

**MINUTES OF THE REGULAR MEETING OF THE
GOVERNING BOARD OF THE MIDWAY CITY
SANITARY DISTRICT OF ORANGE COUNTY
14451 CEDARWOOD AVENUE
WESTMINSTER, CA 92683**

April 6, 2010

3:00 P.M.

CALL TO ORDER

President Neugebauer called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, on Tuesday, April 6, 2010 at 3:00 p.m.

BOARD MEMBERS PRESENT:

Tyler Diep
Grace P. Epperson
Joy L. Neugebauer
Margie L. Rice

BOARD MEMBERS ABSENT: Allan P. Krippner

OTHERS AT MEETING:

Greg Nordbak, General Manager
Ken Robbins, Assistant General Manager
Robert Housley, Finance Director
Tom Nixon, District Counsel
Julia Sales, Administrative Secretary

PLEDGE AND INVOCATION

Director Diep led the salute to the flag. Director Rice gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING ON FEBRUARY 16, 2010.

A motion was made by Director Rice seconded by Director Epperson to approve the February 16, 2010 Minutes. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Rice and Neugebauer
NOES: None
ABSENT: Director Krippner

APPROVAL OF THE MINUTES OF THE MEETING ON FEBRUARY 23, 2010.

A motion was made by Director Epperson seconded by Director Diep to approve the February 23, 2010 Minutes. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Rice and Neugebauer
NOES: None
ABSENT: Director Krippner

APPROVAL OF THE MINUTES OF THE MEETING ON MARCH 2, 2010.

A motion was made by Director Diep seconded by Director Rice to approve the March 2, 2010 Minutes. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Rice and Neugebauer
NOES: None
ABSENT: Director Krippner

APPROVAL OF THE MINUTES OF THE MEETING ON MARCH 16, 2010.

A motion was made by Director Diep seconded by Director Epperson to approve the March 16, 2010 Minutes. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Rice and Neugebauer
NOES: None
ABSENT: Director Krippner

PUBLIC COMMENTS

President Neugebauer stated that the public speakers will have three minutes to address the Board. The Board agreed.

Discussion ensued.

Herb Farrington introduced himself and his wife, Anita; they live at 13936 Grambling Circle, Westminster, California 92683. MCSD's sewer pipe slipped and blocked their lateral (sewer line) and created a blockage. Herb Farrington explained he filed a claim to MCSD on March 12, 2010 for the total costs \$14,650.00, his out of pocket expense. He also asked when MCSD contractors will finish putting his yard back to normal.

President Neugebauer asked the Board for approval to complete the project in Herb Farrington's yard.

Director Rice asked why contractors did not finish the project on the Farrington's yard.

GM Nordbak commented to Director Rice that he would explain the problem later in the meeting.

District Counsel Tom Nixon requested all releases be completed by the Farrington's before payment is released.

GM Nordbak stated that there are release forms to be signed when the reimbursement check is released to The Farrington's per District policy. GM Nordbak also stated that more discussion is scheduled on Item 9C, later in this meeting.

Mr. Farrington clarified that there will be MCSD contractors to fix his yard.

President Neugebauer stated that approval of expenditures of the next agenda item #3524 is payment of Mr. Farrington's claim.

GM Nordbak explained that this occurrence occurred during the regularly scheduled standard cleaning of the sewer lines.

President Neugebauer commented that if it rains, there might be a problem with the Farrington's yard and so the contractors need to get the job done.

Director Rice asked 'Why did the contractors not finish the project on the Farrington's yard?'

GM Nordbak explained that the Districts contractor would complete the project rather than the contractor doing the repair for the Farrington's. This would give the District more confidence in the work and save the District money.

APPROVAL OF EXPENDITURES

April 6, 2010			
#	CK. #	CK AMOUNT	VENDOR
1	3510		Void - Print Malfunction
2	3511	6.46	Tyler Diep - Mileage Reimbursement February 2010
3	3512	6.46	Alan Krippner - Mileage Reimbursement February 2010
4	3513	122.38	Advanced Gas Products - Acetylene, Oxygen and Propane Liquified
5	3514	112.00	AWSI - Drug Screening Pre-Employment (TK) and DMV Exam (CR)
6	3515	1,365.73	Bodyworks - Rocker Switch, Plunger T61, Middle Wire Harness T53 & T54
7	3516	75.00	Cal's Sweeper Service - Sweeping Services for March 2010
8	3517	5,019.67	CalPERS Retirement - Payroll Ending 03/23/10
9	3518		VOID - Print Malfunction
10	3519	925.00	Cobocare Floor Master - Cleaning Services for March 2010 & Strip and Wax

11			Floors in Back Offices
12	3520	22,053.75	DGA - Engineering Services for Bushard and McFadden Project March 2010
13	3521	7,850.00	ECIS - Grease Control Inspections March 2010
14	3522	6,571.92	Fleet Services - Repair Air T51, High Pressure Hoses Re-stock and
15			Pipe T62 Cores & Brake Kit T55, Brake Drums & Shoes T55, T53,
16			T61, T62 and T56 A/C Repair T62, Re-stock Clamps, Credit for Seal Clamps
17	3523	55.85	Grainger - Gloves Re-stock
18	3524	14,650.00	Herb Farrington - Main Line Sewer Blockage
19	3525	154.23	Hillco Fastener Warehouse - Re-stock Nuts & Bolts Maintenance Shop
20	3526	119.68	Hose-Man - Nuts & Bolts Re-stock
21	3527	9,302.45	Hydraforce - Packer Cyl. T65, Packer Paddle & Pins, Bearings and Links
22			In & Out Cyl. T61, Stack Loader Valve T61
23	3528	458.96	Industrial Chem. Labs - Lift Station Degreaser
24	3529	529,091.73	Mike Bubalo Construction - Unitary Billing# 2 Bushard & McFadden Sewer
25	3530	8,875.85	Orange County Sanitation District - Permit Fees March 2010
26	3531	286.02	Pitney Bowes - Lease Services March 2010
27	3532	461.76	Prudential Overall Supply - March 2010
28	3533	41.33	PSI - Jumper Hose
29	3534	156.74	Robbins, Kenny - (Petty Cash) Board Meeting, Driver Safety, Ofc. Supplies
30	3535	1,106.28	Rutan & Tucker, LLP - Legal Services for February 2010
31	3536	2,152.68	Sign Design - Signs for Refuse Trucks T51,T52,T56,T57 & T59
32	3537	851.68	The Standard Life Insurance - Premiums for April 2010
33	3538	411.00	Top Mobile Vision - New Video Cable and Labor T56
34	3539	5,529.42	Woodruff, Spradlin, & Smart - Legal Services for February 2010
35	3540	5,179.28	Charles King Company, Inc. - Repair Concrete Driveway at Entrance Gate to Yard
36	3541	140.70	Joy Neugebauer - Insurance Reimbursement for April 2010
37			
38			
39		623,134.01	SUBTOTAL
40			
41			
42			
43	CK. #	CK AMOUNT	VENDOR
44			ADD HANDCUT CHECKS:
45	3490	120.00	Eugenio Rojas - Detail Residents Car After Sprayed w/Broken Hydraulic Line

46	3491	80.00	City of Westminster - Water Usage for Hydrant/Yard Jan. & Feb. 2010
47	3492	493.06	Verizon Business - Internet Connection For Scada System March 2010
48	3493	37.45	Verizon - Internet Access District Offices March 2010
49	3494	219.62	Pitney Bowes - Postage Meter Re-fill
50	3495	37,135.09	CalPERS - Health Premiums for April 2010
51	3496	12.26	City of Westminster - Water Service
52	3497	1,361.11	Computer Research Center - New Computer for Toshia
53	3498	133.25	Gas Company - Utility Service for District Offices, Yard and Fleet Maint.
54	3499	3,855.08	MetLife - Dental Premiums for April 2010
55	3500	911.24	Southern California Edison - Willow Station March 2010 and Hammon Station
56	3501	100.00	Miguel Jimenez - 5-Year Safe Driving Award
57	3502	90.67	AT&T - Internet Brookhurst Lift Station (714) 531-0272 March 2010
58	3503		VOID - Print Malfunction
59	3504	581.80	Southern California Edison - Westminster & Brookhurst Lift Stations
60	3505	85.00	Union Bank - CASA Conference, DC Cab Company, & Office Supplies
61	3506	294.02	Union Bank - (NC) Office Supplies
62	3507	9,255.33	US Bank - (AC) Car Chargers, Office Supplies, Gloves and Lawnmower Repair
63			(NC) Parts, OSHA Seminar and Car Washes for Cars hit with the Hydraulic leak
64			(GN) Temp Help, SDI Seminar Fee (GE) (AK), Monthly Water System Service
65			(KR) Board Meeting Food, Newtek Technology, Office Supplies
66			(RH) Parking for SDI Conference Hunt. Bch., CMTA Renewal Membership
67			CSDA Seminar for Board Clerk/Secretary (JS)
68	3508	876.74	Verizon CA - Monthly Service - (714) 891-9410 (GE) Fax / 891-8624
69			District Fax 893-3553/ 893-3554/ 893-3555/ 897-5368 District Phones/
70			(714) 893-2299/ 903-1863/ 903-6154/ 903-6274 Lift Stations, (March 2010)
71	3509	164.30	Office Max - Office Supplies
72			
73			
74		678,940.03	SUBTOTAL PLUS HANDCUTS
75			
76			
77			ADD PAYROLL, PAYROLL TAX AND DEFERRED COMPENSATION
78		55,017.01	Payroll Ending 03/23/10 Staff Chk #14648 - 14658 Tax & Direct Deposits
79		2,310.21	Payroll Ending 03/23/10 Nationwide Deferred Compensation
80		5,579.04	Board of Directors Payroll for The Month of March 2010 Chk #14660 - 14662

81			
82			
83		741,846.29	TOTAL EXPENDITURES

A motion was made by Director Rice seconded by Director Epperson to approve the Expenditures for \$741,846.29. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Rice and Neugebauer
 NOES: None
 ABSENT: Director Krippner

REPORTS

REPORT OF PRESIDENT

President Neugebauer commented that the new Staff/Employee/Board photo from the luncheon on March 31, 2010 is now on the wall in the lobby.

President Neugebauer asked if the number that is on the weekly report for Special Services is the Helping Hands Program cost.

GM Nordbak responded by explaining that the number listed for Special Service is actually for all service request during the week which would include the Helping Hands Program request.

REPORT OF GENERAL MANAGER

GM Nordbak stated his report has already been covered in the various opening discussions.

REPORT FROM ORANGE COUNTY SANITATION DISTRICT MEETING

President Neugebauer reported that the last meeting was March 24, 2010.

President Neugebauer reported that the next meeting will be April 7, 2010.

CONSENT CALENDAR

- A. Approval of the request of Solid Waste Employee Robert Mayfield to receive 19 hours of vacation pay in lieu of time off.

GM Nordbak commented to the Board that the MOU states that any vacation paid in lieu of time off is to be paid in 8 hour increments but the Board has the discretion to approve any increment of hours requested.

Director Rice stated she felt the Board should stay within the guidelines of the MOU. President Neugebauer agreed and stated the approval should be for 16 hours (two 8 hour increments).

A motion was made by Director Rice seconded by Director Diep to approve to pay Robert Mayfield 16 hours in lieu of time off. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Neugebauer and Rice
NOES: None
ABSENT: Director Krippner

OLD BUSINESS

- A. Consider the GASB 45 Valuation Report for the Midway City Sanitary District.

President Neugebauer introduced the GASB 45 presenter, Lawrence Mitchell and his assistant Henri Tran of McGinn ActuariesLtd.

Lawrence Mitchell discussed the reimbursement for retirees unable to get Medicare and at the age of retirement, retirees between ages 55 – 65.

Lawrence Mitchell discussed the funding options. He reminded the Board that this is just a projection amount, the exact amount is unknown.

President Neugebauer asked “How did MCSD get to Phase III so quickly?”

Lawrence Mitchell explained that this is the final period of a three year requirement and due to the size of MCSD they did not have to comply until the final year.

Discussion ensued.

President Neugebauer asked to bring this item to the Budget Agenda for April 27, 2010. Then she asked General Counsel Tom Nixon if any action can be taken on this item at the Budget Meeting?

General Counsel Tom Nixon explained that the next Board meeting (4/20) would need to be adjourned to the Budget meeting (4/27) for any action.

President Neugebauer thanked Lawrence Mitchell and his Assistant Henri Tran for their time and information.

President Neugebauer commended Staff for picking the McGinn Actuaries Ltd. She thought it is was well presented.

A motion was made by Director Rice seconded by Director Epperson to approve to continue this item to the April 27, 2010 Agenda. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer and Rice
NOES: None
ABSENT: Director Krippner

B. City of Westminster (Over the Top Program) Ordinance

President Neugebauer asked if this item can be continued until there will be a full Board in attendance.

General Counsel Tom Nixon commented that there would be no problem to postpone for a full Board attendance.

GM Nordbak agreed as a timing issue there would be no problem to postpone this item.

A motion was made by Director Diep seconded by Director Epperson to approve to continue this item until a full Board is in attendance. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer and Rice
NOES: None
ABSENT: Director Krippner

C. Confirm attendance to the CASA Spring Conference in Newport Beach on April 28 – 30, 2010.

Director Rice requested for her room reservation is to be cancelled; she needs to be in Westminster every evening that week for commitments as the Mayor.

Discussion ensued to confirm who would be driving.

GM Nordbak will verify Director Krippner's attendance to this Conference.

President Neugebauer commented that no motion was needed on this; it is just to confirm attendance. Attendance will be GM Nordbak, AGM Robbins, President Neugebauer, Director Rice, and Director Epperson.

Director Diep will not be attending.

D. Holiday Dinner menu at El Torito

Discussion ensued and the Board agreed on the Fajita Buffet.

A motion was made by Director Rice seconded by Director Epperson to approve the Fajita Buffet. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer and Rice
NOES: None
ABSENT: Director Krippner

NEW BUSINESS

A. Confirm attendance to the SDI Governance conference at the Hyatt Grand Champion in Indian Wells April 22-23, 2010.

President Neugebauer stated that the Board has two conferences that are close together. She recommended that Director Krippner (since he requested to go and is not here to voice his choice) has a choice to attend either this SDI Governance Conference or the CASA Conference in Newport Beach on April 28, 2010.

Director Rice felt that Director Krippner should be allowed to attend both Conferences.

Director Diep stated that he is not comfortable for any Board Member attending two conferences in one month.

Director Rice made a motion to let Director Krippner go to both Conferences, motion failed for lack of a second.

Discussion Ensued.

A motion was made by Director Diep seconded by Director Epperson to approve to skip this Conference in Indian Wells for all Board Members. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, and President Neugebauer
NOES: Director Rice
ABSENT: Director Krippner

Director Rice wants it on the record the she feels this unfair to Director Krippner and that she would not want anyone telling her what to do.

B. Discussion on LAFCO Election support

GM Nordbak provided letters of support for all candidates in the Agenda Packet. He stated that after talking with staff at ISDOC/LAFCO the Ballot must be cast by the Board President on Thursday, April 29, 2010 or a resolution must be passed by the District identifying the alternate Board Member approved to cast the Districts vote.

President Neugebauer requested staff to prepare a resolution and place it on the agenda for the 4/20 Board meeting for discussion.

Discussion ensued.

Director Diep suggested that he would be available to cast the vote if the Board felt it would be easier than traveling from the CASA conference at lunch time.

President Neugebauer discussed the possibility of Director Diep casting the vote but then stated she would plan to attend so no resolution is needed.

Discussion ensued.

President Neugebauer introduced John Withers a Candidate for LAFCO's special district seat.

John Withers spoke on his qualifications.

Director Rice commented that she will not support John Withers.

Discussion ensued.

Director Rice voiced that she thinks that it is unfair that LAFCO sets a budget without MCSD's involvement.

John Withers responded by explaining how the budget works with LAFCO and how the budget has been reduced 30% in the last three years.

Discussion ensued.

President Neugebauer thanked John Withers for speaking.

Discussion ensued.

President Neugebauer asked the Board for a motion on LAFCO election support.

Director Rice made it clear that she will not make the motion.

Discussion ensued.

John Withers spoke up and offered to schedule and bring LAFCO information to MCSD Board a few times a year and there is an option to request a rate reduction through contacting LAFCO.

President Neugebauer again requested Board action...no response.

President Neugebauer commented that she will make the motion based on work experience with Rich Freschi and Shawn Dewane.

A motion was made by President Neugebauer seconded by Director Epperson to approve to support Rich Freschi and Shawn Dewane for the Orange County Local Agency Formation Commission (LAFCO) special district seats. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer and Rice
NOES: None
ABSENT: Director Krippner

C. District policy on claims

President Neugebauer would like to postpone any decision: she would like Director Krippner's input on any policy.

GM Nordbak would like for the record to show that this policy has nothing to do with the current claim established on Grambling or its residents (the Farringtons).

A motion was made by Director Diep seconded by President Neugebauer to approve to continue until April 20, 2010, the next Board Meeting when there is a full Board for discussion. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer and Rice
NOES: None
ABSENT: Director Krippner

D. Update of Midway City Sanitary District's Fee to The Orange County Local Agency Formation Commission for Fiscal Year 2010-2011.

President Neugebauer commented that LAFCO's fee is predicted to increase to \$22,000.00 from \$13,000.00.

Director Rice commented that John Withers just stated in his speech that LAFCO was keeping their budget down.

Discussion ensued.

GM Nordbak remarked that John Withers had mentioned that there is an appeals process.

Discussion ensued.

President Neugebauer asked General Counsel Tom Nixon if MCSD can appeal.

General Counsel Tom Nixon said that definitely, if there is a process, then MCSD can go through that process to get more information.

The Board requested staff contact Joyce at LAFCO and request her attendance at a Board meeting.

Discussion ensued.

A motion was made by Director Rice seconded by Director Epperson to approve to accept the updated fee and to have Staff contact LAFCO, Joyce Crosthwaite to see if there is an appeals process to reduce the fee. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer and Rice

NOES: None

ABSENT: Director Krippner

E. Approval to meet with lobbyist on truck funding

Director Rice reminded to the Board that she asked for this to be an item on the agenda because she believes there is funding out there for MCSD.

Discussion ensued.

A motion was made by Director Rice seconded by Director Diep to approve Staff to coordinate a meeting with Mr. McConnell. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer and Rice

NOES: None

ABSENT: Director Krippner

BOARD CONCERNS/COMMENTS

Director Epperson stated that this has been a beneficial meeting.

Director Rice commented that it is nice to get the minutes current and commended Robert for the report on GASB.

DISTRICT COUNSEL CONCERNS/COMMENTS

No comment at this time.

GM/STAFF CONCERNS/COMMENTS

GM Nordbak mentioned the Board Folder contents: A notice for the public hearing on April 14, 2010 on the LAFCO Budget Hearing, A CalPERS notice of election (non action item), information on the CASA Spring Conference, CASA newsletter and CASA Conference in Newport Beach Agenda and information.

President Neugebauer reported that she was impressed with the Actuaries report and commended Staff on bringing Lawrence Mitchell for the Board to choose as the Actuary.

President Neugebauer wants to mention that she is looking forward to having Director Krippner at the next meeting.

Director Rice wanted to let the Board be aware that she did get the packet of letters recommending individual candidates for the Orange County Local Agency Formation Commission (LAFCO) special district seats.

Director Rice wants it put on the Agenda that all Board Members are to be informed equally when there is an incident like the truck catching on fire.

Discussion ensued.

President Neugebauer directed Staff to add item of all Board Members being informed equally to the April 20, 2010 Agenda.

CLOSED SESSION

President Neugebauer convened the meeting to closed session at 4:45 p.m. after a five minute break pursuant to subdivision (b) Government Code Sections 54956.8, 54956.9 and 54957.

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9
- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Government Code Section 54956.8. Property: Easements along 7500-8000 Hazard Ave. District Negotiators: Greg Nordbak, Ken Robbins, Thomas F. Nixon. Negotiating Parties: City of Westminster and County of Orange. Under Negotiation: price and terms of payment.

C. Public Employee Discipline / Dismissal / Release pursuant to subdivision (b) of Government Code Section 54957

D. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9 Claim of Southern California Edison for damaged utility.

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.

President Neugebauer reconvened the meeting to open session at 5:25 p.m.

General Counsel Tom Nixon reported that on Items 13 A, B, & C there was no reportable action.

General Counsel Tom Nixon reported that on Item 13 D, the Board has authorized a payment of \$2,263.44 to Southern California Edison for damaged utility on September 18, 2008, at 8362 Westminster Ave., Westminster, California.

INFORMATIONAL ITEMS

There were no informational items on this agenda, other than what was previously reported in the General Manager's Report.

ADJOURNMENT

President Neugebauer adjourned the meeting at approximately 5:26 p.m.

Al P. Krippner, Secretary