

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

September 20, 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, September 20, 2011 at 4:00 P.M.

BOARD MEMBERS PRESENT:

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

OTHERS AT MEETING:

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

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 6, 2011

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of September 6, 2011, with one correction. The motion was approved by a 5-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 14, 2011

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of September 14, 2011. The motion was approved by a 4-0-1 vote, with Director Diep abstaining.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 213,594.73

| # | CK # | CK AMOUNT | VENDOR |
|----|------|-------------------|---|
| 1 | | | |
| 2 | 4825 | 1,837.65 | Bodyworks Equipment, Inc. - Loader Wire Harness T59 & T65, 2 Bearing Kits |
| 3 | 4826 | 917.00 | Computer Research Center - Maintenance & Support for October 2011, KR Configured RDP, |
| 4 | | | NC Transferred Computer Data |
| 5 | 4827 | 150.00 | Country City Towing - T54 Tow to Scrap Yard |
| 6 | 4828 | 32,355.29 | CR Transfer, Inc. - Tonnage Fees for August 2011 |
| 7 | 4829 | 365.74 | D J Printing Systems - Updated MCSD Letterhead & Business Cards, GM Ken Robbins |
| 8 | 4830 | 3,394.49 | Daniel's Tire Service - Restock Tires |
| 9 | 4831 | 452.89 | Dartco - Restock Filter Kits (8) |
| 10 | 4832 | 5,826.09 | Flo-Systems, Inc. - Preventative Maintenance for August 2011 |
| 11 | 4833 | 276.58 | G & K Services - Uniform Services for September 2011 |
| 12 | 4834 | VOID | Printer Malfunction |
| 13 | 4835 | 3,500.00 | James F. McConnell Attorney At Law - Fee for Lobbying Services for August 2011 |
| 14 | 4836 | 922.95 | Los Alamitos Auto Parts - Restock Parts, Brake Drum T61 |
| 15 | 4837 | 66.49 | Los Angeles Freightliner - Restock Relay Switch |
| 16 | 4838 | 35.00 | Memorial Prompt Care MED GRP, Inc. - Drug Screen (IG, CR), DMV Exams (TG, CR) |
| 17 | 4839 | 2,443.40 | OCSD - Permit Fees for August 2011 (MCSD 5%= \$128.60) |
| 18 | 4840 | VOID | Printer Malfunction |
| 19 | 4841 | 40.23 | Rice, Margie L. - CASA Conference San Diego Reimbursement August 11-13, 2011 |
| 20 | 4842 | 398.54 | Rosemead Oil Products, Inc. - Betalube ATF Oil T65 |
| 21 | 4843 | 12.00 | Underground Service Alert - 8 New Tickets for August 2011 Services |
| 22 | 4844 | 276.00 | Wespac Security Services - Burglar & Fire Alarm Services for July through September 2011 |
| 23 | 4845 | 3,192.60 | Hydraforce, Inc. - Restock Parts, T60 & T53 |
| 24 | 4846 | 101,754.49 | Rainbow Disposal - Tonnage Fees for August 2011 |
| 25 | | | |
| 26 | | 158,217.43 | SUBTOTAL |
| 27 | | | |

| | | | |
|----|-----------|-------------------|---|
| 28 | | | ADD HANDCUT CHECKS: |
| 29 | | | |
| 30 | 4811 | 628.09 | AT&T Mobility - (KR) 714 310-2313, (AC) 714-310-4406, (NC) 714-310-8653, |
| 31 | | | Sewer 714-310-8654, Emergency 714-310-9004 |
| 32 | 4812 | 86.99 | Direct TV - Services for September 2011 |
| 33 | 4813 | 832.82 | Verizon California - Phone & Internet Services for August 2011 |
| 34 | 4814-4820 | VOID | Printer Malfunction |
| 35 | 4821 | 380.53 | City of Westminster - Maintenance Shop Water (\$14.39), Wash Rack Water (\$99.31) |
| 36 | | | District Office Water (\$266.83) |
| 37 | 4822 | 93.55 | The Gas Company - Maintenance Yard (\$69.16), District Office (\$24.39) September 2011 |
| 38 | 4823 | 664.48 | OfficeMax - Office Supplies for September 2011 |
| 39 | 4824 | 847.06 | Verizon Business - Internet Connection for Scada System September 2011 |
| 40 | | | |
| 41 | | 161,750.95 | SUBTOTAL PLUS HANDCUTS |
| 42 | | | |
| 43 | | | Payroll |
| 44 | | 50,419.53 | Payroll Date 9/6/11 Staff Chk #15127-15133 Taxes & Direct Deposits |
| 45 | | 1,424.25 | Payroll Date 9/6/11 Nationwide Deferred Compensation |
| 46 | | 213,594.73 | TOTAL EXPENDITURES W/PAYROLL |

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 213,594.73. The motion was approved by a 5-0 vote.

REPORTS

Report of President

President Rice stated that she enjoyed the Board workshop/study session on Saturday, September 17, 2011, felt that it was very beneficial and is glad to see the District moving forward with a strategic plan.

Report of General Manager

GM Robbins reported that the District has entered into a free program with NAPA Auto Parts and will be receiving 4% back on all purchases made within each quarter.

Staff has been looking into a used oil program sponsored by CalRecycle. The District will need to keep the oil collected from the public separate from the oil used for its fleet in order to turn it in to CalRecycle and receive the incentive payment on a quarterly basis. The District will receive .16 cents per gallon for oil generated on site, and .40 cents per gallon for oil collected from the public. This is a trial program and will hopefully generate approximately \$60-70 per month.

GM Robbins reported that the District has received a \$15,965.65 reimbursement from the insurance carrier for the claim filed at 14712 Bushard Street on December 10, 2010.

Rainbow Disposal will be closed on Monday, December 26, 2011 and Monday, January 2, 2012 for the holidays so GM Robbins will inquire whether the District's solid waste pick up for those days can be dropped off at CR&R.

The Orange County Register has made another public records request from the District for a period of five years, going back to 2007.

GM Robbins reported that T56 needs to have its transmission replaced and should cost about \$7,500. He is also looking into its warranty.

President Rice asked about T62 because she noticed that it shakes noticeably when picking up in her neighborhood.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that on September 7, 2011 she attended a tour of the construction sites at treatment plant #2 at OCSD. There are currently two projects underway there. Project P290 is scheduled to be completed in October of 2011. It consists of new trickling filters and cost \$180 million. P266 is the other project that replaces the existing head works for the secondary treatment process and cost \$196 million. It is scheduled to be completed in December 2012. Director Neugebauer found it interesting to see what had been accomplished at OCSD since her last tour. Director Neugebauer reported that there will be a general meeting next week.

Report from Orange County Waste Management

President Rice reported that she and GM Robbins attended the Orange County Waste Management meeting where there was a report on methane gas in landfills. She also reported that since one of the Directors of that Board has resigned, Cheryl Brothers is back as Vice President.

GM Robbins reported that he also found the speaker from New York who gave a report on methane gas in landfills very interesting.

CONSENT CALENDAR

- A. Consider Approval of Attendance to the Municipal Water Districts of Orange County (MWDOC) 60th Anniversary Water Policy Forum and Dinner on Thursday, October 20, 2011
- B. Investment Report August 2011

C. Consider Approval of the Request of Acting Sewer Supervisor Darrell Grimes to Receive 40 Hours of Vacation Pay in Lieu of Time Off

A motion was made by Director Neugebauer, seconded by Director Diep to approve the items on the consent calendar. The motion was approved by a 5-0 vote.

President Rice stated that she did not feel that it is necessary for staff to put MWDOC events on the agenda in the future. Directors Neugebauer and Krippner sit on those Boards, however, and do have an interest in them.

Directors Neugebauer and Krippner both stated that they would like to go to the 60th anniversary water policy forum and dinner.

Director Krippner asked that the Investment Report for August 2011 be pulled for discussion. This didn't happen as there was no second to the motion.

OLD BUSINESS

A. Consider Scheduling a Study Session Regarding the District's Dental Insurance Services

A motion was made by Director Neugebauer, seconded by Director Krippner to continue this item until a later date. The motion was approved by a 5-0 vote.

NEW BUSINESS

A. Consider Approval of 2012 Midway City Sanitary District Calendar

A motion was made by Director Diep, seconded by Director Neugebauer to approve the 2012 calendar with the proposed change of the word "pick up" to two words instead of one. The motion was approved by a 4-1 vote, with Director Krippner voting no.

B. Discuss and Consider Field Trip for the Board of Directors to the Eco Challenge Exhibit at the Discovery Science Center

A motion was made by Director Neugebauer, seconded by Director Diep to not schedule a tour of the Eco Challenge Exhibit. The motion was approved by a 5-0 vote.

President Rice asked that items 9C and 9D be held off until after the closed session.

A motion was made by Director Neugebauer, seconded by Director Diep to postpone Items 9C and 9D until after the closed session. The motion was approved by a 5-0 vote.

CLOSED SESSION

President Rice convened the meeting to closed session at 4:45 P.M. pursuant to Government Code Section 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.

A. CONFERENCE WITH LABOR NEGOTIATORS (Government Code 54957.6)

Agency Designated Representative: General Manager Robbins
Unrepresented Employees: Finance Director, Administrative Secretary, Solid Waste Supervisor/Safety Director, Sewer System Supervisor/Inspector and Fleet Maintenance Supervisor

President Rice reconvened the meeting at 5:07 P.M.

General Counsel stated that there was no reportable action taken during the closed session.

NEW BUSINESS

C. Consider Approval of the Midway City Sanitary District's Modified Job Descriptions

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the District's modified job descriptions, as presented. The motion was approved by a 4-1 vote, with Director Krippner voting no.

D. Consider Approving the 2011 Annual Salaries and Ranges for Represented/Management/Administration Employees Affected by the Modified Job Descriptions

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the 2011 annual salaries and ranges for represented/management/administration employees affected by the modified job descriptions, as presented. The motion was approved by a 4-1 vote, with Director Krippner voting no.

BOARD CONCERNS/COMMENTS

Director Krippner requested that General Counsel clarify the rules of order that the District follows as well as those for votes of abstention.

Director Neugebauer stated that she thought the Saturday workshop regarding the District's strategic plan was excellent and asked if there was any follow up included in the agreement with Brent Ives from BHI Management Consulting.

GM Robbins confirmed that the proposal would be on the October 4, 2011 agenda and that there was a follow up included in the proposal from BHI Management Consulting.

Director Neugebauer asked if there would be a report from the committee meetings with Rainbow Disposal.

President Rice stated that she had met with Rainbow Disposal along with GM Robbins, but to her knowledge there still had not been a response.

GM Robbins clarified that there was a response, but that the third amendment is currently being drafted by Legal Counsel before bringing it to the Board.

Director Neugebauer stated that while at the Taste and Tour of Little Saigon this week, she learned that Rainbow Disposal is changing its name to RES or Rainbow Environmental Services.

GM Robbins stated that there should be something to report as far as their negotiations with Rainbow at the next Board meeting.

President Rice stated that she felt that the Saturday workshop was beneficial but was sorry that there was not a full Board in attendance and wanted to make sure that anyone who was not present received a copy of the paperwork.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that he would be out of the office on Wednesday morning for a few hours, and that he would be leaving Finance Director Housley in charge in his absence.

Finance Director Housley briefly explained the informational item from CSDA in the agenda packet. He stated that he has forwarded the State Controller's yearly report to the auditor as well as District compensation.

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

A. Controller Annual Financial Reports

No action was taken on the informational item.

ADJOURNMENT

President Rice adjourned the meeting at approximately 5:17 P.M.

Joy Neugebauer, Secretary