

**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**

October 1, 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, October 1, 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
Farman Shir, GreenbergFarrow
Henry Pyle, Clean Energy
Ronald Hankle, Standard Life Insurance Rep.

PLEDGE AND INVOCATION

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

President Cobo read the District's Mission Statement.

PUBLIC COMMENTS

Mr. Farmin Shir, a representative from GreenbergFarrow introduced himself and stated that he came to the meeting to answer any questions that the Board may have regarding the Compressed Natural Gas (CNG) fueling station proposal on today's agenda.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 79,822.85

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	6340	9/25	119.99	AT&T - Brookhurst Lift Station Service for September 2013
3	6341	9/25	3,268.98	Southern California Edison - Archives & Parking Garage \$60.21, District Office \$1164.13,
4				Maintenance Shop \$276.86, Brookhurst Lift Station \$160.25, Westminster Lift Station \$532.45,
5				Willow Lift Station \$361.41, Hammon Lift Station \$713.67 .
6				
7			3,388.97	SUBTOTAL
8				
9				REGULAR CHECKS:
10	6342	10/1	474.00	Advanced Workplace Strategies - Annual Renewal AWSI DOT Federal Highway Membership 2013
11	6343	10/1	46,165.04	CalPERS Health Premium - Healthcare Premium for October 2013
12	6344	10/1	1,051.10	Daniels Tire Service - (2) New Tires for Restock
13	6345	10/1	139.73	G & K Services - Uniform Services for September 2013
14	6346	10/1	585.09	Golden Bell Products - (55) Gallons of Super Butyl for Restock
15	6347	10/1	1,782.32	Los Alamitos NAPA Auto Parts - (4) Brake Drums, (4) Brake Kits, (50) Feet of Hydraulic Hose, (4) Lamps,
16				(10) Hose Clamps for Restock.
17	6348	10/1	70.00	Memorial Care Medical Group - Drug Screenings (DG, TG)
18	6349	10/1	3,667.18	MetLife - Monthly Dental Premium for October 2013
19	6350	10/1	40.00	Nick Castro - Driver's License Renewal 2013
20	6351	10/1	442.80	Plumber's Depot - (2) 90 Degree Swivels for M 63 & M 64
21	6352	10/1	368.70	Reyes Alternators - (2) Alternators for Restock
22	6353	10/1	3,867.32	Rutan & Tucker, LLP - Legal Services for August 2013
23	6354	10/1	831.32	The Standard Life Insurance - Premium Coverage for October 2013
24	6355	10/1	85.00	Vision Communications - Repair Water Damaged Two-Way FM Transceiver
25	6356	10/1	11,587.50	Woodruff, Spradlin & Smart - Legal Services for August 2013
26				
27			74,546.07	SUBTOTAL (BOTH HAND-CUTS & REGULAR CHECKS)
28				
29				PAYROLL
30			4,903.34	Board of Director's Payroll for the Month of September 2013 Chk # 15545 - 15548
31			373.44	Board of Director's Nationwide Deferred Compensation for August 2013 (100% Paid By Directors)
32			79,822.85	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Rice, seconded by Director Diep to approve the expenditures in the amount of \$79,822.85. The motion was approved by a 5-0 vote.

Director Neugebauer pointed out to the Board that the bill for legal services was high for the second month in a row, with a portion going to the new purchasing policy and Senate Bill 594, which was done per Board direction. She did recommend that the bill be paid because the Board did assign the tasks to legal counsel, but she suggested that

the Board be more aware and careful of assignments in the future in order to stay within the budget.

Legal Counsel Tom Nixon addressed the bill by explaining that there were several reasons the bill amount – finalization of the purchasing policy requested by the auditors and preparation of the related resolution, the review and analysis of Senate Bill 594 which was requested, the two request for proposals – one for the CCTV of the sewer system and the other for the design and engineering of the Compressed Natural Gas (CNG) fueling station and, as noted by Director Diep, the recent rate adjustment. He stated that while the bill has been higher than average for the past two months, he will work closely with Staff to try to stay within budget for the year.

Director Neugebauer stated that she feels it is her duty as Treasurer to make the Board aware of the expenditures so that the Board can work together to make fewer requests of legal counsel, or raise the budget for legal counsel's costs in the future.

REPORTS

Report of President

None

Report of General Manager

Finance/HR Director Housley reported that, at the request of Director Rice at the last Board meeting, he spoke with Director Operations/Safety Nick Castro, who in turn has spoken with the drivers and expressed the Board's concern regarding the MCSD truck in her neighborhood that was picking up containers from a neighbors home where there were too many cars parked too closely together.

There are currently two solid waste trucks out of service. Truck #T59 was found to have a broken air valve which has been repaired and is back in service, and T61 is still being serviced by Peterbilt for the overheating problem.

Finance/HR Director Housley stated that there will be annual driver safety training at the District on Saturday, October 5, 2013 from 8 A.M. until 12 P.M., and will include new laws, pre and post trip inspection, cell phone policy and defensive driving.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that at the September 25, 2013 meeting, Staff at OCSD provided the Board with their 2012-2013 fiscal yearly report of improvements which he brought to share with the Board. On another note, Staff and Management has met numerous times with professional and engineering labor groups for approximately six months now and there is still no end to the negotiations in sight at this time. There will

be a special meeting on Wednesday, October 2, 2013 to help determine goals and policy initiative.

CONSENT CALENDAR

A. Consider and Approve Attendance at the California Special Districts Association (CSDA) Special Districts Leadership Academy (SDLA) Conference in Napa Valley, CA November 17-20, 2013

B. Approval of Attendance to the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on Thursday, October 31, 2013

Director Neugebauer directed Staff to look into item A and inquire as to whether the conference will be held again at another time in Southern California.

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

OLD BUSINESS

A. Review Proposals and Consider Award of Services Contract to GreenbergFarrow for Technical Consulting and Design Services for the Midway City Sanitary District Compressed Natural Gas (CNG) Fueling Station

Director Rice stated that the City Manager for the City of Westminster would like to work with Midway City Sanitary District on contracting with MCSD to use the fueling station.

A motion was made by Director Rice, seconded by Director Neugebauer to approve staffs recommendation. The motion was approved by a 5-0 vote.

B. Consider Approval of the Standard Life and Accidental Death & Dismemberment (SD&D) Insurance Renewal Rates for October 1, 2013 through September 30, 2015

A motion was made by Director Neugebauer, seconded by Director Diep to approve the renewal rates for the Standard Life and Accidental Death and Dismemberment Insurance for October 1, 2013 through September 30, 2015. The motion was approved by a 5-0 vote.

C. Discussion Regarding Orange County Water District Letter of Opposition to Article III, Section H of Independent Special Districts of Orange County (ISDOC) Bylaws and Procedural Changes

A motion was made by Director Neugebauer, seconded by Director Rice to direct Staff to respond by forwarding the previous email sent and clearly state the Board's agreement with the opposition. The motion was approved by a 5-0 vote.

NEW BUSINESS

A. Consider Approval of Employee Safety Award for Lead Sewer Maintenance Worker Darrell Grimes

A motion was made by Director Rice, seconded by Director Diep to approve the Employee Safety award for Lead Sewer Maintenance Worker, Darrell Grimes. The motion was approved by a 5-0 vote.

B. Consider Scheduling a District Luncheon for Recognition of Midway City Sanitary District Employees Receiving Five Year Safety Awards

Director Neugebauer requested that staff prepare Resolutions of Commendations for both employees who will be receiving the safety awards from the District.

A motion was made by Director Neugebauer, seconded by Director Diep to hold the luncheon to recognize two District employees for their safety records on Wednesday, October 23, 2013 at 12 Noon. The motion was approved by a 5-0 vote.

C. Fiscal Impact of the Memorandum of Understanding between the Midway City Sanitary District and American Federation of State, County and Municipal Employees, AFL-CIO Local 1734

Finance/HR Director Housley reported on the fiscal impact of the new MOU. The agreement is for a two year period, salaries and wages increased by 4% per year, employees will pickup 1 ½% per year over the two years for their PERS retirement, and the health insurance cap was increased by \$100, all commencing on September 1, 2013. Employees will pick up any additional health care costs over the cap in the second year.

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

A motion was made by Director Diep, seconded by Director Rice to bring consideration of attendance at the October 4, 2013 Chamber of Commerce event onto the agenda as the matter did not come to the attention of the District until after the agenda was posted and is an urgent matter that requires immediate action. The motion was approved by a 5-0 vote.

A motion was made by Director Rice, seconded by Director Diep to approve attendance to the Chamber of Commerce event on Friday, October 4, 2013. The motion was approved by a 5-0 vote.

INFORMATIONAL ITEMS

None

BOARD CONCERNS/COMMENTS

Director Rice stated that she received a request for an interview from a student from Cal State University of Fullerton although she was not sure if it is in regard to the District or the City of Westminster.

GM/STAFF CONCERNS/COMMENTS

Finance/HR Director Housley reminded the Board that there would be a 75th Anniversary Committee meeting on Tuesday, October 8, 2013 at 10:30 A.M.

GENERAL COUNSEL CONCERNS/COMMENTS

General Counsel Nixon noted that he was requested at the last Board meeting to provide the statutory language of the State law relating to travel-related expense reimbursement. He provided the Board with copies of Government Code Sections 53232.3 and 53232.4 and explained that receipts were required to be submitted for all Board Member travel-related expenses and that expense reports were required to be submitted by Board Members.

Director Neugebauer stated that the information does not impact the Districts policy since the per diem that the Board set is well within IRS standards.

General Counsel Nixon listed the penalties for violating State law and advised the Board to err on the side of caution and stated that he merely wanted the Board and each member of it to be protected.

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 5:00 P.M.

Margie L. Rice, Secretary