

**MINUTES OF THE ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE MIDWAY CITY
SANITARY DISTRICT OF ORANGE COUNTY
14451 CEDARWOOD AVENUE
WESTMINSTER, CA 92683**

June 25, 2013

CALL TO ORDER

President Cobo called the adjourned regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, June 25, 2012 at 4:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo
Margie L. Rice
Tyler Diep (4:09 arrival)

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.

PUBLIC COMMENTS

None

OLD BUSINESS

None

NEW BUSINESS

A. Public Hearing and Adoption of RESOLUTION NO. 2013-16 (Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SANITATION AND SEWER USER FEES PURSUANT TO SPECIAL USAGE PERMIT AGREEMENT AND COVENANT DOCUMENTS AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH USAGE FEES TO THE JULY 1, 2013-JUNE 30, 2014 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 26 AND ORDINANCE NO. 67

Director Neugebauer asked if there had been any communication from the public concerning the public hearing.

GM Robbins stated that there were 71 calls regarding the commercial sewer rate increase. The majority of those calls were due to incorrect residential mailing. Staff informed those residents that their rates would not be going up and are remaining at \$87 per year.

President Cobo read the title of the resolution and opened the public hearing.

There were no public comments.

President Cobo closed the public hearing.

A motion was made by Director Neugebauer, seconded by Director Krippner to approve and adopt Resolution No. 2013-16, and waive further reading. The motion was approved by a 4-0 roll call vote, with Director Diep absent.

B. Public Hearing and Adoption of RESOLUTION NO. 2013-17 (Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SANITATION AND SEWER USER CHARGES AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH USER CHARGES TO THE JULY 1, 2013 THROUGH JUNE 30, 2014 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 64 AND ORDINANCE NO. 67.

President Cobo read the title of the resolution and opened the public hearing.

There were no public comments.

President Cobo closed the public hearing.

A motion was made by Director Rice, seconded by Director Neugebauer to approve and adopt Resolution No. 2013-17, and waive further reading. The motion was approved by a 4-0 roll call vote, with Director Diep absent.

Director Diep arrived at 4:09 P.M.

C. Public Hearing and Adoption of RESOLUTION NO. 2013-18
(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING THE SPECIAL DISTRICT GENERAL FUND BUDGET FOR THE FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014

President Cobo read the title of the resolution and opened the public hearing.

There were no public comments.

President Cobo closed the public hearing.

Director Neugebauer made a few suggestions for change, which the Board supported.

A motion was made by Director Neugebauer, seconded by Director Rice to approve and adopt Resolution No. 2013-18, with three amendments to the supplemental information, and waive further reading. The motion was approved by a 5-0 roll call vote.

INFORMATIONAL ITEMS

There were no informational items at this time.

BOARD CONCERNS/COMMENTS

Director Rice stated that she is very happy with the fliers that staff printed out for the District's 75 year anniversary celebration.

Director Neugebauer suggested that the District's phone number be added to the flier so that people can contact the District.

GM/STAFF CONCERNS/COMMENTS

GM Robbins reported that this is solid waste driver Rafael Gonzalez' last official week at the District, so there is an immediate need to hire someone to replace him as it is summer and drivers have scheduled vacation times. Staff held several interviews and

have narrowed it down to one person. If hired he will be the first employee hired with benefits under the Tier 3 (2%@62) retirement formula.

Director Neugebauer asked if GM Robbins would be purchasing a watch for Rafael Gonzalez as a retirement gift from the District.

The Board concurred that GM Robbins purchase a watch and have it engraved for Rafael Gonzalez.

Director Neugebauer suggested another change to the budget document, which the Board agreed with.

A motion was made by Director Neugebauer, seconded by Director Rice to amend her previous motion to approve and adopt Resolution No. 2013-18, to include an additional amendment. The motion was approved by a 5-0 roll call vote.

Finance/HR Director Housley followed up on the Board's request from the prior meeting to research the term "Safe Harbor" with relation to finances and retirement.

Safe Harbor 401(k) plans are like traditional 401(k) plans, but they offer advantages to businesses at risk of failing the non-discrimination tests. Small business owners and highly compensated employees are impacted when they want to make significant contributions to the 401k and the non-highly compensated employees do not.

With a Safe Harbor 401k, the business must make contributions for all employees, including highly compensated employees and non-highly compensated employees. A Safe Harbor 401(k) plan generally satisfies the non-discrimination rules for elective deferrals and employer matching contributions. For a 401(k) plan to be considered a Safe Harbor plan, employers must satisfy certain contribution, vesting, and notice requirements. Employers that choose a Safe Harbor 401(k) plan must either make a dollar-for-dollar matching contribution for all participating employees, on the first 4% of each employee's compensation, or contribute 3% of the employee's compensation for each eligible employee, regardless of whether the employee chooses to participate in the plan. This contribution can be larger than 3%. The Board requested that no additional research was needed at this time.

GENERAL COUNSEL CONCERNS/COMMENTS

There were no concerns or comments expressed at this time.

Sally Ramirez, the District representative from American Federation of State, County and Municipal Employees (AFSME) introduced herself to the Board, and stated that it has been a pleasure to work with the District's represented employees.

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 at approximately 4:40 P.M.

Margie L. Rice, Secretary