

**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 15, 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 15, 2011 at 4:00 P.M.

BOARD MEMBERS PRESENT:

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

OTHERS AT MEETING:

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

PLEDGE AND INVOCATION

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

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

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of October 18, 2011, as corrected. The motion was approved by a 4-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 1, 2011

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of November 1, 2011, as presented. The motion was approved by a 4-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$214,101.35

#	CK #	CK AMOUNT	VENDOR
1			
2	4953	2,853.45	Bodyworks Equipment, Inc. - Restock Parts, Relay (T56), Loader Wire Harness Valve (T56, T57)
3	4954	85,337.00	CalPERS Retirement - Payment towards annual required contribution for GASB 45 OPEB liability
4	4955	727.00	Computer Research Center, Inc. - Maintenance & Support for December 2011
5	4956	29,015.62	C R Transfer, Inc. - Tonnage for October 2011
6	4957	1,909.42	Daniel's Tire Service - Restock Recaps (7), (2) Tires
7	4958	294.78	G & K Services - Uniform Services for October & November 2011
8	4959	271.12	Hose-Man, Inc. - Restock Hoses
9	4960	3,500.00	McConnell, James F. , Attorney-At-Law - Lobbying Service Fees for October 2011
10	4961	1,698.57	Los Alamitos Auto Parts - Restock Brakleen, Brake Drums & Chambers, Kit & Drums (T61)
11	4962	4,500.00	McGinn Actuaries Ltd. - Services Rendered for GASB 45 OPEB Valuation
12	4963	4,908.65	Orange County Sanitation District - Permit Fees for October 2011 (MCSD 5% = \$258.35)
13	4964	137.16	Plumbers Depot Inc. - Pressure Switch (M63)
14	4965	138.00	Rutan & Tucker, LLP - Professional Services for October 2011
15	4966	1,950.00	Safety Research Consultants, Inc. - Training for Drivers held on October 22, 2011
16	4967	2,423.00	Solid Waste Insurance Managers - Adding 1999 Volvo Refuse Truck to Policy (Not originally incl)
17	4968	10.50	Underground Service Alert of Southern California - (7) Seven New Ticket Charges
18			
19		139,674.27	SUBTOTAL
20			
21			ADD HANDCUT CHECKS:
22			
23	4944	264.34	City of Westminster - District Water, Maintenance Shop, & Wash Rack Fees for October 2011
24	4945	100.00	City of Westminster FARP - False Alarm Fee on 10/25/2011
25	4946	30.00	City of Westminster FARP - Annual Permit Renewal for District Alarm System for 2012
26	4947	86.99	Direct TV - Services for November 2011
27	4948	249.67	Office Max - Office Supplies for October 2011
28	4949	3,243.80	The Standard Dental Insurance - Premium Coverage for December 2011

29	4950	6,753.77	US Bank - (NC) \$294.52- Primer Spray Paint T52, CA Labor Law Posters & Renewal, Restock Parts;
30			(KR) \$2,054.24- MWDOC Dinner 10/20/2011 (JN, AK), CSDA Monterey Marriott 10/10-13/2011
31			(MR, KR, JN, FC), Waircom Service, Office Supplies; (RH) \$4,148.89- Webinar Best Practices
32			in Agenda Preparation & Minutes (JS, Dge), Temporary Admin. Services, Service on Copier;
33			(Dge) \$175.45- Certified Mail Postage, Board Refreshments, Replacement Coffee Maker;
34			(DGr) \$80.67- Sewer Maintenance Supplies.
35	4951	840.91	Verizon CA - District Office Phones & Lift Stations for September 2011; (714) 897-5368 Dst. Office/
36			903-1863 Willow/ 903-6154 Westminster/ 903-6274 Hammon
37	4952	9,036.00	Zenith Insurance Company - Worker's Compensation Progressive Payment
38			
39		160,279.75	SUBTOTAL PLUS HANDCUTS
40			
41			Payroll
42		52,379.34	Payroll Date 11/01/11 Staff Chk # 15167-15173 Taxes & Direct Deposits
43		1,442.26	Payroll Date 11/01/11 Nationwide Deferred Compensation
44		4,991.86	Board of Director's Payroll for the Month of October 2011 Chk # 15164-15166
45		388.44	Board of Director's Nationwide Deferred Compensation for the Month of October 2011
46		214,101.35	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the expenditures in the amount of \$ 214,101.35. The motion was approved by a 4-0 vote.

REPORTS

Report of President

President Rice reported that she and GM Robbins attended the Solid Waste Commission meeting at the Discovery Science Center's new Eco Challenge exhibit and urged all the other Board Members to go and see it if given the opportunity as she feels it is worthwhile.

Report of General Manager

GM Robbins reported that staff is looking for areas to reduce the District's expenditures. Currently tires are purchased from Daniels Tires. If the District changed vendors to Parkhouse or Tirelli the savings would be about \$1,000 per month. Refuse containers are currently purchased from Rehrig. The District could save about \$1,700 per load if purchased from Ottocart.

GM Robbins stated to the Board that it has been four years since their last portraits were taken and asked if any Board Member was interested in updating their photos to please contact him and he will schedule an appointment with Benjamin Studios.

GM Robbins asked that all Board members please RSVP for the District Christmas party as a headcount is needed by Friday, November 18, 2011. President Rice stated that she will be bringing a guest. Director Neugebauer will attend and may bring a guest, Director Krippner will attend with a guest, and Director Cobo will attend, with one or two guests.

Rainbow Environmental Services will be having their annual Christmas Party on Thursday, December 15, 2011 starting at 11:30 A.M. Finance Director Housley will be available to drive any Director attending and interested in car pooling in the District van.

GM Robbins reminded the Board that he will be starting his vacation on Friday, December 2, 2011 and will return on Monday, December 19, 2011. Finance/Human Resources Director Housley will be in charge during his absence. GM Robbins stated that he will be checking in from time-to-time.

GM Robbins reported that he has not heard back from Optisource in over a week and if they do not call by the end of this week he will be forced to pull the bid. Staff will start in-house scanning and he will be contacting Incrementum to see if they will honor their original price bid.

GM Robbins reported that he has passed the International Code Council (ICC) test and has been recertified as a building official for an additional three years.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that employee negotiations have been ongoing for some time at OCSD and that a decision has been made. For the 3rd consecutive year the top five employees received no increase in salary. Due to this the total cost for raises to others was approximately \$16,000.

Director Neugebauer attended the Operations Committee on Wednesday, November 2, 2011 and reported that OCSD will be seeking recovery of the \$589,167.00 balance in unpaid SAWPA invoices through arbitration. There was also an update to their five year strategic plan. OCSD continues to work on pump repairs at the Steve Anderson lift station. The next meeting will be on Wednesday, November 16, 2011.

Report from Franchisee (Rainbow Environmental & CR&R)

Rainbow Environmental Services gave a report on School Recycling Program, the new Commercial Recycling Program, and the Quarterly Waste Report.

Sue Gordon, Vice President of Environmental Services and Public Affairs, spoke on behalf of Rainbow Environmental about the School Recycling Program and the partnership with the Discovery Science Center. She explained the Third Quarter Waste Report Summaries for Westminster and Midway City for residential as well as commercial customers, and explained what the passing of AB 341 means for commercial businesses.

Rochelle Groh, Sustainability Supervisor at Rainbow Environmental Services explained the Commercial Recycling Program at Rainbow Environmental that she oversees along with Theresa James, Environmental Sustainability Representative. They are helping qualifying businesses to prepare for the implementation of AB 341 which goes into effect on July 1, 2012. Rainbow Environmental Services is also offering a special program called Environmental Sustainability Partner (ESP), at a cost of \$49 for commercial businesses. Participating gives them a reduction in trash rates as well as a report on how they are helping to reduce their carbon footprint, number of acres of forest saved, and the number of vehicles reduced on the road.

Report from Groundwater Replenishment System Tour

Director Krippner reported that he found the Ground Water Replenishment System Tour to be an eye opening event and was extremely impressed by the scope and vastness of the facilities and felt that it was well worth attending.

Director Neugebauer found the tour fascinating and reported that the tour started early at Orange County Water District, then on to the GWRS plant, the Anaheim recharge facility, through six miles of GWRS lakes and basins, and finally to Prado Dam. The GWRS cost over 500 million dollars and was jointly funded by OCSD and the Water District, along with grants.

CONSENT CALENDAR

A. Investment Report for October 2011

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the consent calendar. The motion was approved by a 4-0 vote.

OLD BUSINESS

None

NEW BUSINESS

- A. Consider Independent Special Districts of Orange County (ISDOC) 2012 Membership

A motion was made by Director Neugebauer, seconded by Director Krippner to approve renewing the District's membership in ISDOC for 2012. The motion was approved by a 4-0 vote.

- B. Consider California Special Districts Association (CSDA) 2012 Membership

A motion was made by Director Cobo, seconded by Director Neugebauer to approve the District's membership in CSDA for 2012. The motion was approved by a 4-0 vote.

- C. Resolution No. 2011-13 (Roll Call Vote)

A RESOLUTION NO. 2011-13 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 Cobo to deny approval of Resolution No. 2011-13. The motion was approved by the following roll call vote:

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

In conjunction with the previous motion, a second motion was made by Director Neugebauer, seconded by Director Krippner to rescind Resolution No. 2011-11. The motion was approved by the following roll call vote:

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

- D. Consider Awarding a Safety Award to Mechanic Raul Martinez

A motion was made by Director Neugebauer, seconded by Director Cobo to approve awarding a Safety Award to Mechanic Raul Martinez. The motion was approved by a 4-0 vote.

- E. Consider Approval to Purchase Two (2) Heil Rapid Rail V1.5 Lift Arm Assemblies for Solid Waste Trucks #T55 & T60

A motion was made by Director Neugebauer, seconded by Director Krippner to approve the purchase of two Heil Rapid Rail V1.5 Lift Arm Assemblies for solid waste trucks T55 and T60. The motion was approved by a 4-0 vote.

F. Consider Scheduling a Joint Meeting with Costa Mesa Sanitary District

The Board suggested an evening meeting on Tuesday, February 14 or 28, or a daytime meeting on Wednesday, February 22 or 28, 2012 as possible dates for the meeting. Staff will contact CMSD with those dates and use questions 1, 2 and 3 for discussion.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve staff's recommendation and have a meeting on one of the tentative dates. The motion was approved by a 4-0 vote.

G. Consider a Chamber of Commerce Public Service Award Recipient

President Rice suggested nominating 20 year District employee Darrell Grimes. Staff was directed to write a narrative to be sent in with the nomination.

A motion was made by Director Neugebauer, seconded by Director Cobo to nominate Darrell Grimes as the Chamber of Commerce Public Service Award recipient for this year. The motion was approved by a 4-0 vote.

H. Consider Scheduling a Meeting on Monday, November 21, 2011 to Review and Consider Approving the Third Amendment to the Exclusive Franchise Agreement

A motion was made by Director Neugebauer, seconded by Director Cobo to follow staff recommendation and schedule a meeting for Monday, November 21, 2011 at 2 PM. The motion was approved by a 4-0 vote.

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.

BOARD CONCERNS/COMMENTS

Director Neugebauer apologized to General Counsel for her criticism of the third amendment to the agreement with Rainbow Environmental that had been written for a prior meeting.

President Rice stated that she felt that there should have been an emergency meeting called regarding the arms that need to be replaced on two of the District's trucks. It was decided that in the future, the General Manager would contact the Board President, who would then call for an emergency meeting if deemed needed.

GM/STAFF CONCERNS/COMMENTS

Finance/Human Resource Director Housley reported that the auditors, Russell Bushby and Steven Northcote would be attending the December 20, 2011 meeting to present the audit to the Board.

Finance/Human Resource Director Housley reported that the Zenith, who is the District's worker's compensation provider, performed their annual payroll audit, which will result in a credit to be refunded or an amount owed, depending on the results.

Standard Dental Insurance has been notified of cancellation by the District as of December 31, 2011. The new dental insurance carrier, MetLife, goes into effect on January 1, 2012. Matt Clemo, who is affiliated with the Rule Company, came to the District to explain the new MetLife Dental insurance to employees.

Finance/Human Resources Director Housley stated that he received a phone call from OCSD, who wanted to know when MCSD had adopted the second tier benefits for their employees. OCSD was hoping to boast that they were the first District in Orange County to go to the two tier retirement system, but Midway City Sanitary District was actually first, and they were second.

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

None

ADJOURNMENT

President Rice adjourned the meeting to 2 P.M. on Monday, November 21, 2011 at approximately 5:40 P.M.

Joy Neugebauer, Secretary