

**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**

**November 22, 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 Friday, November 22, 2013 at 3:00 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

**PLEDGE AND INVOCATION**

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

**PUBLIC COMMENTS**

None

**APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 5, 2013**

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

**APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF NOVEMBER 13, 2013**

A motion was made by Director Neugebauer, seconded by Director Rice to approve the minutes of the meeting of November 13, 2013. The motion was approved by a 4-0-1 vote, with Director Diep abstaining.

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$ 359,013.35

#	CK #	Date	AMOUNT	VENDOR
1				<b>HANDCUT CHECKS:</b>
2	6428	11/4	257.91	<b>First Bankcard (NC)</b> - Restock District Kitchen Supplies, Wash Bucket Replacement for Wash Rack
3	6429	11/4	4,342.18	<b>US Bank - (\$2,735.30 KR)</b> Westminster Chamber of Commerce, Mystery Dinner 10/4 (TD, AK); ISDOC
4				Quarterly Luncheon 10/31 (FC, MR, AK, JN, TD, KR, RH); 2013 Special District Leadership Academy
5				Conference Registration & JetBlue Flights 11/17-11/20/13 (FC, JN, MR, KR).
6				<b>(\$171.99 Dge)</b> Board Meeting Refreshments for 9/24, 10/1, & 10/15. <b>(\$152.56 DGr)</b> Restock Sewer
7				Supplies. <b>(\$433.58 NC)</b> Restock District Office Supplies, Refuse Office Supplies.
8				<b>(\$848.75 RH)</b> Replace Drum Unit on Ricoh District Printer; CSMFO Operating Budget Submission;
9				Water Usage for District, Refuse, Maintenance Offices 7/10-9/03 ; Remington Monthly Service for
10				October 2013.
11	6430	11/6	325.26	<b>AT&amp;T Mobility</b> - Service for October 2013: (KR) 714-310-2313, (NC) 714-310-8653, (DGr) 714-325-3606,
12				Sewer 714-310-8654, Emergency 714-310-9004.
13	6431	11/6	94.99	<b>DirectV</b> - Service for November 2013
14	6432-6435	11/11	VOID	<b>Printer Malfunction</b>
15	6436	11/11	100.00	<b>Margie Rice</b> - Per Diem for CASA Sacramento, CA 11/14-11/15/2013
16	6437	11/11	200.00	<b>Frank Cobo</b> -Per Diem CSDA Spec.Dist.Leadership Acad.Napa Valley,CA 11/17-11/20/2013
17	6438	11/11	150.00	<b>Joy Neugebauer</b> -Per Diem CSDA Spec.Dist.Leadership Acad.Napa Valley,CA 11/17-11/20/2013
18	6439	11/11	200.00	<b>Margie Rice</b> -Per Diem CSDA Spec.Dist.Leadership Acad.Napa Valley,CA 11/17-11/20/2013
19	6440	11/12	13,995.00	<b>D J Printing</b> - 2014 Midway City Sanitary District Calendar Balance
20	6441	11/15	1,628.01	<b>Manuel Hernandez</b> - Separation Payout including Vacation & Sick Leave
21	6442	11/15	12,374.56	<b>CalPERS Retirement</b> - Retirement Contributions for November 2013
22	6443	11/15	92.42	<b>The Gas Company</b> - District Office & Maintenance Yard Fees for November 2013
23	6444	11/15	378.31	<b>Office Max</b> - Restock District Office Supplies for October 2013
24	6445	11/15	465.47	<b>Verizon Business</b> - Internet Connection for SCADA System for October 2013
25				
26			<b>34,604.11</b>	<b>SUBTOTAL</b>
27				
28				<b>REGULAR CHECKS:</b>
29	6446	11/15	62.00	<b>Advanced Gas Products</b> - Cylinder Rental for October 2013
30	6447	11/15	134.00	<b>Advanced Workplace Strategies</b> - DOT Drug Test (JC)
31	6448	11/15	29.50	<b>Auto Mall Car Company</b> - Rental Container Refund for November & December 2013
32	6449	11/15	1,799.99	<b>Bodyworks Equipment</b> -(4)Air Cylinders,(4)Limit Switch Arms,(5)Limit Switches,(4)In'n'Out Cylinder Kits
33				for Restock.
34	6450	11/15	50,000.00	<b>CalPERS Fiscal Services Division</b> - FY 2013-14 GASB 45 OPEB Contribution
35	6451	11/15	8,320.00	<b>California Association of Sanitation Agencies</b> - 2014 Agency Membership Dues
36	6452	11/15	5,294.00	<b>California Special Districts Association</b> - 2014 Agency Membership Dues
37	6453	11/15	30.00	<b>City of Westminster FARP</b> - Annual Alarm Permit for Alarm System
38	6454	11/15	737.00	<b>Computer Research Center</b> - Maintenance & Support for December 2013
39	6455	11/15	450.12	<b>Cummins Cal Pacific</b> - (1) Water Pump, (1) Seal Kit, (1) Gasket, & (1) Temperature Sensor for T59

40	6456	11/15	1,838.82	<b>Daniels Tire Service</b> - (2) New Tires for T9; (6) Recaps & (1) Repair for Restock
41	6457	11/15	453.95	<b>Dartco Transmission Sales</b> - (8) Filter Kits for Restock
42	6458	11/15	27,548.13	<b>Flo-Systems</b> - Preventative Maintenance for First Quarter; Rebuild Westminster Lift Immersible Pump
43	6459	11/15	419.19	<b>G &amp; K Services</b> - Uniform Services for October & November 2013
44	6460	11/15	299.95	<b>ID Industries</b> - (20) Grabber Rollers & (20) Bushings for Restock
45	6461	11/15	334.24	<b>Los Alamitos Napa Auto Parts</b> - (1) Reflective Tape, (24) Brakleen, & (4) Power Steering Fluid for Restock
46	6462	11/15	5,000.00	<b>McGinn Actuaries</b> - Government Accounting Standard Board Statement (GASB) 45 OPEB Valuation
47	6463	11/15	45.00	<b>Memorial Care Medical Group</b> - Preventative Service (KR)
48	6464	11/15	258.00	<b>North American Safety</b> - (35) Shirts Celebrating District 75th Anniversary for Board & Employees
49	6465	11/15	10,054.80	<b>Orange County Sanitation District</b> - Permit Fees for October 2013 (MCSD 5% = \$529.20)
50	6466	11/15	137,098.10	<b>Rainbow Transfer Recycling</b> - Tonnage for October 2013
51	6467	11/15	45.50	<b>Kenneth Robbins</b> - Reimbursement for CSDA Conference Monterey, CA 9/16-9/19
52	6468	11/15	4,372.52	<b>Santa Ana Diesel</b> - Engine Repair Labor & Parts for T56
53	6469	11/15	10,405.00	<b>State Water Resources Control Board</b> - 2014 Annual Permit Dues
54	6470	11/15	474.92	<b>Tec of California</b> - (29) Filters, (1) Air Filter, & (2) Caps for Restock
55	6471	11/15	150.00	<b>Tech Air Mobile Services</b> - Service Call & Labor for Air Conditioning Repair on T61
56	6472	11/15	850.12	<b>Tri-Star Industrial Products</b> - (400 Lbs) Pink Powder Soap for District Wash Rack
57	6473	11/15	268.57	<b>TrucPar Company</b> - (2) Air Valves for Restock
58	6474	11/15	305.64	<b>TSP Printing</b> - (4,950) Purchase Orders for Restock
59	6475	11/15	10.50	<b>Underground Service Alert</b> - (7) New Tickets for October 2013
60				
61			<b>301,693.67</b>	<b>SUBTOTAL (BOTH HAND-CUTS &amp; REGULAR CHECKS)</b>
62				
63				<b>PAYROLL</b>
64		11/12	55,182.76	Payroll - Staff Check # 15564 - 15568 Taxes & Direct Deposits
65		11/11	926.92	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
66		11/11	1,210.00	Payroll - Nationwide Deferred Compensation (100% Paid By Employees)
67			<b>359,013.35</b>	<b>TOTAL EXPENDITURES W/PAYROLL</b>
68				
				<b>BANK TRANSFERS</b>
			300,000.00	Transfer Funds from Money Market to Checking Account

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$359,013.35. The motion was approved by a 5-0 vote.

## REPORTS

### Report of President

None

## **Report of General Manager**

GM Robbins reported that the 2014 CCTV and cleaning sewer mains project will start Monday, November 25, 2013 and will take approximately six months to complete. The sewer crew will be alternating overseeing the cleaning of the mains and doing maintenance work on and around the District yard.

GM Robbins reported that the cassette tapes used for Board meetings are becoming harder to get so the District will be forced to upgrade to a digital recorder and CD's in the very near future.

Discussion ensued regarding the District's retention policy of Board meeting tapes.

## **Report from Orange County Sanitation District Meeting (OCSD)**

Director Diep attended a meeting of the full Board on Wednesday, November 20, 2013. Vice chair John Anderson of Yorba Linda has resigned and Keith Curry of Newport Beach has been appointed to the steering committee to replace him. There will be a special election to select the new vice chair. OCSD approved a new 5-year strategic plan which includes odor control, future bio-solids management options, energy efficiency, disinfection of ocean discharge, local sewer transfers, legislative advocacy and public outreach, future water recycling, and workforce planning and development. The Board is also considering commissioning a survey to compare salaries and benefits of OCSD with other agencies to see where they are in the market and to help with ongoing labor negotiations.

## **Report from California Association of Sanitation Agencies (CASA) Executive Board Planning Session**

Director Rice reported that the Executive Board retreat was very worthwhile as they got a lot done and will be saving money in several areas. She will report fully at the next Board meeting.

## **Report from the California Special Districts Association (CSDA) Special Districts Leadership Academy**

Director Cobo reported that it was a good program and that he found the information regarding per diem particularly interesting.

Director Rice stated that she especially enjoyed the session led by Brent Ives. She did not enjoy the financial portion of the conference. The District was awarded a silver award due to a total of 4 attendees.

Director Neugebauer stated that it was one of the most intense information-filled conferences that she has ever attended. She commented that one of the most

educational parts of the conference came from communicating with other representatives from other special districts.

GM Robbins also attended the conference.

### **Report from Westminster Chamber of Commerce Holiday Luncheon**

The full Board attended the event, along with GM Robbins and Finance/HR Director Housley.

### **CONSENT CALENDAR**

A. Investment Report for October 2013

B. Approval to Attend California Association of Sanitation Agencies (CASA) Mid Year Conference in Indian Wells, CA January 15-18, 2014

C. Approve Payment of Annual Permit Fees to State Water Resources Control Board

Director Neugebauer asked that Item C be pulled.

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

Director Neugebauer asked staff to provide the Board with a breakdown of how the State Water Resources Control Board came up with the amount of the annual permit fee at the next meeting.

General Counsel Nixon stated that, based on the statute, fees are based on the State's total cost of administering the program – issuance, administration, reviewing, monitoring and enforcing of the waste discharge.

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

### **OLD BUSINESS**

A. Consider Adopting a Public Records Request Form and Adding it to the Midway City Sanitary District Web Site

A motion was made by Director Diep, seconded by Director Rice to approve the public records request and add it to the District website, as directed by staff. The motion was approved by a 5-0 vote.

B. Consider Adding Basic Requirements to Midway City Sanitary District Website and Completing at Least Two (2) Outreach/Best Practices Requirements in Order to Receive the District Transparency Certificate of Excellence from the Special District Leadership Foundation

A motion was made by Director Neugebauer, seconded by Director Rice to add the public records request and ethics training certificates to the District's website. The motion was approved by a 5-0 vote.

## **NEW BUSINESS**

A. Consider Approval of Three Percent (3%) Education Increases for Two District Employees

GM Robbins stated that Lead Sewer Maintenance Worker, Darrell Grimes, is entitled to the three (3%) increase in pay because he is represented under the MOU. Director of Operations/Safety, Nick Castro, is not a represented employee, so is not entitled to the increase in pay, however, GM Robbins stated that he would like the Board to consider giving the increase to both employees for becoming Grade 1 certified by the State.

Director Krippner stated that he feels that supervisors should have this kind of training and not be compensated for it, and that a pay increase should be considered for Director Operations/Safety Nick Castro during his yearly review, and not at this time.

Director Neugebauer stated that if he were a salaried employee she would agree with Director Krippner, but since he is paid hourly, she would support the educational pay increase.

A motion was made by Director Rice, seconded by Director Diep to approve of the 3% education increases in pay for two District employees who achieved Grade 1 certification from the State of California. The motion was approved by a 4-1 vote, with Director Krippner voting no.

B. Consider Press Release Regarding Midway City Sanitary District's Compressed Natural Gas (CNG) Fueling Station and Solid Waste Trucks

GM Robbins stated that he would like to keep the public aware of what the District is doing with their fees while keeping the District transparent.

Director Krippner stated that he wants to see a shovel in the ground on this project.

A motion was made by Director Neugebauer, seconded by Director Diep to approve, with changes, the press release regarding MCSD's CNG fueling station and solid waste trucks. The motion was approved by a 5-0 vote.

C. Consider Approval of Implementing a Vision Benefit Plan for Midway City Sanitary District Employees with Vision Service Plan Inc. (VSP) Effective January 1, 2014

Director Neugebauer stated that while VSP and Superior were very similar, the Board should consider both carefully. There was considerable discussion and consideration of both plans.

A motion was made by Director Diep, seconded by Director Krippner to approve, as recommended by staff, the implementation of a vision benefit plan for MCSD employees only and exempting the Board and their families with VSP effective January 1, 2014. The motion was approved by a 5-0 vote.

D. Consider Approval of Metropolitan Life Insurance Company (MetLife) Dental Insurance Renewal Rates for January 1, 2014 through December 31, 2014

A motion was made by Director Diep, seconded by Director Rice to approve MetLife dental insurance renewal rates for January 1, 2014 through December 31, 2014, as recommended by staff. The motion was approved by a 5-0 vote.

E. Consider the July 1, 2013 GASB 45 Valuation Report for the Midway City Sanitary District and Approve to Fully Prefund Other Post-Employment Benefits (OPEB) through the California Employer's Retirement Trust Fund (CERBT)

Finance/HR Director Housley gave an overview of the GASB 45 Valuation Report.

Director Diep asked Finance/HR Director Housley to look into a possible cap on retiree's health benefits.

A motion was made by Director Diep, seconded by Director Neugebauer to receive and file the GASB 45 valuation report for MCSD and direct staff to fully prefund Other Post Employment Benefits (OPEB) through the California Employer's Retirement Trust Fund (CERBT). The motion was approved by a 5-0 vote.

F. Consider Approval of Hiring a Part-Time As-Needed Solid Waste Driver for the Midway City Sanitary District

A motion was made by Director Rice, seconded by Director Diep to approve the hiring of a part-time solid waste driver for the District, when needed. The motion was approved by a 5-0 vote.

G. Discussion and Action on Independent Special Districts of Orange County (ISDOC) Amended Bylaws

A motion was made by Director Neugebauer, seconded by Director Rice to move to cast a vote in favor of ISDOC's amended bylaws. The motion was approved by a 5-0 vote.

H. Consider Attendance of Finance/HR Director, Robert Housley to the California Society of Municipal Finance Officers (CSMFO) Annual Conference Scheduled for February 18-21, 2014

A motion was made by Director Diep, seconded by Director Rice to approve attendance of Finance/HR Director Housley to the CSMFO annual conference in February 2014. The motion was approved by a 5-0 vote.

**INFORMATIONAL ITEMS**

A. Web Site Activity for the Month of October 2013 (38,921 Successful Hits)

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

**BOARD CONCERNS/COMMENTS**

Director Diep stated that he would like the Board to discuss and consider other options for refreshments at Board meetings.

Director Neugebauer stated that she would like staff to add an item to the next agenda to schedule a study session to discuss and consider eliminating future health insurance for MCSD Board members, beginning with the next Board election.

Director Krippner asked to go on record to continue health benefits for current and future Board members.

Directors Neugebauer and Rice reported that past Board member Jim Evans' wife Etsy was diagnosed with cancer and directed staff to have a card at the next Board meeting to be signed and sent from the Board.

Director Neugebauer wished everyone a happy Thanksgiving.

President Cobo wished the Board and staff a Happy Thanksgiving.

## **GM/STAFF CONCERNS/COMMENTS**

GM Robbins stated that the District buildings would be tented for termites on the afternoon of Wednesday, November 27, 2013, so the offices would be closing early for the Thanksgiving holiday.

GM Robbins wished everyone a Happy Thanksgiving.

## **GENERAL COUNSEL CONCERNS/COMMENTS**

General Counsel Nixon stated that he provided the Board with a copy of the stipulation that was filed in the City of Westminster case, of which there were minor modifications. The County has signed on to the stipulation so the District will not have to worry about expenses or participation in that litigation.

General Counsel Nixon stated that with regard to risk management issues, the District would be well advised to re-evaluate the standard insurance amounts required by contractors.

## **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.

## **ADJOURNMENT**

President Cobo adjourned the meeting to Tuesday, December 3, 2013 at the District office at approximately 4:37 P.M.

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Margie L. Rice, Secretary