for attending the meeting.

ADJOURNMENT

Director Neugebauer asked that the Board recognize Mitch Waller, City Manager of Westminster, attended today's meeting and express the Board's pleasure in his interest in the District and its service to the community.

President Pro Tem Cobo also thanked Mr. Waller for his interest and support of the District.

President Pro Tem Cobo adjourned the meeting at approximately 5:18 P.M.

Joy Neugebauer, Secretary