

**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**

April 2, 2013

CALL TO ORDER

President Cobo called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, April 2, 2013 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 Krippner led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 19, 2013

A motion was made by Director Rice, seconded by Director Diep to amend the minutes of the meeting of March 19, 2013, and bring them back to the next meeting for approval. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 241,713.51

| Date | AMOUNT | VENDOR |
|------|-------------------|---|
| 3/27 | 25,000.00 | CalPERS Fiscal Services Division - FY 2012-13 GASB 45 OPEB Contribution |
| 3/27 | 69,391.71 | Citiwide Engineering, Inc. - Third Partial Payment for District 2013 Facility Improvement Project |
| 3/27 | 800.00 | City of Westminster - District Sponsorship for 'Concert in the Park' series Summer 2013 |
| 3/27 | 45.00 | Computer Research Center - Domain Renewal for District Website through March 2016 |
| 3/27 | 1,229.28 | Daniel's Tire Service - (8) Recaps & (3) Repairs for Restock |
| 3/27 | 247.05 | Equipment Direct, Inc. - Restock (24) Safety Vests for District |
| 3/27 | 196.37 | Fastenal Industrial & Construction Supplies - (1) Angle Grinder for Shop |
| 3/27 | 3,023.22 | Flo-Systems, Inc. - (4) Valve Vault & (2) Enclosure Limit Switches for Brookhurst & Willow Lift Stations |
| 3/27 | 273.06 | G & K Services - Uniform Services for March 2013 |
| 3/27 | 115.85 | Hillco Fastener Warehouse Inc. - Restock (80) Connector Shells and (70) Terminal Seals for Shop |
| 3/27 | 631.93 | Los Alamitos Napa Auto Parts - Restock (6) Lamps, (2) Wiper Blades & (16) Hose Fittings for Shop |
| 3/27 | 73.45 | Los Angeles Freightliner - Mirror Kit for M64 |
| 3/27 | 440.72 | Maxx Air - Filter Cleaning and (2) Gaskets for M64 |
| 3/27 | 146.90 | Neugebauer, Joy - Health Insurance Reimbursements for April 2013 |
| 3/27 | 821.69 | Ray Gaskin Service - (3) Seal kits & (1) Cylinder Cap for Restock |
| 3/27 | 756.00 | Reyes Alternators - (2) New Starters for Restock & T62 |
| 3/27 | 2,170.97 | Truck Gears, Inc. - (1) Grey Silicone for Shop & (1) Differential Kit for T55 |
| 3/27 | 265.00 | Westminster Chamber of Commerce - Public Service Awards Luncheon for District Board & Staff |
| | 105,628.20 | SUBTOTAL |
| | | ADD HANDCUT CHECKS: |
| 3/22 | 117.74 | AT&T - Brookhurst Lift Station Service for March 2013 |
| 3/22 | 24,851.98 | CalPERS Retirement - Retirement Contributions for February & March 2013 |
| 3/22 | 47,336.53 | CalPERS Health Premium - Healthcare Premium for April 2013 |
| 3/22 | 118.27 | The Gas Company - District Office & Maintenance Yard Fees for February 2013 |
| 3/22 | 3,569.81 | MetLife - Monthly Dental Premium for April 2013 |
| 3/27 | 654.05 | Office Max - Restock District Office Supplies |
| 3/27 | 284.05 | Pitney Bowes - Lease Payment for Postage Machine April through July 2013 |
| 3/27 | 2,129.90 | Southern California Edison - Archives & Parking Garage \$50.83, District Office \$446.12, Maintenance Shop \$250.91, Brookhurst Lift Station \$176.50, Westminster Lift Station \$477.64, Willow Lift Station \$238.77, Hammon Lift Station \$489.13 . |
| 3/27 | 729.45 | The Standard Life Insurance - Premium Coverage for April 2013 |

| | | |
|------|-------------------|--|
| 3/27 | 115.00 | First Bankcard (NC) - Restock District Kitchen Supplies |
| | 185,534.98 | SUBTOTAL PLUS HANDCUTS |
| | | PAYROLL |
| 3/19 | 54,965.53 | Payroll - Staff Check # 15458 - 15463 Taxes & Direct Deposits |
| 3/19 | 1,213.00 | Payroll - Nationwide Deferred Compensation (100% Paid By Employees) |
| 3/29 | 4,988.23 | Board of Director's Payroll for the Month of March 2013 Chk # 15465 - 15468 |
| 3/28 | 396.50 | Board of Director's Nationwide Deferred Compensation for March 2013 (100% Paid By Directors) |
| | 241,713.51 | TOTAL EXPENDITURES W/PAYROLL |
| | | BANK TRANSFERS |
| | 69,391.71 | Transfer Funds from Money Market to Checking for Facility Project |

A motion was made by Director Diep, seconded by Director Rice to approve the expenditures in the amount of \$241,713.51. The motion was approved by a 5-0 vote.

REPORTS

Report of President

President Cobo stated that he enjoyed the District luncheon to recognize MCSD Employees of the Year, Julia Sales and Danielle Gerardo on Wednesday, March 20, 2013, and enjoyed being with the Board and District Staff.

Report of General Manager

GM Robbins reported that the District would be getting estimates to upgrade the telephone and intercom, as well as an internet cable for the mechanics shop so that the Dossier program will be tied into the District's server, which is critical in the case of an emergency or accident.

Orange County Waste and Recycling, a County agency that manages the landfills, has requested to meet with Rainbow Environmental and the District regarding tonnage diversion rates for the Midway City area. They want to increase the diversion rate. GM Robbins stated that the franchise committee will need to meet in the near future regarding recycling..

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that he attended the Public Hearing at Orange County Sanitation District on Wednesday, March 27, 2013, at which the rate increase was passed by an 18-7 vote, and will go into effect on July 1, 2013.

Report from California Association of Sanitation Agencies (CASA) Conference Call

Director Rice reported that her conference call with the CASA Executive Board was mainly discussion of the adoption of the budget, investment policies and the spring conference in Newport Beach. There is a 4% membership dues fee increase reflected in the budget which should generate approximately \$50,000. Director Rice stated that although she was glad that they lowered one large salary considerably, there are several other part time employees who are becoming full time, and will be offered benefits. CASA is also considering renting a building for their offices. Staff was asked to agendaize this item for discussion on the next agenda.

CONSENT CALENDAR

A. Approve Attendance at the Mayor's Prayer Breakfast on May 2, 2013

B. Approve Attendance to the Special Districts Legislative Days May 14-15, 2013

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

None

NEW BUSINESS

A. Consider Action on the Request from California Special Districts Association (CSDA) for Letter of Support of Assembly Bill 416 (AB-416)

A motion was made by Director Neugebauer, seconded by Director Rice to approve the letter as amended. The motion was approved by a 4-0-1 vote, with Director Diep abstaining.

B. Sewer System Master Plan (SSMP) Update

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file. The motion was approved by a 5-0 vote.

C. Review of Notice from County of Orange Regarding County's CPI Increase of Disposal Fees at County Landfills, Effective July 1, 2013

A motion was made by Director Diep, seconded by Director Rice to receive and file. The motion was approved by a 5-0 vote.

D. Authorize Midway City Sanitary District Board President or General Manager to Sign Letter Provided by Independent Special Districts of Orange County (ISDOC) so That They (ISDOC) are able to complete their Chapter Affiliation Agreement with California Special Districts Association (CSDA)

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

E. Consideration and Approval of Modifications to Board of Directors Policies and Procedures

A motion was made by Director Diep, seconded by Director Rice to approve the modifications to the Board of Directors Policies and Procedures as amended, and adopt Resolution No. 2013-05. The motion was approved by a 5-0 roll call vote.

F. RESOLUTION NO. 2013-05 *(Roll Call Vote)*

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, MODIFYING THE POLICIES AND PROCEDURES OF THE BOARD OF DIRECTORS

Resolution No. 2013-05 was adopted after consideration and approval of the modifications to the Board of Directors' Policies and Procedures.

G. Review of Resume for District's Labor Negotiator

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file. The motion was approved by a 4-1 vote, with Director Krippner voting no.

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.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that, as Treasurer, while reviewing the expenditures last month she had a question regarding a bill and noticed that Director Krippner had sought information from the Districts legal counsel regarding the legality of taping the Board meetings himself.

Further discussion ensued.

Director Rice stated that she did not feel that individual Directors should be contacting legal counsel and incurring a charge without the full Board's knowledge.

Director Krippner stated that in the future he would just do what he wanted without consulting legal counsel first.

Director Rice stated that he could ask legal counsel anything publicly during meetings.

Director Krippner stated that he wanted to go on record saying that the Brown Act had been violated several times with talk behind his back that he was not even aware of and he stated that he would print it in the newspaper. He asked why the General Manager is allowed to contact Legal Counsel on matters and incur charges, while Board members are not.

Directors Neugebauer and Rice said there was no Brown Act violation and that the censuring of Director Krippner was placed on the next agenda for consideration.

Legal Counsel suggested that since this item had come up, but is not on the agenda, and the Board needed to have further discussion on the matter since there is no clear policy, that staff was asked to agendize this for the next regular Board meeting for discussion and consideration.

Director Krippner asked for clarity whether he was able to tape the meetings.

Legal counsel stated that Director Krippner could legally tape the open session meetings himself.

Director Neugebauer stated that she brought it up to the Board because she feels that what one knows all should know, and it is her responsibility to share information.

Director Diep asked staff to look into agendizing the 2013 Mayor's Ball for the next agenda.

Director Neugebauer stated that at the last Board meeting, GM Robbins had reported on a meeting with George Lazaruk from CR&R and she asked whether there had been any contact with him since that meeting.

GM Robbins reported that there had not been any contact, but that he would call him later this week.

President Cobo stated that he walked the District yard with GM Robbins to view the facility improvements being made to the yard and was impressed with the scope and timeliness of the work being done.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that staff had made reservations for Administrative Professionals Day on Wednesday, April 10, 2013 at Marie Calendar's restaurant for 11 A.M.

Finance/HR Director Housley stated that the Districts independent audit for field work is scheduled to begin on Monday, August 5, 2013.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel Nixon stated that he will follow direction from the Board, but pending discussion or policy, he will not receive calls or contact from individual Board members.

INFORMATIONAL ITEMS

None

ADJOURNMENT

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

Margie L. Rice, Secretary