

**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**

February 4, 2014

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, February 4, 2014 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
Robert Weymar, Resident of Westminster

PLEDGE AND INVOCATION

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

PUBLIC COMMENTS

Robert Weymar, a resident of Westminster and property owner of 7231 21st Street in Westminster, addressed the Board regarding his claim against the District. He reviewed the incident regarding a low Verizon wire and a Rainbow truck that an MCSD employee was driving. The truck hit a low line, causing a light pole to come down, damaging some roof tiles on Mr. Weymar's property. He stated that the damage was minimal and asked to be reimbursed for his expenses which totaled \$450.

APPROVAL OF THE MINUTES OF THE MEETING OF JANUARY 21, 2014

A motion was made by Director Rice, seconded by Director Neugebauer to approve the minutes of the meeting of January 21, 2014, as amended. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 147,108.05

#	CK #	Date	AMOUNT	VENDOR
1				HANDCUT CHECKS:
2	6591	1/23	125.58	AT&T - Brookhurst Lift Station Service for January 2014
3	6592	1/23	13.84	City of Westminster - Hammon Lift Station Water Usage for 11/20/2013-01/14/2014
4	6593	1/23	452.49	Office Max - Restock District Office Supplies & Ink
5	6594	1/29	284.05	Pitney Bowes - Lease Payment for Postage Machine January through April 2014
6	6595	1/29	2,313.58	Southern California Edison - Archives & Parking Garage \$48.36, District Office \$494.07,
7				Maintenance Shop \$258.77, Brookhurst Lift Station \$183.90, Westminster Lift Station \$461.14,
8				Willow Lift Station \$345.19, Hammon Lift Station \$522.15 .
9	6596	1/29	224.57	First Bankcard (NC) - Restock District Kitchen Supplies
10	6597	1/29	996.45	Verizon California - District Office Phones & Lift Stations for January 2014; \$537.96 District Office,
11				\$152.83 Willow Lift, \$152.83 Westminster Lift, \$152.83 Hammon Lift.
12	6598	2/1	11,988.90	CalPERS Retirement - Retirement Contributions for January 2014
13	6599	2/1	41,411.35	CalPERS Health Premium - Healthcare Premium for February 2014
14	6600	2/1	3,525.44	MetLife - Monthly Dental Premium for February 2014
15	6601	2/1	500.00	Ron Ruano - Remaining Balance for Mariachi to Perform at 2014 TET Parade for District
16	6602	2/1	822.62	The Standard Life Insurance - Premium Coverage for February 2014
17	6603	2/1	374.73	Vision Service Plan - Monthly Premium for February 2014
18				
19			63,033.60	SUBTOTAL
20				
21				REGULAR CHECKS:
22	6604	2/1	59,561.61	City of Westminster - Gasoline & Diesel Usage from October through December 2013
23	6605	2/1	2,670.46	Daniel's Tire Service - (15) Recaps & (1) Nail Repair for Restock
24	6606	2/1	5,317.25	Flo-Systems - Preventative Maintenance for Second Quarter
25	6607	2/1	276.66	G & K Services - Uniform Services for January 2014
26	6608	2/1	331.91	Huntington Beach Ford - (3) Valves, (1) Sensor, (1) Filter, (8) Spark Plugs for M5
27	6609	2/1	284.00	Konecranes - Inspection & Preventative Maintenance for January 2014
28	6610	2/1	3,292.81	Los Alamitos Napa Auto Parts - (2) WD-40, (8) Brake Kits, & (4) Brake Drums for Restock; (1) Battery for M2;
29				(2) Brake Drums for T61; (1) Replacement Air/Hydro Jack for Shop; (1) Battery for M1.

30	6611	2/1	90.00	Memorial Care Medical Group - Preventative Services (DH, JC)
31	6612	2/1	146.90	Neugebauer, Joy - Health Insurance Reimbursement for February 2014
32	6613	2/1	444.45	North American Safety - (26) Polo Shirts with District Logo Celebrating 75 Years for Staff
33	6614	2/1	378.00	Reyes Alternators - (1) New Starter for Restock
34	6615	2/1	543.29	Top Mobile Vision - (1) Camera & (1) 65 Ft Cable for T53
35	6616	2/1	5,047.50	Woodruff, Spradlin & Smart - Legal Services for December 2013
36				
37			141,418.44	SUBTOTAL (BOTH HAND-CUTS & REGULAR CHECKS)
38				
39				PAYROLL
40	1/31		5,269.49	Board of Director's Payroll for the Month of January 2014 Chk # 15597 - 15600
41	1/31		420.12	Board of Director's Nationwide Deferred Compensation for December 2013 (100% Paid By Directors)
42			147,108.05	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$147,108.05. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice
 NAYS:
 ABSTAIN:
 ABSENT:

A motion was made by Director Neugebauer, seconded by Director Diep to take New Business Item #9E out of order in order to accommodate Robert Weymar, resident of Westminster, whose claim was on the agenda for Board consideration. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice
 NAYS:
 ABSTAIN:
 ABSENT:

NEW BUSINESS

E. Consider Claim from Robert Weymar

Director Rice asked if there was a police report and if so, what their conclusion was.

GM Robbins stated that there was a police report, that it clearly states that there was no fault by the District, and that the incident was due to the low hanging utility wire belonging to Verizon.

Further discussion ensued on the damaged roof indicated in the police report, the visibility of the wire, and the truck that was driven by the District.

Director Krippner left the meeting for a few moments.

A motion was made by Director Rice, seconded by Director Neugebauer to reimburse Robert Weymar for the claim made against the District, have legal counsel draft a legal document stating that Robert Weymar would waive any further claims against the District in return for the reimbursement, and on which the District would state no admission of liability. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Diep, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT: Krippner

Director Krippner returned to the meeting.

REPORTS

Report of President

None

Report of General Manager

GM Robbins reported that there had been some communication issues with the Willow lift station and the SCADA system, although the lift station is working perfectly. TESCO Controls sent someone out to the District and they are working on reprogramming the router. They advised GM Robbins to do nothing to the District's other lift stations as they are working perfectly but they will be providing the District with a quote to replace the six year old SCADA computer, which they advised is necessary in order for the SCADA system to continue to work properly. That figure will be worked into next year's budget.

Director Neugebauer stated that, at the Westminster Historical Society, she has the Gallo wine jug that was suspended on a wire that did the same thing that the lift stations and the SCADA computer system do now. Prior to the lift stations, when the water in the sewers rose, the jug would rise and trip the telephone to warn the District. That system was only recently changed out in 2009 because it worked so well.

GM Robbins reported that a new solid waste driver, Dennis Solano, will be hired after being screened and all background checks satisfactorily completed.

Report from Orange County Sanitation District Meeting (OCSD)

Director Diep stated that he had nothing to report as there were no meetings since the last regular Board meeting.

Report from 75 Year Anniversary Committee Meeting

Director Neugebauer reported that she and Director Rice had chosen the winner of the cart decorating contest, and that they had chosen the cart decorated by Bolsa Chica Park because it was decorated with items that most closely related to the District day to day activities – the District's 75 year anniversary, the three R's – reduce, reuse, recycle which pertain to the District's Pushing-The-Blues program, and the helping hands program.

Mr. Robert Weymar, a Westminster resident who lives on Burning Tree, asked to speak and address the Board. He stated that he had called into the District several times in the past to report that the District drivers had comingled the black and blue carts on occasion when picking up on his street. He stated that he is a clean recycler and hoped that all of his work was not all for nothing. He also stated that since the District had started picking up the blue cans first, this had been not been an issue.

GM Robbins stated that he would look into it as the driver's were not supposed to pick up black and blue containers together and he asked Mr. Weymar to let the District know if it happened again.

Director Neugebauer stated that she and Director Rice asked GM Robbins to get a quote on small bags to hold trash inside of vehicles with the District's logo on them. The committee also discussed food for the Chamber Mixer as well as the 75 Year Anniversary Open House in April.

Michelle Clark from Rainbow Environmental was also at the meeting and asked what Rainbow could do to help. Director Neugebauer pointed out that the 75 Year Anniversary event is the District's celebration and that she wants the focus to be on the District and not on our franchisee, Rainbow Environmental.

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

Directors Cobo, Diep, Krippner, Neugebauer and Rice attended the ISDOC meeting where the featured speaker was Aaron Kushner, the new owner and publisher of the Orange County Register and C.E.O. of Freedom Communications.

Director Neugebauer stated that Larry Dick, a Director from MWDOC was also there and gave pertinent information about the State of California's water situation due to the drought because he had just recently met with Governor Jerry Brown.

Report from Westminster Chamber of Commerce Mixer to Celebrate Midway City Sanitary District's 75 Year Anniversary

All of the Directors attended the Westminster Chamber of Commerce Mixer to celebrate MCSD's 75 year anniversary and agreed that it was the best Chamber event in the past year with over 35 people in attendance.

Report from TET Parade

Directors Cobo and Krippner attended the TET parade and were insulted that the District float was put toward the end of the lineup, felt that the District was not acknowledged properly and commented on how confusing and ill-managed the entire parade was. The District hired the mariachi band for the event and they were a hit as usual.

Director's Rice, Cobo and Krippner stated that they felt that a letter should be written to the organizers of the TET parade to state the Board's displeasure in the event.

Director Neugebauer stated that she was not in favor of writing something in the newspapers.

CONSENT CALENDAR

None

OLD BUSINESS

None

NEW BUSINESS

A. Review of Calendar Year 2013 Compensation and Benefit Information to be posted on the District's Website

A motion was made by Director Diep, seconded by Director Krippner to receive and file the calendar year 2013 compensation and benefit information to be posted on the District's website. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

B. Consider and Approve the Letter of Engagement for Independent Audit Services of White Nelson Diehl Evans LLP to Perform the Fiscal Year 2013-14 (July 1, 2013 through June 30, 2014) and Fiscal Year 2014-15 (July 1, 2014 through June 30, 2015) Audits

A motion was made by Director Neugebauer, seconded by Director Diep to approve the letter of engagement for fiscal year 2013-2014 only but with the option for a second year. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

Director Krippner stepped out of the meeting at 5:02 P.M.

A motion was made by Director Neugebauer, seconded by Director Rice to add a stipulation to state that anytime the auditors share the District's confidential information with another party, the District should be notified. The motion was approved by the following 4-0-1 vote:

AYES: Cobo, Diep, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT: Krippner

Director Krippner returned to the meeting at 5:03 P.M.

C. Consider and Approve Budget Calendar for Fiscal Year 2014-2015 (July 1, 2014 through June 30, 2015)

A motion was made by Director Diep, seconded by Director Neugebauer to approve the budget calendar for fiscal year 2014-2015 (July 1, 2014 through June 30, 2015) as recommended by staff, with the capability of adding additional meetings if necessary. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer and Rice

NAYS:

ABSTAIN:

ABSENT:

D. Second Quarter Financial Reports and Mid-Year Budget Review (07/01/13 through 12/30/13) – Fiscal Year 2013/2014

Finance/HR Director Housley reviewed the District's budget for the fiscal year including all expenses and revenue and reported that the District is well under budget at this time.

A motion was made by Director Diep, seconded by Director Rice to receive and file the second quarter financial reports and the mid-year budget review for fiscal year 2013/2014 (July 1, 2013 through December 30, 2013). The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

Agenda item 9E was taken out of order.

F. Consider Claim from Bias Castillo

A motion was made by Director Neugebauer, seconded by Director Diep to approve staff's recommendation to deny the claim against the District by Bias Castillo. The motion was approved by the following 5-0 vote:

AYES: Cobo, Diep, Krippner, Neugebauer, Rice

NAYS:

ABSTAIN:

ABSENT:

G. Consider Approving Annual Salaries and Ranges for Unrepresented / Management / Administration Employees for Fiscal Years 2014/2015 and 2015/2016

Director Diep asked whether unrepresented/management/administrative employees would also pick up the higher PERS contribution upon receiving a 4% increase in pay.

GM Robbins stated that all employees are already paying the higher PERS contribution since September 2013 when the new MOU was adopted by the represented employees, and that no raises would be given at this time.

Director Krippner stated that the 4% is a budget number only and does not mean that every person will get a 4% raise, that these are annual ranges only and that the steps do not apply.

A motion was made by Director Diep, seconded by Director Rice to approve the recommended salary ranges for unrepresented/management/administrative employees of the District. The motion was approved by the following 4-1 vote:

AYES: Cobo, Diep, Neugebauer, Rice

NAYS: Krippner

ABSTAIN:

ABSENT:

Director Diep left the meeting at 5:39 P.M.

INFORMATIONAL ITEMS

None

BOARD CONCERNS/COMMENTS

Director Rice stated that she was proud of all staff in attendance at the Westminster Chamber of Commerce Mixer that was hosted by the District on Thursday, January 30, 2014.

Director Neugebauer stated that she was also pleased with the turnout as well as GM Robbins' opportunity to update the business community and share with the attendees the information regarding the District's new CNG fueling station and trucks.

President Cobo stated that he was also pleased with the Chamber of Commerce Mixer.

GM/STAFF CONCERNS/COMMENTS

GM Robbins stated that he felt that the Mixer went very well. He gave several tours of the District facility and was able to educate a few people about the importance of recycling and explain what the District does.

GENERAL COUNSEL CONCERNS/COMMENTS

None

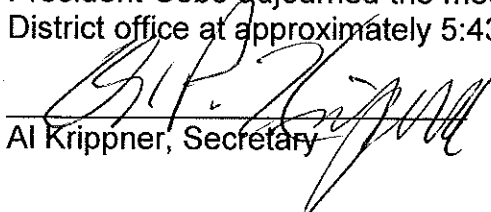
CLOSED SESSION

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 Thursday, February 13, 2014 at 4 P.M. at the District office at approximately 5:43 P.M.


Al Krippner, Secretary