

**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**

September 18, 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, September 18, 2012 at 4:02 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
Ron Shenkman, Rainbow Environmental
Jeff Snow, Rainbow Environmental
Peter Richards, Rainbow Environmental
Dean Ruffridge, CR&R
Joyce Armado Garcia, CR&R
Bill Morgan, White Nelson Diehl Evans LLP
Nitin Patel, White Nelson Diehl Evans LLP
Daphnie Munoz, White Nelson Diehl Evans LLP
Scott Snowden, The Rule Group
Mario Tromba, The Rule Group
Jerry Vilander, Citizen

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 4, 2012

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of September 4, 2012, with changes. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$249,657.16

#	CK #	Date	AMOUNT	VENDOR
1				
2	5565	9/12	150.00	Cobo, Frank - Per Diem CSDA Conference San Diego 09/24-09/27
3	5566	9/12	150.00	Neugebauer, Joy - Per Diem CSDA Conference San Diego 09/24-09/27
4	5567	9/12	150.00	Rice, Margie - Per Diem CSDA Conference San Diego 09/24-09/27
5	5568	9/12	150.00	Robbins, Ken - Per Diem CSDA Conference San Diego 09/24-09/27
6	5569	9/12	62.92	Advanced Gas Products - Restock Liquid Propane for Shop
7	5570	9/12	1,291.07	Bodyworks - (2) Rocker Switches, (2) Rod Ends, (2) Nuts, (6) Springs, (10) Rollers, (1) Crank Gear,
8				(2) Limit Switch Arms, (1) Coil for Restock.
9	5571	9/12	12,367.73	CalPERS Retirement - Retirement Contributions for August 2012
10	5572	9/12	737.00	Computer Research Center - Maintenance & Support for October 2012
11	5573	9/12	32,524.11	CR Transfer - Tonnage Fees for August 2012
12	5574	9/12	1,372.18	Daniel's Tire Service - (6) Recaps & (7) Tire Repairs for Restock
13	5575	9/12	7,415.98	Dartco Transmission - Rebuilt Allison Transmission for T52, Push Button for T60, Replace Suction Filter c
14				Valve Body for T59.
15	5576	9/12	5,621.67	Flo-Systems, Inc. - Preventative Maintenance for July 2012
16	5577	9/12	300.00	G & K Services - Uniform Services for August & September 2012
17	5578	9/12	85.52	Hillco - (150) Connectors, (6) Bolt Clamps, (4) Copper Rings for Restock
18	5579	9/12	37.15	Hose-Man, Inc. - (15") Hose for T60
19	5580	9/12	270.00	KoneCranes - Quarterly Preventative Maintenance on Crane & Hoist for September 2012
20	5581	9/12	492.33	Los Alamitos Auto Parts - (3) Springs & (3) Batteries for T52; (1) Air Valve for M64; (2) Air Valves for Re
21	5582	9/12	3,460.85	Orange County Sanitation District - Permit Fees for August 2012 (MCSD 5%=\$182.15)
22	5583	9/12	982.11	Plumber's Depot - (2) (24') Fiber Glass Poles, (1) Ignition Switch, Labor & Service for M64 & M63
23	5584	9/12	100,906.89	Rainbow Transfer Recycling - Tonnage Fees for August 2012
24	5585	9/12	68.58	TEC of California - (3) Throttle Return Springs & (1) Accelerator Bracket for T52

25	5586	9/12	1,481.90	Tech Air Mobile Services - Labor & Parts for Blower Motor Resistor for T53; Labor & Parts for
26				Compressor & Trinary Switch for T52.
27	5587	9/12	12.00	Underground Service Alert - (8) New Tickets for August 2012
28	5588	9/12	12,000.00	White Nelson Diehl Evans LLP - First Interim Billing for District Audit FY 2011-2012
29				
30			182,089.99	SUBTOTAL
31				
32				ADD HANDCUT CHECKS:
33				
34	5560	9/5	13,200.00	D J Printing - Down Payment for 2013 MCSD Calendars
35	5561	9/6	672.40	AT&T Mobility - Service for August 2012: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
36				Sewer 714-310-8654, Emergency 714-310-9004.
37	5562	9/6	28.23	City of Westminster - Hammon & Westminster Lift Stations Water Usage for August 2012
38	5563	9/6	89.99	 DirecTV - Service for September 2012
39	5564	9/7	462.63	Verizon Business - Internet Connection for SCADA System for July 2012
40				
41			196,543.24	SUBTOTAL PLUS HANDCUTS
42				
43				Payroll
44		9/4	51,764.18	Payroll - Staff Check # 15353 - 15356 Taxes & Direct Deposits
45		9/4	1,349.74	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
46			249,657.16	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Cobo to approve the expenditures in the amount of \$249,657.16. The motion was approved by a 5-0 vote.

A motion was made by Director Neugebauer, seconded by Director Cobo to continue the Reports for later in the meeting. The motion was approved by a 5-0 vote.

CONSENT CALENDAR

- A. Investment Report for August 2012
- B. Consider Approval of Attendance to California Public Employees' Retirement System (CalPERS) Conference in Indian Wells, CA October 22-24, 2012
- C. Consider Ratification of Attendance for those Directors and Staff Who Attended the Water Advisory Committee of Orange County (WACO) Meeting on Friday, September 7, 2012 from 7:30 – 9 A.M.
- D. Consider Attendance to the Mayor's Ball to Remember and Retirement Celebration to be held at the Westminster Rose Center on Saturday, October 6, 2012

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

OLD BUSINESS

None

NEW BUSINESS

A. Renewal of Midway City Sanitary District Worker's Compensation Insurance Proposal for 2012-2013

Scott Snowden of the Rule Group gave an overview of the new worker's compensation proposal.

A motion was made by Director Neugebauer, seconded by Director Diep to approve Zenith Insurance Workers' Compensation proposal as presented. The motion was approved by a 5-0 vote.

B. Consider the Solid Waste Franchise Agreement Compliance Review of Rainbow Environmental Services

Mr. Bill Morgan from White Nelson Diehl Evans LLP gave the Board a summary of the compliance review audit done on Rainbow Environmental Services.

President Rice stated, and the Board agreed, that Rainbow Environmental should not be meeting with the City of Westminster without MCSD's General Manager being present, and reminded Rainbow Environmental that they work for the District, and not the City of Westminster.

The Board and representatives of Rainbow Environmental Services further discussed the compliance review.

General Counsel Nixon stated that he will follow up the review with correspondence to Rainbow Environmental, to be reviewed and approved by the Board, which he will prepare for the next regularly scheduled Board meeting.

The compliance review was received and filed.

C. Consider and Approve the Fiscal Year 2011-2012 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2011 through June 30, 2012)

Mr. Nitin Patel, one of the engagement partners from White Nelson Diehl Evans LLP, gave a brief overview of the District's annual financial audit reports.

Director Neugebauer stated that she liked the format and the Board concurred. The Board as a whole stated their appreciation in receiving the audit in such a timely manner.

A motion was made by Director Neugebauer, seconded by Director Diep to receive the report and to bring it back onto the next Board meeting agenda for further discussion. The motion was approved by a 5-0 vote.

D. Consider Nominating a Member of the Board to the Independent Special Districts of Orange County (ISDOC) Executive Committee

There were no volunteers. No action was taken.

REPORTS

Report of President

President Rice reported on the CASA executive retreat that she attended last week. She stated that she did not like the accommodations or the food, but that it was a very productive meeting overall.

President Rice strongly suggested that the CASA lobbyist was overpaid and by the end of the meetings, and by a unanimous consensus, there was direction to negotiate with him to reduce his salary.

Report of General Manager

GM Robbins reported that the District was contacted by the City of Westminster's Public Works Director regarding the large amount of abandoned bulky items. GM Robbins stated that if a resident is willing to drag the item to their curb and take responsibility for it, it will count as one of their two bulky items per month, and MCSD will schedule it for pickup on their regular solid waste service day.

GM Robbins reported that Governor Brown has signed a new pension reform bill and thanks to the Board's approval, Finance/HR Director Housley will be attending the CalPERS Annual Conference in Indian Wells in October where that topic will be discussed at length.

GM Robbins reported that truck #T59 had to be towed and it has been determined that it needs a new transmission.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the Operations Committee met on Wednesday, September 5, 2012 where approval was given for the capital improvements program. It was reported that there are 57 active capital improvement projects with a total cost of \$1.6 billion. The next OCSD meeting is scheduled for Wednesday, September 26, 2012 and Director Neugebauer will inform them that MCSD will have no representation

there due to both Directors Neugebauer and Krippner attending the CSDA Conference in San Diego.

Report from Franchise Audit Reveiw

None

Report from Family Day (Dia de la Familia)

Director Neugebauer reported that GM Robbins set up a table where calendars and coloring books and crayons that promote recycling were handed out to very appreciative residents and that Director Cobo did a good job of representing the District and acting as host of the event. Directors Rice, Krippner and Neugebauer were also in attendance at Family Day.

Report from CASA Executive Board Retreat

Done under Report of the President

BOARD CONCERNS/COMMENTS

Director Krippner handed out a site map of the District grounds with his suggestion to change the entryway for the large trucks and asked that it be considered. The Board consensus was that it should be put on the next agenda for discussion.

Director Neugebauer brought in a copy of the Westminster Herald newspaper in which there was an article printed on the front page with misinformation about the District's rates. Staff was asked to prepare a letter to the editor and to bring it back for Board approval on the next agenda.

GM/STAFF CONCERNS/COMMENTS

GM Robbins asked the Board what time they would like to travel to the CSDA conference in San Diego. The Board's consensus was to leave on Monday, September 24, 2012 at around noon.

Director Neugebauer suggested that staff reserve a table for the Mayor's Ball on Saturday, October 6, 2012.

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. Web Site Activity for the Month of August 2012 (34,601 Successful Hits)

Receive and file

ADJOURNMENT

President Rice adjourned the meeting at approximately 5:28 P.M.

Joy Neugebauer, Secretary