

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

May 15, 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, May 15, 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 MAY 1, 2012

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of May 1, 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 \$ 305,397.71

#	CK #	Date	AMOUNT	VENDOR
1				
2	5325	5/9	39.00	Ranslem, Cody - Driver License Renewal Reimbursement
3	5326	5/9	41.62	Advanced Gas Products - (1) Cylinder of Compressed Oxygen for Restock
4	5327	5/9	822.67	Bodyworks - Restock (4) Plungers, (4) Coils, & (2) Pressure Switches
5	5328	5/9	85,337.25	CalPERS Fiscal Services Division - Payment towards annual required contribution for GASB 45 OPEB liability
6	5329	5/9	737.00	CRC - Maintenance & Support for June 2012
7	5330	5/9	300.00	Country City Towing - Tow for T57 on 4/13
8	5331	5/9	31,259.06	CR Transfer - Tonnage Fees for April 2012
9	5332	5/9	550.00	Environmental Outsource, Inc. - Forklift Operator Safety Training & Evaluation Class 4/25
10	5333	5/9	VOID	Printer Malfunction
11	5334	5/9	434.97	G & K Services - Uniform Services for April 2012
12	5335	5/9	33.71	Hose Man, Inc. - (10) Feet of A/C Duct Hoses for T56 & Restock
13	5336	5/9	929.33	Los Alamitos Auto Parts - (1) Battery for Forklift; (50) Feet of Hydraulic Hosing for Restock;
14				(1) Mas Switch for T60;(2) Air Filters for T60 & Restock; (3) Coolant Filters for Restock
15	5337	5/9	265.00	Memorial Promptcare - DMV Exams (JS, MH) & Drug Screenings (NC, JQ, RG, PM)
16	5338	5/9	24,595.50	Orange County Sanitation District - Permit Fees for April 2012 (MCSD 5%= \$1,294.50)
17	5339	5/9	91,839.99	Rainbow Environmental - Tonnage Fees for April 2012
18	5340	5/9	206.61	Tec of California - (1) Fuel Line for T52
19	5341	5/9	9.00	Underground Service Alert - (6) New Tickets for April 2012
20	5342	5/9	224.91	Zee Medical Service Co. - Restock First Aid Kit
21	5343	4/30	500.00	Four Pals, Inc. - Performed 5 Yr Fire Inspection at 14451 Cedarwood; Backflow Testing & Repairs for MCSD
22				
23			238,125.62	SUBTOTAL
24				
25				ADD HANDCUT CHECKS:
26				
27	5318	5/2	546.41	AT&T Mobility - (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606, Sewer 714-310-8654,
28				Emergency 714-310-9004.
29	5319	5/2	20.35	Office Max - Restock Ink for District Offices
30	5320	5/2	816.58	Verizon CA - District Office Phones & Lift Stations for March 2012; 714-897-5368 District Office,
31				714-903-1863 Willow Lift, 714-903-6154 Westminster Lift, 714-903-6274 Hammon Lift.
32	5321	5/8	1,757.75	A-A Air & Radiator - Service & Repairs for T57 & T59
33	5322	5/8	89.99	Direct TV - Services for May 2012
34	5323	5/8	9,036.00	Zenith Insurance Company - Worker's Compensation Progressive Monthly Payment

35	5324	5/9	2,775.29	US Bank - (KR) \$1,458.10 - State of the City Luncheon 4/10 (AK, FC, JN, DGe, NC, KR);
36				ISDOC Quarterly Meeting 3/29 (MR, JN, AK, FC, TD, RH, KR); OC Water Summit 5/18 (MR, JN, AK, FC, TD, KR);
37				Quickbooks Accountant 2012; Administrative Appreciation Day Luncheon; Wiarcom Monthly Service;
38				Reverse Charge Credit. (RH) \$969.45 - Deposit Fee for OC Law Library membership; Quickbooks 2012 Additio
39				User; Remington Pure Monthly Service. (DGe) \$197.43 – Board Meeting Refreshments for 3/27, 4/3, 4/10, & 4/
40				(DGr) \$73.19 – Sewer Maintenance Supplies. (NC) \$77.12 - Ignition Switch for Forklift, Shop Cleaning Supplies.
41				
42			253,167.99	SUBTOTAL PLUS HANDCUTS
43				
44				Payroll
45		5/1	50,788.05	Staff Payroll - Staff Check #15282-15286 Taxes & Direct Deposits
46		5/1	1,441.67	Staff Payroll - Nationwide Deferred Compensation (Employee Paid)
47				
48			305,397.71	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Cobo to approve the expenditures in the amount of \$ 305,397.71. The motion was approved by a 5-0 vote.

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that the proposed Van's Skate Park in Huntington Beach would very likely be seeking approval for the Special Sewer Agreement at the June 5, 2012 Board meeting. There have been no changes to the agreement since it was resubmitted by MCSD.

GM Robbins reported that the District received \$320.00 from CalRecycle for the Used Oil Program. This is for the last quarter of 2011 and the first quarter of 2012.

The District has also received approximately \$5,897 from CalFEMA for the flood damage that occurred in 2005, which was based on a final inspection report that was done in August of 2011.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the Operations Committee met on Wednesday, May 2, 2012. In addition to approving many projects, there was an overview of the 2012-2013 and 2013-2014 budget development which consisted of the expenditures summary. It gave projections for this year – 2012-2013 and proposed for next year – 2013-2014. Every item had backup information explaining why it was increasing or

decreasing. Increases were found in the cost of operating supplies and the cost of chemicals and odor control. Expenditures in other areas are stable or reduced. The next meeting, which is scheduled for May 23, 2012, will be an overview of revenues.

Report from Franchise Committee Meeting

Director Diep reported that he and President Rice met with Rainbow Environmental and CR&R on Thursday, May 10, 2012 to discuss the new state regulation that requires the franchisee to educate rate payers (mainly commercial) regarding recycling. According to Rainbow, we are near a 75% diversion rate that is being mandated by the State of California. Rainbow would like the District to send out a letter informing the District's customers OF programs available to help them to recycle. The content of that letter will also be put on the District's website.

President Rice stated that the new state regulation is AB341. One problem that was discussed in the meeting is the enforcement of some ordinances with the number of code enforcement officers decreasing. The recycling ordinance (AB939) and the Over the Top ordinance are two that will be difficult to enforce. If the recycling quota is not reached, there will be a \$10,000 a day charge to the City of Westminster.

Director Neugebauer asked if the Board could be provided with a copy of the report for the Over The Top program in order to see if it is effective.

Report from Rainbow Environmental

Sue Gordon from Rainbow Environmental had to go out of town so GM Robbins gave the Board an update on AB 939, which is the recycling ordinance. The rate for 2009-2010 is currently at 73%, which is better than expected.

CONSENT CALENDAR

- A. Approval of the request of Sewer Department Employee Randy Griffith to receive 40 hours of vacation pay in lieu of time off
- B. Investment Report for April 2012
- C. Consider Approval of Attendance to Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on Thursday, May 31, 2012
- D. Consider Approval of Attendance at the 2012 Annual California Association of Sanitation Agencies (CASA) Conference in Monterey, CA on August 8-11, 2012

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

Director Neugebauer stated that she would like the District's travel policy put on the next agenda in order to amend the mileage reimbursement portion of that policy.

OLD BUSINESS

None

NEW BUSINESS

- A. Report on the Review of the 2011-2012 Orange County Grand Jury's Draft Report on Compensation Cost Transparency

Director Neugebauer and Finance/HR Director Housley attended the Grand Jury interview and reported that the Grand Jury report has not yet been released.

President Neugebauer stated that she received an email from California Special Districts Association (CSDA) regarding a Caucus Conference Call on Thursday, May 17, 2012. Representatives from CSDA, along with other associations representing special districts will discuss the April 27, 2012 Orange County Grand Jury report and the responses to that report. The Board gave direction to Finance/HR Director Housley to take part in the conference call and report back to the Board on it.

- B. California Association of Sanitation Agencies (CASA) 2012 Achievement Awards Program

A motion was made by Director Neugebauer, seconded by Director Cobo to submit the Pushing the Blues program for the Public Outreach and Education category. The motion was approved by a 5-0 vote.

- C. Consider the Purchase of Two (2) Plaques for Employees of the Midway City Sanitary District

A motion was made by Director Neugebauer, seconded by Director Cobo to approve two plaques, to be placed in the District front offices, with changes to the wording as suggested by the Board's consensus. The motion was approved by a 5-0 vote.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that when the District became a member of CalTRUST, it also became a member of the Joint Power Authority (JPA). She recently received word that they are electing Board members and amending their bylaws to allow not only state approved banks but also federally approved foreign banks for their investments. She asked that this item be put on the next agenda.

President Rice stated that she noticed that the LAFCO fees had dropped and asked Finance/HR Director Housley why that was. He explained that it is because the District's budget was lower this year due to fewer capital improvement projects.

President Rice reported that she received a letter from Joyce Crosthwaite at LAFCO explaining that Charley Wilson was the only person who was a candidate for the position of Orange County LAFCO Regular Special District seat, so there was no need for an election.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that anyone interested in carpooling to the Orange County Water Summit on Friday, May 18, 2012 should be at the District office at 6:45 AM.

GENERAL COUNSEL 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

GM Robbins gave an overview of the website activity report provided to the Board.

Director Neugebauer suggested that in the Grand Jury response it be indicated that the District has started the website activity program in an effort to make the District more transparent.

Director Krippner suggested that we also indicate the there was a \$50 cut in pay for Directors starting two years ago.

ADJOURNMENT

President Rice adjourned the meeting at approximately 4:59 P.M.

Joy Neugebauer, Secretary