

**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**

**November 20, 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, November 20, 2012 at 4:01 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  
Sue Gordon, VP Public Affairs, Rainbow Environmental  
Jeff Snow, Exec. VP, Rainbow Environmental  
Peter Richards, CFO, Rainbow Environmental

**PLEDGE AND INVOCATION**

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

**APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 6, 2012**

A motion was made by Director Diep, seconded by Director Cobo to approve the minutes of the meeting of November 6, 2012. The motion was approved by a 5-0 vote.

**APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 13, 2012**

A motion was made by Director Diep, seconded by Director Cobo to approve the minutes of the meeting of November 13, 2012. The motion was approved by a 5-0 vote.

## PUBLIC COMMENTS

None

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$237,301.04

CK #	Date	AMOUNT	VENDOR
5700	11/13	78.47	<b>Advanced Gas Products</b> - Restock Compressed Gas (1) Cylinder for Shop
5701	11/13	487.70	<b>Bodyworks</b> - (10) O-Rings, (5) Filter Elements for Restock
5702	11/13	11,963.40	<b>CalPERS Retirement</b> - Retirement Contributions for November 2012
5703	11/13	2,524.60	<b>Computer Research Center</b> - Maintenance & Support for December 2012; New Computer for GM
5704	11/13	31,665.12	<b>CR Transfer</b> - Tonnage for October 2012
5705	11/13	206.40	<b>Dial Communications</b> - (4) 2-Way Radio Microphone Replacements
5706	11/13	8,125.00	<b>Environmental Compliance Inspection Services</b> - FOG Inspections through September 2012
5707	11/13	29.43	<b>Fastenal Industrial</b> -(50) Washer Caps for Restock
5708	11/13	5,317.25	<b>Flo-Systems, Inc.</b> - Preventative Maintenance for Lift Stations through October 2012
5709	11/13	301.36	<b>G &amp; K Services</b> - Uniform Services for November 2012
5710	11/13	939.78	<b>Los Alamitos Napa Auto Parts</b> - (1) Transmission Drain, (50) Feet of Hydraulic Hose, (8) Gallons of Power Steering Fluid for Restock; (1) Coolant Filter & (1) Air Filter for T53; (1) Brake Kit for T65.
5711	11/13	107.58	<b>Los Angeles Freightliner</b> - Turn Indicator Light Assembly for Shop Truck
5712	11/13	749.87	<b>Maxx Air</b> - Filter Cleanings for T56; Service Call w/Labor for T60; (4) Gaskets for Restock
5713	11/13	2,851.90	<b>Orange County Sanitation District</b> - Permit Fees for October 2012 ( M CSD 5% = \$150.10)
5714	11/13	647.53	<b>Plumbers Depot, Inc.</b> - (4) Hoses for Restock
5715	11/13	96,908.77	<b>Rainbow Transfer Recycling</b> - Tonnage for October 2012
5716	11/13	173.60	<b>Reyes Alternators</b> - (1) Hydro-Buster for T9
5717	11/13	1,552.20	<b>TEC of California</b> - Labor & Parts for Temperature Gauge Sensor on T57
5718	11/13	816.26	<b>Tell Steel</b> - (4) Sheets of Metal for Pit in Shop
5719	11/13	785.72	<b>Top Mobile Vision</b> - Replacement Monitors for T53 & T60
5720	11/13	749.94	<b>TSP Printing</b> - Annual Restock of Vehicle Pre-Inspection Books
5721	11/13	7.50	<b>Underground Service Alert</b> - (5) New Tickets for October 2012
		<b>166,989.38</b>	<b>SUBTOTAL</b>

			<b>ADD HANDCUT CHECKS:</b>
5692	11/8	670.00	<b>AT&amp;T Mobility</b> - Service for October 2012: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606, Sewer 714-310-8654, Emergency 714-310-9004.
5693	11/8	30.00	<b>City of Westminster FARP</b> - 2013 Alarm Permit Registration
5694	11/8	40.00	<b>City of Westminster</b> - Hydrant Meter Water Usage for October 2012
5695	11/8	89.99	<b>DirectTV</b> - Service for November 2012
5696	11/8	10,226.00	<b>Zenith Insurance Company</b> - Worker's Compensation Progressive Monthly Payment November 2012
5697	11/13	2,716.00	<b>Stater Brothers Market #27</b> - Gift Certificates for Holiday Party
5698	11/13	72.07	<b>The Gas Company</b> - District Office & Maintenance Yard Fees for October 2012
5699	11/13	465.76	<b>Verizon Business</b> - Internet Connection for SCADA System for October 2012
		<b>181,299.20</b>	<b>SUBTOTAL PLUS HANDCUTS</b>
			<b>PAYROLL</b>
	11/13	54,632.57	Payroll - Staff Check # 15385 - 15390 Taxes & Direct Deposits
	11/13	1,369.27	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
		<b>237,301.04</b>	<b>TOTAL EXPENDITURES W/PAYROLL</b>

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$237,301.04, as presented. The motion was approved by a 5-0 vote.

## REPORTS

### Report of President

None

### Report of General Manager

GM Robbins reported that Joyce Crosthwaite is leaving Orange County LAFCO for another position at another agency.

GM Robbins stated that staff wants to upgrade the television in the back lunchroom to accommodate safety DVD's and videos for District employees.

GM Robbins reported that as of January 1, 2013 there will be a new amendment to the current hands-free law which will affect commercial drivers on their CB radios. Staff is looking into a switch that would enable the use of the CB radios that are already in the trucks.

Director Krippner asked that staff look into the cost of cell phones with service from Sprint, and to also confer with Rainbow Environmental as the new law will be affecting them as well.

GM Robbins reported that California Special Districts Association (CSDA) magazine will be featuring MCSD's school recycling program in their green issue coming out soon.

GM Robbins reported that staff has completed the liability and worker's compensation applications for Special Districts Risk Management Association (SDRMA) in order to get a quote per the Board's direction.

GM Robbins reported that staff met with the County of Orange flood control District regarding Phase 2 of the Van Buren flood control and concluded that they will need to add another parallel sewer line because they will be cutting out several laterals. There will be over 2,000 linear feet of new sewer mains. The old agreement will be revised by the County of Orange, and then staff will forward it to legal counsel. It will then be brought before the Board for approval.

GM Robbins stated that staff has purchased holiday cards for the District's employees and they will need to be signed by the Directors prior to the December 2, 2012 Christmas dinner party.

### **Report from Orange County Sanitation District Meeting (OCSD)**

Director Neugebauer reported that the Operations committee met on November 7, 2012. OCSD has had two instances where there were protests because the OCSD Board chose the lowest responsible bidder when a project was put out to bid. The Board was given presentations on the whole bid process, but a large part of the meeting pertained to why this particular bid was not awarded improperly. The bid was for dewatering and odor control at plant #1. There was a recommendation that the Operations Committee recommend to the Board as a whole, approval of the award to the lowest responsible bidder. They received a final disposition letter regarding the protest and why it was not valid.

### **Report from Rainbow Environmental – Quarterly Tonnage and Financial Report**

Sue Gordon gave a 3<sup>rd</sup> quarter tonnage report from Rainbow Environmental Services. She explained that there are two reasons why the commercial numbers are so low. The first is the contamination of recyclables, and the second is the amount of scavenging and internal recycling by businesses, particularly cardboard. Rainbow can only report on what they process but the good news is that it is still getting recycled. In 2010, according to State of California numbers, the District was at a 73% diversion rate overall. Director Neugebauer pointed out that at the bottom of the reports it states that the information is proprietary and she asked who else gets the information. Sue Gordon stated that only MCSD receives the information. There was some discussion on this topic and it was decided that there should be further discussion on this topic when the agreement come up for renewal.

Rainbow Environmental is continuing it's work on the Vietnamese public education project. They have contracted with Saigon West to improve outreach and education to the Vietnamese community and to translate their website into Vietnamese, which should be

concluded before the end of 2012. They will also be working at events within the Vietnamese community to continue to educate about recycling.

The Discovery Science Center recycling assemblies continue to educate 5<sup>th</sup> grade students within the District. For the last school year, there were 945 students who participated at their schools. For just the first two months of the 2012-13 school year, the number is already at 407, which exceeds last years' numbers. The kids take the information home and teach their parents and families which takes California closer to the 0% waste goal.

President Rice asked if Rainbow Environmental would sponsor a medicine recycling event, including sharps for disposal. Sue Gordon stated that she will look into it and let staff know, but in the meantime, they can be dropped off at the Household Hazardous Waste Center if put into a container. Director Neugebauer stated that that information should go on the next calendar.

Director Neugebauer asked staff whether CR&R had provided the District with reports similar to Rainbow Environmental's. She stated that those numbers would help the District's diversion rate go up.

GM Robbins reported that he had not received the reports from CR&R, even after several requests.

Peter Richards, CFO of Rainbow Environmental Services, gave the quarterly financial report to the Board by going over the recommended annual "accrual to cash" reconciliation for 3<sup>rd</sup> quarter 2012.

### **Report from Oversight Committee**

President Rice stated that she will give her Oversight Committee report at the next regular Board meeting on December 4, 2012.

### **CONSENT CALENDAR**

A. Approval of the Request of Fleet Services Mechanic Raul Martinez to Receive 40 Hours of Vacation Pay in Lieu of Time Off

B. Investment Report for October 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. Consider Scheduling a Workshop of the Board of Directors to Review and Discuss the Commercial Recycling Program Proposed by Rainbow Environmental Services**

A motion was made by Director Neugebauer, seconded by Director Cobo to schedule a meeting between the Board of Directors and Rainbow Environmental to review and discuss the commercial recycling program on Tuesday, December 11, 2012 at 4 P.M. The motion was approved by a 5-0 vote.

### **B. Adoption of Form 806 (Agency Report of Public Official Appointments)**

District Counsel Tom Nixon explained Form 806 to the Board of Directors and the new FPPC regulation regarding its posting.

A motion was made by Director Diep, seconded by Director Cobo to adopt form 806 and post it on the District's website, as presented by staff. The motion was approved by a 5-0 vote.

### **C. 2013 Facility Improvement Project – Award of Contract**

A motion was made by Director Cobo, seconded by Director Diep to follow staff recommendation, waive any informality in the bid, award the 2013 Facility Improvement Project to the lowest responsible bidder, Citiwide Engineering, for the total bid price of \$409,000.50, and authorize the General Manager to execute the contract. The motion was approved by a 4-0-1 vote, with Director Krippner abstaining.

### **D. RESOLUTION NO. 2012-17**

*(Roll Call Vote)*

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING A RETIREMENT FORMULA FOR SPECIFIED NEW EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2013**

President Rice excused herself from the meeting at 5:02 P.M. and returned at 5:05 P.M.

A motion was made by Director Neugebauer, seconded by Director Cobo to adopt Resolution No. 2012-17. The motion was approved by a 5-0 roll call vote.

### **E. Consider Attendance to the Annual Westminster Chamber of Commerce Holiday Luncheon on Thursday, November 29, 2012 from 12 Noon – 1:15 P.M.**

A motion was made by Director Cobo, seconded by Director Diep to approve attendance to the Westminster Chamber of Commerce holiday luncheon for Directors and staff. The motion was approved by a 5-0 vote.

F. Consider Claim of Mr. George Hurley

A motion was made by Director Neugebauer, seconded by Director Diep to follow staff recommendation and deny the claim. The motion was approved by a 5-0 vote.

G. Consider an Administrative Agreement between Midway City Sanitary District and the United States Conference of Mayors to provide General Administrative Oversight of the District's 457 Deferred Compensation Program with Great-West Retirement Services for Plan Administration

A motion was made by Director Neugebauer, seconded by Director Cobo to continue this item to the next agenda due to lack of reports being given by Nationwide. The motion was approved by a 5-0 vote.

A motion was made by Director Neugebauer, seconded by President Rice to rescind the previous motion due to further discussion by the Board and staff. The motion was approved by a 5-0 vote.

A motion was made by Director Neugebauer, seconded by Director Cobo to follow staff recommendation to approve the Administrative Agreement between Midway City Sanitary District and the United States Conference of Mayors to provide general administrative oversight of the District's 457 Deferred Compensation Plan with Great-West Retirement Services and enter into an agreement with Great-West Retirement Services to provide administrative, recordkeeping and educational services for the plan and approve entering into the related implementing agreements. The motion was approved by a 5-0 vote.

**BOARD CONCERNS/COMMENTS**

Director Neugebauer asked legal counsel whether the two most recently passed Resolutions - #2012-15 and 2012-16, were legally correct due to the word "full" that was only on one of them.

Legal counsel confirmed that the word "full" had been inserted on the second resolution in order to make it legally correct and it was dealt with as a clerical error.

Director Neugebauer wished everyone a Happy Thanksgiving, as did Director Cobo and President Rice.

**GM/STAFF CONCERNS/COMMENTS**

GM Robbins wished everyone a Happy Thanksgiving.

## **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. Midway City Sanitary District Web Site Activity for the Month of October 2012  
(38,004 Successful Hits)

## **ADJOURNMENT**

President Rice adjourned the meeting at approximately 5:31 P.M.

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Joy Neugebauer, Secretary