

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

April 17, 2012

CALL TO ORDER

President Rice called the adjourned regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, April 17, 2012 at 10:30 A.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
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

OLD BUSINESS

None

NEW BUSINESS

A. Consider Fiscal Year 2012-13 (July 1, 2012 through June 30, 2013) Budget Assumptions and Capital Improvement Projects

GM Robbins stated to the Board that this meeting would deal mainly with economic assumptions based on CPI's and unemployment rates.

Finance/HR Director Housley reported that there were no proposed changes to the service levels and number of employees for the District for the upcoming fiscal year, but that there is a need to hire one solid waste driver to make up for the loss of one.

Finance/HR Director Housley stated that the economic assumptions for the budget are largely based on the economy, which hinges on the housing market and construction activity, the labor market and unemployment, and inflation. Proposition 13 tax assessments will be increased in Orange County so the District will apply a 1% increase to property tax revenues for fiscal year 2012-2013. User fee revenues will remain the same, but commercial sewer service fees are being budgeted to reflect the tiered rate adjustment of .988%. Special agreements will be budgeted to reflect a 2% increase.

Finance/HR Director Housley reviewed the franchise fee from Rainbow Environmental, the District's earnings on investments with LAIF, CalTRUST, U.S. Treasury Securities and the District's bank accounts, and the pass through funds from the former City of Westminster redevelopment agency. He reviewed the District's operating assumptions, including administration, staff, MOU for the represented employees, training and retirement costs.

GM Robbins reviewed the CPI and tonnage fees paid by the District.

Directors Neugebauer and Krippner requested a copy of the agreement between the District and Orange County Landfill.

Director Neugebauer asked if the "Pushing the Blues" program reduced the tonnage delivered to Rainbow and if it is reflected in the budget.

GM Robbins stated that it is not reflected in this budget because the reduced tonnage is largely due to the economy at this point in time. The "Pushing the Blues" program was not put into effect until October of 2011, so it should reflect as reduced tonnage fees on next year's budget.

Finance/HR Director Housley reviewed the District's health, dental, life, and AD&D insurance.

GM Robbins reviewed the District's worker's compensation, liability and property insurance. He is also looking into storm water pollution insurance for the District.

Finance/HR Director Housley reviewed the capital improvement budget which will not exceed \$722,910. Midway City Sanitary District has no current plans to issue any new debt to fund the Capital Improvement Program. The District has several reserves including the Orange County – Midway City Redevelopment Reserve, the GASB 45 (OPEB) Reserve, the District Sewer Line Reserve, the Vehicle Replacement Reserve, Operating Funds, Debt Service Reserve and the newly approved Natural Gas Vehicle Replacement and Fueling Station Reserve.

Director Neugebauer stated that she felt that the Board should consider having District employees pay for a larger portion of their health insurance benefits. She stated that she also feels that the Board should consider not providing health benefits to Board members in the future.

The Board set a date of Tuesday, May 29 at 4 P.M. for the next Budget meeting.

BOARD CONCERNS/COMMENTS

None

GM/STAFF CONCERNS/COMMENTS

None

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

None

ADJOURNMENT

President Rice adjourned the meeting at approximately 11:24 A.M.

Joy Neugebauer, Secretary

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

April 17, 2012

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, April 17, 2012 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 Diep led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 3, 2012

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of April 3, 2012. The motion was approved by a 5-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 10, 2012

A motion was made by Director Diep, seconded by Director Cobo to approve the minutes of the meeting of April 10, 2012, with a change. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 208,332.09

CK #	CK Date	CK AMOUNT	VENDOR
5257	04/06/12	14.16	Cobo, Frank - Travel and Expense Reimbursement for CASA Spring Conference March 11-14, 2012
5258	04/06/12	103.01	Robbins, Kenneth - Travel and Expense Reimbursement for CASA Spring Conference March 11-14, 2012
5259	04/06/12	93.00	Advanced Gas Products - 23 Gallons of Liquefied Propane for Restock
5260	04/06/12	295.24	Bodyworks Equipment - (1) Inner Arm & (2) T/G Cables for Restock
5261	04/06/12	2,047.78	Computer Research Center - Maintenance & Support for May 2012 & New Computer for Sewer Team
5262	04/06/12	225.00	Country City Towing - Tow for T55 on 03/26/2012
5263	04/06/12	842.03	Dartco Transmissions - Transmission Repair with Labor for T55
5264	04/06/12	375.00	Frog Environmental - 2011-2012 Storm Water Services, 4th Quarter
5265	04/06/12	143.91	G & K Services - Uniform Services for March 2012
5266	04/06/12	22.89	Hillco - (100) Cotter Pins & (40) Seals for Restock
5267	04/06/12	379.47	Los Alamitos Auto Parts - (3) Exhaust Caps, (10) Hose Ends, (10) Elbow Poles for Restock
5268	04/06/12	80.00	Memorial Promptcare - DMV Exam (NC) & Drug Screen (AG)
5270	04/06/12	3,680.30	Orange County Sanitation District - Permit Fees for March 2012 (MCSD 5%= \$193.70)
5271	04/06/12	93,601.13	Rainbow Environmental - Tonnage for March 2012
5272	04/06/12	639.58	Rosemead Oil Products - (55) Drums of SAE 5W-30 for Restock
5273	04/06/12	832.82	South Coast AQMD - Annual Operating and Emissions Fees for Hammon and Westminster Lift Stations FY11-12
5274	04/06/12	10.50	Underground Service Alert - (7) New Ticket Charges
5275	04/09/12	24,832.99	CR Transfer - Tonnage for March 2012
5276	04/09/12	8,125.00	Environmental Compliance Inspection Services - Fog Inspections March 2012
		136,343.81	SUBTOTAL
			ADD HANDCUT CHECKS:
5252	04/05/12	556.19	AT&T Mobility - (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606, Sewer 714-310-8654, Emergency 714-310-9004.
5253	04/05/12	89.99	Direct TV - Services for April 2012

5254	04/05/12	7,830.33	US Bank - (NC) \$100 – Spare Tire for T9. (KR) \$7,526.68/707.85 CR - CASA Washington D.C. 03/11-03/14/12, Airport Parking, Airport Van Ride, Luggage Charges, Hotel Monaco (KR, MR, FC, JN); Jay's Catering 02/29/12 CASA Spring Conference 04/25-04/27/2012, Flight for Spring Conference (KR, MR, JN); Picture Frames for Employee Commendation; Wiarcom Monthly Service. (RH) \$455.91 – CSMFO Conference Parking, District Check Stock, Remington Pure Monthly Service. (DGr) \$229.14 – Sewer Maintenance Supplies. (DGe) \$226.43 – Board Mtg Refreshments for 02/21, 02/28, 03/06 & 03/20.
5255	04/05/12	829.53	Verizon CA - District Office Phones & Lift Stations for March 2012; 714-897-5368 District Office, 714-903-1863 Willow Lift, 714-903-6154 Westminster Lift, 714-903-6274 Hammon Lift.
5256	04/05/12	9,036.00	Zenith Insurance Company - Worker's Compensation Progressive Monthly Payment
5269	04/06/12	580.79	Office Max - Office Supplies for March 2012
		155,266.64	SUBTOTAL PLUS HANDCUTS
			Payroll
		51,623.78	Payroll Date 04/03/2012 Staff Chk # 1526715271 Taxes & Direct Deposits
		1,441.67	Payroll Date 04/03/2012 Nationwide Deferred Compensation
		208,332.09	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Cobo to approve the expenditures in the amount of \$ 208,332.09. The motion was approved by a 5-0 vote.

REPORTS

Report of President

President Rice reported that she received a letter from the District's labor union legal representative Dave Larsen of Rutan and Tucker. He will be leaving for a period of eighteen months to accept a mission for his church in Southeast Africa. The letter states that an outstanding group of attorneys, as well as Mr. Larsen's son Joseph, will be handling all labor and personnel matters in his absence. President Rice requested that staff make a copy of the letter for all Board members.

Report of General Manager

GM Robbins reported that he will be hiring a solid waste driver to fill the vacancy left by Ignacio Gonzalez.

Solid Waste truck #T57 is having problems so it has been taken to Santa Ana Diesel in order to get an estimate for repairs.

GM Robbins reported that there is a need to update the network attached storage for the District office. The cost will be approximately \$1,600.

GM Robbins reported that he has contacted DGA for a proposal for services for the Overland siphon. The cost for engineering is \$2,458.00.

GM Robbins reported that flowers have been sent for the funeral services of Grace Epperson on behalf of the Board and staff of Midway City Sanitary District.

A second budget meeting workshop has been set for Tuesday, May 29, 2012 at 4 P.M.

GM Robbins stated that he will be out of the office on May 17, 2012 for the Garbage Man's Invitational Golf Tournament in Temecula.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the Operations Committee met on Wednesday, April 4, 2012. There was a very comprehensive report on capital improvements. There are 57 active capital improvement projects with 87% of this year's budgeted funds expended. There will be a Board meeting on April 25, 2012 and Director Neugebauer asked OCSD Alternate, Director Krippner, if he would be able to attend in her place as she will be at the CASA conference in Napa Valley. He confirmed that he would attend the meeting in her place.

CONSENT CALENDAR

- A. Investment Report for March 2012
- B. Approval of the request of Solid Waste Employee David 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 consent calendar. The motion was approved by a 5-0 vote.

OLD BUSINESS

- A. Discussion of Upcoming Local Agency Formation Commission of Orange County (LAFCO) Special District Seat Vacancy

A motion was made by Director Neugebauer, seconded by Director Cobo to authorize Midway City Sanitary District Board President Margie Rice to vote for the Board, with Vice Chairman Cobo as alternate. The motion was approved by a 5-0 vote.

- B. Draft Agreement with James F. McConnell

A motion was made by Director Cobo, seconded by Director Neugebauer to accept the contract with lobbyist James F. McConnell, as revised. The motion was approved by a 5-0 vote.

NEW BUSINESS

B. Consider Attendance at the Mayor's Prayer Breakfast

A motion was made by Director Cobo, seconded by Director Diep to approve the attendance for the Board and staff for the event. The motion was approved by a 5-0 vote.

C. Review Consumer Price Index (CPI) Adjustment to Commercial, Industrial and Other Nonresidential Sanitary Sewer Services and Notice of Rate Adjustment

A motion was made by Director Neugebauer, seconded by Director Cobo to approve notice for the CPI adjustment for commercial, industrial and other nonresidential sanitary sewer services, as recommended. The motion was approved by a 5-0 vote.

D. Consider Setting Dates and Review Notices of Public Hearings for Sanitation and Sewer Service Charges, and for Adoption of 2012-2013 Budget

A motion was made by Director Neugebauer, seconded by Director Diep to approve the date of June 26, 2012 for the public hearings, as recommended. The motion was approved by a 5-0 vote.

E. Consider Sending the Director of Operations/Safety to the 2012 Waste Expo from April 30 through May 2, 2012

A motion was made by Director Diep, seconded by Director Neugebauer to approve sending Director of Operations/Safety Nick Castro to the 2012 Waste Expo in Las Vegas. The motion was approved by a 4-1 vote, with Director Krippner voting no.

BOARD CONCERNS/COMMENTS

Director Neugebauer asked that a plaque and tree planting ceremony honoring former Director Epperson be added to an upcoming agenda.

GM Robbins stated that he received a quote for the plaque today and it will be on the May 1, 2012 agenda.

Director Neugebauer stated that she enjoyed the Administrative Professionals Day luncheon.

Director Neugebauer stated that she feels it is appropriate to support Nick Castro in his new position as Director of Operations/Safety by giving him the tools and training that he needs.

Director Krippner stated that he feels that Nick Castro is a fine person and employee and has no objection with him personally, but he has with the organization and the site selection of the conference amid the recent negative news, and that is why he felt he had to vote no on that agenda item.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated to the Board that anyone interested in carpooling to the funeral services for Grace Epperson on Friday, April 20, 2012 should meet at the District office at 11:45 A.M.

GM Robbins stated that he would be picking up President Rice and Director Neugebauer on Tuesday evening to leave for the CASA conference in Napa Valley.

GENERAL COUNSEL CONCERNS/COMMENTS

None

CLOSED SESSION

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INFORMATIONAL ITEMS

None

ADJOURNMENT

President Rice adjourned the meeting at approximately 4:37 P.M.

Joy Neugebauer, Secretary