

**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**

June 19, 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, June 19, 2012 at 4:02 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo
Margie L. Rice
Tyler Diep (arrived at 4:09 PM)

OTHERS AT MEETING:

Ken Robbins, General Manager
Robert Housley, Finance/HR Director
Tom Nixon, District Counsel
Danielle Gerardo, Board Secretary

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE BUDGET MEETING OF MAY 29, 2012

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of May 29, 2012. The motion was approved by a 4-0 vote.

APPROVAL OF THE MINUTES OF THE BUDGET MEETING OF JUNE 12, 2012

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of June 12, 2012. The motion was approved by a 4-0 vote.

PUBLIC COMMENT

Mr. Bill Nelson, Trustee of the Orange County Cemetery District and a Director of the California Special Districts Association (CSDA), came to personally thank the Board of Directors for their support in his appointment. He asked if there were any issues or feedback that the Board would like to voice as far as CSDA.

Director Neugebauer stated that she did not like the Napa Valley locale for the CSDA conferences since it is so far out of the way and adds to the cost of attending. Mr. Nelson stated that a large number of people like the location because it is more relaxing. He also stated that there is an election coming up and let the Board know that Cheryl Brothers is running for a seat on the CSDA Board.

President Rice stated that the LAFCO election last year was mishandled.

Director Diep arrived at 4:09 P.M.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 238,742.52

#	CK #	Date	AMOUNT	VENDOR
1				
2	5381	6/11	561.10	Daniel's Tire Service - Restock (2) New Tires; (Replacement for Check #5363, Credit for \$410 Appli
3	5386	6/13	62.00	Advanced Gas Products - Cylinder Rental for May 2012
4	5387	6/13	57.00	Advanced Workplace Strategies - Pre-Employment Drug Test (SG)
5	5388	6/13	50.00	Benny's Oil Filter Recycling - (1) Oil Filter Drum
6	5389	6/13	1,414.76	Bodyworks - (1) Middle Wire Harness for T53; (2) Loader Harnesses for T53 & T61
7	5390	6/13	36,444.53	CR Transfer - Tonnage Fees for May 2012
8	5391	6/13	340.79	Cummins Cal Pacific, LLC - (1) Corrosion Resistor & (2) Seal 'O' Rings for T59
9	5392	6/13	509.51	Dartco - (9) Filter Kits for Restock
10	5393	6/13	5,317.25	Flo-Systems, Inc. - Preventative Maintenance for April 2012
11	5394	6/13	289.98	G & K Services - Uniform Services for June 2012
12	5395	6/13	262.52	Los Alamitos Auto Parts - (20) Bulbs for Restock; (1) Relay for T9; (10) Relay Flashers for Restock
13	5396	6/13	1,050.00	Maxx Air - Filter Cleaning for T53, T56 & T59
14	5397	6/13	20,028.24	Orange County Sanitation District - Permit Fees for May 2012 (MCSD 5%= \$1,054.12)
15	5398	6/13	97,957.55	Rainbow Environmental - Tonnage Fees for May 2012
16	5399	6/13	1,499.94	Ray Gaskin Service - (1) Packer Cylinder & (2) Dump Cylinders for Restock
17	5400	6/13	540.00	Scott Harrison Plumbing - Air-Conditioning Service for District Office
18	5401	6/13	215.00	Tarulli Tire, Inc. - (3) Tires Disposed & (1) Rear Tire Retread for Restock; (2) Spot Repairs
19	5402	6/13	359.93	Tec of California - (36) Filters for Restock
20	5403	6/13	879.00	Tech Air Mobile Services - Labor & Parts to Repair A/C on T9
21	5404	6/13	9.00	Underground Service Alert - (6) New Tickets for May 2012

22	5405	6/13	5,080.00	White, Nelson, Diehl & Evans, LLP - Professional Services For May 2012
23				
24			172,248.00	SUBTOTAL
25				
26				ADD HANDCUT CHECKS:
27				
28	5382	6/13	89.99	DirectTV - Service for June 2012
29	5383	6/13	267.97	Office Max - Restock District Office Supplies for June 2012
30	5384	6/13	465.76	Verizon Business - Internet Connection for SCADA System for May 2012
31	5385	6/13	9,036.00	Zenith Insurance Company - Worker's Compensation Progressive Monthly Payment
32				
33			182,107.72	SUBTOTAL PLUS HANDCUTS
34				
35				Payroll
36		6/12	54,632.98	Payroll - Staff Check #15302 - 15307 Taxes & Direct Deposits
37		6/12	1,440.72	Payroll - Nationwide Deferred Compensation(100% Paid By Employees)
38				
39			238,181.42	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 238,742.52. The motion was approved by a 5-0 vote.

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that the State of California is in the process of passing their budget and that trailer bill AB1464 could affect the District if it passes. The bill would enable the State to take approximately \$122,000 of negotiated RDA pass-through funds from the District.

GM Robbins reported that last week the District received an additional \$314,000 in Redevelopment Agency (RDA) pass-through funds. Finance/HR Director Housley gave a brief explanation of this, stating that with the elimination of the RDA's, they have released funds and returned any residual or excess.

GM Robbins reported that recent City layoffs could also affect the District. Calls regarding spills and abandoned furniture will be routed to the police department. GM Robbins suggested that the District wait and see how this plays out over the summer, before making any decisions or changes.

GM Robbins reported that the lobbyist is in the process of finalizing an application for a grant from Air Quality Management District (AQMD) for the District's new CNG trucks.

Director Neugebauer asked staff to clarify the numbers regarding the affects of trailer bill1464 and to email them to CSDA.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that there was an Operations Committee meeting on Wednesday, June 6, 2012. Updated information was given on the EnerTec situation and there will be a vote next week to decide whether or not to renegotiate their contract. They have had five years to develop an energy source from the bio solids sent to them and, to date, has been sent in access of \$3.2 million.

Director Neugebauer reported that OCSD also adopted their two year budget.

Report from Independent Special Districts of Orange County (ISDOC) Brainstorming Workshop

Director Krippner stated that the ISDOC Brainstorming Workshop was the best meeting that ISDOC had in a long time and gave the best explanation of the Grand Jury report.

Director Diep stated that he was glad to learn about the Grand Jury and the process of selection and he would very much like to become a Grand Jury member.

Director Krippner stated that elected officials are excluded and cannot become Grand Jury members.

Director Neugebauer stated that she agreed with Director Krippner and thought the meeting was very informative and that there was a good panel, but was curious as to why the Orange County Grand Jury members only serve one year, and are not carried over like in other counties.

President Rice stated that she would like to know how they decide to investigate particular topics.

Mr. Bill Nelson stated that he could answer that question because he was a Grand Jury member in 2002-2003. He stated that any one of the Grand Jury members can come up with an idea about what they want to investigate. Grand Jury members write up a short synopsis, present it to the entire panel, and then the panel must approve it. As far as Grand Jury members being held over for more than a year, he did not have an answer for that, but said that it was up to the Orange County Court System. He also stated that there are committees and that each committee is made up of two people who investigate different things, one generally asking the questions and the other taking notes. This is the violation that CSDA is stating has happened with the Grand

Jury report on Special Districts since no one came out to speak with anyone while doing their investigation.

CONSENT CALENDAR

A. Investment Report for May 2012

The Board requested additional discussion on Item 7B, so the Consent Calendar items were dealt with separately.

A motion was made by Director Diep, seconded by Director Neugebauer to approve the Investment Report for May 2012. The motion was approved by a 5-0 vote.

B. Approval of Agreement for Provision of Sewer Services with the City of Huntington Beach

GM Robbins stated that the City of Huntington Beach had to do a full Environmental Impact Report on the land in question and at the Board's request, some changes were made to the original agreement by District's legal counsel.

President Rice asked that her concern be clearly stated in the minutes. At the time that this item was voted on, one of the Councilmen had told her that he would help the City of Westminster purchase additional park property if the District would help him. When it came to a vote on the park property, he voted no. President Rice stated that she is not happy with that and will not support the motion.

Director Neugebauer stated her concern over the size of the parcel and the possibility that the parcel is someday changed and developed to a higher use than the current agreement. She asked that something be added to the agreement to state this.

Director Neugebauer asked what the timeline was for this project.

GM Robbins introduced Luis Gomez who is a Project Manager from the City of Huntington Beach.

Luis Gomez introduced himself and stated that they were hoping to break ground in a couple of months. He also reassured the Board that there was no intent to build anything else on the property and that there is a 40 year contract with the skate park. Mr. Gomez handed out updated site plans for the parcel in question.

Director Krippner stated his opposition to the agreement.

President Rice stated that she would not be supporting the project either due to past conflict.

A motion was made by Director Diep, seconded by Director Neugebauer to approve the agreement for provision of sewer services with the City of Huntington Beach, with an

additional clause added by legal counsel. The motion was approved by a 3-2 vote, with Director Krippner and President Rice voting no.

OLD BUSINESS

A. RESOLUTION NO. 2012-06

(Roll Call Vote)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA FOR EMPLOYER PAID MEMBER CONTRIBUTIONS AND RESCINDING RESOLUTION NO. 2011-07

A motion was made by Director Diep, seconded by Director Neugebauer to adopt Resolution No. 2012-06. The motion was approved by the following roll call vote:

AYES: President Rice, Directors Diep, Neugebauer and Cobo

NOES: Director Krippner

NEW BUSINESS

A. Consider Approving the 2012 Annual Salaries and Step Ranges for Management and Administration Employees of the Midway City Sanitary District

A motion was made by Director Neugebauer, seconded by President Rice to approve the General Manager to increase the 2012 annual salaries, when warranted, by one step within the ranges for management and administration employees, effective July 1, 2012, and on completion of annual performance evaluation. The motion was approved by a 4-1 vote, with Director Krippner voting no.

B. Policies on Director Compensation and Expense Reimbursement

No action was taken.

C. Consider Setting a Date for an Employee Luncheon in July 2012

A motion was made by Director Neugebauer, seconded by Director Cobo to have the employee luncheon on Wednesday, July 18, 2012 at 12 noon. The motion was approved by a 5-0 vote.

D. Consider Midway City Sanitary District's Participation in the City of Westminster's Annual Safety Day on Wednesday, July 25, 2012

A motion was made by Director Diep, seconded by Director Neugebauer to approve of MCSD's participation in the City of Westminster's Annual Safety Day. The motion was approved by a 5-0 vote.

E. Consider Changing the Date of the Tuesday, August 7, 2012 Regularly Scheduled Board Meeting In Order to Accommodate Travel to the California Association of Sanitation Agencies (CASA) Annual Conference in Monterey, CA on Wednesday, August 8, 2012

A motion was made by Director Cobo, seconded by Director Neugebauer to change the Tuesday, August 7, 2012 regularly scheduled Board meeting to Monday, August 6, 2012 at 4 PM. The motion was approved by a 5-0 vote.

F. Consider Having a Booth at each of the City of Westminster's Annual Concerts on the Park to Promote the District

GM Robbins stated that Pam Gremling, who is organizing this program, would like some of the Board members at the first concert to open the ceremony, present the band, and say a few words to the attendees.

A motion was made by Director Neugebauer, seconded by President Rice to approve of the District having a booth at the City of Westminster's Annual Concerts in the Park. The motion was approved by a 5-0 vote.

G. 2011-2012 Orange County Grand Jury Report, "Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?"

Finance/HR Director Housley gave a brief overview of the report which gave Midway City Sanitary District an excellent rating in all of the categories. No action was taken.

CLOSED SESSION

President Rice convened the meeting to closed session at 5:33 P.M. pursuant to Government Code Sections 54957.6.

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 (Govt. Code Section 54957.6)

Agency Designated Representative: Thomas F. Nixon

Unrepresented Employee: General Manager

President Rice reconvened the meeting at 6:27 P.M.

District Counsel, Tom Nixon, stated that there was no reportable action taken during the closed session.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she noticed the high number of hits on the District's website under Informational Items.

Director Neugebauer also stated that she saw the public notice taken out by the District for the Public Hearing scheduled for Tuesday, June 26, 2012 and wondered whether there had been any inquiries from the public.

GM Robbins explained that there had not been any calls or written inquiries from the public.

Director Neugebauer stated that she noticed GM Robbins in the most recent edition of the CSDA publication as well as President Rice's re-election as Board President.

GM/STAFF CONCERNS/COMMENTS

None

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

A. CalPERS Committee Recommends 2013 Health Benefits Rate Package

B. Midway City Sanitary District Web Site Activity for the Month of May 2012
(38,229 Successful Hits)

ADJOURNMENT

President Rice adjourned the meeting to Tuesday, June 26, 2012 at 4 P.M. at approximately 6:31 P.M.

Joy Neugebauer, Secretary