

**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**

**September 24, 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, September 24, 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:**

Robert Housley, Finance/HR Director  
Tom Nixon, District Counsel  
Danielle Gerardo, Board Secretary  
Nitin Patel, White Nelson Diehl Evans LLP  
Daphnie Munoz, White Nelson Diehl Evans LLP

**PLEDGE AND INVOCATION**

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

**PUBLIC COMMENTS**

None

**APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 3, 2013**

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of September 3, 2013. The motion was approved by a 3-2 vote, with Directors Krippner and Neugebauer voting no.

Director Neugebauer stated that, regarding the minutes of the September 3, 2013 meeting and under the General Manager's Report, GM Robbins reported on Flo Systems being

called out to do the repairs on the Brookhurst Lift Station, but in reviewing the expenditures she noted that they were actually called out three times in the last two months for repairs on both the Westminster and Brookhurst Lift Stations for various reasons, and felt that the minutes should reflect that information.

## APPROVAL OF THE MINUTES OF THE ADJOURNED MEETING OF SEPTEMBER 10, 2013

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the adjourned meeting of September 10, 2013, as presented. The motion was approved by a 5-0 vote.

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$ 327,287.45

#	CK #	Date	AMOUNT	VENDOR
1				<b>HANDCUT CHECKS:</b>
2	6294	9/5	327.47	<b>AT&amp;T Mobility</b> - Service for August 2013: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
3				Sewer 714-310-8654, Emergency 714-310-9004.
4	6295	9/5	94.99	<b>DirectTV</b> - Service for September 2013
5	6296	9/5	5,549.64	<b>US Bank - (\$3,801.54 KR)</b> Marriot Monterey CSDA Conf Reservations FC,JN,MR;Computer Monitors
6				for District,CASA 58th 8/21-8/24 MR,JN,AK,KR,RH,TD;Chamber Luncheon 8/21 FC;Waircom Monthly
7				Service for Aug 2013. <b>(\$318.36 Dge)</b> Board Mtg Refreshments 08/06 & 08/20, 2013-2014 Budget Printing.
8				<b>(\$84.03 DGr)</b> Restock Sewer Supplies. <b>(\$757.42 NC)</b> Restock District Office Supplies, Refuse Office Supplies.
9				<b>(\$663.29 RH)</b> Refreshments for 07/23 Board Meeting; Subscription to Orange County Register for District;
10				Water Usage for District,Refuse,Maintenance Offices 6/5-7/30;Remington Monthly Service August 2013
11	6297	9/5	981.09	<b>Verizon California</b> - District Office Phones & Lift Stations for August 2013; \$529.29 District Office,
12				\$150.60 Willow Lift, \$150.60 Westminster Lift, \$150.60 Hammon Lift.
13	6298	9/10	VOID	<b>Printer Malfunction</b>
14	6299	9/10	VOID	<b>Printer Malfunction</b>
15	6300	9/10	VOID	<b>Printer Malfunction</b>
16	6301	9/10	VOID	<b>Printer Malfunction</b>
17	6302	9/10	200.00	<b>Frank, Cobo</b> - Per Diem, CSDA Annual Conference Monterey, CA 09/16-09/19/2013
18	6303	9/10	150.00	<b>Neugebauer, Joy</b> - Per Diem, CSDA Annual Conference Monterey, CA 09/16-09/19/2013
19	6304	9/10	200.00	<b>Castro, Nick</b> - Per Diem, CSDA Annual Conference Monterey, CA 09/16-09/19/2013
20	6305	9/10	200.00	<b>Rice, Margie</b> - Per Diem, CSDA Annual Conference Monterey, CA 09/16-09/19/2013
21	6306	9/19	80.00	<b>City of Westminster</b> - Hydrant Meter Water Usage for July & August 2013
22	6307	9/19	78.76	<b>The Gas Company</b> - District Office & Maintenance Yard Fees for September 2013
23	6308	9/19	463.73	<b>Office Max</b> - Restock District Office Supplies for September 2013
24	6309	9/19	464.53	<b>Verizon Business</b> - Internet Connection for SCADA System for August 2013
25				
26			<b>8,790.21</b>	<b>SUBTOTAL</b>
27				

28				<b>REGULAR CHECKS:</b>
29	6310	9/19	62.00	<b>Advanced Gas Products</b> - Cylinder Rental for August 2013
30	6311	9/19	2,204.13	<b>Bodyworks Equipment</b> - (14) Switches, (5) Coils, (2) Plungers for Restock; (1) Crank Gear for T56
31	6312	9/19	1,257.00	<b>Computer Research Center</b> -Maintenance&Support for Oct 2013;Anti-Virus Coverage 8/2013-8/2014
32	6313	9/19	918.75	<b>Country City Towing</b> - Tows for T65 & T57
33	6314	9/19	809.84	<b>Daniel's Tire Service</b> - (5) Recaps & (3) Repair for Restock
34	6315	9/19	528.87	<b>Dartco Transmission</b> - (1) Throttle Sensor for T52
35	6316	9/19	17.25	<b>Enciso, Crystal</b> - Meal Reimbursement for CalPERS Training 09/10-09/11/2013
36	6317	9/19	30.68	<b>Fastenal Industrial</b> - Restock (10') Chain for Rapid Rail Arms
37	6318	9/19	10,660.07	<b>Flo-Systems</b> - Emergency Repairs to Brookhurst & Westminster Pump Stations
38	6319	9/19	2,800.00	<b>FPC Construction</b> - Repairs to District Doors, Replace (2) Doors for Refuse Offices
39	6320	9/19	419.19	<b>G &amp; K Services</b> - Uniform Services for August & September 2013
40	6321	9/19	285.09	<b>Golden Trophy Awards</b> - (300) Frost Flex Cups with District Logo Celebrating District 75th Anniversary
41	6322	9/19	40.28	<b>Huntington Beach Ford</b> - (1) Tube for T9
42	6323	9/19	276.01	<b>ID Industries</b> - (6) Proximity Switches for Restock
43	6324	9/19	1,751.86	<b>Los Alamitos NAPA Auto Parts</b> - (3) Batteries & (6) Cables for T57; (18) Hydraulic Fittings, (1) Strobe Light,
44				(10) Flashers, (24) Brakleen for Restock; (2) Air Dryers for T56 & T65.
45	6325	9/19	6,610.10	<b>Orange County Sanitation District</b> - Permit Fees for August 2013 (MCSD 5% = \$347.90)
46	6326	9/19	276.80	<b>Proforma</b> - (144) Mugs with District Logo Celebrating District 75th Anniversary
47	6327	9/19	134,193.32	<b>Rainbow Transfer Recycling</b> - Tonnage for August 2013
48	6328	9/19	217.00	<b>Griffith, Randy</b> - CWEA Certification Reimbursement
49	6329	9/19	926.54	<b>Ray Gaskin Service</b> - (1) Heil In-n-Out Cylinder Repair, (1) Seal Kit, (2) Rods, (1) Piston for Restock
50	6330	9/19	1,954.73	<b>Resource Communications</b> - Cable and Labor Installation for District and Shop Offices
51	6331	9/19	378.00	<b>Reyes Alternators</b> - (1) Starter for T57
52	6332	9/19	706.99	<b>Rush Truck Center</b> - Labor & Parts to Repair T65 Engine Overheating
53	6333	9/19	22,102.00	<b>SDRMA</b> - Workers' Compensation Payment for 2nd Quarter (October 1 - December 31) FY 2013-14
54	6334	9/19	3,341.46	<b>Tec of California</b> - (1) Battery & (1) Terminal for T57; ; (8) Rear Drums for T59; (2) Brake Drums & Kits T61;
55				(4) Brake Kits for T56; (1) Brace Bar, (6) Heat Shields, (10') Hose for Restock
56	6335	9/19	150.00	<b>Tech Air Mobile Services</b> - Labor to Clean Out Heater Core/Evaporator on T61
57	6336	9/19	96.31	<b>TrucPar Company</b> - (2) Push-Pull Valves for Restock & T65
58	6337	9/19	18.00	<b>Underground Service Alert</b> - (12) New Tickets for August 2013
59	6338	9/19	276.00	<b>Wespac Security Services</b> - Burglar & Fire Alarm Services for July through September 2013
60	6339	9/19	12,000.00	<b>White Nelson Diehl Evans</b> - First Interim Billing for District Audit FY 2012-2013
61				
62			<b>214,098.48</b>	<b>SUBTOTAL (BOTH HAND-CUTS &amp; REGULAR CHECKS)</b>
63				
64				<b>PAYROLL</b>
65		9/3	53,202.53	Payroll - Staff Check # 15537 - 15539 Taxes & Direct Deposits
66		9/3	1,160.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
67		9/3	826.92	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
68		9/17	55,987.60	Payroll - Staff Check # 15541 - 15543 Taxes & Direct Deposits
69		9/17	1,160.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
70		9/17	851.92	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
71			<b>327,287.45</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 \$327,287.45. The motion was approved by a 5-0 vote.

## **REPORTS**

### **Report of President**

None

### **Report of General Manager**

Finance/HR Director Housley reported that the sewer crew attended traffic safety training last Thursday, September 19, 2013, for a few hours in the morning, which was hosted by Orange County Sanitation District (OCSD).

Finance/HR Director Housley reported that truck #T59 was having trouble this morning and may have a broken axle. It will be inspected by the fleet maintenance department tomorrow – Wednesday, September 25, 2013.

Finance/HR Director Housley reported that solid waste truck #T65 is still at the dealership due to an overheating problem. Director Operations/Safety Nick Castro will be following up on it tomorrow as well.

Finance/HR Director Housley reported that one of the District's solid waste drivers had a minor accident with a parked car last Friday, September 20, 2013 due to the grippers. The cost to repair the vehicle is approximately \$450-550. Director Operations/Safety Nick Castro spoke with the owner of the vehicle and a two day rental car was agreed upon due to minor children in the household.

The District has received final year-end information from CalPERS for the GASB45 OPEB reports so that information will be forwarded to McGinn Actuaries in order for them to do the District's actuarial report.

GM Robbins checked in this morning from his vacation and said to thank the Board for granting him the time off to spend with his family.

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

Director Diep reported on the Wednesday, September 11, 2013 Administrative Committee meeting where there was an update by Pimco, a private investment firm that handles OCSD's \$500 million investment portfolio. In their report, they informed the committee that year-to-date the portfolio lost approximately \$3.9 million of its value due to the ups and downs of the economy. This kind of loss was not anticipated by the Committee members and has created concern so there will be another meeting to

possibly rewrite their investment policy to make sure that future investments have little to zero risk.

### **Report from the California Special Districts Association (CSDA) Conference in Monterey, CA**

President Cobo reported that he especially enjoyed the Worker's Compensation Reform and the Board and Staff Roles and Relationships in Your Agency breakout sessions. He was especially proud to receive the award from CSDA for the District and he thanked staff for all their hard work.

Director Rice reported that it was a great conference and that she especially enjoyed the inspiring speaker who was a former navy commander and author of "It's Your Ship" and the comedian who mimicked U.S. Presidents. The Critical Issues of Roles and Relationships between the Board and Management breakout session was inspiring and a reminder that the Board needs to work closer together. Almost every workshop emphasized that the Board does not run the District, but sets policy and should then tell staff what to do and not how to do it.

Director Neugebauer reported that overall this was one of the more outstanding conferences that the Board has recently attended. The Mayor of Monterey gave a brief and interesting speech with a history of the Monterey area. She too, found the former navy commander inspiring and the legislative session was more interesting than usual. The highlight was receiving the Exceptional Public Outreach and Advocacy award for the District.

### **CONSENT CALENDAR**

- A. Investment Report for August 2013
- B. Approve Attendance to the Municipal Water District of Orange County (MWDOC) Water Policy Forum on Wednesday, October 23, 2013

A motion was made by Director Rice, seconded by Director Diep to approve the consent calendar. The motion was approved by a 5-0 vote.

### **OLD BUSINESS**

None

## **NEW BUSINESS**

A. Consider and Approve the Fiscal Year 2012-2013 Independent Financial Audit Report for Midway City Sanitary District (July 1, 2012 through June 30, 2013)

Mr. Nitin Patel from White Nelson Diehl Evans LLP explained the new format of the audit and the two new standard requirements – GASB statement 63 and 65. He gave a detailed overview of the audit, answered questions from the Board and had no recommendations this year.

A motion was made by Director Rice, seconded by Director Neugebauer to receive and file the fiscal year 2012-2013 Independent Financial Audit Report done by White Nelson Diehl Evans LLP. The motion was approved by a 5-0 vote.

B. Approval of Memorandum of Understanding (MOU) with American Federation of State, County and Municipal Employees, Local 1734

A motion was made by Director Diep, seconded by Director Rice to approve the MOU with American Federation of State, County and Municipal Employees, Local 1734, for the period of two years beginning July 1, 2013 and ending June 30, 2015 and with the agreement of no retroactive pay and commencement of benefits and pay to begin on September 1, 2013 and not July 1, 2013. The motion was approved by a 5-0 vote.

Director Diep requested that Staff provide the Board with the fiscal impact of the changes in the MOU at the next regular Board meeting.

C. RESOLUTION NO. 2013-22

*(Roll Call Vote)*

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA FOR EMPLOYER PAID MEMBER CONTRIBUTIONS AND RESCINDING RESOLUTION NO. 2012-06

A motion was made by Director Diep, seconded by Director Rice to adopt Resolution No. 2013-22. The motion was approved by a 5-0 roll call vote.

D. RESOLUTION NO. 2013-23

*(Roll Call Vote)*

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA FIXING THE EMPLOYER'S CONTRIBUTION FOR MISCELLANEOUS EMPLOYEES UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

A motion was made by Director Diep, seconded by Director Neugebauer to adopt Resolution No. 2013-23. The motion was approved by a 5-0 roll call vote.

E. RESOLUTION NO. 2013-24

*(Roll Call Vote)*

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA FIXING THE EMPLOYER'S CONTRIBUTION FOR MEMBERS OF THE BOARD OF DIRECTORS UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

A motion was made by Director Rice, seconded by Director Diep to adopt Resolution No. 2013-24. The motion was approved by a 5-0 roll call vote.

F. Consider Adopting a Public Records Request Form and Adding it to the Midway City Sanitary District Website

A motion was made by Director Neugebauer, seconded by Director Diep to continue this item until GM Robbins returns from vacation and is in attendance. The motion was approved by a 5-0 vote.

G. Consider Adding Basic Requirements to Midway City Sanitary District Website and Completing at Least Two (2) Outreach/Best Practices Requirements in Order to Receive the District Transparency Certificate of Excellence from the Special District Leadership Foundation

A motion was made by Director Neugebauer, seconded by Director Diep to continue this item until GM Robbins returns from vacation and is in attendance. The motion was approved by a 5-0 vote.

H. Consider Approval of Employee Safety Award for Sewer Maintenance Worker Alejandro Gonzalez

A motion was made by Director Rice, seconded by Director Diep to approve the Employee Safety Award for Sewer Maintenance Worker Alejandro Gonzalez. The motion was approved by a 5-0 vote.

The Board asked staff to bring possible dates back onto the next agenda for a luncheon so that they may present the safety award.

**INFORMATIONAL ITEMS**

A. Web Site Activity for the Month of August 2013 (42,487 Successful Hits)

B. The Standard Life and Accidental Death & Dismemberment (AD&D) Insurance Renewal Rates for October 1, 2013 through September 30, 2013

C. Independent Special Districts of Orange County (ISDOC) Bylaw Protest and Suggested Amendment Letter

A motion was made by Director Neugebauer, seconded by Director Rice to put informational items B and C on the next agenda for the Board's consideration and action. The motion was approved by a 4-1 vote, with Director Krippner voting no.

## **BOARD CONCERNS/COMMENTS**

Director Neugebauer stated that she received an email from staff regarding turning in expense reports and receipts from the conferences that they recently attended. She stated that the District's travel policy clearly states that a \$50 per day per diem is established by the policy. Director Neugebauer stated that the Board is only required to fill out an expense report or provide receipts for those expenditures while at a conference if they go over the \$50 rate. The Board is provided with an expense form and an envelope for receipts for each conference that they attend and Director Neugebauer asked that she not be provided with those items in the future.

General Counsel Tom Nixon explained that AB1234 clearly states that all expenses require receipts and those items need to be provided in order to stay in compliance with the laws of the State of California, but compliance is each individual Board member's personal responsibility.

Director Rice asked General Counsel Nixon to provide the Board with a copy of the law regarding this issue.

Director Rice stated that she witnessed one of the District trucks trying to pick up a neighbor's containers who have several vehicles and park too closely for safe pickup. Director Rice stated that she feels that the driver should not have to stop and get out of the truck in order to move the containers to pick them up and empty them, but should leave a notice of the reason for no pickup instead.

Director Rice stated that she would be requesting a handicapped room in the future and that she had issues with a certain member of the hotel staff while staying in Monterey for the conference with regard to her room location and difficulty with her room key. She stated that she would be writing a letter to the hotel to complain about the employee.

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

Finance/HR Director Housley stated that part of staff's responsibilities is to be supportive and to assist the Board and that his email regarding the expense report and receipts for the conferences was solely meant to be helpful.



## **GENERAL COUNSEL CONCERNS/COMMENTS**

General Counsel Nixon stated that at the last regular meeting there was some discussion regarding the July billing for his legal services, and that the August bill would be significant again due to substantial work that needed to be done to the Request for Proposal (RFP) for the Compressed Natural Gas (CNG) design services and the bid process for the CCTV project. He stated that he will be working with staff to stay within the budget for the year.

Mr. Nixon also stated that, with regard to the award on the design services for the CNG fueling station and according to State law, engineering design contracts have to be awarded based on the professional qualifications and competence of the design firms. The rankings need to be done based on those factors first and then the District can negotiate the price with the most competent firm prior to making a selection for the CNG Fueling Station. GM Robbins needs to rank the firms' proposals first according to competence, and then negotiate the price. General Counsel Nixon provided the Board with a copy of State Law Government Code Section 4526.

## **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, October 1, 2013 at 4 P.M. at approximately 5:36 P.M.

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Margie L. Rice, Secretary