

**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**

October 02, 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, October 2, 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 Cobo led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF SEPTEMBER 18, 2012

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of September 18, 2012, as presented. The motion was approved by a 5-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 18, 2012

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of September 18, 2012, as amended. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$144,942.97

#	CK #	Date	AMOUNT	VENDOR
1				
2	5595	10/2	139.90	Neugebauer, Joy - Health Insurance Reimbursement for October 2012
3	5596	10/2	62.00	Advanced Gas Products - Cylinder Rental for August 2012
4	5597	10/2	360.00	Advanced Workplace Strategies - AWSI DOT Federal Highway Membership Annual Renewal
5	5598	10/2	6,531.27	Bodyworks - (8) Grip Belts, (10) Rocker Switches, (2) Cushion Kits, (2) Coordinators, (3) Pressure Switches
6				for Restock. Labor & Parts for Pressure Switch on T61. (1) Cylinder Mount Bracket for T56. (1) Pump
7				& (1) In/Out Cylinder for T53.
8	5599	10/2	12,367.73	CalPERS Retirement - Retirement Contributions for September 2012
9	5600	10/2	1,380.13	Cummins Cal Pacific - Quarterly Maintenance for Hammon & Westminster Lift Stations August 2012;
10				Repair Air Cleaner Assembly Hammon & Westminster Lift Stations; Water Pump & Seal Kit for T57.
11	5601	10/2	3,519.67	Daniel's Tire Service - (8) New Tires for M64
12	5602	10/2	308.50	G & K Services - Uniform Services for September 2012
13	5603	10/2	154.32	Grainger - (4) Contact Blocks for T61 & (4) Contact Blocks for Restock
14	5604	10/2	179.10	HB Auto & AC - Labor to Repair Trans Cooler for T57
15	5605	10/2	1,695.09	Los Alamitos Auto Parts - (4) Brake Drums, (4) Grip Kits, (2) Sensors, (8) Hose Ends, (24) Brakeleens for Re
16	5606	10/2	214.36	Los Angeles Freightliner - (1) Tank Surge for M63
17	5607	10/2	350.00	Maxx Air - Filter Cleaning for T51
18	5608	10/2	786.43	Ray Gaskin Service - (2) Heil Arm Rise Seal Kits & (1) Dump Cylinder for Restock
19	5609	10/2	497.50	Reyes Alternators - (1) New Alternator for T57 & (1) New Alternator for T59
20	5610	10/2	51.78	TEC of California - (20) Bolts & (20) Springs for Restock
21				
22			28,597.78	SUBTOTAL
23				
24				ADD HANDCUT CHECKS:
25				
26	5589	9/24	103.73	AT&T - Brookhurst Lift Station Service for September 2012
27	5590	9/24	61.49	The Gas Co. - District Offices & Maintenance Yard Fees for August 2012
28	5591	9/24	3,201.18	Southern California Edison - Archives & Parking Garage \$63.22, District Office \$1025.42,
29				Maintenance Shop \$324.82, Brookhurst Lift Station \$162.91, Westminster Lift Station \$636.14,
30				Willow Lift Station \$271.76, Hammon Lift Station \$716.91 .
31	5592	9/24	462.63	Verizon Business - Internet Connection for SCADA System for August 2012
32	5593	10/1	47,595.18	CalPERS Health Premium - Healthcare Premium for October 2012
33	5594	10/1	3333.71	MetLife - Monthly Dental Premium for October 2012

34			
35		83,355.70	SUBTOTAL PLUS HANDCUTS
36			
37			Payroll
38	9/18	54,290.97	Payroll - Staff Check # 15358 - 15362 Taxes & Direct Deposits
39	9/18	1,375.61	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
40	9/28	5,470.01	Board of Director's Payroll for the Month of September 2012 Chk # 15364 - 15366
41	9/28	450.68	Board of Director's Nationwide Deferred Compensation for September 2012 (100% Paid By Directors)
42		144,942.97	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Cobo to approve the expenditures in the amount of \$144,942.97. The motion was approved by a 5-0 vote.

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that the District's annual financial compensation report to the State Controller for year 2011 is due on October 18, 2012, and will be prepared by Finance/HR Director Housley.

GM Robbins stated that staff needs a final head count for the Mayor's Ball as soon as possible in order to purchase the correct amount of tickets.

Director Neugebauer requested that Harry Paul, Vice President of the Westminster Historical Society, be allowed to sit at the District's table.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that there was a meeting on Wednesday, September 26, 2012, and although she was not in attendance, wanted to share from the notes and minutes of the meeting. The Ocean Outfall Repair Project is under way and there will be a Strategic Planning meeting on October 17, 2012.

Director Neugebauer reported that Chairman Troy Edgar passed around a survey that proposed to the Board of Directors and each of the committees, to set aside one hour or more at committee and Board meetings for in depth information presentation by staff and for Board discussion.

Director Neugebauer stated that she received an invitation from Orange County Sanitation District (OCSD) to mark the completion of their new secondary treatment facility to be held on Thursday, October 18, 2012 from 10 am to 12 noon.

A motion was made by Director Neugebauer, seconded by President Rice to add this item onto the end of the agenda as there was a need for immediate action, and the notice arrived after the agenda was posted. The motion was approved by a 5-0 vote.

Director Neugebauer stated that the Operations committee will meet on Wednesday, October 3, 2012 at 5 P.M.

Report from California Special Districts Association (CSDA) Conference in San Diego

Director Krippner reported that he especially enjoyed the Board Member presentation.

Director Cobo reported that he also enjoyed that presentation as well as the pension reform information.

Director Neugebauer reported that she enjoyed two particular breakout sessions with Brent Ives and feels that he should be keynote speaker instead of breakout session speaker because he is so dynamic and holds the audiences' attention.

President Rice reported that she also enjoyed the breakout sessions with Brent Ives, and reported that he suggested that the District's mission should be stated with the pledge of allegiance to remind the Board why they are there at all Board meetings. It was also noted that some Districts print their mission on their agendas.

Director Neugebauer added that during the closing breakfast there was a comprehensive review of all legislative bills pertaining to Special Districts and the legislative team of three, which was lead by Ralph Hine, addressed it more thoroughly than at any conference she has ever attended.

Director Cobo added that he also enjoyed the session on disability claims and how to avoid them.

CONSENT CALENDAR

None

OLD BUSINESS

A. Further Discussion for the Fiscal Year 2011-2012 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2012 through June 30, 2013)

Finance/HR Director Housley gave an overview of the final audit report and stated that the report has been added to the District's website.

Director Neugebauer asked if there were any recommendations made by the auditors for the District's accounting practices.

Finance/HR Director Housley stated that the auditor had two suggestions for the District. There is currently no credit card policy in place and although there is a purchasing policy, it needs to be looked at, and updated. Finance/HR Director Housley stated that these will be brought to the Board once the audit is finalized.

Finance/HR Director Housley stated that the auditors offered to come back if the Board had any additional questions for them. The Board did not feel that it would be necessary.

Director Diep asked Finance/HR Director Housley to explain the unfunded post employee benefit plan and the new pension reform bill signed by the Governor Brown that will mandate all local government to fund only 50% of those plans.

GM Robbins stated that Finance/HR Director Housley will be attending a CalPERS educational forum in a few weeks where he will get more information on that subject and then will be able to report back to the Board on those findings.

Received and filed.

NEW BUSINESS

A. Correspondence to Franchisee Re Franchise Agreement Compliance Review

Director Diep left the meeting at 4:55 P.M.

A motion was made by Director Neugebauer, seconded by Director Cobo to request reports be presented quarterly and recommend the Board to approve the letter as amended and forward it via certified mail to the addressees. The motion was approved by a 4-0 vote, with Director Diep absent.

Director Diep returned to the meeting at 5:03 P.M.

B. Consider Proposed New District Yard Ingress and Egress Configuration as Presented by Director Krippner

Director Neugebauer asked when the bid opening for the proposal that was put out for this project was taking place.

GM Robbins stated that the bid opening is during the meeting on November 6, 2012.

Director Neugebauer stated that she feels very strongly that no changes should be made to the proposal as submitted to prospective bidders and that it was reviewed very carefully prior to sending it out. She also stated that she disagrees with the new proposed changes and feels that the District should proceed with the project as it has been advertised and consider any of these types of changes at the same time as the Board considers the new CNG plan.

Director Krippner stated that he feels strongly about the idea of the trucks entering the District yard off of Hazard instead of on a residential street like Cedarwood and that the Board needs to carefully think it through.

A motion was made by Director Neugebauer, seconded by Director Cobo to make no changes to the current project and proceed to open the bids and complete this project. The motion was approved by a 4-1 vote, with Director Krippner voting no.

Director Krippner stated that he feels the diagonal ingress and egress will be done sooner or later.

C. Consider Press Release Regarding Article on Midway City Sanitary District Rates Published in the Westminster Herald

A motion was made by Director Neugebauer, seconded by Director Diep to send the press release to the Westminster Herald for publishing, as amended. The motion was approved by a 5-0 vote.

D. Discuss and Consider Recognition of Employees at Holiday Dinner Party

A motion was made by Director Cobo, seconded by Director Neugebauer to give MCSD employees \$100 Stater Brothers gift cards and See's candy certificates like last year. The motion was approved by a 5-0 vote.

E. Standard & Poor's Ratings Service Affirmed Midway City Sanitary District's 'AAA Rating on its Certificates of Participation – Outlook is Stable

A motion was made by Director Neugebauer, seconded by Director Diep to receive the report and put it on the District's website. The motion was approved by a 5-0 vote.

F. Consider Attendance to the Orange County Sanitation District Treatment Event on Thursday, October 18, 2012

A motion was made by Director Neugebauer, seconded by Director Cobo to approve attendance for staff and Board members who wish to attend the OCSD treatment event. The motion was approved by a 5-0 vote.

BOARD CONCERNS/COMMENTS

Director Diep stated that when Directors have a difference of opinion, they shouldn't use staff as a punching bag.

Director Krippner stated that everyone should be allowed to speak and their voice heard.

Director Neugebauer agreed but that there should be light, and not heat to the subject.

President Rice stated that when she says that it is enough, everyone should stop talking.

Director Krippner called for a point of order and asked that it be put on the record. He stated again that someday the ingress and egress for the District's large trucks will be on Hazard Avenue instead of Cedarwood.

President Rice stated that former County Supervisor Chuck Smith passed away and she would like to adjourn the meeting in his honor.

GM/STAFF CONCERNS/COMMENTS

None

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

None

ADJOURNMENT

President Rice adjourned the meeting to Tuesday, October 9, 2012 at 4 P.M. at approximately 5:32 P.M. in honor of Chuck Smith, former County Supervisor.

Joy Neugebauer, Secretary