

**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**

July 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, July 17, 2012 at 4:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo (4:03 arrival)
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 Krippner led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

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

A motion was made by Director Neugebauer, seconded by President Rice to approve the minutes of the meeting of July 3, 2012, with a change. The motion was approved by a 3-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF JULY 11, 2012

A motion was made by Director Neugebauer, seconded by President Rice to approve the minutes of the meeting of July 11, 2012. The motion was approved by a 3-0 vote.

PUBLIC COMMENTS

None

Director Cobo arrived at the meeting at 4:03 P.M.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 260,635.03

#	CK #	Date	AMOUNT	VENDOR
1				
2	5445	7/12	68.60	Advanced Gas Products - (2)Outer/Inner Lens,(7.5)Gallons Liquefied Propane & Stick Gloves for Restock
3	5446	7/12	112.00	AWSI - Random Drug Tests (NC, RM)
4	5447	7/12	998.30	Bodyworks - (10) Rocker Switches, (3) Air Cylinders, (1) Grip & (1) Crank Gear for Restock
5	5448	7/12	12,367.73	CalPERS Retirement - Retirement Contributions for July 2012
6	5449	7/12	737.00	CRC - Maintenance & Support for August 2012
7	5450	7/12	13,807.10	County of Orange Treasurer-Tax Collector - FY 2012-2013 LAFCO Annual Fee
8	5451	7/12	30,738.41	CR Transfer - Tonnage Fees for June 2012
9	5452	7/12	2,424.54	Daniel's Tire Service - (12) Recaps & (4) Nail Repairs for Restock
10	5453	7/12	6,980.00	Facility Builders & Erectors, Inc. - CNG Feasibility Study
11	5454	7/12	400.00	Frog Environmental - 2012-2013 Storm Water Service, 1st Quarter
12	5455	7/12	301.68	G & K Services - Uniform Services for July 2012
13	5456	7/12	218.42	Hillco - (300) Electrical Shrink Wrap for Fuses, (95) Washers, (80) Locknuts for Restock
14	5457	7/12	26.92	Huntington Beach Ford - (2) Relays for Restock
15	5458	7/12	580.23	Los Alamitos Auto Parts - (10) Hose Fittings, (4) Strobe Bulbs for Restock & (1) Air Filter for T57
16	5459	7/12	1,236.90	Orange County Sanitation District - Permit Fees for June 2012 (MCSD 5%= \$65.10)
17	5460	7/12	41.36	Petty Cash (K. Robbins) - [\$3.75] Parking for OC Law Library (RH); [\$30.62] Employee Luncheon to
18				Honor Sewer Crew & Darrell Grimes 3/28 (NC); [\$6.99] Donuts for Safety Meeting on 5/16 (NC).
19	5461	7/12	1,487.58	PTO Sales - Power Take Off for T52
20	5462	7/12	99,834.71	Rainbow Environmental Services - Tonnage Fees for June 2012
21	5463	7/12	413.34	Rosemead Oil - (15) Betalube ATF for T65
22	5464	7/12	393.77	Tec of California - (2) Air Filters, (6) Oil Filters and (2) Filler Caps for Restock
23	5465	7/12	225.00	Tech Air Mobile Services - Diagnose Electrical Problem & Repair for T56
24	5466	7/12	182.33	Top Mobile Vision - Six Inch Cable & Labor for M63
25	5467	7/12	88.17	TrucParCo - (2) Brass Pipe Bushings & (1) Valve for T51
26	5468	7/12	15.00	Underground Service Alert - (10) New Tickets for June 2012
27	5469	7/12	6,900.00	White, Nelson, Diehl, Evans LLP - Agreed-upon Procedures Review of Rainbow Environmental Service
28	5470	7/12	8,708.75	Woodruff, Spradlin & Smart - Legal Services Rendered for June 2012
29				
30			188,108.94	SUBTOTAL

31				
32				ADD HANDCUT CHECKS:
33				
34	5439	7/6	580.42	AT&T Mobility - (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606, Sewer 714-310-8654,
35				Emergency 714-310-9004.
36	5440	7/6	28.23	City of Westminster - Hammon & Westminster Lift Stations Water Usage for June 2012
37	5441	7/6	89.99	DirectTV - Service for July 2012
38	5442	7/6	4,068.24	US Bank - (KR) \$2,824.35 - Wiarcom Monthly Service, Jay's Catering 5/25, 6/5 Board Meeting
39				Refreshments, Picture Frames for District Office, (3) iPads for KR, RH, NC. (DGe) \$111.48 - Board
40				Meeting Refreshments for 6/12 & 6/19. (DGr) \$472.94 - New Locks for District, Shop & Back Buildings.
41				(NC) \$475.46 - (2) Pedastal Mailboxes for Incident on 5/21, Timecards for Staff, Gloves for Restock.
42				(RH) \$219.00 - Remington Monthly Service; CMTA Membership for 2012/2013.
43	5443	7/6	833.15	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	5444	7/6	9,034.00	Zenith Insurance Company - Worker's Compensation Progressive Monthly Payment
46				
47			202,742.97	SUBTOTAL PLUS HANDCUTS
48				
49				Payroll
50		7/10	56,440.36	Payroll - Staff Check # 15319 - 15324 Taxes & Direct Deposits
51		7/10	1,451.70	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
52				
53			260,635.03	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by President Rice to approve the expenditures in the amount of \$ 260,635.03. The motion was approved by a 4-0 vote.

REPORTS

Report of President

President Rice reported to the Board that the California Association of Sanitation Agencies (CASA) has announced the selection of Roberta L. "Bobbi" Larson as its new Executive Director.

Report of General Manager

GM Robbins asked the Board if they wished to attend all of the Concerts-In-The Park on Thursdays or just the August 23, 2012 concert, of which the District is the primary sponsor.

Director Neugebauer stated that she felt that the Directors should go to all of the concerts, as the District sponsored the entire series.

President Rice stated that she would probably be going to all of them as Mayor of Westminster.

GM Robbins reminded the Board that tomorrow, Wednesday, July 18, 2012, there was a meeting at 11 A.M. to review the CNG Feasibility Study, and then an employee luncheon at 12 noon. GM Robbins stated that now that the CNG feasibility study is complete, the District can finalize its Strategic Plan.

GM Robbins reported that the District has received an additional \$298,406 in redevelopment funds, which now totals over \$1 million for this year to date.

GM Robbins stated to the Board that he would like to attend the Boys and Girls Club Golf Tournament on Monday, July 30, 2012, with their approval.

President Rice stated that she feels that it is important for GM Robbins to be involved in the community.

GM Robbins stated that Safety Day is next week on Wednesday, July 25, 2012 from 11 A.M. until 1 P.M. at Sigler Park and the District is planning to hand out coloring books and crayons to children attending.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the Operations Committee was dark in July, so there was no meeting to report. There will be a meeting on July 25, 2012 at which the OCSD Board will be reconsidering the bio-solids for Tule Ranch. Director Neugebauer also reported that the new appointed President of the Board is Troy Edgar.

CONSENT CALENDAR

- A. Approval of the Request of Sewer Department Employee Michael LaFreniere to Receive 40 Hours of Vacation Pay in Lieu of Time Off
- B. Investment Report for June 2012
- C. Damage Claims Submitted by Ruth Irvin, Personal Representative of Betty A. Dietz
- D. Consider Approval of Attendance at the California Special Districts Association (CSDA) Annual Conference in San Diego, CA September 24-27, 2012

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the Consent Calendar as recommended by staff. The motion was approved by a 4-0 vote.

OLD BUSINESS

None

GM Robbins stated that Scott Snowden from the Rule Group called to say that he is stuck in traffic and running late. GM Robbins suggested that the Board go ahead with the agenda until Mr. Snowden arrived.

NEW BUSINESS

A. Renewal of Midway City Sanitary District's Commercial Package Insurance Program Proposal for August 1, 2012 – July 31, 2013

Director Neugebauer stated that she realized that it was too late for this year, but that next year she would like to see the broker for the Districts commercial insurance package go out to bid since it is such a large expenditure.

GM Robbins stated that the Rule Group is a broker and the broker solicits bids for the District's insurance, but that he would bring it back to the Board early next year for their consideration.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she received a legislative alert from CSDA regarding Affected Taxing Entities (ATE's), which the District is, that indicated that by July 14, 2012, all cities were supposed to return the last of the RDA funds.

Director Neugebauer stated that she felt that the District should consider upgrading its security.

Director Neugebauer stated her concern if CalPERS goes broke and asked whether it was prudent for the District to continue to prefund the accounts.

Director Krippner stated that the District should move more quickly on decisions and that the extra \$1 million is reserve not surplus.

Director Cobo stated that he is very proud of District staff and all the work they do to help the Board.

President Rice stated that she feels that the District is very fortunate to have good, honest people working together and now, the funds to make the necessary improvements needed.

Director Neugebauer asked whether there were any more cameras that could be installed on the trucks in order to make them safer, which would result in a lower number of incidents, which in turn would help to keep the automobile insurance lower.

GM Robbins stated that cameras have already been installed on the District's trucks.

Scott Snowden of the Rule Group arrived at the meeting at 4:50 P.M.

A short break was taken from 4:50 P.M. until 4:52 P.M.

Director Neugebauer asked Scott Snowden if there were any areas in the proposal where coverage could be lowered so that the District could save money without a substantial increase in exposure.

Scott Snowden's responded by saying that it was up to the Board to make that decision. He stated that he did not see anything exorbitant in the proposal and most of the policies cannot be modified. The District's experience modification factor (MOD) has gone from 83 to 74, with 100 being average, which is excellent and helps to lower the District's insurance cost.

Director Krippner asked Scott Snowden how much it would cost the District to increase the Directors' & Officers' (D&O) insurance coverage, referring to Errors and Omissions (E&O) insurance coverage.

Scott Snowden stated that he will bring those numbers back to the Board for their consideration.

Director Neugebauer stated that the largest increase appears to be on the automobiles and asked if it still is based on 24 power units.

GM Robbins stated that there are still 24 power units and includes the class C vehicles.

Scott Snowden stated that the auto increase is directly due to the double rear end claim on Edwards in 2011 and the fatality this year, which the District will outgrow. He also stated that the District has great loss control and continues to do safety training every year, which helps to offset the losses.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the insurance proposal for August 1, 2012 until August 1, 2013, as presented. 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.

There was no closed session.

BOARD CONCERNS/COMMENTS

President Rice read a letter from a resident thanking the District and Director of Safety/Operations Nick Castro for helping them with their extra waste during a recent wedding at their home.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated to the Board that Director Krippner confirmed that he will be attending the MWDOC Water Policy Forum on Wednesday, July 25, 2012 at 6 P.M., and that staff will make that reservation.

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

- A. Website Activity for the Month of June 2012 (32,601 Successful Hits)

ADJOURNMENT

President Rice adjourned the meeting to Wednesday, July 18 at 11 A.M. at approximately 5:33 P.M.

Joy Neugebauer, Secretary