

**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 15, 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 15, 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
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 OF MAY 4, 2010

A motion was made by Director Rice seconded by Director Krippner to approve Minutes of the meeting of May 4, 2010. The motion was approved by the following vote:

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

APPROVAL OF THE MINUTES OF THE MEETING OF MAY 18, 2010

A motion was made by Director Epperson seconded by Director Rice to approve Minutes of the meeting of May 18, 2010. The motion was approved by the following vote:

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

PUBLIC COMMENTS No public comment.

APPROVAL OF EXPENDITURES

June 15, 2010

| # | CK. # | AMOUNT | VENDOR |
|----|----------|------------|--|
| 1 | 3706 | 69.27 | Battery Systems - M7 Battery Replacement |
| 2 | 3707 | 1,342.26 | Bodyworks - Switches & Harness For T53,54,60,61, and 62 |
| 3 | 3708 | 75.00 | Cal's Sweeper Service - Sweeping Services for May 2010 |
| 4 | 3709 | 187,734.00 | CalPERS CERBT Trust - GASB 45 OPEB Annual Required Contribution |
| 5 | 3710 | 4,900.20 | CalPERS Retirement - Payroll Ending 06/01/10 |
| 6 | 3711 | 1,132.56 | CRC - Maintenance for July 2010, Web Hosting for June 2010 and MCSANDST Domain |
| 7 | 3712 | 306.15 | CRTtransfer - Tonnage Fees May 2010 |
| 8 | 3713 | 43.50 | DJ Printing - Business Cards for Allan Krippner |
| 9 | 3714 | 903.83 | Daniel Tire Service - Restock Tires |
| 10 | 3715 | 839.58 | Dartco Transmission - Clean Out Transmission and Replace Filter Kit, Restock Filter Kits |
| 11 | 3716 | 22,568.21 | DGA Consultants -Job Observation Serv. for Bushard and McFadden Project June 2010 |
| 12 | 3717 | 164.94 | Dial Communication - Repair Radio at the Front Desk |
| 13 | 3718 | 4,865.80 | Fleet Services - T55, T57, T9 for Parts and Labor, Restock Clamps, Hoses and Fittings |
| 14 | | | Ultra Flash For M63 & M64 |
| 15 | 3719 | 20.00 | Hartford Steam Boiler Inspection - Annual Air Tank Inspection |
| 16 | 3720 | 957.00 | Hydraforce, Inc. - Lift Gate Cylinder |
| 17 | 3721 | 4.64 | Allan Krippner - Mileage Reimbursement May 2010 |
| 18 | 3722 | 467.00 | Memorial Prompt Care Med. - Work Injury (GC) |
| 19 | 3723 | | Mike Bubalo Construction - Unitary Billing# 4 Bushard & McFadden Sewer Project |

| | | | |
|----------|------------------|-------------------|---|
| | | 151,623.00 | |
| 20 | 3724 | 41.85 | Napa Auto Parts - Water Sprite for Shop |
| 21 | 3725 | 8,277.15 | Orange County Sanitation District - Permit Fees March 2010, FOG/BMP |
| 22 | | | Inspections 2009-10 Qtr 3 |
| 23 | 3726 | 481.78 | Prudential Overall Supply - May 2010 Services |
| 24 | 3727 | 98,667.18 | Rainbow Recycling - Tonnage Fees May 2010 |
| 25 | 3728 | 2,914.04 | Rosemead Oil Products, Inc. - Stock Oil and Air Filters |
| 26 | 3729 | 1,181.92 | Rutan & Tucker, LLP - Legal Fees April 2010 |
| 27 | 3730 | 1,394.40 | Shields Consulting Group, Inc. - Claim Serv. for the Open Meetings Act |
| 28 | 3731 | 220.00 | South Coast Air Quality Management District - AQMD Fee for 7/2009 - 6/2010 |
| 29 | 3732 | 4,233.88 | Tec of California, Inc. - Core Return Credits, T55, T52, T57, T56 For Parts and Labor |
| 30 | 3733 | 300.00 | Top Mobile Vision - Repair and Re-wired Control Box M63 & M64 |
| 31 | 3734 | 19.50 | Underground Service Alert of Southern California - 13 Tickets for May 2010 |
| 32 | | | |
| 33 | | 495,748.64 | SUBTOTAL |
| # | CK. # | AMOUNT | VENDOR |
| 34 | | | ADD HANDCUT CHECKS: |
| 35 | | | |
| 36 | 3686 | 659.73 | AT&T Mobility - (714) 310-2313 (KR) / 310-4406 (AC) / 310-8653 (NC) |
| 37 | | | 310-8654 (Sewer Department) / 310-9004 (Emergency Phone)/ |
| 38 | | | 325-3035 (DH)/325-3606 (DG)/ 350-0402 (JS) 917-7887 May 2010 |
| 39 | 3687 | 280.30 | Office Max - Office Supplies |
| 40 | 3688 | 1,065.66 | Southern California Edison - Westminster Lift Station, District Offices |
| 41 | 3689 | 827.52 | The Standard Life Insurance - Premiums for July 2010 |
| 42 | 3690 | 9,938.98 | US Bank - (NC) Parts & Supplies Re-stock, (AC) Supplies for Operating Cost |
| 43 | | | (GN) Temp Help, SDI Seminar (KR,AK,GN,JS,JN,GE,MR), Flowers for RH |
| 44 | | | Monthly Water System Service. (KR) Board Meeting Food, Newtek Technology, |
| 45 | | | Office Supplies. (RH) Temp Help |
| 46 | 3691 | 873.43 | Verizon CA - Monthly Service - (714) 891-9410 (GE) Fax / 891-8624 |
| 47 | | | Refuse Offices and Wash Rack May 2010 |
| 48 | 3692 | VOID | Printer Malfunction |

| | | | |
|----|------|-------------------|---|
| 49 | 3693 | 80.00 | City of Westminster - Hydrant Meter Water Usage for April & May 2010 |
| 50 | 3694 | 100.00 | Grace Epperson - Per-diem SDI-DMNI Seminar 6/10-6/11/2010 |
| 51 | 3695 | 100.00 | Julia Sales - Per-diem SDI-DMNI Seminar 6/11-6/12/2010 |
| 52 | 3696 | VOID | Printer Malfunction |
| 53 | 3697 | 100.00 | Joy Neugebauer - Per-diem SDI-DMNI Seminar 6/10-6/11/2010 |
| 54 | 3698 | 100.00 | Greg Nordbak - Per-diem SDI-DMNI Seminar 6/10-6/11/2010 |
| 55 | 3699 | 100.00 | Margie Rice - Per-diem SDI-DMNI Seminar 6/10-6/11/2010 |
| 56 | 3700 | 100.00 | Kenny Robbins - Per-diem SDI-DMNI Seminar 6/10-6/11/2010 |
| 57 | 3701 | VOID | Printer Malfunction |
| 58 | 3702 | 685.29 | City of Westminster - District Office Water November 2009 - April 2010 |
| 59 | 3703 | 150.00 | Allen Krippner - Per-diem SDI-DMNI Seminar 6/09-6/11/2010 |
| 60 | 3704 | 59.99 | DirectTV - Monthly Service May 2010 |
| 61 | 3705 | 11,458.00 | Zenith Insurance Company - Workman's Compensation Progressive Payment June 2010 |
| 62 | | | |
| 63 | | 522,427.54 | SUBTOTAL PLUS HANDCUTS |
| 64 | | | |
| 65 | | | ADD PAYROLL, PAYROLL TAX AND DEFERRED COMPENSATION |
| 66 | | 57,638.08 | Payroll Ending 06/01/10 Staff Chk #14719-14731 Tax & Direct Deposits |
| 67 | | 1,213.00 | Payroll Ending 06/01/10 Nationwide Deferred Compensation |
| 68 | | | |
| 69 | | 581,278.62 | TOTAL EXPENDITURES |
| | | | |
| | | | |

President Neugebauer asked Staff for a breakout of charges for check number 3725 (she would like to see the permit fee total; she keeps track on her personal log) and she asked for an explanation on check number 3730.

GM Nordbak explained that check number 3730 is the first payment to Shields Consulting Group, the District hired them at the Boards request to review possible reimbursement from the State for the time required to prepare the minutes. It is estimated that the District will get back approximately \$27,000.00.

A motion was made by Director Epperson seconded by Director Diep to approve expenditures in the amount of \$ 581,278.62. The motion was approved by the following vote:

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

REPORTS

REPORT OF PRESIDENT

President Neugebauer presented a press release letter that she had prepared for the Board to consider (copy attached).

The Board approved the press release letter and directed Staff to input appropriate tonnage dollars and pounds collected in the years of 2009 and 2010. The letter is to be presented to three newspapers: The Westminster Journal, The Orange County Register, and The Westminster Herald.

The Board directed Staff to turn the press release letter over to CASA for Small District Reward.

REPORT OF GENERAL MANAGER

GM Nordbak informed the Board that AGM Robbins and himself had discussed the CASA Reward Program today. GM Nordbak will prepare a packet on our School Outreach Recycling Program and get the application completed by Friday, June 18, 2010 which is the deadline.

GM Nordbak presented a bag with MCSD logo. An employee's child had received this bag in the Huntington Beach School District.

GM Nordbak informed the Board that the District is changing their uniform carrier to "G & K Services". This will save the District approximately \$8,500.00 in the first year and there will be no rate increase for three years.

GM Nordbak announced that he will be putting two items to the next regular agenda for discussion, 1) the Taste and Tour of Little Saigon 2) COG's request for a resolution from MCSD's Board of Directors.

There was more discussion on the bag from Huntington Beach School District.

REPORT FROM ORANGE COUNTY SANITATION DISTRICT MEETING

President Neugebauer reported that the last Orange County Sanitation District Operations Meeting was June 2, 2010. The next meeting is scheduled for June 23, 2010.

President Neugebauer announced that the OCSD two year Budget for 2010-11 is \$495.6 Million and for 2011-12 it decreased to 437.1 Million.

President Neugebauer announced that the monitoring program of the beaches (there is 42miles of open coast line and 72miles of harbor/bay frontage), because of state funding and its uncertainty, the County of Orange will not be as active. There will be a new inspection and collection schedule.

Discussion ensued.

REPORT FROM SPECIAL DISTRICT AND LOCAL GOVERNMENT INSTITUTE CONFERENCE

Director Rice reported that, even though there were two of the speakers that she did not like or how they presented the information, this Conference was the best ever.

Director Krippner reported that this Conference was “same ol’ same ol’”. He typed a summary of this Conference: see attached.

Discussion ensued.

Director Epperson reported that this Conference was good overall.

President Neugebauer reported that she enjoyed this Conference except the speaker on “Developing a Lean, Mean Organization”. He blocked the screen and kept his back to the audience.

President Neugebauer reported that the section on policy was very informative and thinks that MCSD should have policy workshops to improve developing clearly stated policies to be more expedient for MCSD’s Staff to understand what the Board considers a policy.

President Neugebauer commented that she enjoyed the last speaker who discussed storage and filing of records for easy access and MCSD should adopt some practices for their records keeping.

Discussion ensued.

GM Nordbak reported that the sections on a strong management team and records management, were the most informative.

AGM Robbins reported that the two sections on developing a strong management team and using a strategic plan to guide your decision were good topics.

AGM Robbins reported that the section on consideration of developing a disaster plan was very good and MCSD needs a disaster plan.

Discussion ensued.

CONSENT CALENDAR

Director Krippner asked for Item 'A' and 'B' be pulled for discussion.

- A. Approval of attendance at the CASA Annual Conference in Monterey California on August 18 – 21, 2010.

The Board and Staff discussed penalty free cancellation dates if not able to attend this Conference after it is booked.

A motion was made by Director Rice seconded by Director Epperson to approve attendance to the CASA Annual Conference in Monterey California on August 18 – 21, 2010. The motion was approved by the following vote:

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

- B. Investment Report for May 2010.

The Board and Staff discussed yielded percentages on the District's operating cash.

A motion was made by Director Rice seconded by Director Epperson to approve to receive and file the Treasurer's Investment Report as of May 31, 2010.

Director Rice gave a Thank you to Finance Director Housley for his hard work.

The motion was approved by the following vote:

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

OLD BUSINESS

- A. Consider proposed policy on claims

Legal Counsel Tom Nixon reported that all of the references to the Assistant General Manager had been deleted as requested by the Board.

Legal Counsel Tom Nixon reported that at GM Nordbak's request, the notification requirements have been modified: see page 1 in section 2G that states "if a claim is in the amount of \$7,500.00 or more, the General Manager will notify the Board Members in person or by telephone. If the claim amount is less than \$7,500.00, the General Manager can also use email, fax or newsletter for that notification to occur."

President Neugebauer asked, referring to page 1 where it says "...District Staff shall at no time make any statements regarding District liability for any claim or potential claim

unless otherwise directed by General Counsel.” She would be more comfortable for it to say “District Staff and Directors shall at no time...”; Can this be part of the policy that Directors make no statements either?

Legal Counsel Tom Nixon responded by saying “That’s up to the Board.”

The Board discussed who can control what the Board Members can or cannot say.

The Board discussed and directed Legal Counsel Tom Nixon to amend “the Board of Directors” to “each member of the Board of Directors” in two places.

A motion was made by Director Diep seconded by Director Rice to approve the policy as presented and amended. The motion was approved by the following vote:

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

B. Consider Proposal with Washington D.C. Lobbyist James McConnell

Discussion ensued.

A motion was made by Director Krippner seconded by Director Epperson to approve to receive and file Washington D.C. Lobbyist James McConnell’s Proposal. The motion was approved by the following vote:

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

GM Nordbak asked the Board who should notify James McConnell of the motion to receive and file the Proposal.

President Neugebauer directed GM Nordbak to prepare a letter to James McConnell from MCSD President Neugebauer, the same as the way James McConnell addressed his letter to MCSD.

NEW BUSINESS

A. Consideration of RESOLUTION NO. 2010-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MIDWAY CITY SANITARY DISTRICT ESTABLISHING A
POLICY APPLICABLE TO DISTRICT DEPOSITS AND
INVESTED FUNDS.

The Board, Staff and Legal Counsel discussed possible amendments and possible changes.

The Board directed Staff to add the word "Secretary" as a third person on page 3, section 6, second line, and change to read ...action of the General Manager and either the Secretary or the Board President...

A motion was made by Director Rice seconded by Director Diep to approve as presented and amended.

Director Krippner made reference to page 4, line 12 to remove the comma after Manager and remove the "s" from moneys.

A new motion was made by Director Rice seconded by Director Diep to approve Resolution No 2010-13 as presented and amended. The motion was approved by the following roll call vote:

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

B. Consideration of RESOLUTION NO. 2010-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE MIDWAY CITY SANITARY DISTRICT, OF
ORANGE COUNTY, CALIFORNIA, APPROVING THE
ANNUAL STATEMENT OF INVESTMENT POLICY FOR
FISCAL YEAR 2010-2011.

The Board, Staff and Legal Counsel discussed possible amendments and possible changes.

The Board directed Staff to change page 2, section 3, fourth line to replace the word "Officers" with the word "Signatories".

A motion was made by Director Rice seconded by Director Diep to approve Resolution No. 2010-14 as presented and amended. The motion was approved by the following roll call vote:

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

C. Collections Seminar

Discussion ensued.

A motion was made by Director Rice seconded by Director Krippner for approval of the Sewer Department and Nick Castro to attend the Collections Seminar. The motion was approved by the following vote:

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

D. Westminster Chamber of Commerce Annual Installation and Awards Dinner

Discussion ensued.

A motion was made by Director Epperson seconded by Director Diep to authorize for Staff and the Board Members to attend the Westminster Chamber of Commerce Annual Installation and Awards Dinner on June 24, 2010. The motion was approved by the following vote:

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

BOARD CONCERNS/COMMENTS

Director Rice thanked Staff for doing a great job.

President Neugebauer directed staff to get tonnage and costs into the Press Release letter and submit with the picture of Representative of Rainbow Disposal and MCSD presenting checks to Clark Hampton, Westminster School District to 3 local papers (The Register, The Journal, and The Westminster Herald).

President Neugebauer thanked Staff and Legal Counsel Tom Nixon for the great job on the Policy and Resolutions.

DISTRICT COUNSEL CONCERNS/COMMENTS

No comments at this time.

GM/STAFF CONCERNS/COMMENTS

GM Nordbak informed the Board that he will be putting two items 1) proposed amendments to the by-laws for CSDA and 2) Ballot for the CSDA Board of Director, to the next regular meeting on July 6, 2010.

GM Nordbak reported that he put a copy of the OCTA schedule of Open Houses in the Board's folders.

CLOSED SESSION

President Neugebauer convened the meeting to closed session at 4:15 p.m. pursuant to subdivision (b) Government Code Sections 54957.6.

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 LABOR NEGOTIATORS (Govt. Code 54957.6)

Agency Designated Representative: General Manager Nordbak, Assistant General Manager Robbins, Finance Director Housley and Labor Counsel Dave Larsen

Employee Organization: American Federation of State, County, and Municipal Employees, LOCAL 1734-01

B. CONFERENCE WITH LABOR NEGOTIATORS (Govt. Code 54957.6)

Agency Designated Representative: General Manager Nordbak, Assistant General Manager Robbins

Unrepresented Employees: Finance Director, Administrative Secretary, Solid Waste Supervisor/Safety Director, Sewer System Supervisor/Inspector and Fleet Maintenance Supervisor.

President Neugebauer reconvened the meeting to open session at 5:01 p.m.

District Counsel Nixon stated there was no reportable action during closed session.

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 5:01 p.m. to 3:00 p.m. on June 22, 2010.

Al P. Krippner, Secretary

REPORT OF PRESIDENT ATTACHMENT

For Immediate release: Midway City Sanitary District June 21, 2010

EARNING WHILE LEARNING

Midway City Sanitary District, in partnership with Rainbow Disposal, sponsors a program with the Westminster School District to teach students the importance and value of recycling.

4th and 5th grade students have been targeted. In November 2009, 4th grade students in the Westminster School District received Reduce, Reuse, and Recycle curriculum to coincide with America Recycles Day. The curriculum was evaluated by teachers and was well received.

Recycling programs were established at fourteen schools and the Westminster School District Office in 2009. The recycling program continued for the 2010 school year. \$ 7,101.00 was earned for student body projects as students learned both the value gained by recycling and the importance of protecting the environment by proper re-use, reduction and recycling of materials.

Midway City Sanitary District (MCSD) collects all residential waste within Westminster and the unincorporated Midway City area. Rainbow has an agreement with MCSD to collect commercial waste and process it and MCSD's residential waste at its MRF in Huntington Beach. Recyclables are separated from organic matter for re-use. All organic and other materials are taken to the landfill (dump) for disposal.

MSCD is mandated by the State to reduce the percentage (tonnage) taken to the landfill. MCSD has successfully met those requirements and presently has a 59% diversion rate. MCSD Solid Waste Supervisor Nick Castro and General Manager Greg Nordbak state that programs that teach students the value of recycling are vital to present and future efforts to reduce materials going to landfills.

The picture included with this release shows from left to right: MCSD Director Grace Epperson, President Joy Neugebauer, Sue Gordon, Rainbow Disposal, Clark Hampton, WSD, MCSD Director Margie L Rice and MCSD Director Allan Krippner as checks were presented by MCSD & Rainbow Disposal to the Westminster School District on June 1, 2010 at the MCSD Board Meeting.

**Joy L Neugebauer 1-714-893-0134 Board President MCSD
Greg Nordbak General Manager MCSD 1-714-893-3553**