

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

October 18, 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, October 18, 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/HR Director
Tom Nixon, District Counsel
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 4, 2011

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of October 4, 2011, with a correction in the spelling of the Bowerman landfill. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$326,903.75

#	CK #	CK AMOUNT	VENDOR
1	4886	58.19	Advanced Gas Products - Cylinder Rental Fees for September 2011
2	4887	171.00	Advanced Workplace Strategies, Inc. - Random Drug Testing (MH), (MJ), (RM)
3	4888	2,800.00	BHI Management Consulting - Board Policy Workshop September 17, 2011
4	4889	1,125.99	Bodyworks Equipment, Inc. - Cam Followers & Rocker Switch T62
5	4890	44.18	Bolsa Nursery - 15gal Palm for District Office to Replace Diseased Palm
6	4891	183.18	Chemex Industries, Inc. - Restock Concentrated Airicide Odor Counteractant
7	4892	727.00	Computer Research Center, Inc. - Maintenance & Support for November 2011
8	4893	24,339.87	CRTransfer, Inc. - Tonnage Fees for September 2011
9	4894	4,112.19	Daniel's Tire Service - Recap for T62 & T53, Two New Tires for T62, Restock Tires (8)
10	4895	6,805.68	Dartco - Rebuilt Allison Transmission for T56, Two Insulators
11	4896	375.00	Frog Environmental, Inc. - Storm Water Service for 2nd Quarter of 2011-2012
12	4897	289.38	G & K Services - Uniform Services for September & October 2011
13	4898	6,602.72	Hydraforce, Inc. - PressureSwitches,Belts,CushionKits,Coils,CrankGear T56 & T55,PackerPaddle T60
14	4899	3,500.00	McConnell, James F. , Attorney-At-Law - Fee for Lobbying Services for September 2011
15	4900	38.67	NAPA Los Alamitos Auto Parts - AA8 Batteries, Filters
16	4901	80.00	Memorial Prompt Care Med. Grp., Inc. - Drug Screen (MH), DMV Exam (RG)
17	4902	1,811.70	Orange County Sanitation District - FOG Inspections for 4th Quarter 2010-2011
18	4903	4,983.70	Orange County Sanitation District - Permit Fees for September 2011 (MCSO 5% = \$262.30)
19	4904	104,340.61	Rainbow Disposal - Tonnage Fees for September 2011
20	4905	41,295.88	Rehrig Pacific Company - (648) Black 65 Gallon Carts with Lids, (224) Blue 95 Gallon Carts with Lids
21	4906	500.00	Ruano, Ron - Mariachi Band Balance Due for Founder's Day Parade on October 22, 2011
22	4907	1,565.48	TrucParCo - Bulbs for M5, L.E.D. Lights T65, Brake Drum & Air Valve T55, Air Hose Replacements
23	4908	4.50	Underground Service Alert of SoCal - Three (3) New Ticket Charges for September 2011
24	4909	224.00	Westminster Chamber of Commerce - Annual Membership Dues for 12/01/2011-12/01/2012
25	4910	275.00	White Nelson Diehl Evans LLP - 2011 Government Tax Seminar (RH)
26	4911	36,773.03	City of Westminster - Fuel for July through September 2011
27			
28		243,026.95	SUBTOTAL
29			

30			ADD HANDCUT CHECKS:
31	4873	28.23	City of Westminster - September 2011 Westminster & Hammon Lift Stations
32	4874	200.00	Cobo, Frank - Per Diem CSDA Conference Monterey, 10/10-10/13/2011
33	4875	200.00	Neugebauer, Joy L. - Per Diem CSDA Conference Monterey, 10/10-10/13/2011
34	4876	200.00	Rice, Margie L. - Per Diem CSDA Conference Monterey, 10/10-10/13/2011
35	4877	1,015.00	Westm Senior Cntr Foundation - See's Candy Certificates for Employee Recognition @ Holiday Party
36	4878	633.34	AT&T Mobility - (KR) 714 310-2313, (AC) 714-310-4406, (NC) 714-310-8653,
37			Sewer 714-310-8654, Emergency 714-310-9004
38	4879	86.99	Direct TV - Services for October 2011
39	4880	294.87	Office Max - Office Supplies for October 2011
40	4881	9,605.95	US Bank CalCard - September 2011 Billing
41			(NC) \$92.70 - T9 Mount/Balance Tires, T61 Packaging to Send Out Parts for Warranty, Misc. Supplies
42			(KR) \$3,372.24 - CSDA Conference 10/10-10/13/11 (FC, AK, MR, JN, KR), Taste & Tour of
43			Little Saigon 09/15/11 (JN, KR), ISDOC Quarterly Meeting 09/29/11 (MR, JN, FC, AK, TD, KR, RH),
44			Office Supplies and Picture Frames; (RH) \$5,368.66 - Taste & Tour of Little Saigon 09/15/11 (AK, RH),
45			Board Workshop on Strategic Planning & Policies Lunch, Service on Ricoh MPC500, Remington Pure
46			September 2011, Temporary Admin. Services; (DGe) \$154.18 - Refreshments for Board Meetings on
47			09/06 & 09/20; (DGr) \$618.17 - Sewer Maintenance Supplies
48	4882	14,034.00	Zenith Insurance Company - Worker's Compensation / Deposit Premium for 10/01/11-10/01/12
49	4883	1,061.46	Grimes, Darrell - Forty (40) Hours of Vacation Payout
50	4884	40.00	City of Westminster - Hydrant Meter Usage for August 2011
51	4885	85.02	The Gas Company - District Offices and Maintenance Yard Fees for October 2011
52			
53		270,511.81	SUBTOTAL PLUS HANDCUTS
54			
55			Payroll
56		54,974.80	Payroll Date 10/04/11 Staff Chk #15146-15153 Taxes & Direct Deposits
57		1,417.14	Payroll Date 10/04/11 Nationwide Deferred Compensation
58		326,903.75	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Neugebauer to approve the expenditures in the amount of \$326,903.75. The motion was approved by a 5-0 vote.

REPORTS

Report of President

President Rice asked if anyone else on the Board had received an invitation to or were interested in going to the "Meet Your Elected Officials" reception on Thursday, November 3, 2011 from the American Council of Engineering Companies (ACEC). She had copies made in case anyone was interested in attending the event.

Report of General Manager

GM Robbins reminded the Board that they would be participating in the Founder's Day Parade on Saturday, October 22, 2011 starting at 9:30 A.M., and gave each of them information on where to park and meet. The Mariachi Band would be part of the parade again this year.

There will be Driver Safety Training at the District on Saturday, October 22, 2011, so GM Robbins invited the Board to stop by if they wished.

GM Robbins stated that Rainbow Environmental Services, formerly Rainbow Disposal, would be doing a report on the school recycling program at the next regularly scheduled Board meeting on November 1, 2011.

GM Robbins reported that several MCSD employees have shown an interest in getting their certification for sewer collections, so when time allows he will be teaching a math class so they can pass the state certification.

Finance Director Housley will be attending a CalPERS conference in Long Beach next Monday, October 24 through Wednesday October 26, 2011. CalPERS started a new data base program which already has a lot of flaws and problems at the startup.

GM Robbins reported that District employee Selefuti Pemasa (Junior) is currently out on bereavement leave due to his sister's death, and confirmed that the District sent flowers and a card signed by all the employees to the family.

GM Robbins reported that a special invitation to tour the Groundwater Replenishment System (GWRS) was received after the current agenda was posted, so if the Board had an interest in the event, they would need to walk it onto the agenda.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that there was an OCSD Operations Committee meeting on October 5, 2011 for further updates regarding the pump failures at the Steve Anderson lift station as well as debt issuance information and head works improvements at plant number two.

There will be a meeting on Wednesday, October 19, 2011 to go over the strategic plan update with Brent Ives from BHI Management Consulting doing the moderating.

Report from California Special Districts Association (CSDA) Conference in Monterey, CA

Director Cobo especially enjoyed the speech regarding communication with your fellow employees.

Director Neugebauer enjoyed the breakout session regarding bridging the gap between your District and the Capitol. She also reported that James Ruth, OCSD's General Manager, was voted GM of the Year.

President Rice was interested to hear the changes and impact to local government from Proposition 218 that were being discussed.

Report from Calendar Committee

Director Neugebauer reported that she and Director Krippner met with GM Robbins to do a final review of the calendar and make a few minor corrections and that it is now print ready.

A motion was made by Director Neugebauer, seconded by Director Krippner to bring the invitation to the Groundwater Replenishment System Tour onto the agenda since it came to the attention of the General Manager after the agenda was posted, and needs to have action taken prior to the next Board meeting. The motion was approved by a 5-0 vote.

A motion was made by Director Neugebauer, seconded by Director Krippner to approve attendance to the event. The motion was approved by a 5-0 vote.

CONSENT CALENDAR

- A. Investment Report for September 2011
- B. Consider Attendance to the Annual Westminster Chamber of Commerce Holiday Luncheon on Thursday, November 17, 2011

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

OLD BUSINESS

- A. Consider Approving Staff to Solicit a Bid from BHI Management Consulting To Do a Board Manual Review and Proceed With the Development of a Five (5) Year District Strategic Plan

A motion was made by Director Neugebauer, seconded by President Rice to authorize staff to solicit a bid from BHI Management Consulting. The motion was approved by a 5-0 vote.

NEW BUSINESS

- A. Consider Department of the Treasury Reinvest Notice of Maturing \$200,000 U.S. Treasury Bill

A motion was made by Director Neugebauer, seconded by Director Cobo to allow the District's \$200,000 26-week Treasury Bill to expire and authorize staff to reinvest that amount in CalTRUST. The motion was approved by a 5-0 vote.

- B. Review and Discuss the Third (3rd) Amendment to the Exclusive Franchise Agreement with Rainbow Disposal and CR&R

There was some discussion over the third amendment to the exclusive franchise agreement with Rainbow Disposal and CR&R, with Director Neugebauer stating her concerns.

CLOSED SESSION

President Rice convened the meeting to closed session at 5:09 P.M. pursuant to Government Code Section and 54956.9(b)

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 LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code section 54956.9(b) (One potential case)

President Rice reconvened the meeting at 5:34 P.M.

President Rice stated that there was no reportable action taken during the closed session.

B. Review and Discuss the Third (3rd) Amendment to the Exclusive Franchise Agreement with Rainbow Disposal and CR&R

A motion was made by Director Diep, seconded by Director Cobo to direct staff to send a copy of the draft of the 2011 third amendment to the franchisee. The motion was approved by a 4-1 vote, with Director Neugebauer voting no because she is not comfortable with the extension of the call provision.

C. Discussion of Midway City Sanitary District's Employee Group Dental Insurance Coverage

A motion was made by Director Neugebauer, seconded by Director Diep to authorize staff to meet with the represented employees regarding changing the District's dental insurance to MetLife through the Rule Group Insurance brokers. The motion was approved by a 4-1 vote, with Director Krippner voting no.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she has a conflict on Saturday, October 22, 2011. Her biggest fund raiser of the year is the Yard Sale at the museum, but she will try her best to make it to the Founder's Day Parade.

GM/STAFF CONCERNS/COMMENTS

GM Robbins thanked the Board for their input at the meeting today.

GENERAL COUNSEL CONCERNS/COMMENTS

None

ADJOURNMENT

President Rice adjourned the meeting at approximately 5:49 P.M.

Joy Neugebauer, Secretary