

**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**

March 19, 2013

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, March 19, 2013 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
Joseph Larsen, Labor Counsel
Jim Herberg, OCSD General Manager
Lorenzo Tyner, OCSD Dir, Admin. Services/Treasurer

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 5, 2013

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of March 5, 2013, as amended. The motion was approved by a 5-0 vote.

APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 12, 2013

A motion was made by Director Rice, seconded by Director Diep to approve the minutes of the meeting of March 12, 2013. The motion was approved by a 5-0 vote.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$420,718.37

#	CK #	Date	AMOUNT	VENDOR
1	5938	3/13	165.94	Advanced Gas Products - Cylinder Rental for February 2013; Restock Liquefied Propane
2	5939	3/13	113.00	Advanced Workplace Strategies - Drug Testing & Collection (SG, KR)
3	5940	3/13	1,045.17	Bodyworks - Restock (10) Rocker Switches, (2) Pressure Switches, (2) Coils for Shop
4	5941	3/13	5.17	Cobo, Frank - Reimbursement for CASA Conference Washington D.C. 02/24-02/27/2013
5	5942	3/13	737.00	Computer Research Center - Maintenance and Support for April 2013
6	5943	3/13	1,794.26	Cummins Cal Pacific - Corrosion Resistor Head for T57; Generator Service for Hammond & Westminster
7				Lift Stations
8	5944	3/13	28.97	Gerardo, Danielle - Reimbursement for Board Meeting Refreshments 03/12/13
9	5945	3/13	40.00	Grimes, Darrell - Reimbursement for DMV License Renewal
10	5946	3/13	453.95	Dartco Transmission Sales - Restock Filter Kits (8) for Shop
11	5947	3/13	280.34	G & K Services - Uniform Services for February & March 2013
12	5948	3/13	700.00	Glyn's Mobile Opacity Testing - Performed Diesel Opacity Testing on District Fleet
13	5949	3/13	91.92	Hilco Fastener Warehouse Inc. - Restock (65) Connector Shells and (50) Terminal Seals for Shop
14	5950	3/13	219.00	I.D. Industries, Inc. - (4) Battery Disconnect Switches for Restock
15	5951	3/13	1,063.41	Los Alamitos Napa Auto Parts -Restock(20)Lamps,(4)Brake Kits&(4)Brake Drums,(9)Air Fittings for Shop
16	5952	3/13	1,536.08	Maxx Air - Annual Filter Cleaning for T59, T60, T61 & M63
17	5953	3/13	1,825.90	Orange County Sanitation District - Permit Fees for February 2013 (MCSD 5% = \$96.10)
18	5954	3/13	34,278.64	Orange County Treasurer-Tax Collector - Cost of the November 6, 2012 Election
19	5955	3/13	23,019.72	Otto Environmental - (456) 95 Gallon Blue Carts for Restock
20	5956	3/13	125.53	Petty Cash - Ken Robbins - Door stop for District Door [\$2.66], Postage to Mail Certified Claims [\$8.50],
21				Donuts for Board Workshop [\$6.99], Parcel Maps from OC Assessor [\$18.00], Parking County of Orange
22				(KR)[\$1.25],Memory Battery for T65[\$9.70],Replacement O-Ring for T52[\$2.37],Frame for District[\$18.27],
23				Relays for T53 [\$15.09], Replacement Resistor for T9 [\$24.48], Donuts for TET Parade [\$9.69],
24				Safety Meeting Donuts [\$7.49], PVC Elbow for Fix Water Break in Pipe [\$1.04].
25	5957	3/13	5.40	PSI - Coupler for Portable Steam Cleaner
26	5958	3/13	107,653.32	Rainbow Transfer Recycling - Tonnage for February 2013
27	5959	3/13	21.39	Robbins, Ken - Reimbursement for CASA Washington D.C. 02/24-02/27/2013
28	5960	3/13	35.06	Housley, Robert - Reimbursement for CSMFO Annual Conference 02/20-02/22/2013
29	5961	3/13	340.95	Shields Consulting Group - 2011/2012 Claim Payment(Claim Amount:\$6,819.00,10%=681.90,50%=340.95)
30	5962	3/13	1,577.00	Sign Design - Various Safety Signs for District Parking Lot & Yard
31	5963	3/13	2,414.16	TEC of California -,Restock(10ft)of Hosing,(4)Gaskets,(4)Elemental Filters,(13)Filters,(5)Air Valves for Shop
32				Battery Cable for T60; Air Compressor, Gasket, Air Module, & (10) Fittings for T61.

33	5964	3/13	637.59	TrucPar Company - (2) Drain Valves, (3) Air Control Valves, (6) Spring Brakes for Restock
34	5965	3/13	552.24	TSP Printing - Restock Customer Service Tags for Drivers (10,000)
35	5966	3/13	4.50	Underground Service Alert - (3) New Tickets for February 2013
36	5967	3/13	276.00	Wespac Security Services - Burglar & Fire Alarm Monitoring for January 2013 through March 2013
37	5968	3/13	10,543.52	Woodruff, Spradlin & Smart - Legal Services for January 2013
38	5969	3/13	160,174.44	Citiwide Engineering - Second Partial Payment for District 2013 Facility Improvement Project
39				
40			351,759.57	SUBTOTAL
41				
42				ADD HANDCUT CHECKS:
43	5930	3/1	80.00	City of Westminster - Hydrant Meter Water Usage for January & February 2013
44	5931	3/1	729.45	The Standard Life Insurance - Premium Coverage for March 2013
45	5932	3/1	848.51	Verizon CA - District Office Phones & Lift Stations for February 2013; \$429.32 District Office,
46				\$132.69 Willow Lift, \$143.25 Westminster Lift, \$143.25 Hammon Lift.
47	5933	3/8	728.91	AT&T Mobility - Service for February 2013: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
48				Sewer 714-310-8654, Emergency 714-310-9004.
49	5934	3/8	1,733.28	US Bank - \$880.60 (KR) Westminster Chamber of Commerce Luncheon 01/29/2013 (JN, AK, FC, KR),
50				Online Subscription for Westminster Herald, WiarCom Monthly Service, ISDOC Quarterly Luncheon
51				(JN, FC, AK, KR, RH). \$130.43 (Dge) Board Meeting Refreshments for 02/05 & 02/19. \$51.47 (DGr)
52				Restock Sewer Maintenance Supplies. \$357.10 (NC) Smog Checks for District Vehicles (M1, M2, M4);
53				New Motion Sensor Light for Drivers' Office. \$313.68 (RH) Adobe Acrobat XI Pro Software,
54				Remington Monthly Service Charge.
55	5935	3/8	10,226.00	Zenith Insurance Company - Worker's Compensation Progressive Monthly Payment March 2013
56	5936	3/13	94.99	DirecTV - Service for March 2013
57	5937	3/13	463.37	Verizon Business - Internet Connection for SCADA System for February 2013
58				
59			366,664.08	SUBTOTAL PLUS HANDCUTS
60				
61				PAYROLL
62		3/5	52,841.29	Payroll - Staff Check # 15452 - 15456 Taxes & Direct Deposits
63			1,213.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
64			420,718.37	TOTAL EXPENDITURES W/PAYROLL
65				
66				BANK TRANSFERS
67		3/11	118,863.90	Transfer Funds from Money Market to Checking for Facility Project
68		3/13	160,174.44	Transfer Funds from Money Market to Checking for Facility Project

A motion was made by Director Rice, seconded by Director Neugebauer to approve the expenditures in the amount of \$420,718.37. The motion was approved by a 5-0 vote.

REPORTS

Report of President

President Cobo reported the he was happy with the Public Service Awards, proud of Receptionist, Julia Sales and Board Secretary, Danielle Gerardo and he thanked Director Neugebauer for taking and sharing pictures of the event.

Report of General Manager

GM Robbins reported that District staff is watching AB323 because it has a good chance of passing this 6th time around. If passed, the green waste alternative daily cover will no longer be allowed to count in the recycling numbers which lower our overall percentage, making it next to impossible to reach the 75% diversion goal by 2020. The District does not currently have a green waste program so there will be no cost increase to the District at this time, however it will affect the District's commercial recycling if it passes.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that he attended the Administration Committee meeting on Wednesday, March 13, 2013, at which the committee decided to retain the previous General Manager, Jim Ruth, as a consultant for a period of 3 months with an option to renew for another 3 months at a cost of \$10,000 per month. The reasoning behind this decision is in order to have his expertise and guidance while the rate increase, public hearing, labor negotiations and pending future capital improvement projects that are currently pending. Director Diep stated that it passed because it is under the \$200,000 threshold and that he was the only Board member that voted against it.

Report from California Association of Sanitation Agencies (CASA) Conference Call

Director Rice reported that during her last conference call with the CASA Executive Board there was discussion regarding the hiring of more personnel to authorize a subcommittee of the Executive Board and to work with the Executive Board on key elements of proposed budget and organizational transition plan for presentation to the full Board in April. The subcommittee is to work on the budget and the future organizational structure. She stated that if additional personnel are hired, there will need to be a fee increase, which she warned, might deter members from joining.

Report from 75 Year Anniversary Committee Meeting

Directors Neugebauer and Rice met on March 13, 2013 to review and rewrite the press release regarding the District's Operating Budget Excellence Award from the California Society of Municipal Finance Officers for fiscal year 2012-2013. They also discussed possible promotional items and the summer Concerts in the Park in order to make the

public aware of the District's 75 year anniversary celebration and commemoration coming up in January of 2014. The next committee meeting will be on April 9, 2013.

Report from Mesa Water Reliability Ceremony

Directors Diep and Krippner attended the Mesa Water ceremony to celebrate their 100% reliability on their own well water. Costa Mesa's water is an amber color due to the redwoods below the surface, which is then filtered prior to distribution. Both Directors were impressed with the Mesa Water District facility.

Report from Westminster Chamber of Commerce Public Service Awards Ceremony

Director Rice stated that she was very proud of Receptionist, Julia Sales and Board Secretary, Danielle Gerardo who were honored as Employees of the Year for Midway City Sanitary District at the Westminster Chamber of Commerce Public Service Awards. Directors Cobo, Diep, Neugebauer and Rice also attended the event.

CONSENT CALENDAR

- A. Investment Report for February 2013
- B. Consider Attendance to the California Association of Sanitation Agencies (CASA) Spring Conference in Newport Beach, CA April 24-26, 2013

A motion was made by Director Diep, seconded by Director Rice to approve the consent calendar. The motion was approved by a 5-0 vote.

OLD BUSINESS

None

NEW BUSINESS

- A. Consider Information Provided by the Orange County Sanitation District (OCSD) Regarding Proposed Sewer Service Fee Increase

A motion was made by Director Rice, seconded by Director Diep to receive and file the information.

A second motion was made by Director Rice to instruct Director Diep to vote no on the proposed sewer service fee increase. The motion died for lack of a second.

Legal counsel stated that while the OCSD representative may consider Board's concerns, legally the representative has the discretion on how to vote on OCSD Board matters.

The original motion was approved by a 5-0 vote.

B. California Special District Association (CSDA) Board of Directors Call for Nominations, REGION 6, Seat B

No action was taken.

C. Consider Scheduling a Date for the Administrative Professionals Day Luncheon

A motion was made by Director Neugebauer, seconded by Director Rice to schedule the luncheon for Wednesday, April 10, 2013, with staff to determine the location. The motion was approved by a 5-0 vote.

D. Consider Approval of Attendance at the Orange County Water Summit on Friday, May 17, 2013

A motion was made by Director Diep, seconded by Director Neugebauer to approve attendance for the Board and staff. The motion was approved by a 5-0 vote.

E. Consider Construction Agreement with Orange County Public Works (OCPW) to Construct 2,867 Linear Feet of Sewer Main Comprising of Both Portions, Parallel and Relocation, on Van Buren Street between Bolsa Avenue and Worthy Drive

Director Neugebauer stated her concern for page 4 item, E which gives the District two business days to respond to change order requests or the County will assume approval by the District.

GM Robbins stated that is standard language but the District is protected under the errors and omissions on the engineering.

Director Neugebauer stated her other concern on page 2, item C that the work is only warranted for 1 year.

GM Robbins stated that is also standard practice.

Director Neugebauer asked if the District's engineer, DGA, would be reviewing the plans that the County draws up.

GM Robbins stated that there is a clause for errors and omissions for the County in the contract as well.

Director Neugebauer stated her concern for the possible inconvenience and flooding to the residents of the District. She stated that she would like the plans for the District's sewers reviewed by the District's engineers prior to the work.

General Counsel stated that on page two, section 1D of the contract it states that prior to the award of the construction contract, the County is obligated to submit the final plans and special provisions for the sewer system to MCSD for approval. The contract also states that the County shall not construct the new sewer system until final approval is received from the District.

A motion was made by Director Diep, seconded by Director Rice to approve the agreement with the County of Orange. The motion was approved by a 5-0 vote.

F. Consider Press Release Regarding Midway City Sanitary District's Operating Budget Award

A motion was made by Director Diep, seconded by Director Rice to approve the press release, as amended. The motion was approved by a 4-1 vote, with Director Krippner voting no.

G. Consider the City of Westminster's Request for Sponsorship of the Summer in the Park Series

A motion was made by Director Diep, seconded by Director Neugebauer to approve the sponsorship for \$800, as recommended by staff. The motion was approved by a 5-0 vote.

H. Consider Scheduling the First Public Budget Workshop/Study Session for Fiscal Year 2013/2014 (July 1, 2013 through June 30, 2014)

A motion was made by Director Neugebauer, seconded by Director Diep to schedule the first public budget workshop/study session on Thursday, April 18, 2013 at 10 A.M. The motion was approved by a 5-0 vote.

A motion was made by Director Neugebauer, seconded by Director Rice to add a pending litigation matter, Irvin v. Midway City Sanitary District that was served on the District after the agenda was posted to the closed session agenda and there is a need for immediate action. The motion was approved by a 5-0 vote.

Informational Items were taken out of order as follows:

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of February 2013 (2,374 Successful Hits)

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

CLOSED SESSION

President Cobo convened the meeting to closed session at 5:12 P.M. pursuant to Government Code Sections 54957.6 and 54956.9(b).

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

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Significant exposure to litigation pursuant to Government Code section 54956.9(d)(1)
(One case: Irvin v. Midway City Sanitary District)

President Cobo reconvened the meeting at 5:40 P.M.

District Counsel Nixon reported that there were two items in closed session, labor negotiations and the pending litigation item that was added which was Irvin v. Midway City Sanitary District. On both of those matters, there was no reportable action taken.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she received an email from CSDA regarding AB416 (Gordon) that deals with greenhouse gases and green revenue grant funds and is requesting a letter of support from the District. Director Neugebauer recommended that the Board reply. The timeline for a response was not determined, but since there was no date posted on the email, it was determined not to be an urgent matter.

GM Robbins stated that he will agendize it for the next meeting, unless he determines that there is a critical deadline, in which case the District could schedule a special meeting.

GM/STAFF CONCERNS/COMMENTS

GM Robbins reported that he was invited to attend the Garbage Man's Invitational Golf Tournament to be held at Pechanga on June 20-21, 2013.

GM Robbins reported that George Lazaruk, Vice President of CR&R came in to speak with him to find out why the District has not been taking its solid waste to CR&R. GM Robbins explained that the District has been diverting its solid waste to Rainbow Environmental because the diversion rate is higher there and CR&R takes everything to the landfill. Mr. Lazaruk responded that he will check into that and change their practice. GM Robbins explained to him that the District needs the higher diversion rate.

The Board was reminded of the employee luncheon on Wednesday, March 20, 2013 at 12:30 P.M. here at the District office.

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

A. Web Site Activity for the Month of February 2013 (2,374 Successful Hits)

Informational items were taken out of order on the agenda.

ADJOURNMENT

President Cobo adjourned the meeting at approximately 5:57 P.M.

Margie L. Rice, Secretary