

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

February 13, 2014

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, on Thursday, February 13, 2014 at 4:00 p.m.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo
Margie L. Rice
Tyler Diep (absent)

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Tom Nixon, District Counsel
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

OLD BUSINESS

A. Review of District's Purchasing Policy

GM Robbins stated that although the Board adopted the new purchasing policy in August of 2013, several Board members had voiced their concerns and requested a study session to review the changes. His primary concern had been regarding the bid opening process, but after clarification was relieved to understand that the bids are still to be opened during a public Board meeting. He stated that he had misinterpreted the policy and that his concerns had been answered regarding that process.

Director Rice stated that she only asked for the study session to review the purchasing policy because of the stress that it seemed to cause GM Robbins during the last bid opening process.

Legal Counsel Nixon stated that the area of concern was with regard to Section 10 – Bidding, Purchasing and Contracting for Goods and/or Services, Subsection D – Professional Services. The policy does not specify that bids are to be opened in a particular location. The contracting process is mandated by the State and the evaluation of proposals must be done on a qualifications basis so that when the proposals come in, the qualifications of each proposer are evaluated and ranked by staff.

Director Neugebauer stated that Section 2 (two) Definitions, which accounts for three pages, should be moved to the end of the purchasing policy as an appendix, with everything else moved forward.

Director Rice asked Director Neugebauer if she had any other concerns with the purchasing policy.

Director Neugebauer stated that her concern was due to the distress of GM Robbins' interpretation of the bid opening process.

GM Robbins stated that the bid opening process had been clarified as well as the ranking, and that he wanted to open bids in an open meeting only and did not want someone to come back in the future and claim that the District had been unfair.

Director Neugebauer stated that she felt that the words "or as otherwise directed by the Board of Directors" should be added to the end of the second to the last sentence of Section 16 regarding Surplus Property.

Everyone agreed that there was a lot of confusion when the new purchasing was adopted.

Director Neugebauer stated that the auditors' area of concern was Sole Source Vendor Orders and how they are processed and asked if that area needed revision.

Finance/HR Director Housley clarified that the auditor's concern was that the District's policy was silent with regard to sole source purchases and confirmed that the change had been made to the new policy.

There was discussion regarding negotiating bids for professional services.

Legal Counsel Nixon clarified that engineering, architectural, land surveying and construction management services are unique contracting areas and the State Legislature, because of lobbying by these groups, has established a contracting process in the Government Code. After proposals are opened, the proposals must be ranked according to qualifications and then the Board can direct the General Manager to negotiate a price for the services with the most qualified proposer. If an agreement for a satisfactory and reasonable price for the services cannot be reached, the Board can direct the General Manager to negotiate with the next most qualified proposer.

A motion was made by Director Neugebauer, seconded by Director Rice to approve the revised purchasing policy, with changes. The motion was approved by the following 3-0-1-1 vote:

AYES: Cobo, Neugebauer and Rice

NAYS:

ABSTAIN: Krippner

ABSENT: Diep

INFORMATIONAL ITEMS

None

BOARD CONCERNS/COMMENTS

Director Rice stated that she requested a special meeting for the purchasing policy due to concerns by the Board and Staff.

Director Krippner stated that he was not aware of Director Neugebauer or GM Robbins' concerns with the purchasing policy.

Director Neugebauer stated that she voiced her concerns during an open meeting.

Director Neugebauer stated that there was an article in the Westminster Herald regarding the District's Chamber of Commerce Mixer in celebration of the District's 75 year anniversary in January, and that the article was well done.

GM/STAFF CONCERNS/COMMENTS

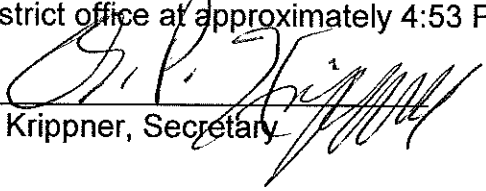
GM Robbins stated that the collapsed sewer main at Old Edwards Road and Maple is in the process of being repaired. A second partial collapse has been found on Willow Circle and Chinook near the Willow lift station. GM Robbins is hoping to be able to do a trenchless repair which would save a large amount of money. If it has to be dug, the point repair would cost roughly \$30,000, whereas trenchless by Sancon would cost approximately \$11,000-\$14,000 and would have less impact on the residents that live nearby. It is approximately 14 feet deep and the concern with the cost is due to a force main on one side of the trench and a water main on the other side, which makes for a hazardous repair.

DISTRICT COUNSEL CONCERNS/COMMENTS

None

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, February 18, 2013 at 4 P.M. at the District office at approximately 4:53 P.M. in honor of Leo Lopez.


Al Krippner, Secretary