

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

June 5, 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, June 5, 2012 at 4:00 P.M.

BOARD MEMBERS PRESENT: Al P. Krippner (departed meeting 5:48 pm to 5:53 pm)
Frank Cobo
Margie L. Rice
Tyler Diep (departed meeting 5:36pm to 6:07pm)
Joy L. Neugebauer

OTHERS AT MEETING: Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Tom Nixon, District Counsel
Julia Sales, Administrative Secretary
Sue Gordon, VP/Public Affairs for Rainbow
Environmental Services

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF MAY 15, 2012

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of May 15, 2012. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 217,167.55

#	CK #	Date	AMOUNT	VENDOR
1				
2	5358	6/1	139.90	Neugebauer, Joy - June 2012 Insurance Reimbursement
3	5359	6/1	48.29	Gerardo, Danielle - Reimbursement for Refreshments & Flowers for Tree Dedication 05/29/2012
4	5360	6/1	252.03	Advanced Gas Products - Cylinder Rental for April 2012; Restock Compressed Gas (1) & Liquefied Propane (1)
5	5361	6/1	1,726.94	Bodyworks - Restock Rocker Switch (9); Replacement Joystick for T62
6	5362	6/1	34,420.14	CalPERS Retirement - Retirement Contributions for May 2012
7	5363	6/1	971.10	Daniel's Tire Service - Restock (2) New Tires
8	5364	6/1	141.14	Dave's Flowers - Arrangement for Grace Epperson on 04/20
9	5365	6/1	2,458.00	DGA Consultants - Engineering & Drafting Services for Siphon Relocation Project at Newland Street &
10				Oberlin Avenue.
11	5366	6/1	434.97	G & K Services - Uniform Services for May 2012
12	5367	6/1	173.42	Golden Trophy & Awards Co. - Bronze Plaque for Grace Epperson Tree Dedication
13	5368	6/1	1,505.97	Grainger - Replace Flammable Cabinet in Shop; Siphon Pump for Shop
14	5369	6/1	263.99	Hedman L.A. - Replacement Ink Roller for Check Signing Machine
15	5370	6/1	18.23	Hilco - (2) Universal Clevis Pins for Restock
16	5371	6/1	48.89	Huntington Beach Ford - (8) Spark Plugs & (1) Oil Filter for M5
17	5372	6/1	65.51	Los Alamitos Auto Parts - (1) Air Filter for Restock
18	5373	6/1	189.10	Plumber's Depot - (2) High Pressure Valves & (4) Fittings for M63
19	5374	6/1	227.76	South Coast AQMD - Hot Spots Program Fee for Hammon & Westminster Lift Stations July 2011- June 2012
20	5375	6/1	1,316.97	Tarulli Tire, Inc. - (4) Front Tire Retreads & (3) Rear Tire Retreads for Restock
21	5376	6/1	49.26	Tec of California - (1) Gasket & (1) Switch & Sending Unit for T59
22	5377	6/1	195.00	Theresa Kaszyk - Services Rendered from January 2012 through March 2012
23	5378	6/1	514.00	Wespac Security Services - Burglar & Fire Alarm Services from April to June 2012
24	5379	6/1	6,762.00	Woodruff, Spradlin & Smart - Legal Services Rendered through April 2012
25	5380	6/1	74.46	Rice, Margie - Reimbursement for CASA Napa Valley Conference 4/24-4/27/2012
26				
27			51,997.07	SUBTOTAL
28				
29				ADD HANDCUT CHECKS:
30				
31	5344	5/18	30.66	City of Westminster - Hammon & Westminster Lift Stations Water Usage for April 2012
32	5345	5/18	76.57	The Gas Co. - District Office & Maintenance Yard Usage for April 2012
33	5346	5/18	16.17	Office Max - Restock Audio Cassettes for District Offices
34	5347	5/18	465.76	Verizon Business - Internet Connection for SCADA System for April 2012
35	5348	5/22	1,898.70	Southern California Edison - Archives & Parking Garage \$44.26, District Office \$401.68, Maintenance Shop \$201.61, Brookhurst Lift Station \$177.98, Westminster Lift Station \$423.75,
36				Willow Lift Station \$231.71, Hammon Lift Station \$417.71 .
37				
38	5349	5/22	42.36	First Bankcard (NC) - Restock Kitchen Supplies

39	5350	5/25	97.17	AT&T - Brookhurst Lift Station Service for May 2012
40	5351	5/25	44,753.75	CalPERS Health Premium - Health Premium for June 2012
41	5352	5/25	3,068.15	MetLife - Monthly Premium for June 2012
42	5353	5/25	684.96	The Standard Life Insurance - Premium Coverage for June 2012
43	5354	5/25	809.01	Verizon CA - District Office Phones & Lift Stations for May 2012; 714-897-5368 District Office,
44				714-903-1863 Willow Lift, 714-903-6154 Westminster Lift, 714-903-6274 Hammon Lift.
45	5355	5/31	583.65	AT&T Mobility - (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606, Sewer 714-310-8654,
46				Emergency 714-310-9004.
47	5356	5/31	80.00	City of Westminster - Hydrant Meter Usage for April & May 2012
48	5357	5/31	2,979.05	US Bank - (KR) \$2,472.44 - CASA Napa Valley 4/24-4/27/12: Hotel (KR, MR, JN), Airport Parking, Car Rental;
49				Picture Frames for Mission, Vision & Core Values; Map Books for Sewer Crew. (DGe) \$124.38 - Board
50				Refreshments for 5/1 & 5/15. (DGr) \$90.08 - Sewer Maintenance Supplies. (NC) \$412.75 - Waste Expo 2012
51				04/30-5/02/12: Hotel, Food, Transportation; Hard Drive for Shop; Replacement Antenna for T56.
52				(RH) \$297.00 - Remington Monthly Service; GFOA Membership for 2012/2013; Arrangement for GM;
53				Reverse Charge Credit (\$417.60).
54				
55			107,583.03	SUBTOTAL PLUS HANDCUTS
56				
57				Payroll
58		5/15	50,447.45	Payroll - Staff Check #15288-15292 Taxes & Direct Deposits
59		5/15	1,445.93	Payroll - Nationwide Deferred Compensation(100% Paid By Employees)
60		5/29	51,770.89	Payroll - Staff Check #15297-15301 Taxes & Direct Deposits
61		5/29	1,441.67	Payroll - Nationwide Deferred Compensation(100% Paid By Employees)
62		5/25	4,152.38	Board of Director's Payroll for the Month of May 2012 Chk #15294-15296
63		5/25	326.20	Board of Director's Nationwide Deferred Compensation for May 2012(100% Paid By Directors)
64				
65			217,167.55	TOTAL EXPENDITURES W/PAYROLL

Director Diep stated that staff made the adjustment to line 63 of the expenditures on the recommendation of Director Neugebauer that reflects that the Board of Directors pay 100% of their deferred compensation.

A motion was made by Director Diep, seconded by Director Cobo to approve the expenditures in the amount of \$ 217,167.55. The motion was approved by a 5-0 vote.

REPORTS

Report of General Manager

GM Robbins reported that the District received a grant from California Waste and Recycling in the amount of \$24,370.00 for beverage container recycling. \$12,089 will go to the 2013 calendar production, \$10,297 toward the purchase of blue carts, and \$1,324 for Safety Day outreach and other recycling promotions.

GM Robbins reported that after interviewing ten candidates for the Solid Waste driver position, Sergio Gonzalez was selected and is scheduled to start work on Monday, June 25, 2012.

GM Robbins reported that, after comparing iPads to their Android version at the Board's direction, the iPad has been selected for purchase. Per CRC (the District's IT Staff) they are similar and are both compatible to MCSD's computer system. The cost for three iPads (one each for GM Robbins, Finance/HR Director Housley, and Director of Operations/Safety Castro) will be approximately \$2,500.00.

GM Robbins reported that the District's air conditioning system was repaired at a cost of \$540.00.

Report of President

President Rice stated that the Directors were asked to wear their MCSD blue shirts for the picture for the Pushing-the Blues program, but that they still have not received them.

GM Robbins reported that they have been ordered.

Report from Orange County Sanitation District Meeting (OCSD) Meeting

Director Neugebauer reported that on May 23, 2012 the Orange County Sanitation District Board recognized three employees for the OCSD Honor Walk, and presented them with plaques.

Director Neugebauer reported that she received an email from OCSD regarding employee Manny Tolmes, who passed away unexpectedly at the age of 35, leaving three young boys, with another on the way. Director Neugebauer stated that she will be sending a response to that email noting that MCSD shares their feelings of loss.

Director Neugebauer reported that EnerTec was recently given a 90-day extension of their contract, which ends on June 11, 2012. EnerTec has not been able to reach their full capacity for creating energy from the bio solids as hoped, and has been selling off the excess. OCSD has been sending bio solids to EnerTec since 2005 and pays almost double what they would if they were sent to Northern California or Arizona for

land application. The Board is now in a position to end this contract without penalty, and Director Neugebauer stated that she be supporting other sources for the bio solids.

Report from Rainbow Environmental Services

Sue Gordon, Vice President of Public Affairs at Rainbow Environmental Services came to the meeting to update the Board on the Cal Recycle Workshop, the District's Quarterly Waste Report, Public Education and Outreach, AB341 and the Discovery Science Center.

Sue Gordon gave a summary of the CalRecycle Workshop she attended and expressed the difficulties Southern California is facing in order to comply with AB341 which charges CalRecycle with the responsibility for ensuring that the state is recycling at least 75% of the garbage that it generates by 2020. CalRecycle will have to report to Legislature by 2014 on how they will reach the 75% goal by the year 2020. Three ways they plan to reach the 75% goal are source reduction, composting & recycling. The current "pure" recycling rate for California is at 49%. The ultimate goal is for California to have zero waste.

Sue Gordon provided the Board with the first quarter 2012 Waste Summary. The District's overall diversion rate is 50%, with residential at 54-61%, and commercial at 34-45% due to contamination. She stated that Rainbow Environmental Services will no longer be able to subsidize the District by giving credit for green waste and that the District will, at some point, need to discuss dealing with green waste.

Rainbow Environmental Services is continuing to provide 3R's (Reduce, Reuse, Recycle) assemblies for fifth graders in the classrooms. There are already 804 schools that have participated and about 200 more before the end of this school year. As a result of the grants coming out of Orange County Waste and Recycling, Rainbow will be adding trips to the Eco Challenge at the Discovery Science Center. Rainbow Environmental Services will be signing a contract with Saigon West, a Vietnamese communications firm, who will work with Rainbow and MCSD to increase the tonnages that are being recycled in the District by working with Saigon West staff to educate the community through radio, brochures and possibly social media.

Rainbow Environmental will be sending a letter regarding AB341 on June 30, 2012 to customers of the Midway City Sanitary District as well as their own in Huntington Beach and Fountain Valley. Sue Gordon asked the Board to review the letter and give their input and also to share the information on the MCSD web site in order to satisfy the State. Director Neugebauer suggested that District Counsel be involved in reviewing the Rainbow Environmental Service letter.

GM Robbins stated that MCSD has already added the AB341 information to the MCSD website.

Report from Orange County Water Summit

Director Cobo found the information interesting and didn't realize water was such an important resource.

Director Diep was interested by the presentation about the sea levels rising, how it could take over the Delta water supply and ruin the farming and water supply in Northern California.

Director Neugebauer enjoyed the varied viewpoints on climate change and its impact and felt that the caliber of speakers was excellent. She commented that the state of the water system and the perceptions haven't changed over the years, and that the challenges are the same with no solutions.

Director Krippner had no additional comments.

President Rice found the Water Summit interesting overall.

GM Robbins stated that the weather phenomenon over the next 100 years, with sea levels rising could negatively affect the District's sewer lines.

Director Cobo stated that he would like to learn more about water and the State.

Director Neugebauer directed him to go online and take a survey. At the end of the survey, there is information so that he may be contacted to take a tour.

Report from Calendar Committee

Director Neugebauer reported that since the grant is funding the calendar, and the grant comes from solid waste, there should be more solid waste information. She would also like it clearly stated in the calendar that it is funded by a grant. Director Neugebauer stated that the committee mostly worked on the calendar pages and noted today's agenda has an item to change the first January 2013 meeting day since it lands on New Year's Day.

Report from Independent Special Districts of Orange County (ISDOC)

Director Neugebauer reported that she found the presentation regarding the problems facing the State of California interesting but depressing.

Director Diep stated that he may be furloughed from five days to four due to budget cuts.

There was some discussion regarding the CSDA Region 6 seats and GM Robbins stated that the voting ballot for CSDA Region 6 has not yet been received.

CONSENT CALENDAR

- A. Consider Attendance of the Midway City Sanitary District Sewer Crew at the 22nd Collections Training Seminar on Thursday, July 26, 2012

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

None

NEW BUSINESS

- A. RESOLUTION NO. 2012-04 *(Roll Call Vote)*

A RESOLUTION NO. 2012-04 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT, OF ORANGE COUNTY, CALIFORNIA, REVISING THE OFFICIAL DISTRICT TRAVEL POLICY.

Director Krippner stated his objection to the resolution because he feels that air fare is too large an expense for the District.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve Resolution No. 2012-04, revising the official District travel policy, with the additional statement "whichever is less" added. The motion was approved by the following roll call vote:

AYES: President Rice, Directors Neugebauer, Diep, and Cobo

NOES: Director Krippner

- B. RESOLUTION NO. 2012-05 *(Roll Call Vote)*

A RESOLUTION NO. 2012-05 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2012-13 FOR THE DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 9 OF TITLE 1 OF THE CALIFORNIA GOVERNMENT CODE.

A motion was made by Director Diep, seconded by Director Neugebauer to approve Resolution No. 2012-05. The motion was approved by the following roll call vote:

AYES: President Rice, Directors Neugebauer, Diep, Cobo and Krippner

NOES: None

C. RESOLUTION NO. 2012-06

(Roll Call Vote)

A RESOLUTION NO. 2012-06 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA FOR EMPLOYER PAID MEMBER CONTRIBUTIONS AND RESCINDING RESOLUTION NO. 2011-07

A motion was made by Director Neugebauer, seconded by Director Diep to continue Resolution No. 2012-06 to the June 19, 2012 Board meeting in order to research the accuracy of the language. The motion was approved by the following roll call vote:

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

D. RESOLUTION NO. 2012-07

(Roll Call Vote)

A RESOLUTION NO. 2012-07 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA ESTABLISHING A POLICY APPLICABLE TO DISTRICT DEPOSITS AND INVESTED FUNDS

A motion was made by Director Diep, seconded by Director Neugebauer to approve Resolution No. 2012-07. The motion was approved by the following roll call vote:

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

E. RESOLUTION NO. 2012-08

(Roll Call Vote)

A RESOLUTION NO. 2012-08 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA APPROVING THE ANNUAL STATEMENT OF INVESTMENT POLICY FOR FISCAL YEAR 2012-2013 (JULY 1, 2012 THROUGH JUNE 30, 2013)

A motion was made by Director Diep, seconded by Director Neugebauer to approve Resolution No. 2012-08. The motion was approved by the following roll call vote:

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

F. Consider Voting to Approve the Updated Investment Policy for the Investment Trust of California, doing business as CalTRUST, a Joint Powers Authority, which Midway City Sanitary District is a Member of

Director Neugebauer stated that she is against changes which would also permit investing in foreign banks.

At 5:36 Director Diep left the meeting.

A motion was made by Director Neugebauer, seconded by Director Cobo to not support the by-law change which would permit investments in federally licensed foreign banks. The motion was approved by 3-1 vote with Director Krippner voting no. Director Diep was absent.

G. Consider Rescheduling the Meeting Date for the January 1, 2013 Regularly Scheduled Board Meeting, Which Lands on an Observed Holiday.

A motion was made by Director Cobo, seconded by Director Neugebauer to approve to reschedule the January 1, 2013 regularly scheduled Board meeting to Thursday, January 3, 2013. The motion was approved by a vote 4-0. Director Diep was absent.

H. Economic Suggestion Award (Used Oil Program)

GM Robbins stated that Danielle Gerardo negotiated with Asbury Oil to pay the District to pick up oil for recycling instead of the District paying Asbury oil for disposing of it. She also got CalRecycling to pay MCSD a grant for both publicly used oil and oil used at the District. This will save the District \$2120.00 based on prior year figures and at the 5% rate would pay Danielle Gerardo \$106.00.

Director Neugebauer made it clear that she feels this is included in Danielle Gerardo's duties and that the award should not be presented to non-represented employees.

There was discussion about represented or non-represented employees.

At 5:48 Director Krippner left the meeting.

A motion was made by President Rice, seconded by Director Cobo to approve of the Economic Suggestion Award (Used Oil Program) to Danielle Gerardo in the amount of \$106.00. The motion was approved by a 2-1 vote with Director Neugebauer voting no. Director Diep and Director Krippner were absent.

I. Economic Suggestion Award (Re-Routing of Solid Waste Routes)

GM Robbins announced that Lead Worker, David Hernandez came up with the suggestion to reroute drivers by taking all right turns in order to save time and reduce the risk of

accidents. Nick Castro, Director of Operations and Safety assisted David Hernandez with rewriting the driver routes.

There was discussion whether Nick Castro, Director of Operations and Safety is eligible or not.

Director Neugebauer stated that she approves because David Hernandez is a union (represented) member.

A motion was made by Director Cobo, seconded by President Rice to approve the Economic Suggestion Award (Re-Routing of Solid Waste Routes) to David Hernandez in the amount of \$275.20. The motion was approved by a 3-0 vote. Director Diep and Director Krippner were absent.

At 5:53 Director Krippner returned to the Board meeting.

- J. Consider approval of the request of Solid Waste Employee Robert Mayfield to receive 40 hours of vacation pay in lieu of time off

The Board discussed and confirmed with Legal Counsel that it is up to the Board's discretion to approve this request.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve that Robert Mayfield receive 40 hours of vacation pay in lieu of time off. The motion was approved by a 3-0 vote. Director Krippner was silent. Director Diep was absent.

- K. Report and Discussion on the Special District Caucus Conference Call held May 17, 2012 to discuss the Orange County Grand Jury Report "Let There Be Light" Filed April 27, 2012

Finance/HR Director Housley reported that the conference call conversation was primarily about CSDA taking a unified approach and responding on behalf of Special Districts. LAFCO will also be sending a response to the Orange County Grand Jury. Special Districts are encouraged to collaborate in order to send a unified message.

GM Robbins stated that he received an email regarding a Workshop for Districts on June 14, 2012 in the ISDOC Board room.

District Counsel Nixon reported that no action is required on this item.

BOARD CONCERNS/COMMENTS

Director Krippner stated his concern over rate payer money being used for payment of meetings, conferences, accommodations, transportation, parking charges, per diem, and stipends for Board members.

President Rice agreed and there was some discussion regarding the District's policy. Staff and legal counsel were directed to research the current policy and bring it back onto the next agenda for review.

Director Neugebauer stated that she did not feel that legal counsel needed to attend the budget study sessions and the Board agreed.

At 6:07 P.M. Director Diep returned to the Board meeting.

GM/STAFF CONCERNS/COMMENTS

GM Robbins reminded the Board that he would like to get a picture of them next to a blue barrel for the "Pushing-the-Blues" Program.

GM Robbins suggested that the Board discuss having an employee luncheon sometime in July in order to present the two economic suggestion award checks and the two plaques.

Finance Director Housley reported that the field audit at Rainbow Environmental will take place June 11 through June 15, 2012. Finance/HR Director Housley also reported that MCSD received the first allotments from the RDA funds in the amounts of \$325,585.00 and \$92,477.00 and will be applied to this fiscal year.

CLOSED SESSION

President Rice convened the meeting to closed session at 6:12 P.M. pursuant to Government Code Sections 54957.6.

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 LABOR NEGOTIATORS (Government Code Sections 54957.6)
Agency Designated Representatives: General Manager Robbins
Unrepresented Employees: Finance/HR Director, Executive/Board Secretary, Administrative Secretary/Accountant, Administrative Secretary/Receptionist and Director of Operations/Safety

- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code section 54956.9(b) (one potential case: Claim of Betty Dietz)

President Rice reconvened the meeting at 6:44 P.M.

Legal Counsel Nixon stated that there was no reportable action as a result of the closed session.

INFORMATIONAL ITEMS

GM Robbins stated that he provided the Board with a copy of the Over-The-Top Program's first quarter 2012 report which was received and filed.

ADJOURNMENT

President Rice adjourned the meeting to JUNE 12, 2012 at 4 P.M. at approximately 6:45 P.M.

Joy Neugebauer, Secretary