

**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 21, 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, October 21, 2014 at 5:30 P.M.

BOARD MEMBERS PRESENT:

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

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Tom Nixon, General Counsel
Danielle Gerardo, Board Secretary
David Ronnenburg, CR&R
Joyce Amato, CR&R

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE MEETING OF OCTOBER 7, 2014

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of October 7, 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 \$ 112,599.91

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	7173	10/8	875.00	Drlessen, Anthony - Resident Lateral Assistance Program
3	7174	10/10	333.39	AT&T Mobility - Service for August 2014; (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
4				Sewer 714-310-8654, Emergency 714-310-9004.
5	7175	10/10	40.00	City of Westminster - Hydrant Meter Water Usage for September 2014
6	7176	10/10	105.98	DirectV - Service for October 2014
7	7177	10/15	4,896.41	CalPERS Retirement - Retirement Contributions for October 2014
8	7178	10/15	61.96	The Gas Company - District Office & Maintenance Yard Fees for October 2014
9	7179	10/15	754.77	Verizon Business - Internet Connection for SCADA System for September & October 2014
10			7,067.51	HANDCUT CHECKS SUBTOTAL
11				
12				REGULAR CHECKS:
13	7180	10/15	79.00	Grimes, Darrell - CWEA Renewal for 2014-2015
14	7181	10/15	122.29	Robbins, Ken - Reimbursement for CSDA & CASA Conferences
15	7182	10/15	60.00	Advanced Gas Products - Cylinder Rental for September 2014
16	7183	10/15	57.00	Advanced Workplace Strategies - DOT Drug Test (JM)
17	7184	10/15	3,537.42	Bodyworks Equipment - Parts & Labor to Repair Rail System on T56
18	7185	10/15	75.00	City of Westminster FARP - False Alarm Fine (on 09/27/2014)
19	7186	10/15	4,225.63	CR Transfer - Tonnage for September 2014
20	7187	10/15	86.40	DJ Printing - Restock (500) District Letterhead
21	7188	10/15	8,075.00	ECIS - Fog Inspections for September 2014
22	7189	10/15	525.00	Elite Gates - Parts & Labor to Repair District Gate Receiver
23	7190	10/15	5,317.25	Flo-Services, Inc. - Preventative Maintenance for October 2014
24	7191	10/15	284.42	G & K Services - Uniform Services for October 2014
25	7192	10/15	350.00	Ironman Parts - Level 2 D.P.F. Filter Cleaning for T53
26	7193	10/15	340.33	Los Alamitos Napa Auto Parts - Restock (2) Oil Filters, (24) Brakeleen, & (6) Brake Chambers
27	7194	10/15	1,293.90	Orange County Sanitation District - Permit Fees for September 2014 (MCSD 5% = \$68.10)
28	7195	10/15	2,746.86	Rainbow Transfer Recycling - Natural Gas Fuel Charges for September 2014
29	7196	10/15	1,055.78	Rosemead Oil Products - Restock (110) Quarts of Motor Oil
30	7197	10/15	3,289.58	SDRMA - Insurance Cost to Add (2) New Natural Gas Trucks
31	7198	10/15	4,412.82	TEC of California - Parts & Labor to Replace Exhaust Manifold for T53
32	7199	10/15	400.00	Techno Sound - Reupholster Seats for M63 & M64
33	7200	10/15	162.32	TrucPar Company - Restock (3) Safety Lights & (6) Connectors
34	7201	10/15	4,825.00	White Nelson Diehl Evans LLP - Final Billing for Fiscal Year Ending 2013-2014 Audit
35	7202	10/15	295.00	White Nelson Diehl Evans LLP - Registration for 2014 Government Tax Seminar 12/09/2014 (RH)
36			\$ 41,616.00	REGULAR CHECKS SUBTOTAL

37			
38			PAYROLL
39	9/16	1,325.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
40	9/16	475.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
41	9/30	3,806.48	Board of Director's Payroll for the Month of September 2014 Check # 15685 - 15688
42	9/26	303.14	Board of Director's Nationwide Deferred Compensation for September 2014 (100% Paid By Directors)
43	9/30	56,206.78	Payroll - Staff Check # 15689 - 15690 Taxes & Direct Deposits
44	9/30	1,325.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
45	9/30	475.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
46		\$ 63,916.40	PAYROLL SUBTOTAL
47			
48		\$ 112,599.91	TOTAL EXPENDITURES (HANDCUT, REGULAR, PAYROLL)

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 112,599.91. 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 District received a letter of congratulations from the Mobile Source Air Pollution Reduction Review Committee stating that the South Coast Air Quality Management District Governing Board approved grant funding for the District's CNG fueling station project in the amount of \$250,000.

GM Robbins reported that Remington Pure reimbursed the District \$1,982 which is 50% of the cost of the new vinyl floors that were installed due to water damage from a leak in the water filtering machine.

Director Neugebauer stated that she was pleased with the awarded grant funding and that it is a good occasion for a press release.

GM Robbins stated that the District's lobbyist, James McConnell, mentioned that the Air Quality Management Board and/or Air Resources Control Board would like to present the check to the Board.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that he attended a Legislative and Public Affair Committee Meeting on Monday, October 20, 2104 where there was a briefing by a State Lobbyist with regard to the water bond that is currently on the ballot. According to polling indications, the bond is doing well and the sanitation and water districts are waiting for the bonds to pass so that they can apply for grant money in order to expand their recycling abilities.

Director Diep stated that there was an article in the Wall Street Journal which stated that Orange County Sanitation District became the latest institutional investor to move money away from bond giant PIMCO (Pacific Investment Management Co) as the official financial advisor for OCSD since 1995.

Report from Calendar Committee Meeting

Directors Neugebauer and Rice did a final review of the District's 2015 calendar, made a few minor changes and asked staff when the target delivery date would be.

GM Robbins stated that the target date for delivery of the Midway City Sanitary District 2015 calendars was sometime before Thanksgiving.

CONSENT CALENDAR

- A. Investment Report for September 2014
- B. Approve Attendance to the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on Thursday, October 30, 2014
- C. Approve Drivers Safety Training for Midway City Sanitary District Commercial Drivers

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

A. Consider Upgrading the District's Supervisory Control and Data Acquisition (SCADA) System that Monitors the District's Four (4) Lift Stations

A motion was made by Director Diep, seconded by Director Neugebauer to approve using TESCO Controls to upgrade the District's SCADA system that monitors the lift stations at a cost of \$54,370 and approve the service agreement as recommended by staff. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

NEW BUSINESS

A. Consider Approval to Surplus T-53 – the District's 1999 Volvo Solid Waste Automated Side Load Truck with Heil Body

A motion was made by Director Diep, seconded by Director Rice to approve the sale of T-53, as recommended by staff. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

INFORMATIONAL ITEMS

A. History of Agreements for Legal Services with Woodruff, Spradlin & Smart and Rate Adjustments

B. City of Westminster vs. Michael Cohen in his Official Capacity as Director of the California Department of Finance

Director Neugebauer stated that at some point in time and during a slow month, she would like a study session in order to review and discuss both of the informational items with the Board's concurrence.

GM Robbins stated that he would put it on the next agenda for discussion but that December would be a slow month for the Board, with no conferences scheduled.

Director Diep stated that periodically reviewing the District's employees is a good thing and that there are only two employees that work directly with the Board – the General Manager and Legal Counsel, and he suggested that the Board evaluate Legal Counsel at the same time as the General Manager's annual review.

Director Rice stated that she did not want to wait a year and wanted to do it while it is fresh in her mind.

GM Robbins stated that his review is not due to be done until March or April of 2015 if the Board chose to do them at the same time but could do it earlier if that is the desire of the Board.

GM Robbins asked the Board if they would like General Counsel to be in attendance at the study session in order to answer the Board's questions about the lawsuit between the State of California's Department of Finance and the City of Westminster.

Director Neugebauer stated that the Board could discuss it in open session with Legal Counsel and if needed, schedule another.

A motion was made by Director Neugebauer, seconded by Director Diep to receive and file the information items and to bring the items back on the next agenda in order to discuss and schedule a study session sometime in December, 2014. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that at the last meeting, when the Board reported on the CSDA conference in Palm Springs, she asked and received Board approval to write a press release concerning the certificates and awards received by her, Director Rice, President Cobo, GM Robbins, Director of Operations Castro and the District. She read the following press release:

"Midway City Sanitary District Directors and Officials were recognized by the Special District Leadership Foundation at the October meeting of California Special Districts Association.

Directors Margie Rice, Joy Neugebauer and Board President Frank Cobo were commended for their commitment to continuing education and special district governance. Each was presented a certificate recognizing

the award at the annual meeting. In addition, Midway City Sanitary District received a silver certificate award in governance.

General Manager Ken Robbins and Director of Operations/Safety Nick Castro earned the SDRMA Safety Specialist Certificate by attending a five hour training course at the conference. In addition, Midway City Sanitary District will receive credit incentive points which will be applied to reduce annual program contribution amounts."

She suggested a photo of the five recipients of certificates be taken to accompany the press release and that the District's website be added to the press release for anyone needing further information.

Director Neugebauer stated that she thinks it is important that the patrons of the District recognize that this Board continues to place a high value on information and knowledge because in today's ever changing technology you cannot rely on past knowledge and perspective in business.

Director Rice commended staff for getting the grant for the District's CNG fueling station.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that he would bring back the legal services agreement as well as the City of Westminster's lawsuit with the State of California on the next agenda for discussion by the Board.

Director Neugebauer stated that California Special Districts Association has evaluation forms available for a General Manager's or Legal Counsel's review.

Director Neugebauer welcomed Legal Counsel Nixon back from vacation and stated that James Eggart did an excellent job filling in for him.

GENERAL COUNSEL CONCERNS/COMMENTS

None

President Cobo convened the meeting for a five minute break at 6:10 P.M.

President Cobo convened the meeting to closed session at 6:14 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 - Anticipated Litigation (Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4).
(One potential case)

President Cobo reconvened the meeting at 6:31 P.M.

General Counsel Nixon stated that there was no reportable action taken as a result of the closed session.

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, November 4, 2014 at the District office at 5:30 P.M. at approximately 6:32 P.M.


Al Krippner, Secretary