

**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**

**September 10, 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, September 10, 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  
Joseph Larsen, Labor Counsel  
Danielle Gerardo, Board Secretary  
Nick Castro, Director Operations/Safety  
Manuel Hernandez, MCSD Solid Waste Driver

**PLEDGE AND INVOCATION**

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

**PUBLIC COMMENTS**

None

**OLD BUSINESS**

None

A motion was made by Director Neugebauer, seconded by Director Diep to take Closed Session Item 8 out of order to accommodate Labor Counsel. The motion was approved by a 5-0 vote.

President Cobo convened the meeting to a closed session at 4:02 P.M.

## **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.

### **A. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (Government Code Section 54957)**

President Cobo reconvened the meeting at 4:19 P.M.

Legal Counsel stated that the Board took action to continue Closed Session Item 8A to October 8, 2013 at 4 P.M.

## **NEW BUSINESS**

### **A. Review Evaluations of Proposals for Technical Consulting and Design Services for the Midway City Sanitary District Compressed Natural Gas (CNG) Fueling Station; Direct Negotiation of Agreement of Services**

GM Robbins stated that he did not open the bids in order to not have a biased opinion when presenting the proposals to the Board, and to base his recommendation solely on the criteria, and not on the cost per the recently adopted purchasing policy. All three firms met the criteria and have the same amount of experience, but Raymundo Engineering Company's project manager worked with the Gas Company which gave Raymundo more qualifications.

Directors Neugebauer and Krippner requested the complete addresses of the three engineering firms, as well as a list of the jobs that they have done.

Director Neugebauer stated that she reviewed the new purchasing policy and that it gives several different approaches to the bidding process.

Director Krippner stated that he trusts Staff to make a decision based on all of the information and then present that decision to the Board for final approval.

Director Neugebauer stated that she needed more information before she could direct Staff to negotiate with any of the engineering firms. Director Krippner agreed.

Director Krippner stated that he did not think that Staff was prepared to make a recommendation at this time and he asked GM Robbins to read the proposals and bring the information back to the Board.

GM Robbins stated that he agreed with the Board that the traditional way of opening bids is more transparent, but that he was following the new purchasing policy by basing his recommendation on the firm's qualifications and not on the dollar amounts in order not to have a biased opinion.

President Cobo stated that the Board consensus was not to follow the purchasing policy, but to have GM Robbins bring back all necessary information such as addresses, resumes, past jobs and bids on each of the three proposals prior to the Board making any decisions or providing direction to Staff.

A motion was made by Director Neugebauer, seconded by Director Diep, to continue this item and have it brought back at the General Manager's option but no later than November 1, 2013. The motion was approved by a 3-2 vote, with Directors Krippner and Rice voting no.

#### B. Review the Midway City Sanitary District's Reserves, Reserve Policy, and Consider Transferring Funds into the Districts Reserve Accounts

Finance/HR Director Housley gave an overview of the Districts current reserves and the reserve accounts, and explained the breakdown of the proposed transfer of \$8,929,209.00 from unrestricted operating funds into designated accounts such as the lift station and sewer line reserve, the buildings, equipment and facilities reserve, debt service reserve for 2005 COP's and the alternative energy vehicle replacement and fueling station reserve accounts and the GASB 45 OPEB Trust Fund account.

Director Diep asked about the GASB 45 OPEB Trust Fund account and whether it is wise to fund that account since it would be hard to get the money back once deposited. Director Diep stated that he likes the idea of paying the debt off when it comes due in order to save the District approximately \$800,000.

Finance/HR Director Housley stated that he is confident with the proposed transfers.

A motion was made by Director Rice, seconded by Director Neugebauer to approve staff recommendations to transfer funds. The motion was approved by a 5-0 vote.

## **BOARD CONCERNS/COMMENTS**

Director Rice stated that she would like to give her report on the CASA conference call on Monday, September 9, 2013 while it was fresh in her head. The Executive Board discussed the strategic planning session which will take place in Sacramento this year. A consultant was hired and there was discussion regarding ranges and health benefits for CASA employees. Director Rice requested and was able to reinstate the flag salute into CASA meetings. There was also discussion regarding the waste of Saturday mornings at the conferences. They will make be making changes in order to end the conferences on Fridays. There was discussion regarding members versus non-member's privileges and costs and instead of printing membership books this year they will be doing them electronically in order to save money as well.

Director Neugebauer stated that the press release regarding the award that the District received from California Association of Sanitation Agencies (CASA) was in the Orange County Register on Monday, September 9, 2013, and she thanked staff for following through with it so quickly.

Director Krippner stated that he was disappointed that the Board was not able to make a decision today regarding the CNG fueling station because Staff did not have the necessary information needed to proceed.

## **GM/STAFF CONCERNS/COMMENTS**

GM Robbins stated that, per the Board's direction, he will not follow the purchasing policy for this RFP proposal for technical consulting and would bring back a written report for each with dollar amounts and addresses for comparison.

President Cobo stated that Staff was just following the Board's direction as well as District policy and procedure.

GM Robbins stated that he will begin picking up Board members wishing to carpool at 8 A.M. Monday, September 16, 2013 for departure to the CSDA conference in Monterey.

## **ADJOURNMENT**

President Cobo adjourned the meeting to Tuesday, September 24, 2013 at 4:00 P.M. at the District office, at approximately 5:19 P.M.

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Margie L. Rice, Secretary