

**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**

May 7, 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, May 7, 2013 at 4:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo
Margie L. Rice (absent)
Tyler Diep

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Tom Nixon, District Counsel
Danielle Gerardo, Board Secretary
Nick Castro, Dir. Operations/Safety
Sue Gordon, V.P. Public Affairs, Rainbow Env.
Ellen Doughty, Manager Member Services, and
Dennis Timoney, Chief Risk Officer, Special District
Risk Management Authority (SDRMA)

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE AMENDED MINUTES OF THE MEETING OF APRIL 16, 2013

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of April 16, 2013. The motion was approved by a 4-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 18, 2013

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of April 18, 2013. The motion was approved by a 4-0 vote.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 300,691.31

#	CK #	Date	AMOUNT	VENDOR
1	6035	5/1	57.00	Advanced Workplace Strategies - Random Drug Test (NC)
2	6036	5/1	1,603.51	Bodyworks - Restock (1) Rod End, (4) Nuts, (1) Pressure Switch, (2) Plungers, (2) Coils, (1) Lug Latch;
3				(1) Body Prop Support, (2) Wire Harnesses for T65; (1) Pin, (1) Air Cylinder, (1) Collar for T57.
4	6037	5/1	25,000.00	CalPERS Fiscal Services Division - FY 2012-13 GASB 45 OPEB Contribution
5	6038	5/1	24,851.98	CalPERS Retirement - Retirement Contributions for April 2013
6	6039	5/1	55,481.00	City of Westminster - Gasoline & Diesel Purchases from January through March 2013
7	6040	5/1	958.08	Computer Research Center - Wireless Connection & Labor for Shop Office
8	6041	5/1	1,623.04	Daniel's Tire Service - (9) Recaps & (3) Repairs on Tires
9	6042	5/1	670.81	Dartco Transmission Sales - (3) 5-Gallon Transynd Transmission Oil for T65
10	6043	5/1	27.60	Fastenal Industrial - Restock (100) Push nut Caps for Old-Style Carts
11	6044	5/1	412.44	G & K Services - Uniform Services for April 2013
12	6045	5/1	160.00	Gov't Finance Officers Assoc. - Membership Renewal from 06/01/2013 through 05/31/2014
13	6046	5/1	65.77	Los Alamitos Napa Auto Parts - Restock (3) Exhaust Caps
14	6047	5/1	482.35	Los Angeles Freightliner - (2) Panels, (2) Parking Brake Valve Assembly for M63 & M64
15	6048	5/1	146.90	Neugebauer, Joy - Health Insurance Reimbursement for May 2013
16	6049	5/1	2,544.29	Rutan & Tucker, LLP - Legal Services for March 2013
17	6050	5/1	832.18	TEC of California - Restock (2) Hoses, (4) Liquid Oil; (1) Flex Pipe, (1) Band, (1) Exhaust Pipe for T53;
18				Parts & Labor to Repair T60; (1) High Pressure Switch & (1) Oil Hose for T55.
19	6051	5/1	694.50	Tech Air Mobile Services - Parts & Labor for A/C on T61 & T55
20	6052	5/1	93.53	TrucPar Company - (4) Governors for Restock
21	6053	5/1	7,760.00	Woodruff, Spradlin & Smart - Legal Services for March 2013
22				
23			123,464.98	SUBTOTAL
24				
25				ADD HANDCUT CHECKS:
26	6020	4/16	13.84	City of Westminster - Water Usage for Hammon Lift Station 2/13-4/09/2013
27	6021	4/16	69.24	The Gas Co. - District Office & Maintenance Yard Fees for March 2013
28	6022	4/16	462.27	Verizon Business - Internet Connection for SCADA System for March 2013
29	6023	4/16	120.00	Westminster Prayer Breakfast Committee - Annual Westm. Prayer Breakfast (FC, AK, TD, JN, KR, RH)
30	6024	4/25	117.72	AT&T - Brookhurst Lift Station Service for April 2013
31	6025	4/25	80.00	City of Westminster - Hydrant Meter Water Usage for March & April 2013
32	6026	4/25	197.89	Office Max - Restock District Office Supplies for April 2013

33	6027	4/25	2,066.43	Southern California Edison - Archives & Parking Garage \$39.79, District Office \$429.07,
34				Maintenance Shop \$225.00, Brookhurst Lift Station \$171.55, Westminster Lift Station \$463.05,
35				Willow Lift Station \$252.89, Hammon Lift Station \$485.08 .
36	6028	4/25	125.24	First Bankcard (NC) - Restock District Kitchen Supplies March 2013
37	6029	4/26	2,037.81	D J Printing - (5,000) Commercial Sewer Rate Adjustment Public Notice Mailers for 2013
38	6030	5/1	VOID	Printer Malfunction
39	6031	5/1	46,288.63	CalPERS Health Premium - Healthcare Premium for May 2013
40	6032	5/1	3,569.81	MetLife - Monthly Dental Premium for May 2013
41	6033	5/1	729.45	The Standard Life Insurance - Premium Coverage for May 2013
42	6034	5/1	880.59	Verizon CA - District Office Phones & Lift Stations for April 2013; \$445.90 District Office,
43				\$135.65 Willow Lift, \$149.52 Westminster Lift, \$149.52 Hammon Lift.
44	6054	5/1	397.35	AT&T Mobility - Service for April 2013: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
45				Sewer 714-310-8654, Emergency 714-310-9004.
46				
47			180,621.25	SUBTOTAL PLUS HANDCUTS
48				
49				PAYROLL
50		4/16	52,557.51	Payroll - Staff Check # 15475 - 15479 Taxes & Direct Deposits
51		4/16	1,213.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
52		4/26	5,808.98	Board of Director's Payroll for the Month of April 2013 Chk # 15481 - 15484
53		4/26	466.80	Board of Director's Nationwide Deferred Compensation for April 2013 (100% Paid By Directors)
54		4/30	57,974.57	Payroll - Staff Check # 15486 - 15488 Taxes & Direct Deposits
55		4/30	811.20	Payroll - Staff Taxes & Direct Deposits
56		4/30	1,188.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
57		4/30	50.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
58			300,691.31	TOTAL EXPENDITURES W/PAYROLL
59				
60				BANK TRANSFERS
61			300,000.00	Transfer Funds from Money Market to Checking Account
62			3,000,000.00	Transfer Funds from Money Market to Checking Account
63			2,700,000.00	Transfer Funds from Checking Account to LAIF

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$300,691.31. The motion was approved by a 4-0 vote.

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that the District has invoiced Orange County Sanitation District for \$54,630, which is for their portion of the north entrance of the District yard that was improved during the facilities improvement project.

GM Robbins reported that he would be ordering business cards for those Directors that needed them. Only Directors Krippner and Neugebauer requested business cards.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that he attended an OCSD meeting on April 24, 2013, which closely followed the public hearing for their rate increase. OCSD is proposing the creation of a program to aid senior citizens and low income families so that they may receive OCSD services at a reduced rate.

Report from Rainbow Environmental – Quarterly Tonnage and Financial Report

Sue Gordon, Vice President of Public Affairs at Rainbow Environmental gave a 1st quarter tonnage report, a summary of the meeting with the County of Orange, Rainbow Environmental and the District's franchise committee, and then updated the Board on Rainbow's recent public outreach activities. Sue reported that the District is at a 49% holding rate overall, which is just 1% away from compliance. At the May 2, 2013 franchise committee meeting, the County of Orange was also in attendance in order to discuss how to increase the diversion rate for the Midway City area of the District. MCSD informed Orange County Waste and Recycling and Rainbow of Abrazar, which is a community organization that serves low and middle income families and seniors citizens. Rainbow will be contacting them in order to do possible outreach through that organization. Rainbow informed the group that they did a blue cart characterization study in January 2013 and found that there is 26% contamination rate. They will also be doing a black cart waste characterization in order to find out which recyclables are still being put into that cart, and in order to use that information for the public outreach efforts.

Report from the California Association of Sanitation Agencies (CASA) Conference, Newport Beach, CA

Director Krippner gave a written report to the Board and staff.

Director Neugebauer reported that there was a tour through a portion of the Irvine Ranch Water District and the Audubon Nature Center with round table discussions that she enjoyed.

President Cobo reported that he found the information on the retirement and health care system interesting.

Director Diep felt that a lot of the information did not pertain to the District.

Report from the Mayor's Prayer Breakfast

President Cobo stated that he enjoyed the speaker at the Mayor's Prayer Breakfast and that it was well attended.

Director Neugebauer stated that she also enjoyed the guest speaker, Mr. Al Enderle, who shared his fascinating and interesting life story.

Report from Franchise Committee Meeting

Directors Rice and Neugebauer, along with GM Robbins, Finance/HR Director Housley, and Director of Operations and Safety Castro attended the franchise committee meeting at Rainbow Environmental on May 2, 2013. Orange County Waste and Recycling, showed an interest in the Midway City portion of the District, which is approximately 7% of the District's total jurisdiction.

Report from Calendar Committee

President Cobo and Director Rice met with GM Robbins to go over the calendar for 2014. They suggested putting older pictures of the District's solid waste fleet as well as new pictures to show how far the District has come, and how long it has been servicing the District.

CONSENT CALENDAR

None

OLD BUSINESS

None

NEW BUSINESS

- A. Presentation from Special Districts Risk Management Authority (SDRMA) and Consideration of Joining Insurance Pool Program

Ellen Doughty, Manager of Member Services from SDRMA, gave a thorough presentation of SDRMA and all it has to offer its members. They are the administrator of the three programs that they offer which include property and liability, workers compensation and health benefits. SDRMA offers longevity distribution for loyal members, a credit incentive program, multi program discounts, 24/7 telephone based

hotline nurse/triage program, a loss prevention allowance fund, education, training, webinars, local regional trainings and visits, a partnership with CSDA, easy access to an online portal to access all policy documents as well as a free DVD check out library, target solutions training, and a defense counsel for incidents.

Dennis Timoney, Chief Risk Officer from SDRMA, explained that there is an initial three year commitment in order to promote stability to the pool. He explained that they offer defense counsel through their general counsel, which is then broken down by expertise.

There was some discussion between the Board, staff and the two SDRMA representatives.

A motion was made by Director Neugebauer, seconded by Director Diep to approve using SDRMA to provide property, liability and workers compensation insurance for the District and authorize staff to prepare the appropriate resolutions needed for Board consideration in a timely manner. The motion was approved by a 4-0 vote.

B. Consider Scheduling the Second Public Budget Workshop/Study Session for Fiscal Year 2013-2014 (July 1, 2013 through June 30, 2014)

A motion was made by Director Neugebauer, seconded by Director Diep to schedule the next budget study session for Tuesday, May 14, 2013 at 4 P.M. The motion was approved by a 4-0 vote.

C. Discussion on Board of Director Compensation for Treasurer Services

A motion was made by Director Diep, seconded by Director Krippner to continue the District's current practice of compensation for Treasurer services. The motion was approved by a 4-0 vote.

D. Consider a Lump Sum Payment to California Public Employees Retirement System (CalPERS) to Prepay the 2013/14 Employers Contribution Rate

A motion was made by Director Diep, seconded by Director Neugebauer to approve as recommended by staff – to elect to pre-pay the fiscal year 2013/14 employer's contribution for Tier 2 employees as there is a \$4,594 savings to the District by doing so, and to take no action on Tier 1 employees at this time as there is no financial benefit to the District by doing so. The motion was approved by a 4-0 vote.

E. RESOLUTION NO. 2013-08

(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

A motion was made by Director Neugebauer, seconded by Director Diep to continue this item until there is a full Board present. The motion was approved by a 4-0 vote.

F. RESOLUTION NO. 2013-09

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, REGARDING PROVIDING A COMPACT DISC AUDIO RECORDING OF THE DISTRICT OPEN PUBLIC MEETINGS, UPON REQUEST AND PAYMENT TO DISTRICT OF ITS COSTS

A motion was made by Director Neugebauer, seconded by Director Diep to approve as recommended and adopt Resolution No. 2013-09. The motion was approved by a 4-0 roll call vote.

G. 3rd Quarter Financial Reports (07/01/12 through 03/31/13) – Fiscal Year 2012/2013

Finance/Hr Director Housley gave an overview of the District's financial reports for the last nine months.

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file. The motion was approved by a 4-0 vote.

INFORMATIONAL ITEMS

A. California Public Employees' Retirement System (CalPERS) Awards Multiple HMO Contracts

B. California Public Employees' Retirement System (CalPERS) Board Approves New Actuarial Policies

C. Local Agency Formation Commission of Orange County (LAFCO) Notice of Public Hearing

D. Local Agency Formation Commission of Orange County (LAFCO) Alternate Public Member Press Release and Application

E. Over-The-Top Program First Quarter 2013 Report

F. Letter from Orange County Board of Supervisors Opposing AB323 (Chesbro) Solid Waste: Recycling: Diversion: Green Materials – As Introduced on February 12, 2013

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file the informational items. The motion was approved by a 4-0 vote.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she would like staff to agendaize consideration of a letter from the Board opposing AB323 on the next regular agenda.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that if any Board members wished to carpool with him in the District van to the Orange County Water Summit, to meet at the District at 7 A.M. on Friday, May 17, 2013.

GM Robbins stated that he again emailed CR&R regarding the District's diversion rate and a possible tour in July. Emails were sent to Dave Fahrion, Dean Ruffridge and George Lazaruk and there has been had no response.

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.

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, May 14, 2013 at 4P.M. at the District office at approximately 5:57 P.M.

Al P. Krippner, Secretary Pro Tem