

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

November 1, 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, November 1, 2011 at 4:01 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
James Eggart, District Counsel
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 18, 2011

A motion was made by Director Neugebauer, seconded by Director Diep to continue the minutes of the meeting of October 18, 2011 to the next meeting on November 15, 2011 due to a correction. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$175,591.79

#	CK #	CK AMOUNT	VENDOR
1			
2	4924	45.00	Advanced Workplace Strategies, Inc. - Random Alcohol Testing (MJ)
3	4925	593.90	Bodyworks Equipment, Inc. - Cylinder Mount Brackets T65
4	4926	46,584.66	CalPERS Retirement - Retirement Contributions September and October 2011
5	4927	201.47	Cummins Cal Pacific, LLC - Valves, Actuators & Fuel Solenoid Kit T59
6	4928	64.65	D J Printing - Business Cards (RH, Dge, NC, JS, DGr, DH)
7	4929	688.54	Daniel's Tire Service - Restock Recaps (4)
8	4930	509.51	Dartco - Restock Filter Kits (9)
9	4931	294.78	G & K Services - Uniform Services for October 2011
10	4932	5,800.00	Leaf & Cole, LLP - Audit Services for September 2011
11	4933	155.34	Los Alamitos Auto Parts - Restock Filters (9)
12	4934	25.00	Orange County Water Association, Inc. - SafetyFest October 19, 2011 (N. Castro)
13	4935	398.54	Rosemead Oil Products, Inc. - Betalube ATF for T65
14	4936	138.00	Rutan & Tucker, LLP - Professional Services for September 2011
15	4937	79.15	TEC of California - Restock Sensors
16	4938	91.64	TrucParCo - Restock (10) GE 3057 Bulbs, (10) 1/4" Couplers & Plugs, (5) Coupler Plugs
17	4939	8,222.00	Woodruff, Spradlin & Smart - Legal Services for September 2011
18	4940	5,317.25	Flo-Systems, Inc. - Preventative Maintenance for October 2011
19	4941	142.70	Neugebauer, Joy - Insurance Reimbursement for November 2011
20	4942	177.38	Union Bank First Bankcard - (NC) Restock Water, Candy, Soda, Paper Towels
21			
22		69,529.51	SUBTOTAL
23			

24			ADD HANDCUT CHECKS:
25			
26	4912	15.00	County of Orange Auditor-Controller - Fee to Process a Change to a Special Assessment
27	4913	40.00	City of Westminster - Hydrant Meter Usage for September 2011
28	4914	175.00	CNA Surety - Policy Premium for 12/11/2011-12/11/2012
29	4915	176.90	United States Treasury/IRS - Payroll Taxes
30	4916	1,153.80	Orange County Treasurer - 2011-2012 Secured Property Tax for District Office
31	4917	400.00	Pitney Bowes - Postage Fees for October 2011
32	4918	3,243.80	The Standard Dental Insurance - Premium Coverage for October 2011
33	4919	425.18	Verizon Business - Internet Connection for SCADA System October 2011
34	4920	93.24	AT&T Mobility - Brookhurst Lift Station SCADA for October 2011
35	4921	42,927.74	CalPERS Health - Health Premium for November 2011
36	4922	2,603.41	Southern California Edison - Archives & Parking Garage \$85.27, District Office \$678.74,
37			Maintenance Shop \$306.23, Brookhurst Lift Station \$155.66, Westminster Lift Station \$488.68,
38			Willow Lift Station \$307.32, Hammon Lift Station \$581.51
39	4923	698.80	The Standard Life Insurance - Premium Coverage for November 2011
40			
41		121,482.38	SUBTOTAL PLUS HANDCUTS
42			
43			Payroll
44		52,688.48	Payroll Date 10/18/11 Staff Chk # 15155-15162 Taxes & Direct Deposits
45		1,420.93	Payroll Date 10/04/11 Nationwide Deferred Compensation
46		175,591.79	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Neugebauer to approve the expenditures in the amount of \$ 175,591.79. The motion was approved by a 5-0 vote.

REPORTS

Report of President

President Rice reported to the Board that she received a notice from Independent Special Districts of Orange County (ISDOC) regarding the \$200 Membership renewal dues for 2012. Director Neugebauer requested that it be agendaized for the next Board meeting, and the Board agreed.

President Rice stated that she had received information from the Orange County Water District (OCWD) regarding their Annual Summit in May 2012 and their Children's Water Education Festival in March of 2012.

President Rice reported that she and GM Robbins met with Costa Mesa Sanitary District, and that there will be a joint meeting with the rest of the Board in January or February of 2012.

Report of General Manager

GM Robbins reported that Rainbow Environmental will be doing a School Report at the next Board meeting.

GM Robbins reported that Westpac Security was called in to replace a faulty motion sensor in the District offices and will probably be replacing another.

The annual Board Reorganization will be on Friday December 2, 2011 at 4 P.M. unless the Board chooses to reschedule or change that date for any reason.

GM Robbins stated that he will be on vacation December 2, 2011 through December 19, 2011 and will miss the reorganization meeting, the first regularly scheduled Board meeting, and the annual District Christmas dinner party. Finance Director Housley will be in charge during that time.

GM Robbins stated that temporary employee, Crystal Enciso, would become a permanent employee effective Monday, November 7, 2011, with the Board's approval. Her rate of pay has already been set by the Board during the recent unrepresented employee negotiations.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the Board of Directors of OCSD met on Wednesday, October 26, 2011. Refinancing was approved for \$155 million for a one (1) year period. There were several reports, including one on the SARI Groundbreaking Ceremony, and the possible litigation and/or mediation against Santa Ana Watershed Project Authority (SAWPA) due to a large amount of unpaid invoices for use of the SARI line.

Director Neugebauer reported on a new program called BLAST, which stands for Building Leaders and Skills for Tomorrow. It is an accelerated training program for new leaders since so many senior employees are getting close to retirement.

Director Neugebauer reported that on Tuesday, October 18, 2011, fifty (50) international visitors received a tour of the facilities of GWRS and OCSD and the Water District.

The Operations Committee will be meeting on Wednesday, November 2, 2011.

Report from Metropolitan Water Districts of Orange County

Director Krippner provided a written report that summarized the meeting.

Director Neugebauer added that Kevin Starr, who was the speaker that evening, gave a painstakingly long history of the formation of the Water District.

CONSENT CALENDAR

- A. Consider Approval of Attendance at the California Association of Sanitation Agencies (CASA) Mid Year Conference in Palm Desert January 17-20, 2012
- B. Consider Approval of the Request of Solid Waste Driver Manuel Hernandez 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. The motion was approved by a 5-0 vote.

OLD BUSINESS

- A. Consider Approval of Amendment to Memorandum of Understanding with American Federation of State (AFSCME), County and Municipal Employees, Local 1734-01 to Provide a Dental Plan through MetLife Effective January 1, 2012

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

NEW BUSINESS

- A. 1st Quarter Financial Reports – Fiscal Year 2011-12

A motion was made by Director Diep, seconded by Director Cobo to receive and file the 1st Quarter Financial Reports for Fiscal Year 2011-12. The motion was approved by a 5-0 vote.

- B. Consider the July 1, 2011 GASB 45 Valuation Report for the Midway City Sanitary District and to Prefund Other Post Employment Benefits (OPEB) through the California Employer's Retirement Trust Fund (CERBT)

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file the valuation by McGinn Actuaries and continue to prefund the OPEB through CERBT. The motion was approved by a 5-0 vote.

- C. Consider Approving Bids From BHI 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 Director Diep to continue this item until January 2012. The motion was approved by a 5-0 vote.

CLOSED SESSION

President Rice convened the meeting to closed session at 4:42 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: Claim of Krista Hayakawa)

President Rice reconvened the meeting at 4:47 P.M.

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

D. Consider Damage Claim from Krista Hayakawa

A motion was made by Director Diep, seconded by Director Cobo to deny the claim by Krista Hayakawa. The motion was approved by a 5-0 vote.

BOARD CONCERNS/COMMENTS

Director Neugebauer suggested to the Board that the District invite former employee Albert Cibrian and his wife, and former Board member Grace Epperson to the District's Annual Christmas dinner party. The Board agreed and staff was instructed to follow through.

GM/STAFF CONCERNS/COMMENTS

GM Robbins reported that due to the financial cut backs by the City of Westminster the District needs to start thinking about how to deal with the abandoned bulky items, as well as private property spills that have been the City's responsibility in the past.

GM Robbins reported that Optisource is adding in additional costs for the electronic data management system that was Board approved. GM Robbins suggested that Optisource do the scanning only and have the rest of the work in house and over time by District employees.

Finance Director Housley reported that the independent audit by Russell Bushby at Leaf and Cole is in its final stages.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel Eggart reiterated that there was no reportable action taken by the Board due to the closed session at today's meeting.

ADJOURNMENT

President Rice adjourned the meeting at approximately 4:55 P.M.

Joy Neugebauer, Secretary