

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

June 1, 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, June 1, 2010 at 3:00 p.m.

BOARD MEMBERS PRESENT:

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

OTHERS AT MEETING:

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

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES (NONE)

PUBLIC COMMENTS

No public comment.

APPROVAL OF EXPENDITURES

June 1, 2010			
#	CK. #	AMOUNT	VENDOR
1	3666	140.70	Joy Neugebauer - Insurance Reimbursement June 2010
2	3667	6.46	Tyler Diep - Mileage Reimbursement for April 2010
3	3668	460.48	Advanced Gas Products - Cutoff Wheels, Propane and Oxygen, Full & Empty Sign's
4	3669	5,176.68	CalPERS Retirement - Payroll Ending 05/18/10
5	3670	525.00	Cobocare/Floor Master - Cleaning Maintenance for Front and Back Offices May 2010
6	3671	1,159.12	Daniels Tire Service - Recap Four Tires
7	3672	6,001.66	Dartco Transmission - T55 Rebuilt Transmission
8	3673	87.99	Equipment Direct, Inc. - Safety Vests
9	3674	92.98	Fastenal - Air Tool Cord, Hack Blade and Air Fittings
10	3675	857.02	Fleet Services - GS Power Band Belt, Cloth Utility Roll, Inspect A/C System, Starter Fluid & Air Filters
11	3676	89.56	Hillco Fastener Warehouse - Grade C Locknuts, Hex Bolts
12	3677	56.54	Julia Sales - Parking & Mileage Reimbursement May 2010
13	3678	400.00	Pitney Bowes - Postage
14	3679	232.01	Prudential Overall Supply - May 2010 Service
15	3680	32.63	PSI - Nozzles
16	3681	580.18	Rosemead Oil Products, Inc. - Antifreeze Concentrate Restock
17	3682	4,870.09	Tec of California - T52 Replace Core, Gaskets, Spacer and Hexagon Nut
18	3683	411.00	Top Mobile Vision - Video Cable Connector T57
19	3684	255.00	Wepac Security Services for 4/10-6/10
20	3685	10,217.61	Woodruff, Spradlin & Smart - Legal Services for April 2010
21			
22		31,652.71	SUBTOTAL
23			
24			ADD HANDCUT CHECKS:
25			

26	3654	321.75	Blue Shield of California - Nancy Gilbert COBRA Insurance for June 2010
27	3655	38,111.02	CalPERS - Health Premiums for June 2010
28	3656	12.26	City of Westminster - Water Service Commercial 3/17-05/11/2010
29	3657	90.69	Gas Company - Utility Service for District Offices, Yard and Fleet Maintenance
30	3658	4,010.66	MetLife - Dental Premiums for June 2010
31	3659	VOID	Printer Malfunction
32	3660	839.86	Southern California Edison - Willow & Hammon Lift Stations
33	3661	495.27	Verizon Business - Internet Connection For Scada System May 2010
34	3662	90.72	AT&T - Internet Brookhurst Lift Station (714) 531-0272 May 2010
35	3663	303.24	Office Max - Office Supplies
36	3664	662.21	Southern California Edison - Brookhurst & Westminster Lift Stations
37	3665	164.65	Union Bank - Restock Front Office Supplies & Water
38			
39		76,755.04	SUBTOTAL PLUS HANDCUTS
40	CK. #	AMOUNT	VENDOR
41			ADD PAYROLL, PAYROLL TAX AND DEFERRED COMPENSATION
42		54,703.34	Payroll Ending 05/18/10 Staff Chk #14691-14701 Tax & Direct Deposits
43		2,285.10	Payroll Ending 05/18/10 Nationwide Deferred Compensation
44		6,663.58	Board of Directors Payroll for The Month of May 2010 Chk #14716-14718
45			
46		140,407.06	TOTAL EXPENDITURES

A motion was made by Director Rice seconded by Director Krippner to approve expenditures in the amount of \$ 140,407.06. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Neugebauer, Krippner and Rice

NOES:

REPORTS

REPORT OF PRESIDENT

No comment/concerns at this time.

REPORT OF GENERAL MANAGER

GM Nordbak summarized the Director's folder items:

- Chamber activities
- Copy of receipt for Director Rice's sister's plant (Director Rice said the plant was not received, Staff is to be sure MCSD is not billed)
- A notification was received from the District's Workers Compensation carrier that Experience Mod rate increased 5% (last two claims for Watson and Gilbert)
- Orange County Water Advisory Meeting will be June 4, 2010 at 7:30 a.m.

REPORT FROM ORANGE COUNTY SANITATION DISTRICT MEETING

President Neugebauer reported that the last Orange County Sanitation District Operations Meeting was May 26, 2010. The next meeting is scheduled for June 2, 2010.

President Neugebauer reported that one of the accomplishments is the covering and work on the SARI line (Santa Ana River Inceptor line). Rocks will replace the soil that has washed away from the recent floods and storms: the funding has been approved and OCSD's portion will be \$72 million, which will be repaid by the County of Orange in 22 years. The Interceptor line is very important to OCSDs continued operation and treatment of sewage.

President Neugebauer reported that OCSD elected a Chairman, Larry Crandall from Fountain Valley.

CONSENT CALENDAR (NONE)

President Neugebauer asked the Board to move to New Business and to do Old Business later in the meeting.

A motion was made by Director Rice seconded by Director Krippner to approve to defer Old Business (8A) until after New Business. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Neugebauer, Krippner and Rice
NOES:

NEW BUSINESS

- A. Presentation of checks on the recycling program to the Westminster School District

President Neugebauer announced that part of the agreement with the District's Franchisee, Rainbow Disposal provides that there be an educational program for the District's local Schools. Rainbow Disposal has put into action an excellent tool to instill in the Students the value and practice of recycling and each School receives a check award.

Sue Gordon of Rainbow Disposal presented the individual School's checks to Clark Hampton, Westminster School District.

Pictures were taken.

B. Meeting with Washington D.C. Lobbyist James McConnell

President Neugebauer introduced James McConnell, Washington D.C. Lobbyist.

James McConnell addressed the Board soliciting his services to assist MCSD in building and applying a strategy for Grants.

There was an open discussion between James McConnell and the Board.

President Neugebauer thanked James McConnell and asked him to present a proposal to Staff for the Board to review.

C. Consider a Lump Sum Payment to CalPERS to Prepay the 2010-11 Employers Contribution Rate.

Finance Director Housley presented the benefits of pre-payment of MCSD's employer contribution versus paying monthly: by pre-paying, MCSD will receive a 3.8% discount off the employer's contribution, which is better than the return on investments MCSD currently earns. The lump sum payment will be paid in July 2010. He further explained that since the District also pays the employee's contribution, that the Board will continue to see monthly payments to CalPERS for the 8% employee contribution, which is different than the employer contribution. CalPERS does not offer a pre-pay option for the employee contribution.

A motion was made by Director Rice seconded by Director Krippner to approve to pay a lump sum payment to CalPERS to Prepay the 2010-11 Employers Contribution Rate. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Neugebauer, Krippner and Rice

NOES:

D. Consideration of RESOLUTION NO, 2010-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT OF ORANGE COUNTY, CALIFORNIA, ESTABLISHING THE APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2010-2011 FOR THE DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF DIVISION 9 OF TITLE 1 OF THE CALIFORNIA GOVERNMENT CODE

President Neugebauer asked Finance Director Housley to clarify that the appropriation for 2010-11 is less than 2009-10.

Finance Director Housley agreed it is less.

President Neugebauer stated that she is concerned that the appropriation being less this year is discouraging, and it demonstrates that the economic problems of this State are very real.

A motion was made by Director Rice seconded by Director Diep to approve Resolution NO. 2010-12. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer, Krippner and Rice

NOES:

E. Consider Prima Deshecha landfill tour June 24 1:30pm to 3pm

The Board and Staff discussed last year's landfill tour and considered the walking distance at the Prima Deshecha landfill tour.

The Board requested Staff to follow up with Prima Deshecha to see if there is a video and/or a handout available for the Board to review.

A motion was made by Director Rice seconded by Director Epperson to approve no attendance and for Staff to secure materials for the Board's review. The motion was approved by the following roll call vote:

AYES: Directors Diep, Epperson, Neugebauer, Krippner and Rice

NOES:

Discussion ensued.

The Board made the decision to continue to Closed Session prior to Old Business.

CLOSED SESSION

President Neugebauer convened the meeting to closed session at 3:52 p.m. pursuant to subdivision (b) Government Code Sections 54956.9.

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 LEGAL COUNSEL – potential initiation of litigation pursuant to Government Code Section 54956.9(c).

President Neugebauer reconvened the meeting to open session at 4:05 p.m.

Legal Counsel Tom Nixon stated no reportable action.

OLD BUSINESS

A. Consider proposed policy on claims

The Board, Staff and Legal Counsel reviewed and discussed the proposed policy on claims.

A motion was made by Director Krippner seconded by Director Epperson to approve to have Legal Counsel Tom Nixon rewrite the claims policy with suggested changes and bring back to the Board for consideration. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Neugebauer, Krippner and Rice

NOES:

BOARD CONCERNS/COMMENTS

Director Rice suggested that since the District has enough money and does not need to raise the Residential User Fee Rates, then there should be a reconsideration of the employees request for a 2 % raise.

A motion was made by Director Rice seconded by Director Krippner to approve to bring to the next Closed Session an Agenda Item “give the employees a 2% raise”. (Motion not needed)

President Neugebauer stated this is a closed session item already scheduled for the June 8, 2010 meeting of the Board.

Discussion ensued.

The Board directed Staff to bring the subject of employee raises to the next Closed Session on June 8, 2010.

DISTRICT COUNSEL CONCERNS/COMMENTS

No Comment.

GM/STAFF CONCERNS/COMMENTS

GM Nordbak clarified with the Board when they will travel to San Diego for the SDI Seminar on June 10-11, 2010.

GM Nordbak announced that today is his two year anniversary with the District.

Director Rice thanked Finance Director Housley for reminding her to bring her Nationwide retirement form to this meeting.

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 4:31 p.m. until 10:00 a.m. on June 8, 2010.

Al P. Krippner, Secretary