

**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**

February 18, 2014

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, February 18, 2014 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
Tom Nixon, District Counsel
Danielle Gerardo, Board Secretary
Sue Gordon, Rainbow Environmental
Jeff Snow, Rainbow Environmental

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 4, 2014

A motion was made by Director Neugebauer, seconded by Director Rice to approve the minutes of the meeting of February 4, 2014, with additional language. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 245,390.55

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	6617	2/6	80.00	City of Westminster - Hydrant Meter Usage for December 2013 & January 2014
3	6618	2/6	94.99	DirecTV - Service for February 2014
4	6619	2/6	8,552.90	US Bank - (\$7,187.71 KR) CASA Indian Wells, CA 2014 Winter Conference Registration (FC, AK, MR, JN, KR);
5				CASA Indian Wells, CA 2014 Winter Conference Hotel Reservations (FC, AK, MR, JN, KR); Replacement
6				Office Field Camera; Westminster Herald Annual Subscription; CASA Washington D.C. Conference
7				Flight Tickets 02/23-02/26/14 (JN, FC, MR, KR); Business to Business Table Top Luncheon 01/21/14
8				(FC, JN, AK, MR, KR, RH); ISDOC Quarterly Luncheon 01/30/14 (FC, TD, AK, MR, JN, RH). Waircom Monthly
9				Services for January 2014. (\$119.27 Dge) Refreshments for 01/07 & 01/21 Board Meetings.
10				(\$81.31 DGr) Restock Sewer Safety Supplies. (\$917.98 NC) (2) Brass Bushings for T52; Restock
11				(24) Gloves for Drivers; (1) Battery Charger & Jumper Cables for Shop; Smog Checks for M6, T3, T9, T10.
12				(\$246.63 RH) Postage for (2) USPS Priority Mail Packages; 1099 Tax Forms for 2013; City of Westminster
13				Water for Maintenance Shop & District Offices 10/30-12/24/2013.
14	6620	2/10	450.00	Robert Weymar - Claim for Damages on 01/24/2014 at 7231 21st Street
15	6621	2/12	326.34	AT&T Mobility - Service for January 2014: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606.
16				Sewer 714-310-8654, Emergency 714-310-9004.
17				
18			9,504.23	SUBTOTAL
19				
20				REGULAR CHECKS:
21	6622	2/12	200.00	Cobo, Frank - Per Diem for CASA Washington D.C. 02/23-02/26/2014
22	6623	2/12	200.00	Neugebauer, Joy - Per Diem for CASA Washington D.C. 02/23-02/26/2014
23	6624	2/12	200.00	Rice, Margie - Per Diem for CASA Washington D.C. 02/23-02/26/2014
24	6625	2/12	200.00	Robbins, Kenneth - Per Diem for CASA Washington D.C. 02/23-02/26/2014
25	6626	2/12	200.00	Diep, Tyler - Per Diem for CASA Washington D.C. 02/23-02/26/2014
26	6627	2/12	75.53	Advanced Gas Products - Restock (1) Cylinder of Compressed Oxygen & (8) Gallons Liquefied Propane
27	6628	2/12	87.00	Advanced Workplace Solutions - Pre-Employment Drug Screening (DS)
28	6629	2/12	11,988.90	CalPERS Retirement - Retirement Contributions for February 2014
29	6630	2/12	737.00	Computer Research Center - Maintenance & Support for March 2014

30	6631	2/12	17,406.74	CR Transfer - Tonnage for January 2014
31	6632	2/12	43.20	DJ Printing - Business Cards for District Receptionist
32	6633	2/12	2,466.16	Daniels Tire Service - (2) New Tires & (8) Recaps for Restock
33	6634	2/12	276.66	G & K Services - Uniform Services for January & February 2014
34	6635	2/12	260.08	Grainger - (6) Wash Brushes, (4) Broom Handles for Wash Rack; (20) Clamps for Restock
35	6636	2/12	24,784.56	Greenberg Farrow Architecture, Inc. - Services for CNG Fueling Station Engineering
36	6637	2/12	1,050.00	Maxx Air - Filter Cleaning Services for T51, T52, T60
37	6638	2/12	618.45	Orange County Sanitation District - Permit Fees for January 2014 (MCSD 5% = \$32.55)
38	6639	2/12	36,090.41	Performance Pipeline Technologies - Sewer Cleaning & CCTV Inspection Progressive Payment
39	6640	2/12	107,215.09	Rainbow Transfer Recycling - Tonnage for January 2014
40	6641	2/12	1,009.56	Ray Gaskin Service - (2) Heil Packer Seal Kits & (2) Bearings for Restock
41	6642	2/12	5,165.71	Santa Ana Diesel - (1) Turbo Charger, Labor & Parts to Repair Cracked Cylinder Head for T56
42	6643	2/12	48.39	TEC of California - (1) Switch for Restock
43	6644	2/12	27.00	Underground Service Alert - (18) New Tickets for January 2014
44				
45			219,854.67	SUBTOTAL (BOTH HAND-CUTS & REGULAR CHECKS)
46				
47				PAYROLL
48		2/4	23,342.16	Payroll - Staff Check # 15601 - 15602 Taxes & Direct Deposits
49		2/4	1,250.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
50		2/4	943.72	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
51			245,390.55	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$245,390.55. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that the main line sewer next to the Willow lift station had to be open cut and is in the process of having a total of 30 feet of sewer main replaced due to broken sewer lines found by the CCTV work being done in that location.

Final work is being done by the County on the sewer/storm drains at VanBuren and McFadden between Beach and Newland. While workers were grinding in order to pave, they hit three manhole covers. One had a live sewer, which had to be reset to grade and the other two were an old abandoned lift station from 1959. It is approximately 30 feet deep and was partially filled with water because it was not abandoned properly. The large void will be drained and then slurry filled for proper abandonment and eliminate future liabilities to the District.

Director Neugebauer stated that since it was abandoned due to a project of Orange County Sanitation District's, that perhaps they should they be responsible for a portion of the cost.

GM Robbins stated that it is owned by the District and is the District's responsibility to abandon its lift stations properly.

Director Rice requested that GM Robbins put in a written request to Orange County Sanitation District.

GM Robbins reported that new solid waste driver, Dennis Solano, started work at the District on Monday, February 17, 2014, is doing well and already has his own route.

GM Robbins reported that retired employee, Raphael Gonzalez, was driving for the District this week in order to help out since one District employee is out on medical leave.

GM Robbins reported that there will be no increase in the District's SDRMA insurance this year.

GM Robbins reported that the District received the California Society of Municipal Finance Officers (CSMFO) Operating Budget Excellence Award for 2013-2014.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep stated that he had nothing to report as there had been no meetings and asked his alternate, Director Krippner, to please attend the Board meeting next week in his absence.

4th Quarter Franchise Review of Financial and Tonnage Reports

Sue Gordon from Rainbow Environmental stated that for the 4th quarter of 2013, the overall tonnage diverted from the landfills by the District was 51% for both the City of Westminster and the Midway City area of the County of Orange, which is in compliance with the AB 939 mandate that a minimum of 50% of the waste be diverted from the landfills.

Director Rice stated that the residential numbers are in the 70% range and that the commercial sector is what is bringing the District's numbers down.

Sue Gordon stated that Rainbow is aware of the unpermitted operation of cardboard recycling doing business right across the street from the District office, which Rainbow will be turning in to local authorities.

CalRecycle was supposed to submit a report by January 1, 2014 to the legislature on how they are going to get to the 75% initiative, but it still has not been received. Their failure to comply has haulers wondering what is going on.

Sue Gordon reported that Rainbow had attended outreach activities during February such as the TET Parade and the TET Festival at the Orange County Fairgrounds, and would be at the Public Service Awards in March as a sponsor and a supporter.

Sue Gordon reported that in April 2013 WARE Disposal took over the service for the schools in the Westminster School District due to their lower bid for service. The exception is Star View Elementary in Midway City which is in the Ocean View School District. That school will continue to receive the recycling education and the Discovery Science Center assemblies from Rainbow.

Director Neugebauer stated that she is very concerned about the loss of any educational programs in the District.

Director Neugebauer asked what the cost is for a gallon of CNG fuel for the public at Rainbow Environmental.

Sue Gordon responded that the price was \$2.59 per gallon at this time.

Sue Gordon thanked the Board and left the meeting.

Jeff Snow from Rainbow Environmental gave the quarterly financial audit report and stated that gross revenues had an overall increase of 12.5%, which he called robust and positive.

Director Diep asked Jeff Snow what his thoughts were on a 3rd green container in the District and whether it would help the District's recycling rates.

Jeff Snow answered that absolutely yes, additional source separation from the customer, being received already segregated by Rainbow would allow them to advance with anaerobic digestion in composting systems that they have in place today.

Jeff Snow reported that Rainbow Environmental is exploring a partnership with Agri Services out of Chino for palm fronds which are ground up and fed to young teenage female heifers. The cost for palm fronds is almost 75% less than alfalfa and is considered nutritious until they start producing milk. Jeff Snow stated that Rainbow continues to find innovative ways to find the highest and best value for all the resources that they collect, and palm fronds which are so plentiful, have been a problem.

GM Robbins stated that as a future goal and as part of the contract between the District and Rainbow, the District can have Rainbow put the green waste from the black carts through a trommel at an additional cost of approximately \$150,000 a year, which will guarantee the District a 75% recycling rate.

The second report by Jeff Snow was regarding AB341, which puts the District's source separating commercial accounts at 10.3% compared to the entire State of California which is at 7.5%. Los Angeles is at less than 0% and San Francisco is at 25%.

Jeff Snow reported that Rainbow Environmental is pleased to be the first major hauler in the United States to be a 100% CNG fleet, and that there are no diesel trucks operating within the District any longer.

Jeff Snow thanked the Board and left the meeting.

Report from Municipal Water District of Orange County (MWDOC) Water Policy Forum

Director Krippner reported that he attended the water policy forum and although the speaker was good, there was no new information given. He stated that earnings and the budget are up for water and that the water supply in Southern California is better than in the north, which is unusual. There are proposals being made for tunnels from the Colorado River to bring water west. He stated "There is no such thing as waste water, it's all used water".

CONSENT CALENDAR

President Cobo pulled Item 7B off the Consent Calendar in order for discussion by the Board.

A. Investment Report for January 2014

B. Approve Attendance to Special Districts Legislative Days May 20-21, 2014 in Sacramento, CA

A motion was made by Director Diep, seconded by Director Rice to approve the investment report for January 2014 on the consent calendar. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

OLD BUSINESS

None

CONSENT CALENDAR

B. Approve Attendance to Special Districts Legislative Days May 20-21, 2014 in Sacramento, CA

A motion was made by Director Diep, seconded by Director Rice to approve attendance for Board and Staff who wish to attend the Special Districts Legislative Days conference May 20-21, 2014 in Sacramento, California. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice
NAYS:
ABSTAIN:
ABSENT:

NEW BUSINESS

A. Consider Press Release Regarding Midway City Sanitary District's 75th Anniversary

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

AYES: Cobo, Diep, Krippner, Neugebauer and Rice
NAYS:
ABSTAIN:
ABSENT:

B. Consider Scheduling a District Luncheon in Order to Award Ten Year Safety Award to Midway City Sanitary District Employee

A motion was made by Director Diep, seconded by Director Rice to hold a District luncheon on Wednesday, April 2, 2014 in order to award a ten year safety award to MCSD employee, Miguel Jimenez. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice
NAYS:
ABSTAIN:
ABSENT:

C. Selection of Date and Location for District's 2014 Employee Holiday Dinner

A motion was made by Director Neugebauer, seconded by Director Diep to move as recommended and host the District's 2014 employee holiday dinner at the Rose Center on Sunday, December 7, 2014 if the date is available. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of January 2014 (48,829 Successful Hits)

B. Upcoming Orange County LAFCO Special District Seats Election

Director Rice suggested that Director Diep apply for a position on the LAFCO Board.

Director Neugebauer asked that the LAFCO nomination form be on the next agenda.

Receive and file.

Director Rice stepped out of the meeting to make a phone call.

BOARD CONCERNS/COMMENTS

President Cobo asked GM Robbins if he had any concerns.

Director Krippner stated that the Board should voice their concerns before the General Manager.

Director Rice returned to the meeting and stated that she had no concerns.

Director Neugebauer stated that she would postpone her concerns until after the General Manager.

General Counsel Nixon stated that the order of the meeting lies within the discretion of the Board President and that there is not a fixed requirement.

Director Krippner stated that the General Manager needs to know what the Board has concerns about prior to contributing his own concerns and requested that his statement be part of the record.

Director Neugebauer stated that she would hold her comment until the next meeting, but stated that the General Manager would have the same ability to speak after she makes her comments out of order as she has to speak out of order subject to the President.

Director Krippner stated that he had concerns but that he would put them off until the next meeting as well.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that TESCO Controls came out to check the SCADA system and the Uninterrupted Power Supply System (UPS) which helps to keep the stations running until the backup generator kicks on in case of a power outage. The units have battery packs which need to be replaced. Each UPS has 3 batteries which weigh about 100 pounds and will cost approximately \$1,500.

GM Robbins reported that he had been invited to play in the Garbagegeman's Invitational again this year on April 10 and 11, 2014 in Temecula.

GENERAL COUNSEL CONCERNS/COMMENTS

None

President Cobo called for a 5 minute recess at 5:18 P.M.

President Cobo called the meeting back to order at 5:26 P.M.

President Cobo convened the meeting to a closed session at 5:27 P.M. pursuant to Government Code Section 54956.9(d)(2).

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.

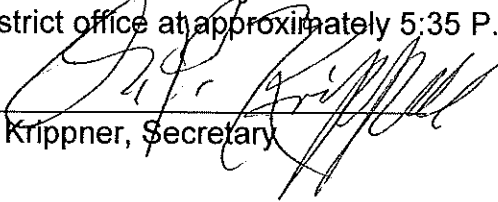
A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section
54956.9(d)(2)(one potential case)

President Cobo reconvened the open session meeting at 5:35 P.M.

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

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, March 4, 2014 at 4 P.M. at the District office at approximately 5:35 P.M.



Al Krippner, Secretary