

**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**

April 15, 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, April 15, 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
Jim Fisler, Director, Mesa Water District
Rich Fresci, ISDOC Pres., Dir. Serrano Water District
Jeff Snow, V.P. Rainbow Environmental

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

Jim Fisler, who is running for re-election for the alternate Special Districts seat on LAFCO, addressed the Board, gave them his background and asked for the Board's support in the upcoming election.

Rich Fresci, who is also running for the alternate Special Districts seat on LAFCO, gave a brief summary of his experience and qualifications and asked the Board for their support.

Jeff Snow, Vice President of Rainbow Environmental, introduced a new recycling program that deals with recycling juice and milk cartons to the Board. He explained that more than 23 million milk and juice cartons are generated each year in the U.S. and most are buried in landfills or burned. Rainbow Environmental is one of only two facilities in Southern California that now has the technology to recycle these products. In an effort to create awareness and diversion, Rainbow has established a carton recycling campaign with the Carton Council, who is providing some of the new receptacles. One of the new carton recycling containers has been placed at the Westminster Senior Center and they intend to provide additional containers at key locations throughout the District to continue to help with the diversion of recyclables.

APPROVAL OF THE MINUTES OF THE MEETING OF APRIL 1, 2014

Director Rice stated that she felt that the draft minutes of the Board meeting on April 1, 2014 should be more detailed than those presented in the agenda packet in order to identify the specifics of the Board's discussion in detail, and to reflect the reason that the Board was forced to take a 5 minute recess due to interruptions and confusion for the records, and not ignore what took place at that meeting. She stated that she, personally, cannot continue to work under those circumstances with arguments, screaming and yelling during the meetings, and that it was causing her stress.

Director Neugebauer agreed that it was a very contentious meeting and asked District Legal Counsel Nixon if it would be possible to have an almost verbatim transcript of the Board meeting minutes from April 1, 2014 prepared.

Mr. Nixon responded that there are options available and he could work through his firm to identify one for this request, that a transcript could be prepared and that if the Board would like him to obtain a quote for the preparation of a transcript, he could do so. Mr. Nixon stated that it would probably wind up within the financial authority of the General Manager under the purchasing contract to purchase services for that so he didn't think that there would need to be special direction from the Board.

A motion was made by Director Neugebauer, seconded by Director Rice to take no action at this time on the draft minutes of the meeting of April 1, 2014, and to continue and agendize this item until the next regular meeting with instruction as stated by District Legal Counsel. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Diep, Neugebauer, Rice

NAYS:

ABSTAIN: Krippner

ABSENT:

APPROVAL OF THE MINUTES OF THE ADJOURNED MEETING OF APRIL 8, 2014

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of April 8, 2014. 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 \$ 572,240.57

| # | CK # | Date | AMOUNT | VENDOR |
|----|------|------|-----------|--|
| 1 | | | | HANDCUT CHECKS: |
| 2 | 6742 | 4/2 | 325.44 | AT&T Mobility - Service for March 2014: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606, |
| 3 | | | | Sewer 714-310-8654, Emergency 714-310-9004. |
| 4 | 6743 | 4/2 | 100.00 | Michael LeFreniere - Five Year Safety Award |
| 5 | 6744 | 4/2 | 250.00 | Miguel Jimenez - Ten Year Safety Award |
| 6 | 6745 | 4/2 | 137.50 | Paychex - New Employee Screening Service |
| 7 | 6746 | 4/2 | 284.05 | Pitney Bowes - Lease Payment for Postage Machine April through July 2014 |
| 8 | 6747 | 4/2 | 2,458.95 | Southern California Edison - Archives & Parking Garage \$47.32, District Office \$481.17, |
| 9 | | | | Maintenance Shop \$228.02, Brookhurst Lift Station \$176.92, Westminster Lift Station \$604.27, |
| 10 | | | | Willow Lift Station \$328.73, Hammon Lift Station \$592.52 . |
| 11 | 6748 | 4/5 | 7,073.89 | US Bank - (\$5,520.15 KR) CASA Washington D.C. Hotel Reservations 02/23-02/26/2014 (FC, MR, JN, TD, KR); |
| 12 | | | | Westminster Chamber of Commerce Public Service Awards Luncheon for Margie Rice 03/06/2014 |
| 13 | | | | (FC, TD, AK, JN, RH, NC, Guest for MR); Waircom Monthly Service for March 2014. |
| 14 | | | | (\$101.63 Dge) Refreshments for 03/04 & 03/18 Board Meetings. |
| 15 | | | | (\$563.96 DGr) Restock Sewer Safety Supplies. (\$109.77 NC) Restock Fleet Operating Supplies. |
| 16 | | | | (\$864.56 RH) City of Westminster Water for Wash Rack & Maint. Shop 12/25/13-02/18/2014; City of |
| 17 | | | | Westminster Water for District Offices 12/15/13-02/18/2014; CSDA Public Records Training 03/11/14 (FC, AK, |
| 18 | | | | JN, MR, JB, DG, RH); Remington Monthly Service for March 2014; City of Westminster Water for Westminste |
| 19 | | | | Lift Station 01/15-03/11/14. |
| 20 | 6749 | 4/2 | 1,005.69 | Verizon California - District Office Phones & Lift Stations for March 2014; \$547.62 District Office, |
| 21 | | | | \$152.69 Willow Lift, \$152.69 Westminster Lift, \$152.69 Hammon Lift. |
| 22 | 6750 | 4/9 | 5,625.12 | City of Westminster - Building Plan & Fire Plan Check Fees for CNG Fueling Station Building Permits |
| 23 | 6751 | 4/9 | 105.98 | DirectTV - Service for April 2014 |
| 24 | | | | |
| 25 | | | 17,366.62 | SUBTOTAL |
| 26 | | | | |
| 27 | | | | REGULAR CHECKS: |
| 28 | 6752 | 4/9 | 550.00 | Westminster Community Services - Cart Decorating Contest Certificates of Commendations for Bolso Chic |
| 29 | | | | Park, Liberty Park, Siglar Park, Services & Recreation Department, and Youth Committee |
| 30 | 6753 | 4/9 | 200.00 | Westminster Senior Center Foundation - Cart Decorating Contest Certificates of Commendations for SHUE |
| 31 | | | | Program and Senior Center |

| | | | | |
|----|------|-----|-------------------|--|
| 32 | 6754 | 4/9 | 411.48 | Bodyworks Equipment - (2) Solenoid Kits for Restock |
| 33 | 6755 | 4/9 | 200,000.00 | CalPERS Fiscal Services Division - Prefunding OPEB Unfunded Accrued Benefit Liability (UAL) |
| 34 | 6756 | 4/9 | 71,785.62 | Charles King Company, Inc. - Emergency Sewer Repair Services for Maple/Edwards |
| 35 | 6757 | 4/9 | 737.00 | Computer Research Center - Maintenance & Support for May 2014 |
| 36 | 6758 | 4/9 | 22,713.66 | CR Transfer - Tonnage for March 2014 |
| 37 | 6759 | 4/9 | 5,495.09 | Daniels Tire Service - (8) Recaps & (8) New Tires for Restock |
| 38 | 6760 | 4/9 | 8,250.00 | ECIS - Fog Inspections for March 2014 |
| 39 | 6761 | 4/9 | 283.26 | G & K Services - Uniform Services for March & April 2014 |
| 40 | 6762 | 4/9 | 9,920.09 | Greenberg Farrow Architecture, Inc. - Engineering Services for CNG Fueling Station |
| 41 | 6763 | 4/9 | 157.96 | Hilco Fastener Warehouse - (590) Nuts, Bolts, Washers, Locknuts for Restock |
| 42 | 6764 | 4/9 | 750.00 | Ironman Parts - D.P.F. Filter Cleaning for T57 & M64 |
| 43 | 6765 | 4/9 | 259.95 | Los Alamitos Napa Auto Parts - (10) Tire Knockers & (2) Air Filters for Restock |
| 44 | 6766 | 4/9 | 168.90 | North American Safety - Embroidered (3) Bomber Jackets (SG, DS, JC) & (2) Polo Shirts (DS, CR) |
| 45 | 6767 | 4/9 | 10,214.81 | Orange County Sanitation District - Permit Fees for March 2014 (MCSO 5% = \$537.62) |
| 46 | 6768 | 4/9 | 59,014.56 | Performance Pipeline Technologies - Sewer Cleaning & CCTV Inspection Progressive Payment |
| 47 | 6769 | 4/9 | 160.01 | Petty Cash (Ken Robbins) - Carpet Cleaning Tip [\$5.00]; Refreshments for Chamber Mixer [\$15.92]; Frame for R. Gonzalez Retirement [\$5.40]; Refreshments for Safety Meeting 2/26/14 [\$11.97]; Water for Luncheon 04/02/14 [\$5.58]; Luncheon for Public Records Request[\$13.00]; Restock On/Off Coordinator for Arm[\$18.25]; Gas for Van 02/03/14 [\$10.00]; Parking 07/19/13 [\$3.00]; Parcel Maps 07/19/13 [\$10.50]; Parking for Waste Commission Mtg 12/12/13[\$6.00]; Donuts for Safety Mtgs 10/5/13, 11/7/13, 12/11/13, 12/18/13, & 3/26/14 [\$39.91]; (4) Bushings for T57 [\$7.99] |
| 53 | 6770 | 4/9 | 308.39 | PSI - Parts & Labor for Repair to Wash-Rack Steamer |
| 54 | 6771 | 4/9 | 75,882.72 | Rainbow Transfer Recycling - Tonnage for March 2014 |
| 55 | 6772 | 4/9 | 430.18 | Ray Gaskin Service - Restock (1) Heil In-n-Out Cylinder, (1) In-n-Out Seal Kit, & (1) Rod End |
| 56 | 6773 | 4/9 | 600.00 | Ron Ruano - Deposit for Mariachi to Perform at MCSO 75th Anniversary 04/19/2014 (Balance Due \$100.00) |
| 57 | 6774 | 4/9 | 1,000.00 | SDRMA - Automobile Deductible for 03/11/2014 Incident |
| 58 | 6775 | 4/9 | 869.88 | South Coast AQMD - Annual Operating and Emissions Fees for Hammon & Westminster Lift Stations FY13-14 |
| 59 | 6776 | 4/9 | 1,043.53 | TEC of California - (10) Insulators, (6) On/Off Switches for T61 |
| 60 | 6777 | 4/9 | 6.00 | Underground Service Alert - (4) New Tickets for March 2014 |
| 61 | 6778 | 4/9 | 149.27 | Vision Communications Co. - Restock (4) Microphones for Fleet |
| 62 | 6779 | 4/9 | 2,084.60 | Wanco, Inc. - (1) L.E.D. Arrow board for S-1 (Sewer Pick-up Truck) |
| 63 | 6780 | 4/9 | 25,908.32 | Rainbow Transfer Recycling - Tonnage for March 2014 |
| 64 | 6781 | 4/9 | 400.00 | Frog Environmental - 4th Quarter 2013-2014 Non-Storm Observation |
| 66 | | | 517,121.90 | SUBTOTAL (BOTH HAND-CUTS & REGULAR CHECKS) |
| 68 | | | | PAYROLL |
| 69 | 4/1 | | 53,518.67 | Payroll - Staff Check # 15622 - 15624 Taxes & Direct Deposits |
| 70 | 4/1 | | 1,175.00 | Payroll - Nationwide Deferred Compensation (100% Paid By Employees) |
| 71 | 4/1 | | 425.00 | Payroll - Nationwide Deferred Compensation (100% Paid By Employees) |
| 72 | | | 572,240.57 | TOTAL EXPENDITURES W/PAYROLL |
| 73 | | | | BANK TRANSFERS |
| | | | 600,000.00 | Transfer Funds from Money Market to Checking Account |

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$572,240.57. 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 fee for the mariachi band to perform at the District's 75 Year Anniversary Open House on Saturday, April 19, 2014 is \$700 instead of the usual \$600.

Per the Board's direction, GM Robbins sent an email to Jim Herberg, General Manager at the Orange County Sanitation District (OCSD) with regard to sharing the cost for proper abandonment of the lift station that was discovered on McFadden Avenue. OCSD is reviewing the request in the amount of \$13,471.00. GM Robbins will report back to the Board if he receives a response.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep stated that he had nothing of substance to report.

Report from the 75 Year Committee Meeting

Director Rice reported that the Committee discussed purchasing additional litter bags to give away at other functions that the Board participates in throughout the year. They went over the set-up for the Open House and requested that invitations be sent to ex-members of the Board that could be located.

During a recent walk through the yard, Director Neugebauer noted that barricades and signage needed to be placed on the OCSD tanks so that there would be no danger to anyone at the Open House. OCSD has already provided signage for their tanks. While at the Spring Festival, Rainbow was handing out rulers from Orange County Waste and Recycling and Director Neugebauer suggested that they be handed out at the Open House. Director Neugebauer stated that the awards will be given out for the cart decorating contest. Invitations have been sent out to Roland Edwards and Vivian

Kirkpatrick-Pilger who are ex-members of the Board. Director Neugebauer was happy to report that the committee stayed well within their budget.

Report from Employee Luncheon for Employee of the Year and Safety Awards

President Cobo stated that it is important for the Board to recognize and reward individuals for good habits. The full Board was in attendance at the employee luncheon and all agreed that it was a worthwhile event.

Director Rice thanked everyone for her Employee of the Year Certificate.

Report from the City of Westminster's Spring Festival

Director of Operations/Safety Nick Castro and Lead Sewer Maintenance Worker/ Construction Inspector Darrell Grimes brought a District truck to the Spring Festival. The full Board and GM Robbins attended at different times during the day and handed out invitations to the District's 75 Year Anniversary Open House as well as information regarding correct recycling.

Director Neugebauer stated that the District should participate by having a truck at the Midway City Cleanup Day being sponsored by County Supervisor Janet Nguyen on June 28, 2014.

Director Diep stated that he noticed that the other booths at the Spring Festival had banners and suggested that the District purchase one for future community events.

Director Neugebauer stated that the 75 Year Committee made the decision to have a poster made that everyone will sign at the Open House, and then hung at the District.

CONSENT CALENDAR

A. Investment Report for March 2014

A motion was made by Director Rice, seconded by Director Diep to approve 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

NEW BUSINESS

A. Review Consumer Price Index (CPI) Adjustment to Commercial, Industrial and Other Nonresidential Sanitary Sewer Services and Notice of Rate Adjustment

A motion was made by Director Neugebauer, seconded by Director Rice to approve as recommended. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN: Diep

ABSENT:

B. Consider Setting Date and Review Notices of Public Hearings for Sanitary and Sewer Service Charges and for Adoption of 2014-2015 Budget

A motion was made by Director Diep, seconded by Director Neugebauer to set the date for the public hearing for Tuesday, June 24, 2014 at 4:30 P.M. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

C. Consider Changing the Date of the Tuesday, May 20, 2014 Regularly Scheduled Board Meeting in Order to Accommodate Board Travel to the 2014 California Special Districts Association (CSDA) Special Districts Legislative Days in Sacramento, CA May 20-21, 2014

A motion was made by Director Rice, seconded by Director Neugebauer to change the date of the regularly scheduled Tuesday, May 20, 2014 Board meeting to Thursday, May 22, 2014 at 4 P.M. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

D. Consider Approval of Attendance to the City of Westminster Mayor's Ball on Saturday, May 10, 2014

A motion was made by Director Diep, seconded by Director Rice to authorize attendance for the District's Board and Staff who wish to attend. The motion was approved by the following 4-0-1 vote:

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

E. Consider Approval of Attendance to the City of Westminster's Mayor's Prayer Breakfast on May 1, 2014

A motion was made by Director Rice, seconded by Director Diep to approve attendance for the District's Board and Staff who wish to attend and purchase a table for eight (8), which costs the same amount and includes a sign for the District. The motion was approved by the following 4-0-1 vote:

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

F. Approval of Program and Facility Layout for Midway City Sanitary District 75 Year Anniversary Open House on Saturday, April 19, 2014 from 12 Noon until 3 P.M.

A motion was made by Director Diep, seconded by Director Neugebauer to approve Staff's recommendation and directed Staff to purchase eggrolls for the event. The motion was approved by the following 5-0 vote:

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

G. Consideration of Draft Policy, Salary Adjustments for Acting Pay and Temporary Duty/Overload Compensation

Director Krippner stated he is not in favor of the pending policy for salary adjustments for acting pay and temporary duty/overload compensation.

Director Neugebauer asked if Legal Counsel had reviewed the draft policy.

GM Robbins stated that he would after the Board had made final changes to the draft policy.

A motion was made by Director Neugebauer, seconded by Director Rice to approve the draft policy for unrepresented employees only, removing part two (2) of the Applicability section. The motion was approved by the following 4-1 vote:

AYES: Cobo, Diep, Neugebauer, Rice

NAYS: Krippner

ABSTAIN:

ABSENT:

H. Resolution No. 2014-04

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING PURCHASING POLICY AND PROCEDURES

A motion was made by Director Neugebauer, seconded by Director Diep to approve Resolution No. 2014-04. The motion was approved by the following 4-1 roll call vote:

AYES: Cobo, Diep, Neugebauer, Rice

NAYS: Krippner

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of March 2014 (44,481 Successful Hits)

B. Re-Elect James R. Fisler Local Agency Formation of Orange County (LAFCO) Special Districts Alternate Member

C. Elect Richard A. "Rich" Freschi, Alternate Member Local Agency Formation of Orange County (LAFCO)

D. Local Agency Formation of Orange County (LAFCO) Regular Public Member Press Release and Application

E. California Special Districts Association 2014 Education Catalog

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

President Cobo called for a recess at 5:25 P.M.

President Cobo called the meeting back to order at 5:30 P.M. and immediately went into closed session.

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.

B. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(Government Code section 54957)

President Cobo called the meeting back to order at 5:42 P.M.

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

BOARD CONCERNS/COMMENTS

Director Neugebauer asked that the plaque of past and present Board members be next to the sign-in poster during the District's 75 Year Anniversary Open House.

Director Rice thanked everyone for the plaque she received as Employee of the Year.

Director Diep asked that there be an item on the next agenda to consider changing the time of the regularly scheduled Board meetings as his work schedule has changed and made it difficult for him to be at the District by 4 P.M. for Board meetings.

GM/STAFF CONCERNS/COMMENTS

GM Robbins reported that the sewer crew had gone door to door to the nearby residents to invite them to the Open House on Saturday, April 19, 2014 so that they could come and see the plans for the District's CNG station prior to it being built and ask any questions or concerns that they might have.

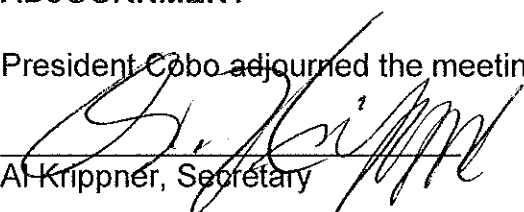
GM Robbins informed the Board that the acting pay policy would be brought back with directed changes for final draft approval in resolution format.

GENERAL COUNSEL CONCERNS/COMMENTS

None

ADJOURNMENT

President Cobo adjourned the meeting at approximately 5:47 P.M.


A. Krippner, Secretary