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

September 3, 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, September 3, 2013 at 4:00 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo
Margie L. Rice
Tyler Diep (arrived @ 4:04 P.M.)

OTHERS AT MEETING:

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

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

None

APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 20, 2013

A motion was made by Director Rice, seconded by Director Neugebauer to approve the minutes of the meeting of August 20, 2013, as amended. The motion was approved by a 4-0 vote.

Director Diep arrived at the meeting at 4:04 P.M.

APPROVAL OF THE MINUTES OF THE ADJOURNED MEETING OF AUGUST 27, 2013

A motion was made by Director Rice, seconded by Director Neugebauer to approve the minutes of the adjourned meeting of August 27, 2013. The motion was approved by a 5-0 vote.

APPROVAL OF EXPENDITURES

A. Demands in the amount of $ 162,857.81

#	CK #	Date	AMOUNT	VENDOR
1				**HANDCUT CHECKS:**
2	6265	8/20	53.05	**The Gas Company -** District Office & Maintenance Yard Fees for August 2013
3	6266	8/20	95.56	**Pitney Bowes -** Ink Refill for District Postage Machine
4	6267	8/26	14,100.00	**DJ Printing -** (30,000) 2014 Midway City Sanitary District Calendars
5	6268	8/28	120.93	**AT&T -** Brookhurst Lift Station Service for August 2013
6	6269	8/28	3,040.58	**Southern California Edison** - Archives & Parking Garage $48.08, District Office $852.80,
7				Maintenance Shop $237.52, Brookhurst Lift Station $161.22, Westminster Lift Station $545.33,
8				Willow Lift Station $537.90, Hammon Lift Station $657.73 .
9	6270	8/28	372.15	**First Bankcard (NC) -** Restock District Kitchen Supplies, Refreshments for RG's Retirement
10				
11			**17,782.27**	**SUBTOTAL**
12				
13				**REGULAR CHECKS:**
14	6271	9/2	71.80	**Bodyworks -** (1) Relief Cartridge for T55
15	6272	9/2	11,861.14	**CalPERS Retirement -** Retirement Contributions for August 2013
16	6273	9/2	737.00	**Computer Research Center -** Maintenance & Support for September 2013
17	6274	9/2	120.00	**Orange County Health Care Agency -** Hazardous Materials Fee for Fiscal Year 2012/2013
18	6275	9/2	1,027.03	**Cummins Cal Pacific -** Inspections for Westminster & Hammon Lift Stations; (1) Valve for T65
19	6276	9/2	1,248.77	**Daniel's Tire Service -** (7) Recaps & (1) Repair for Restock
20	6277	9/2	279.46	**G & K Services -** Uniform Services for August 2013
21	6278	9/2	154.94	**Hillco Fastener Warehouse -** (200+) Nuts, Bolts, Connectors, Terminals for Restock; Thread & Pipe for T59
22	6279	9/2	160.06	**Huntington Beach Ford -** Air, Fuel, & Oil Filters for G2 (Service Truck)
23	6280	9/2	81.49	**ID Industries -** (15) Springs for Restock
24	6281	9/2	235.48	**Los Alamitos Napa Auto Parts -** (10) Clamps & (6) Flashers for Restock
25	6282	9/2	193.91	**Los Angeles Freightliner -** (1) Tank Surge for M64
26	6283	9/2	146.90	**Neugebauer, Joy -** Health Insurance Reimbursement for September 2013
27	6284	9/2	420.86	**Proforma Solutions -** (525) Pens with White Lettering for District's 75th Anniversary
28	6285	9/2	539.73	**Ray Gaskin Service -** (2) Grip Cylinders & (2) Seal Kits for Restock
29	6286	9/2	46.05	**Robert Housley -** Reimbursement for CASA San Diego Conference 08/21-08/24/13
30	6287	9/2	3,288.10	**Rush Truck Center -** Labor & Parts for Engine Repair on T65
31	6288	9/2	458.70	**TEC of California -** (1) Fuel Line for T57, (11) Filters for Restock
32	6289	9/2	279.30	**Top Mobile Vision -** (1) 65' Cable for T60 & Labor to Install/Replace

33	6290	9/2	8,968.67	**Woodruff, Spradlin & Smart -** Legal Services for July 2013
34	6291	9/2	46,165.04	**CalPERS Health Premium -** Healthcare Premium for September 2013
35	6292	9/2	3,715.32	**MetLife -** Monthly Dental Premium for September 2013
36	6293	9/2	700.24	**The Standard Life Insurance -** Premium Coverage for September 2013
37				
38			**98,682.26**	**SUBTOTAL (BOTH HAND-CUTS & REGULAR CHECKS)**
39				
40				**PAYROLL**
41			55,906.65	Payroll - Staff Check # 15529 - 15531 Taxes & Direct Deposits
42			1,160.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
43			826.92	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
44			5,815.18	Board of Director's Payroll for the Month of August 2013 Chk # 15533 - 15536
45			466.80	Board of Director's Nationwide Deferred Compensation for August 2013 (100% Paid By Directors)
46			**162,857.81**	**TOTAL EXPENDITURES W/PAYROLL**

Director Neugebauer stated that she felt that it is part of her responsibility as Treasurer to make the Board aware of anything extraordinary regarding the expenditures. She pointed out check #6290 in the amount of $8,968.67 to Woodruff, Spradlin & Smart for legal fees, which is higher than normal due to approximately $3,400 for the review and revision of the District's new purchasing policy, which went from 1 ½ pages to 18 pages. The District has a total annual budget of $70,000 for legal fees per year, so she wanted to make the Board and Staff aware of it.

Legal Counsel, Tom Nixon, explained that the District's purchasing policy was generated by legal counsel at the Board's and Staff's request, after the auditor recommended it. The existing policy did not give guidance to staff on a number of issues such as special services contracts and public works contracts.

Director Neugebauer stated that the District did well with the simple 1 ½ page version that gave less to be challenged and could have simply stated that the District would adhere to all applicable requirements.

Director Krippner agreed with Director Neugebauer and stated that he did not recall authorizing legal counsel to review and rewrite the purchasing policy for the District, and that it was a waste of money.

GM Robbins stated that it was with the auditor's recommendation to the Board of Directors that it be updated.

A motion was made by Director Neugebauer, seconded by Director Rice to approve the expenditures in the amount of $162,857.81. The motion was approved by a 4-1 vote, with Director Krippner voting no.

REPORTS

Report of President

President Cobo reported that he attended a luncheon for the Police Department on Labor Day which was held at the Sunken Gardens. The luncheon is held yearly and is the City of Westminster's way to say thank you to law enforcement employees.

Report of General Manager

GM Robbins reported that at approximately midnight on Sunday, September 1, 2013, the Brookhurst lift station failed and Flo Systems had to be called out due to a fuse which needed to be located and replaced.

GM Robbins reported that one of the 8-foot back doors of the District's main offices would need to be replaced due to termite damage.

GM Robbins reminded the Board that he would like to take a photograph of all of them with the California Association of Sanitation Agencies (CASA) Organizational Excellence Award that they just received at the CASA conference in San Diego last week at the end of tonight's Board meeting.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep reported that there was a meeting of the full Board on Wednesday, August 28, 2013. OCSD agreed to pay the City of Fountain Valley $315,945 for 13 existing buildings that were constructed without permits. The buildings were constructed prior to the incorporation of the City and permits were never pulled or paid for.

OCSD also continued labor negotiations and approved a letter from Troy Edgar opposing the possibility of reducing the amortization period for new members to Orange County Employees Retirement System (OCERS).

Report from the Salute to Seniors Luncheon

President Cobo reported that there was a good turnout for the luncheon and that one of the two recipients for the Senior of the Year Award was Beverly Gonzell.

Report from California Association of Sanitation Agencies (CASA) Conference, San Diego, CA

Director Rice reported that she was thrilled and very proud of the 2013 Organizational Excellence award that the District received from CASA. She attended the CASA Executive Board meeting where they voted on a 4% increase in dues and the officers

for next year were reelected for another year, including herself. There was also discussion on their annual meeting which will be held in Sacramento this year.

Director Krippner spoke as President Pro Tem upon receiving the 2013 Organizational Excellence award since President Cobo was not in attendance at the conference.

Director Neugebauer reported that she especially liked the breakout session entitled "Attracting Great Staff" which spoke of the District Transparency Certificate of Excellence checklist and she was disappointed that there was no Pledge of Allegiance given and the business portion of the conference was not very business-like.

Director Diep reported that he enjoyed the branding workshop and the report from State lobbyist Mike Dillon and Federal lobbyist Erik Saperstein.

Report from Independent Special Districts of Orange County (ISDOC) Quarterly Meeting

Director Rice reported that there was a comprehensive report given by the CEO of the Orange County Transportation Agency (OCTA) regarding the 405 freeway, streets and off ramps. She asked questions about the toll lanes and the number of off ramps within City of Westminster's boundaries, which went unanswered.

Director Neugebauer reported that the speaker provided the financial numbers that will be spent for Measure M, which is for freeways, street repairs and transit for more local connections over the next few years. They announced the voting results for the Orange County Council of Governments (OCCOG) membership, which passed with only three (3) negative votes, of which Midway City Sanitary District was one.

CONSENT CALENDAR

None

OLD BUSINESS

None

NEW BUSINESS

A. Consider Bids for Technical Consulting and Design Services for the Midway City Sanitary District Compressed Natural Gas (CNG) Fueling Station

GM Robbins stated that Staff did not have time to review the three proposals that came in and would like to continue this item to the next meeting in order to review them and make sure that they meet the criteria for award prior to Board action. No action was taken at this time.

B. Consider Press Release Regarding Midway City Sanitary District's 2013 Organizational Excellence Award from California Association of Sanitation Agencies (CASA)

Director Neugebauer made several suggestions for the press release and the Board consensus agreed to direct Staff to send the press release to the Westminster Herald, Westminster Journal and the Orange County Register.

C. Approval of First Aid and CPR (Cardiopulmonary Resuscitation) / AED (Automatic External Defibrillator) Training

Directors Neugebauer and Rice asked if the Board could be notified of the date and time of the training in order to attend.

Director Krippner stated that he already has had the training for both CPR and AED and is certificated.

A motion was made by Director Neugebauer, seconded by Director Diep to approve the CPR/AED training, as recommended by staff. The motion was approved by a 5-0 vote.

D. California State Controller Government Compensation Report for Calendar Year 2012

A motion was made by Director Diep, seconded by Director Rice to approve Staff's recommendation to receive and file. The motion was approved by a 5-0 vote.

E. Approval of Request for Proposal (RFP) for 2014 Sewer Mains Closed Circuit TV (CCTV) Video Inspection and Cleaning Project

A motion was made by Director Neugebauer, seconded by Director Rice to bring an item onto the agenda since it required immediate action and did not come to the attention of the Board prior to the agenda being posted. The motion was approved by a 5-0 vote.

A motion was made by Director Neugebauer, seconded by Director Rice to nullify the Board's action on the sewer mains CCTV specifications that was taken at the August 20, 2013 Board meeting. The motion was approved by a 5-0 vote.

A motion was made by Director Diep, seconded by Director Neugebauer to approve Staff's recommendation to approve the RFP for the 2014 Sewer Mains CCTV Video Inspection and Cleaning Project and direct Staff to solicit proposals. The motion was approved by a 5-0 vote.

F. RESOLUTION NO. 2013-21 *(Roll Call Vote)*

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, REVISING THE OFFICIAL DISTRICT TRAVEL POLICY

A motion was made by Director Rice, seconded by Director Diep to adopt Resolution No. 2013-21, revising the official District travel policy. The motion was approved by a 5-0 roll call vote.

INFORMATIONAL ITEMS

A. Letter from California Special Districts Association (CSDA) Director, Region 6, Bill Nelson

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

BOARD CONCERNS/COMMENTS

Director Diep stated that he was able to make it to today's meeting because he was excused early from jury duty.

Director Neugebauer asked which newspapers the press release would be put in. The Board agreed that it should be in the Westminster Herald and Journal, as well as the Orange County Register.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that Director of Operations/Safety Nick Castro and Lead Worker Darrell Grimes attended a citywide spill meeting with the City of Westminster where there was discussion regarding who responds and who is responsible for private sewer spills. GM Robbins stated that the District would continue to aid in the cleanup, as it has in the past, but that it is not the District's responsibility, and he gave a copy of his email response to the City of Westminster for each of the Board members to read.

Finance/HR Director Housley reported that the annual audit is ongoing, and should be finished very soon.

GENERAL COUNSEL CONCERNS/COMMENTS

Legal Counsel Tom Nixon stated that he had some observations in regard to the July legal bill and the review of the District's purchasing policy. He agreed that the District's legal costs need to be controlled, and is open to review costs, but that it may not always be possible. He stated that every year that he has been the Board's legal counsel, they have been within budget. He pointed out that the auditors who determined that the

existing 1 ½ page policy from 1993 was an inadequate legal safeguard for the District and as a result, the District needed a comprehensive purchasing policy. He stated that if Staff follows the policy, it will, in fact, reduce questions that would be asked of legal counsel, thus saving the District a substantial amount of money over time.

Director Neugebauer stated that she thought that Staff would provide a boiler plate used by another District, have it reviewed, and then modified by legal counsel to fit Midway City Sanitary District needs.

Legal Counsel Nixon stated that they did start out with a boiler plate document and then reviewed and revised it.

President Cobo called a recess to the meeting at 5:16 P.M.

President Cobo reconvened the meeting at 5:30 P.M., and immediately convened to a closed session.

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.
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> 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 6:10 PM.

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

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

ADJOURNMENT

President Cobo adjourned the meeting to Tuesday, September 10, 2013 at 4:00 P.M. at the District office, at approximately 5:40 P.M.

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Margie L. Rice, Secretary