

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

June 30, 2015

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, California on Tuesday, June 30, 2015 at 5:00 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, 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

None

NEW BUSINESS

A. Public Hearing and Adoption of RESOLUTION NO. 2015-07 (*Roll Call Vote*)

A RESOLUTION NO. 2015-07 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SANITATION AND SEWER USER FEES PURSUANT TO SPECIAL USAGE PERMIT AGREEMENT AND COVENANT DOCUMENTS AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH USAGE FEES TO THE JULY 1, 2015 THROUGH JUNE 30, 2016 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 26 AND ORDINANCE NO. 67

President Cobo read the title of the Resolution and opened the public hearing.

There were no public comments. President Cobo closed the public hearing.

Director Neugebauer stated that the District advertised the meeting as a public hearing and asked if there was any written, email or phone communications regarding this public hearing item.

GM Robbins stated that there were zero communications.

Director Neugebauer asked if there was any staff input on this item and which resolution contained the charges which were a result from when the District annexed a portion of Garden Grove.

GM Robbins stated that the annexed portion of Garden Grove would be part of Resolution No. 2015-08. Resolution No. 2015-07 is for special usage parcels that have special agreements with the District.

Director Neugebauer asked which resolution dealt with the wholly exempt parcels that the District was now directly collecting.

GM Robbins and Finance/HR Director Housley both stated that both resolutions – Resolution No. 2015-07 and Resolution No. 2015-08 dealt with the wholly exempt parcels and that those fees have all been collected by the District.

Director Neugebauer stated that she acknowledged that she understands that the listing of parcels will not all be collected by the County, as stated in the resolution.

A motion was made by Director Rice, seconded by Director Diep to approve and adopt Resolution No. 2015-07. The motion was approved by the following 5-0 roll call vote:

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

B. Public Hearing and Adoption of RESOLUTION NO. 2015-08 *(Roll Call Vote)*

A RESOLUTION NO. 2015-08 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, APPROVING A REPORT ON SANITATION AND SEWER USER FEES AND DIRECTING THE COUNTY AUDITOR TO ADD SUCH USER CHARGES TO THE JULY 1, 2015 THROUGH JUNE 30, 2016 SECURED TAX ROLL PURSUANT TO ORDINANCE NO. 64 AND ORDINANCE NO. 67

President Cobo read the title of the Resolution and opened the public hearing.

There were no public comments.

Director Neugebauer stated that the District advertised the meeting as a public hearing and again asked if there was any written, email or phone communications regarding this public hearing item.

GM Robbins stated that there were zero communications.

President Cobo closed the public hearing.

A motion was made by Director Rice, seconded by Director Diep to approve and adopt Resolution No. 2015-08. The motion was approved by the following 5-0 roll call vote:

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

C. Public Hearing and Adoption of RESOLUTION NO. 2015-09 *(Roll Call Vote)*

A RESOLUTION NO. 2015-09 OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ADOPTING THE SPECIAL DISTRICT GENERAL FUND BUDGET FOR THE FISCAL YEAR JULY 1, 2015 THROUGH JUNE 30, 2016

President Cobo read the title of the Resolution and opened the public hearing.

Director Neugebauer again asked if there was any written, email or phone communications regarding this public hearing item since it was published for two consecutive weeks in the newspaper.

GM Robbins stated that there were zero communications.

There were no public comments. President Cobo closed the public hearing.

A motion was made by Director Rice, seconded by Director Diep to approve the legal appropriation of \$17,532,000 in District monies for the fiscal year 2015-2016 budget and adopt Resolution No. 2015-09. The motion was approved by the following 5-0 roll call vote:

AYES: Cobo, Diep, Krippner, Neugebauer, and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Discussion and Appointment of Two Directors to the Midway City Sanitary District Calendar Committee

Director Diep asked if there was a vacancy.

President Cobo stated that both Directors Rice and Krippner had resigned.

President Cobo asked Director Neugebauer if she would be on the Calendar Committee.

Director Neugebauer stated that since the two member committee had both resigned, the Board should reconsider if they wanted a calendar and if there was interest. She asked what the budget was and if there was any grant money to apply to the calendar.

GM Robbins stated that the District would receive approximately \$15,000 in grant money from Orange County Waste and Recycling - Beverage and Recycling Container.

Director Rice stated that she would just as soon do a newsletter which might be less expensive.

Director Neugebauer stated that if nobody else wanted to do it, she would put it on her calendar.

Director Rice stated that the District has time for a newsletter but that the calendar takes time and there may not be enough time to get it done before the end of the year.

GM Robbins stated that it needs to be approved by the Board and to the printer by October in order to get it out in December.

Director Neugebauer stated that the District has so many capital improvements to share, including replacing the fleet with more fuel efficient equipment and the installation

of the CNG fueling station and it is very important that the Board share that information with the public.

President Cobo asked Director Rice if she would be interested in working with Director Neugebauer on the Calendar Committee.

President Cobo and Director Neugebauer asked Director Rice if she would reconsider working on the Calendar Committee.

Director Rice stated that she would if they could get going on it right away with the help of the General Manager.

A motion was made by President Cobo, seconded by Director Diep to nominate Directors Neugebauer and Director Rice to the Calendar Committee. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, and Rice

NAYS:

ABSTAIN:

ABSENT:

President Cobo convened the meeting to closed session at 5:19 P.M. pursuant to Government Code Section 54957.6.

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 LABOR NEGOTIATORS (Government Code Section 54957.6) Agency Designated Representatives: General Manager Robbins, Finance Director Housley and Labor Counsel Joseph Larsen, Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01

President Cobo reconvened the meeting at 5:23 P.M.

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

INFORMATIONAL ITEMS

There were no informational items at this time.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that, as a Board member, she felt that she could better fulfill her duties if she received an update on the sewer crew interviews that had taken place.

GM Robbins stated that he was still waiting for that final report and as soon as he received it, he would provide it to the Board.

Director Neugebauer stated that on GM Robbins' weekly report, he and Finance/HR Director Housley attended the trial between the District's franchisees – Rainbow Environmental and CR&R and that she would appreciate an update on that issue as a member of the Franchise Committee.

GM Robbins stated that it is the same discussion between their lawyers as to what is and is not considered profit, how they divvy it up and how they interpret their side agreement with each other versus their agreement with the District. At this point they are still talking but they are breaking down quarterly reports and what tonnages are considered recyclable and profitable.

Director Neugebauer asked how long the trial would go on.

GM Robbins stated that it was originally thought to be a 3-day trial and has now become a 5-day trial.

Director Neugebauer asked if they would be asking anyone from the District to testify.

GM Robbins stated that he did not think so.

Director Neugebauer asked if she, as a Director, could be informed of the trial dates in case she would like to sit in on one.

GM Robbins stated that the next trial date was Thursday, July 2, 2015 at 9 A.M. at the Orange County Justice Center.

Director Neugebauer asked GM Robbins to keep her informed of any future court dates because, as a Director, it would be a good experience to see the franchisees conduct towards each other in the court room.

GM Robbins stated that it is discussion between their attorneys.

Director Neugebauer stated that she was sure there would be some effect on the District from the case and as an elected representative it would benefit her to be informed, and that when she read that the Districts two top management personnel felt it was important enough to go that she, as a Director should also go.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that on Rainbow's billing, there is one account with a special bill rate for 40 yard service which is normally \$502.96 but is \$138.63 plus tonnage which the District does not recognize in the franchise agreement. Rainbow is investigating and trying to resolve the issue. Republic called GM Robbins to say they are also looking into it and have a letter signed by the General Manager at that time - Greg Nordbak from March of 2011. GM Robbins is waiting for them to send him a copy of the letter approving the rate. GM Robbins stated that he feels they are straightening things out and he would keep the Board informed.

Finance/HR Director Housley stated that he was excited to start a new fiscal year which starts on Wednesday, July 1, 2015.

President Cobo stated that he appointed Director Diep to the Orange County Sanitation District Board in order to represent the District. He stated that he has been approached to be made aware that Director Diep does not stay for the entire meetings or is absent. President Cobo stated that as the Districts representative he expects Director Diep to stay throughout the meetings and to make sure that his alternate, Director Neugebauer, is made aware so that she can attend in his absence. President Cobo stated that if he cannot do it to let him know so that someone else can take his place because he, as President of the Board, is responsible.

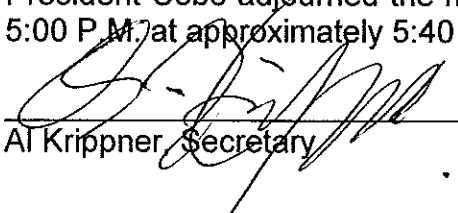
Director Diep apologized and stated that he has had conflicts with City of Westminster Council and would make more of an effort.

GENERAL COUNSEL CONCERNS/COMMENTS

There were no concerns or comments expressed at this time.

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, July 7, 2015 at the District office at 5:00 P.M. at approximately 5:40 P.M.


Al Krippner Secretary