

**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 15, 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 15, 2013 at 4:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo
Margie L. Rice
Tyler Diep (arrived at 4:02 P.M.)

OTHERS AT MEETING:

Robert Housley, Finance/HR Director
Tom Nixon, District Counsel
Danielle Gerardo, Board Secretary
Gene and Carol Glassburner, Performance Pipeline
Lee Lieberg, Resident of Westminster

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

Mr. Lee Lieberg, a resident who resides at 8982 Palos Verdes Avenue in Westminster, expressed his concern about the service on his street which is a small cul de sac and has a large number of vehicles regularly parked in the street. He suggested that the driver wait to pick up refuse containers after 8 A.M., when people have gone to work or are taking kids to school, in order to make it less difficult for the driver.

Finance/HR Director Housley stated that Director Operations/Safety Nick Castro has already been made aware of the situation, and is reconfiguring several of the drivers' routes to ease the difficulty of the service in this area and others similar to it.

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 24, 2013

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of September 24, 2013. The motion was approved by a 5-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 1, 2013

A motion was made by Director Diep, seconded by Director Rice to approve the minutes of the meeting of October 1, 2013. The motion was approved by a 5-0 vote.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 292,209.53

1				HANDCUT CHECKS:
2	6357	10/1	146.90	Joy Neugebauer - Health Insurance Reimbursement for October 2013
3	6358	10/1	325.26	AT&T Mobility - Service for September 2013: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
4				Sewer 714-310-8654, Emergency 714-310-9004.
5	6359	10/1	13.84	City of Westminster - Hammon Lift Station Water Usage for 07/31-09/24/2013
6	6360	10/1	284.05	Pitney Bowes - Lease Payment for Postage Machine October 2013 through January 2014
7	6361	10/1	971.51	Verizon California - District Office Phones & Lift Stations for September 2013; \$519.71 District Office,
8				\$150.60 Willow Lift, \$150.60 Westminster Lift, \$150.60 Hammon Lift.
9	6362	10/1	57.44	Maggie Tran - Reimbursement for Car Rental due to Damage by Solid Waste Truck 10/03-10/04/13
10	6363	10/9	40,316.91	CalPERS Retirement - Retirement Contributions for September 2013
11	6364	10/9	40.00	City of Westminster - Hydrant Meter Usage for September 2013
12	6365	10/9	94.99	DirectTV - Service for October 2013
13				
14			42,250.90	SUBTOTAL
15				
16				REGULAR CHECKS:
17	6366	10/9	220.50	Advanced Gas Products - Cylinder Rental for September 2013 & Dissolved Acetylene (290cft) for Restock
18	6367	10/9	1,321.11	Bodyworks - (2) Crank & (1) Grip Gear for Restock
19	6368	10/9	550.00	Color Wheels Custom Paint - Incident on 9/20 with T53, Minor Damages Repair
20	6369	10/9	737.00	Computer Research Center - Maintenance & Support for November 2013
21	6370	10/9	1,282.46	Daniel's Tire Service - (7) Recaps & (1) Repair for Restock
22	6371	10/9	400.00	Frog Environmental - 2013-14 Storm Water Services for 2nd Quarter
23	6372	10/9	279.46	G & K Services - Uniform Services for September & October 2013
24	6373	10/9	635.77	Los Alamitos Napa Auto Parts - (1) Serpentine Belt for M64; (21) Fittings, (5) Adapters, (2) Couplers,
25				& (10) Hose Ends for Shop Restock.
26	6374	10/9	139.04	Los Angeles Freightliner - (1) Tensioner for M64
27	6375	10/9	11,794.25	Orange County Sanitation District - Permit Fees for September 2013 (MCSD 5% = \$620.75)
28	6376	10/9	291.54	PTO Sales Corporation - (1) Pressure Switch, Valve Assembly, Connector, & Gasket for T53
29	6377	10/9	124,073.74	Rainbow Transfer Recycling - Tonnage for September 2013
30	6378	10/9	27,693.89	Rehrig Pacific Company - (648) 65 Gallon Black Carts with Lids for Restock

31	6379	10/9	4,140.76	Rutan & Tucker LLP - Legal Services for September 2013
32	6380	10/9	129.82	TEC of California - (1) Bushing Kit, (1) Brake Drum & (1) Brake Kit for T61; (8) Gaskets for Restock.
33	6381	10/9	394.00	Tech Air Mobile Services - Labor & Parts for T61
34	6382	10/9	150.00	TM Services Company - Annual Fire Extinguisher Training
35	6383	10/9	13.50	Underground Service Alert - (9) New Tickets for September 2013
36	6384	10/9	13,822.01	US Bank - (\$11,227.37 KR) 2013 CSDA Annual Conference Registration 9/16-9/19/13 (FC, MR, JN, KR, NC),
37				Hyatt Hotel Registration for CASA San Diego 8/21-8/24/13 (MR, JN, AK, TD, KR), Marriot Hotel Registration
38				for CSDA Monterey 9/16-9/19/13 (FC, MR, JN, KR, NC), Meals for Gen. Mgr. CSDA & CASA Conferences,
39				(8) Conference Chairs for District, Board Secretary Training, Policy Handbooks, Map Books for CCTV Proje
40				Wiarcom Monthly Service for September 2013. (\$222.33 Dge) Board Meeting Refreshments for 8/27, 9/03,
41				& 9/10, (1) Brick of Tapes for Restock. (\$546.15 DGr) Restock Sewer Supplies. (\$443.20 NC) Restock District
42				Office Supplies, Refuse Office Supplies. (\$1,629.34 RH) Hyatt Hotel Registration & Meals for CASA San Dieg
43				8/21-8/24/13 (RH), Subscription to Orange County Register for District; Remington Monthly Service for
44				September 2013; Toner for District Printer.
45	6385	10/9	4,336.00	White, Nelson, Diehl, Evans, LLP - Final Interim Billing for District Audit FY 2012-2013
46				
47			234,655.75	SUBTOTAL (BOTH HAND-CUTS & REGULAR CHECKS)
48				
49				PAYROLL
50			55,541.86	Payroll - Staff Check # 15549 - 15551 Taxes & Direct Deposits
51			1,160.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
52			851.92	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
53			292,209.53	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$292,209.53. The motion was approved by a 5-0 vote.

REPORTS

Report of President

None

Report of General Manager

Finance/HR Director Housley reported that truck #T-65 is still out of service for the overheating problem, which has still not been resolved. GM Robbins and Director Operations/Safety Nick Castro personally went to Rush Truck Center to speak with the manager and were able to have the last charge of \$1,000 removed since the truck is still not operational.

Finance/HR Director Housley reported that one of the District office rear doors was replaced today due to termite damage.

Director Neugebauer stated that she had suggested that a termite inspection of the buildings be done when it was first reported that the doors needed to be replaced and asked if any progress had been made.

Finance/HR Director Housley stated that he would follow up on Director Neugebauer's suggestion to see if the District buildings needed to have the termites exterminated.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that the Administration Committee met on October 9, 2013 to discuss several contracts. One was that of former General Manager Jim Ruth whose expertise is needed for OCSD's ongoing labor negotiations. Six months ago, OCSD waived their personnel code and voted 12-1 (with only Director Diep voting no) to give Mr. Ruth a six month contract in the amount of \$60,000 (\$10,000 a month). Staff calculated that Mr. Ruth worked approximately 42 hours per month and averaged approximately \$239 per hour for the past six months. OCSD is calling for a new six month contract at a rate of \$200 per hour and a maximum of \$48,000. The rationale is that his expertise is still needed for the ongoing labor negotiations, even though all signs are pointing to an impasse. This time the vote was 9-3 in favor, with one member absent and Director Diep and two other Board members voting no.

Report from the Chamber of Commerce Mystery Dinner

Directors Diep and Krippner attended the Chamber of Commerce event in order to represent the District.

Report from the 75 Year Anniversary Committee Meeting

Director Rice reported that plastic cups, coffee cups and pens with the District's logo and 75 Year Anniversary printed on them had been ordered to be given away at the Open House in April 2014.

Director Neugebauer reported that each District employee would also be receiving a t-shirt and a hat with the District's logo and 75 Year Anniversary printed on it. There will also be a travelling display of the District's 75 year history as well as the art projects done by the local high schools at the District's Open House.

CONSENT CALENDAR

A. Investment Report for August 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. Open Sealed Bids for the Closed Circuit Television (CCTV) and Cleaning of 174 Miles of District Sewer Mains Project

The Board directed Finance/HR Director Housley to open the two sealed bids and read them into the record. The first was from Performance Pipeline Technologies located in Huntington Beach, California in the amount of \$639,975.70. The second was from Empire Pipe Cleaning and Equipment Inc. located in Orange, California in the amount of \$797,207.26.

A motion was made by Director Neugebauer, seconded by Director Diep to recommend that the Board instruct staff to bring back the lower bid from Performance Pipeline Technologies for Board approval. The motion was approved by a 5-0 vote.

B. Consider Authorization to Solicit Bids for Alternative Fuel Solid Waste Collection Trucks

A motion was made by Director Rice, seconded by Director Diep to authorize staff to proceed with the solicitation of bids for the purchase of two alternative fuel solid waste collection trucks. The motion was approved by a 5-0 vote.

Director Neugebauer stated that she would like to see an item on the next agenda to consider rehabbing at least one of the District trucks since the cost is significantly lower than the cost of a new truck.

C. Consider Approving a Professional Service Agreement with GreenbergFarrow to Provide Technical Consulting and Design Services for the Midway City Sanitary District (MCSD) Compressed Natural Gas (CNG) Fueling Station

Director Neugebauer stated that she would like to add in writing on the professional services fee proposal that any information needed by the District or its lobbyist in order to obtain a grant would not be considered supplemental and have any additional charges incurred.

A motion was made by Director Diep, seconded by Director Neugebauer to approve the professional service agreement subject to, and with the proviso that staff put additional language in the GreenbergFarrow proposal which specifically addresses that, as part of the scope of services, they will provide information to the District for any grant-related information needed without incurring any additional costs. The motion was approved by a 5-0 vote.

D. RESOLUTION NO. 2013-25

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA COMMENDING SEWER MAINTENANCE WORKER, ALEJANDRO GONZALEZ

A motion was made by Director Diep, seconded by Director Neugebauer to adopt Resolution No. 2013-25. The motion was approved by a 5-0 roll call vote.

E. RESOLUTION NO. 2013-26

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA COMMENDING SEWER MAINTENANCE LEAD WORKER, DARRELL GRIMES

A motion was made by Director Rice, seconded by Director Neugebauer to adopt Resolution No. 2013-26. The motion was approved by a 5-0 roll call vote.

F. Consider Implementing a Vision Benefit Plan for Midway City Sanitary District Employees

A motion was made by Director Neugebauer, seconded by Director Rice to bring back the vision benefit plan with more definitive information for District employees only and exempting the Board and families. The motion was approved by a 5-0 vote.

G. Consider Press Release Regarding Midway City Sanitary District's Exceptional Public Outreach and Advocacy Award

A motion was made by Director Diep, seconded by Director Rice to approve the press release, as amended. The motion was approved by a 5-0 vote.

H. Discuss and Approve Recognition for Employees at Holiday Dinner Party

A motion was made by Director Neugebauer, seconded by Director Diep to approve the same gifts for recognition of District employees as last year. The motion was approved by a 4-1 vote, with Director Krippner voting no.

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of September 2013 (38,860 Successful Hits)

Receive and file.

BOARD CONCERNS/COMMENTS

Director Rice asked that staff add an item to the next agenda to consider a study session for the Board to go over the District's new purchasing policy.

Director Neugebauer stated that she feels that the District's website should have information on composting.

Director Neugebauer stated that a friend of hers had containers exchanged by the District and that the MCSD employees who handled the exchange were very polite, and was asked to pass along the positive feedback.

Director Neugebauer stated her concern and best wishes for GM Robbins from herself and each member of the Board.

Director Rice asked that the Board consider reimbursing her for her travel expenses for the California Association of Sanitation Agencies (CASA) Executive Board retreat in Sacramento in November since she is on that Board to represent the District.

Staff was directed to bring it onto the next agenda for Board consideration.

GM/STAFF CONCERNS/COMMENTS

Finance/HR Director Housley stated that each Director received a copy of the final financial audit and that it is already on the District's website.

Finance/HR Director Housley reminded the Board of the ISDOC quarterly meeting on Thursday, October 31, 2013, and to be at the District at 11 A.M. if carpooling.

Finance/HR Director Housley stated that he is scheduled to be at a CalPERS conference next Monday through Wednesday, October 21-23, 2013, and Director Operations/Safety Nick Castro would be in charge if GM Robbins was not back in the office.

GENERAL COUNSEL CONCERNS/COMMENTS

None

The Board took a brief recess from 5:15 P.M. until 5:25 P.M.

The Board convened to a closed session at 5:25 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. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Pursuant to Government Code Section 54956.9(d)(1).)

Name of Case: Irvin v. Midway City Sanitary District et al.

The Board reconvened at 5:34 P.M.

General Counsel stated that there was no reportable action due to the closed session.

ADJOURNMENT

President Cobo adjourned the meeting at approximately 5:35 P.M.

Margie L. Rice, Secretary