

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

March 6, 2012

CALL TO ORDER

President Rice called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, California on Tuesday, March 6, 2012 at 4:01 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

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 21, 2012

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of February 21, 2012, with a change. The motion was approved by a 5-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 28, 2012

A motion was made by Director Diep, seconded by Director Cobo to approve the minutes of the meeting of February 28, 2012, with changes. The motion was approved by a 5-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 29, 2012

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of February 29, 2012, as presented. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 158,448.63

#	CK #	CK AMOUNT	VENDOR
1			
2	5178	139.90	Neugebauer, Joy - March 2012 Insurance Reimbursement
3	5179	200.00	Cobo, Frank - Per Diem for CASA Washington DC Conference March 11-14, 2012
4	5180	200.00	Neugebauer, Joy - Per Diem for CASA Washington DC Conference March 11-14, 2012
5	5181	200.00	Rice, Margie - Per Diem for CASA Washington DC Conference March 11-14, 2012
6	5182	200.00	Robbins, Ken - Per Diem for CASA Washington DC Conference March 11-14, 2012
7	5183	618.92	Benny's Oil Filter Recycling - Restock (1) Pallet of Grease Sweep & Used Oil Filter Pick-up
8	5184	1,421.38	Bodyworks Equipment - (2) Harnesses, (2) Limit Switches, (2) Arms, & (1) Sourcing Switch
9	5185	1,357.18	Cummins Cal Pacific - Bi-Annual Preventative Maintenance for Westminster & Hammon Lift Stations
10	5186	452.89	Dartco - Restock Filter Kits (8)
11	5187	297.78	G & K Services - Uniform Services for February 2012
12	5188	273.11	Los Alamitos Auto Parts - Restock Strobe Lights (4) & Exhaust Flex Tubing (6 ft)
13	5189	696.26	Orange County Sanitation District - Fog/BMP Inspections for 2011-2012 Qtr 2
14	5190	921.27	Reyes Alternators - (2) A/C Compressors & Dryers for Restock & T62; Restock (5) A/C Connectors
15	5191	1,142.79	Rosemead Oil Products - Restock (105) Gallons of ATF C4 10W
16	5192	2,005.60	Rush Truck Center - Exhaust Pipe & Turbo Core for T65
17	5193	3,377.21	Tarulli Tire, Inc. - (15) Retreads & (2) New Tires
18	5194	173.12	Tec of California, Inc. - Restock (10) Seal Clamps, (70) Springs & (1) O-Ring for T52
19	5195	665.31	Tech Air Mobile Services - Labor & Parts to Repair A/C for T62
20	5196	4,260.00	Woodruff, Spradlin & Smart - Legal Services Rendered through January 2012
21			
22		18,602.72	SUBTOTAL
23			

24			ADD HANDCUT CHECKS:
25			
26	5166	97.19	AT&T - Brookhurst Lift Station Service for February 2012
27	5167	23,698.02	CalPERS Retirement - Retirement Contributions for January 2012
28	5168	46,033.71	CalPERS Health Premium - Health Premium for March 2012
29	5169	344.96	City of Westminster - District Water, Maintenance Shop, & Wash Rack Fees for February 2012
30	5170	3,068.15	MetLife - Monthly Premium for March 2012
31	5171	83.34	First Bankcard (NC) - Restock Cleaning Supplies
32	5172	276.00	Wespac Security Services - Burglar & Fire Alarm Service from January to March 2012
33	5173	80.00	City of Westminster - Hydrant Meter Usage for December 2011 & January 2012
34	5174	2,012.97	Southern California Edison - Archives & Parking Garage \$56.43, District Office \$422.65,
35			Maintenance Shop \$218.91, Brookhurst Lift Station \$175.30, Westminster Lift Station \$440.66,
36			Willow Lift Station \$263.37, Hammon Lift Station \$435.65
37	5175	689.37	The Standard Life Insurance - Premium Coverage for March 2012
38	5176	3,026.60	US Bank - (NC) \$57.53/\$-414.37CR – Annual Smog Test for T9 & Cleaning Supplies. Charge Reverse Credit
39			(KR) \$3,155.30 – MWDOC Forum & Dinner 02/02/12 (AK), CASA Washington D.C. 03/12-03/14/12 (KR,
40			MR, FC, JN), CSDA Special District Days May 2012 (KR, MR, JN), Agenda Lunch, Wiarcom Monthly Service
41			(RH) \$64.00 – Remington Pure Monthly Service. (DGe) \$88.69 – Board Mtg Refreshments for 02/07&02/21
42			(DGr) \$75.45 – Sewer Maintenance Supplies.
43	5177	834.49	Verizon CA - District Office Phones & Lift Stations for February 2012; (714) 897-5368 Dst. Office/
44			903-1863 Willow/ 903-6154 Westminster/ 903-6274 Hammon
45			
46		98,847.52	SUBTOTAL PLUS HANDCUTS
47			
48			Payroll
49		54,850.29	Payroll Date 02/21/2012 Staff Chk # 15238-15245 Taxes & Direct Deposits
50		1,540.72	Payroll Date 02/21/2012 Nationwide Deferred Compensation
51		2,977.26	Board of Director's Payroll for the Month of February 2012 Chk # 15247-15249
52		232.84	Board of Director's Nationwide Deferred Compensation for the Month of February 2012
53		158,448.63	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Neugebauer to approve the expenditures in the amount of \$ 158,448.63. The motion was approved by a 5-0 vote.

REPORTS

Report of President

President Rice stated that she received another letter from the Orange County Grand Jury and if any other Board member would like to read it, they were welcome to make a copy of it.

Report of General Manager

GM Robbins stated that he was contacted today, Tuesday March 6, 2012, by the Orange County Flood Control District. They said that after pot holing, they found that the District's siphon located at Oberlin just north of Edinger on Newland, is in conflict with their new proposed flood control channel. GM Robbins stated that the Board has several options – the first being that the District design and construct it themselves before the construction of the new proposed flood control channel starts. The second option is to enter into an agreement with the County of Orange and let them do the design and have their contractor do the construction, which would necessitate a reimbursement agreement. GM Robbins stated that the work would take place in the spring of 2013, and that in his experience, it would be less expensive and have less impact on residences in that location if the District went through the County.

Director Neugebauer stated that the District's engineering firm should study and review it.

GM Robbins assured the Board that the District's engineering firm would be reviewing it for a minimal fee.

GM Robbins stated that he will be out of the office tomorrow, Wednesday, March 7, 2012 to attend a Cal Emergency Management Agency (EMA) class.

GM Robbins reported to the Board that the rooms that have been reserved for the Special District Legislative Days in May are not refundable. Director Neugebauer suggested contacting CSDA to see if the rooms could be transferred and sold to someone else who needs them for the conference. Staff was instructed to investigate this option.

GM Robbins reported that two requests were received from the Orange County Grand Jury. The first one is requesting that the District offer a compensation report for the General Manager's contract and all represented employees on its website, and not just that of the Board. President Rice requested that the compensation report for all other District employees will be brought back to the next Board meeting. The second letter is regarding the compensation cost transparency study that the Grand Jury has invited the District to participate in again this year. Last year Director Neugebauer and Finance/HR Director Housley attended. This year Director Diep will go - if his schedule permits - with Finance/HR Director Housley. If Director Diep cannot attend, Director Neugebauer said that she would attend in his place.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the OCSD Operations Committee would be meeting on Wednesday, March 7, 2012.

Director Neugebauer stated that on March 21, 2012, OCSD would be offering a tour for Directors, and possibly alternates as well.

Director Neugebauer stated that at the last OCSD meeting they gave an oversight on Board appointments to the redevelopment committee, which they gave a lengthy explanation of. She turned in the letter nominating Chairman Rice for that position. OCSD will be appointing only one representative, not one for each city. Director Neugebauer stated that she feels that the representative should be from a Special District.

District Counsel, Nixon, stated for clarification that the City of Westminster's City Manager suggested that OCSD is not the largest Special District, but that Midway City may be the largest within Westminster's redevelopment agency and if that is the case, it should be Midway City Board, and not the OCSD Board that should be making that appointment.

GM Robbins stated that he will be meeting with the General Manager of the City of Westminster in order to clarify.

Report from CASA Conference Call

President Rice reported that she had a lengthy conversation regarding the Executive Director's pay. The requirements for that position were discussed and it was agreed that the salary should not exceed \$150,000.

CONSENT CALENDAR

None

OLD BUSINESS

None

NEW BUSINESS

- A. Discussion of Upcoming Orange County Local Agency Formation Commission (LAFCO) Special District Seat Vacancy

Director Neugebauer pointed out that there is a deadline of May 8, 2012. She suggested that this item be brought back on the agenda for the Board to consider at the last meeting in April.

A motion was made by Director Neugebauer, seconded by Director Diep to continue this item until the last meeting in April. The motion was approved by a 5-0 vote.

B. Authorization for Preparation of Compressed Natural Gas (CNG) Fueling Facility Feasibility Study

A motion was made by Director Diep, seconded by Director Cobo to give staff authorization for preparation of compressed natural gas (CNG) fueling facility feasibility study and to use Facility Builders and Erectors to do it at a cost of \$7,500.

Director Neugebauer asked if it was a sole source and why it is not going to bid.

GM Robbins stated that Facility Builders and Erectors, the company that would be doing the feasibility study is located locally in Orange, whereas, most of the others are located out of state.

Director Diep stated that he felt that for the amount of money being spent, that the General Manager should have the authority to make this decision, as well as others that are not for unreasonable amounts. Director Diep reminded the Board that they just recently sent the lobbyist a new contract and he needs clear direction in order to obtain a grant for the District.

Director Krippner stated that he agreed with Director Neugebauer and that there is no need to rush into the feasibility study.

A substitute motion was made by Director Neugebauer, seconded by Director Krippner to approve the authorization for preparation of compressed natural gas (CNG) fueling facility feasibility study. The motion failed due to a 2-3 vote, with Directors Neugebauer and Krippner voting yes, and President Rice and Directors Cobo and Diep voting no.

President Rice asked GM Robbins if he had already told Scott Supernaugh, Project Manager of Facility Builders and Erectors, that they would be doing the study.

GM Robbins stated that no, he only asked what the cost of a study would be. The study will help the Board determine and dictate which direction the District will need to go in order to provide fuel for the future CNG fleet.

Director Neugebauer stated that she is leaning toward the already developed CNG facility at Rainbow Environmental.

President Rice and Director Krippner both stated that that is the reason for the study.

The original motion to give staff authorization for preparation of compressed natural gas (CNG) fueling facility feasibility study and to use Facility Builders and Erectors to do it at a cost of \$7,500 was passed by a 3-2 vote, with President Rice, Directors Cobo and Diep voting yes, and Directors Neugebauer and Krippner voting no.

Director Neugebauer requested a copy of the tape recording for this Board meeting.

President Rice stated that if one requests it, everyone gets it. Director Diep stated that he did not need one.

C. Scheduling of District Lunch for Recognition of Employee of the Year

GM Robbins stated that in the past the Board had luncheons to celebrate the Employee of the Year. This year, the sewer crew is also being commended for saving a life while on the job. GM Robbins suggested having Steiner's Original BBQ to cater the event since all the employees seemed to enjoy it last year.

Director Neugebauer suggested that two Resolutions be prepared for that event – one for Employee of the Year, Darrell Grimes, and another for the sewer crew who saved a man's life while in the field last week.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve of Wednesday, March 28, 2012 at 11:30 A.M. for the District Luncheon. The motion was approved by a 5-0 vote.

D. Consider Bid Proposals and Award Contract for Independent Financial Auditing Services

Finance/HR Director Housley gave an overview of the four different firms who followed the RFP guidelines and provided proposals for auditing services.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve White Nelson Diehl Evans, LLP to perform the District's annual audit for one year with an option to renew for two years, and to put the franchise fee audit on the next agenda for discussion. The motion was approved by a 5-0 vote.

Finance/HR Director Housley suggested inviting White Nelson Diehl Evans, LLP to attend the next Board meeting when the franchise fee audit will be up for discussion, and the Board agreed with that idea.

CLOSED SESSION

There was no 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.

BOARD CONCERNS/COMMENTS

Director Cobo stated his condolences for the District's employee, Ignacio Gonzalez, who passed away on Friday, March 2, 2012. A card was passed around for the Board to sign, and staff was instructed to send flowers to the memorial.

Director Neugebauer stated that she has noticed a foul odor at the Walmart on Beach Boulevard.

GM Robbins stated that it is the grease interceptor from the McDonalds and suggested that she inform Walmart's Manager or the Health Department.

GM/STAFF CONCERNS/COMMENTS

GM Robbins reminded the Board of the CASA Conference in Washington D.C. next week and he would be picking the Directors up at 5 A.M. to leave for the airport. He also reminded them of the time change due to daylight savings time.

GM Robbins stated that with the passing of District employee, Ignacio Gonzalez, there is a service tentatively scheduled for Friday, March 9, 2012 at 12 noon. GM Robbins arranged for the drivers to leave their trucks at Rainbow Environmental and get shuttled from there in order for everyone to attend.

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

- A. CalPERS Circular Letter – Potential Changes to Employers Rates Due to Board Review of Economic Assumptions
- B. California Special Districts Association (CSDA) Board of Directors Call for Nominations Seat A

ADJOURNMENT

President Rice adjourned the meeting at approximately 5:14 P.M.

Joy Neugebauer, Secretary