

**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**

August 21, 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, August 21, 2012 at 4:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo
Margie L. Rice
Tyler Diep (arrived at 4:09 P.M.)

OTHERS AT MEETING:

Robert Housley, Finance/HR Director
James Eggart, District Counsel
Danielle Gerardo, Board Secretary
Sue Gordon, V.P. of Public Affairs,
Rainbow Environmental Services

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 6, 2012

A motion was made by Director Neugebauer, seconded by Cobo to approve the minutes of the meeting of July 17, 2012, with a change. The motion was approved by a 4-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 135,551.90

#	CK #	Date	AMOUNT	VENDOR
1				
2	5516	8/15	102.87	Robbins, Ken - CASA Monterey Expense Reimbursement 08/07-08/11
3	5517	8/15	62.00	Advanced Gas Products - Cylinder Rental for July 2012
4	5518	8/15	714.64	Advanced Office Services - (5) Toners for Ricoh MP C3000A Restock
5	5519	8/15	57.00	Advanced Workplace Strategies - Random Drug Test (RG)
6	5520	8/15	1,151.28	Chemsearch, Inc. - (120) Lbs of Maxi-Lube Ultra for Restock
7	5521	8/15	987.00	Computer Research Center - Maintenance & Support for September 2012; Symantec Anti-Virus
8				for District 2012-2013
9	5522	8/15	38,948.03	CR Transfer - Tonnage Fees for July 2012
10	5523	8/15	58.45	DJ Printing - (1000) #10 Window Envelopes for Restock
11	5524	8/15	300.00	G & K Services - Uniform Services for August 2012
12	5525	8/15	583.74	Golden Bell Products - (55) Gallons of Super Butyl for Restock
13	5526	8/15	155.12	Hilco Fastener Warehouse - (20) Clamps, (200) Wire Ties, (2) Shrink Tubes for Restock
14	5527	8/15	1,694.96	Los Alamitos Auto Parts - (2) Brake Drums for T59; (4) Brake Kits & (4) Brake Drums for Restock;
15				(1) Tire Lube for Restock; (2) Beacon Lights for Forklift
16	5528	8/15	2,927.54	OCS D - OCHA FOG/BMP Inspections 3rd Qtr 2011-2012
17	5529	8/15	3,735.41	Plumber's Depot - (6) Hoses & Installation for M63 & M64
18	5530	8/15	146.73	PSI - Wand & Gun with Shut-off for District Wash Rack
19	5531	8/15	1,487.58	PTO Sales - Power Take Off for T51
20	5532	8/15	388.57	Tec of California - (4) Hoses & (4) Clamps for T57
21	5533	8/15	543.29	Top Mobile Vision - (1) Color Camera & (65) Foot Cable for T62
22	5534	8/15	1,156.18	TrucPar Company - (4) Valves, (4) Brake Chambers, (6) Spring Brakes for Restock
23	5535	8/15	7.50	Underground Service Alert - (5) New Tickets for July 2012
24				
25			55,207.89	SUBTOTAL
26				
27				ADD HANDCUT CHECKS:
28				
29	5509	8/9	667.21	AT&T Mobility - Service for July 2012: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
30				Sewer 714-310-8654, Emergency 714-310-9004.
31	5510	8/9	236.28	City of Westminster - District Water, Maintenance Shop, & Wash Rack Fees for July 2012
32	5511	8/9	89.99	DirecTV - Service for August 2012
33	5512	8/9	13,353.63	Equipment Company of Los Angeles - Replacement Forklift Truck for District (Trade In Credit \$600.00)
34	5513	8/9	12,440.00	Solid Waste Insurance Mgrs. - Excess Liability Coverage 8/2012-8/2013; Coverage for Two Demo
35				Vehicles: (\$144.00) 2010 Crane Carrier Vin#9473 & (\$196.00) 2012 Autocar Vin#2008

36	5514	8/15	77.34	The Gas Co. - District Offices & Maintenance Yard Fees for July 2012
37	5515	8/15	489.36	Office Max - Restock District Office Supplies for July 2012
38				
39			82,561.70	SUBTOTAL PLUS HANDCUTS
40				
41				Payroll
42		8/7	51,591.92	Payroll - Staff Check # 15337 - 15340 Taxes & Direct Deposits
43		8/7	1,398.28	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
44			135,551.90	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the expenditures in the amount of \$ 135,551.90. The motion was approved by a 4-0 vote.

REPORTS

Report of President

President Rice reported that she received a letter from John Moorlach, of the Orange County Board of Supervisors. The letter invites the Board to provide input and suggestions into the development of their 2013 Legislative Platform. Staff was asked to make copies of the letter for all Board members and add it to the next Board meeting agenda.

President Rice stated that she spoke with former Midway City Sanitary District Director Vivian Kirkpatrick-Pilger and was sad to report that her father passed away.

Report of General Manager

FD Housley reported that the drivers started picking up blue recycle carts before black solid waste carts on Monday, August 13, 2012 and it seems to be working very well. The drivers are saving time at the material recovery facility (MRF) at Rainbow Environmental because other agencies dump their solid waste (black) carts first. There have been a few phone calls to the District due to the change.

FD Housley supplied the Board with a copy of an email response from Scott Snowden from the Rule Group with examples of insurance claims which Director Neugebauer had requested. The Board was asked to look over the material and bring back any questions for discussion to the next meeting.

White Nelson Diehl Evans has completed the District's field work portion of the financial audit. They are compiling the financial report and it is scheduled to be presented to the Board at the September 18, 2012 Board meeting.

FD Housley stated that next week is the cutoff to make any changes to the hotel reservations for the CSDA conference in San Diego. Attendees need to decide on a

Monday afternoon or Tuesday morning departure and let staff know in order to finalize the arrangements.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that, upon review, the OCSD Operations Committee awarded the bio-solids contract to Tulle Ranch due to quality and level of service. OCSD won the outstanding Public Outreach award at the recent CASA conference in Monterey.

The Board of Directors will meet on Wednesday, August 22, 2012 and there will be a Strategic Planning workshop on October 17, 2012.

Report on Rainbow Environmental Services

Sue Gordon, of Rainbow Environmental Services, passed out a spread sheet showing the diversion rate for Westminster and Midway City. The District remains in compliance with a 50% diversion rate for the full 2nd quarter. The largest portion of tonnage that has been recycled is green waste, concrete and Alternative Daily Cover (ADC). With the State of California looking at a 75% recycling rate, Sue Gordon stated that an additional green cart should be considered for the District.

President Rice stated that the numbers for the commercial tonnage are too low and need to be brought up while the residential is doing well.

Sue Gordon stated that Rainbow Environmental has contracted with a public relations company called Saigon West to encourage and teach proper recycling, explain AB341 and recycling options to the Vietnamese community within the District.

Report on CASA Conference, Monterey, CA

Director Cobo reported that he particularly enjoyed the ethics training session at the CASA conference in Monterey.

Director Neugebauer reported that the speaker for the risk management seminar was dynamic and inspirational and thought that it set a high standard for the remainder of the conference. She enjoyed the ethics training, the bio-solids seminar, and Jacques Cousteau's son, who presented videos on the debris and pollution in our oceans.

President Rice reported that all in all it was a good conference and she particularly enjoyed the speaker from Leucadia who spoke about branding.

CONSENT CALENDAR

A. Investment Report for July 2012

B. Consider Ratification of Attendance of those Directors or Staff who attended the Westminster Chamber of Commerce Salute to Seniors Luncheon on August 21, 2012

C. Consider Approval of Attendance for Board President Margie Rice to Attend the California Association of Sanitation Agencies (CASA) Executive Board member retreat in Sacramento, CA, September 10-12, 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

D. Review Response of Midway City Sanitary District to the Grand Jury Report: "Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?"

A motion was made by Director Neugebauer, seconded by Director Diep to approve the response and authorize the Board President and General Manager to sign the response. The motion was approved by a 5-0 vote.

NEW BUSINESS

A. Consider Approving Sewer Lateral Assistance Program and Policy for Midway City Sanitary District

A motion was made by Director Neugebauer, seconded by Director Diep to approve staff recommendation for the sewer lateral assistance program and policy as presented. The motion was approved by a 4-1 vote, with Director Krippner voting no.

B. RESOLUTION 2012-13

(Roll Call Vote)

A RESOLUTION 2012-12 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT, OF ORANGE COUNTY, CALIFORNIA, ADOPTING A CONFLICT OF INTEREST CODE WHICH SUPERCEDES ALL PRIOR CONFLICT OF INTEREST CODES AND AMENDMENTS PREVIOUSLY ADOPTED

A motion was made by Director Neugebauer, seconded by Director Diep to adopt Resolution No. 2012-13. The motion was approved by a 5-0 roll call vote.

C. Consider Declaring the 1965 Ford Backhoe as Surplus

A motion was made by Director Neugebauer, seconded by Director Cobo to continue this item to an undesignated time when the General Manager is present. The motion was approved by a 5-0 vote.

BOARD CONCERNS/COMMENTS

Director Neugebauer suggested that the District present a card, plaque or resolution to Ron Shenkman at his retirement party. The Board agreed to bring back ideas to the next meeting.

Director Cobo asked what kind of answer staff gave the gentleman referred to in the weekly newsletter under customer complaints. FD Housley responded that District Receptionist, Julia Sales, did explain to the resident that blue carts were being picked up before black carts in order to reduce the scavenging problem within the District.

President Rice stated that the District needs to keep an eye on the commercial rates since they are so drastically low in comparison to the residential rates. The over-the-top program has helped the situation, but the Board agreed that more commercial bins are needed.

GM/STAFF CONCERNS/COMMENTS

FD Housley stated that the District is the sponsor for the Concert in the Park this Thursday, August 23, 2012. President Rice and Directors Neugebauer, Cobo and Diep all stated that they would not be able to attend due to another engagement. Director Neugebauer stated that the District should be the sponsor of The Day of the Family on Sunday, September 9, 2012 instead.

FD Housley stated that he will be out of the office this Friday, August 24, 2012 and Nick Castro will be in charge.

FD Housley wished a Happy Birthday to Director Cobo.

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

A. Rainbow Environmental Services Celebrates Ron Shenkman on Thursday, September 13, 2012 from 4-6 P.M. at Rainbow Environmental Services 'Farm'.

Receive and file.

ADJOURNMENT

President Rice adjourned the meeting at approximately 5:14 P.M.

Joy Neugebauer, Secretary

HAPPY BIRTHDAY DIRECTOR COBO!