

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

**July 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, July 6, 2010 at 3:00 p.m.

**BOARD MEMBERS PRESENT:**

Tyler Diep (late arrival @ 3:05pm)  
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  
Danielle Gerardo, Administrative Secretary

**PLEDGE AND INVOCATION**

President Neugebauer led the salute to the flag. Director Krippner gave the Invocation.

### **APPROVAL OF THE MINUTES OF THE MEETING OF MAY 25, 2010**

A motion was made by Director Rice, seconded by Director Epperson to approve the minutes of the meeting of May 25, 2010. The motion was approved by the following vote:

No questions, comments or discussion.

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

### **APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 1, 2010**

A motion was made by Director Epperson, seconded by Director Rice to approve the minutes of the meeting of June 1, 2010. The motion was approved by the following vote:

No questions, comments or discussion.

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

### **APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 15, 2010**

A motion was made by Director Rice, seconded by Director Krippner to approve the minutes of the meeting of June 15, 2010. The motion was approved by the following vote:

No questions, comments, or discussion.

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

### **PUBLIC COMMENTS**

No public comments.

## APPROVAL OF EXPENDITURES

### A. Demands in the amount of \$1,211,994.83

#	CK #	CK AMOUNT	VENDOR
1	3751	60.68	Advanced Gas - Cylinder Rental May 2010
2	3752	56.00	AWSI - Drug Screening (CR)
3	3753	30.25	Asbury Environmental Services - Ethylene Solutions
4	3754	178.91	Battery Systems - Replace Battery for M6
5	3755	1,951.56	Bodyworks - Cam Follower for T53, 62 and One for Restock. Bearing Holder, Coil, Core
6			Tube and Solenoid for T65
7	3756	75.00	Cal's Sweeper - Sweeping Services June 2010
8	3757	VOID	Printer Malfunction
9	3758	525.00	Cobocare/Floor Master - Cleaning Maintenance for Front and Back Offices June 2010
10	3759	300.00	Country City Towing & Pool - Towing for T55
11	3760	1,504.02	Daniels Tires - Recap T61 and Restock
12	3761	8,334.63	Dartco - Rebuilt Transmission T56
13	3762	2,498.31	Fleet Services - Fitting Hose's, Coolant, Water Separator and Booster Cables Volvo
14			Lamp for Restock, A/C Repair for T56, Restock Lamp Electronic, Brake Shoes for T56
15			T51-Torque Arm
16	3763	150.00	Four Pals - Backflow Testing & Repairs
17	3764	92.33	HillCo - Nuts & Bolts for Restock
18	3765	49.99	Hose-Man - Nuts & Bolts for T52
19	3766	3,325.46	Hydraforce - Complete Track, In & Out Brackets
20	3767	95.32	Julia Sales - SDI Workshop Mileage Reimbursement June 2010
21	3768	95.32	Krippner, Allan - Mileage Reimbursement June 2010
22	3769	62.64	Nelson-Dunn - Tubing for T51,52,65

23	3770	140.70	Neugebauer, Joy - Insurance Reimbursement July 2010
24	3771	95.32	Nordbak, Greg - SDI Mileage Reimbursement June 2010
25	3772	494.00	Orange County Newspaper - Notice of Public Hearing 6/09-6/16/2010
26	3773	286.02	Pitney Bowes - Lease for July 2010 to October 2010
27	3774	540.59	Powertrain Industries - T61 Parts & Labor, Restock New Shaft For All Trucks
28	3775	940.20	Prudential Overall Supply - June 2010 Services
29	3776	251.72	PSI - Coil Cleaner, Pump Protector and Hydrochloric Acid
30	3777	1,426.00	Rutan & Tucker, LLP. - Professional Legal Fees for May 2010
31	3778	210.00	SARBS - CWEA RMC Water & Environment
32	3779	794.02	Tec of California - Washer, Plugs, Bearings and Break Pedal & Control Air
33			Throttle for T51, T53 Bypass Hose, Oil for T53
34	3780	802,631.25	The Bank of New York Mellon - COP Semi-Annual Principal & Interest Payment
35	3781	473.06	TSP Printing - Red Tags
36	3782	61.54	Westminster Herald - Notice of Public Hearing 6/10-6/17/2010
37	3783	9,228.00	Woodruff, Spradlin & Smart - Legal Services for May 2010
38	3784	185,580.00	CalPERS Retirement- Prepay 2010-11 Employer Contribution
39	3785	10,306.06	CalPERS Retirement - Payroll Ending 06/15/10 - 06/29/10
40	3786	4,224.65	OCSD - Permits Fees June 2010
41	3787	73.63	Petty Cash - (Ken Robbins) See Summary Bottom of Second Page
42			
43		<b>1,037,142.18</b>	<b>SUBTOTAL</b>

#	CK #	CK AMOUNT	VENDOR
			<b>ADD HANDCUT CHECKS:</b>
44	3735	87.71	Gas Company - Utility Service for District Offices, Yard and Fleet Maintenance
45	3736	102.55	Office Max - Office Supplies
46	3737	495.27	Verizon Business - Internet Connection For Scada System June 2010
47	3738	37.45	Verizon - Internet Access District Offices June 2010
48	3739	150.00	Westminster Chamber of Commerce – 2010 Installation & Awards Ceremony
49	3740	2,643.32	Standard Dental Ins. Deposit for July 2010
50	3741	566.91	City of Westminster - District Office Water May 2010 - June 2010
51	3742	VOID	Printer Malfunction
52	3743	90.72	AT&T - Internet Brookhurst Lift Station (714) 531-0272 June 2010
53	3744	321.75	Blue Shield of California - Nancy Gilbert COBRA Insurance for July 2010
54	3745	37,197.12	CalPERS - Health Premiums for July 2010
55	3746	3,980.96	MetLife - Dental Premiums for July 2010
56	3747	321.80	Office Max - Office Supplies
57	3748	829.92	The Standard Life Insurance - Premiums for August 2010
58	3749	127.44	Union First Bank - Paper Towels, Toilet Paper, Floor Cleaner
59	3750	4,769.88	US Bank - (NC) - Board Meeting Refreshments
60			(AC) - District Yard Clean-up and Repair Pot Holes
61			(GN) - HB Staffing - Temp Help, SDI Omni Rooms for (GN,JS, AK)
62			Remington Water Services for June 2010 (KR) - SDI Omni Rooms for (JN, MR, KR)
63			Newtek Technology Monthly Fee and Board Meeting Refreshments
64			(RH) - Temp Help (DG)
65			
66		<b>1,088,864.98</b>	<b>SUBTOTAL PLUS HANDCUTS</b>

67			
68		57,774.52	Payroll Ending 06/15/10 Staff Chk #14733-14744 Tax & Direct Deposits
69		2,285.21	Payroll Ending 06/15/10 Nationwide Deferred Compensation
70		55,070.69	Payroll Ending 06/29/10 Staff Chk #14749-14758 Tax & Direct Deposits
71		1,213.00	Payroll Ending 06/29/10 Nationwide Deferred Compensation
72		5,868.39	Board of Directors Payroll for The Month of June 2010 Chk #14746-14748
73		918.04	Board of Directors Nationwide Deferred Compensation for The Month of June 2010
74			
75		<b>1,211,994.83</b>	<b>TOTAL EXPENDITURES</b>
76			
77			<b>Petty Cash Summary</b>
78		56.74	Board Meeting Refreshment
79		4.35	Mesh Utility Bag's - Sewer Department
80		8.80	Stamps for District Office
81		3.74	Elbow & Nipple Piping - Repair's on Broken Pipe
82			
83		<b>73.63</b>	<b>Total Petty Cash Expenditures</b>

A motion was made by Director Rice, and seconded by Director Krippner to approve the expenditures in the amount of \$1,211,994.83. The motion was approved by the following vote:

No questions or comments.

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

**Director Diep arrived at 3:05pm**

## **REPORTS**

### **REPORT OF PRESIDENT**

President Neugebauer gave her praise and approval of the press release in the Orange County Register and the Westminster Herald newspapers regarding the "Earn While You Learn" program with the Westminster School District. Director Epperson stated that she would like a copy of the article, and President Neugebauer stated that she wanted her copy to go to Nick Castro since he is mentioned in the article. President Neugebauer finished by stating that she felt that the program is a very positive one, and she was glad to see that the local newspaper gave it the space that they did.

### **REPORT OF GENERAL MANAGER**

GM Greg Nordbak brought to the attention of the Board, a bill for \$18,000 from our auditor, LAFCO Dues, which was paid this year.

GM Greg Nordbak also reminded the Board of The Salute to Senior Citizens Luncheon to be held on Tuesday, July 20, 2010, which needs to be discussed promptly due to the deadline. President Neugebauer requested this item to be brought onto the Agenda, at the end of GM Nordbak's report.

GM Greg Nordbak reported that we have received the 2011 CalPERS rate increases, which are up a little more than anticipated. He reported that it will not completely cover all employees, but the wage increase the District gave them should make it up so that nothing will be out of pocket.

The Salute to Senior Citizens Luncheon was brought to the Districts attention after the agenda was posted and required action before the Districts next Board meeting. President Neugebauer stated that it is not a per diem day but the District does pay for, and make reservations for the luncheon for any Director who would like to go.

A motion was made by Director Rice to bring The Salute to Senior Citizens Luncheon onto the agenda, seconded by Director Krippner, since the deadline is before the next Board meeting.

The motion was approved by the following vote:

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

NOES: None

A motion was made by Director Krippner to approve attendance at the Salute to Senior Citizens Luncheon, seconded by Director Epperson.

The motion was approved by the following vote:

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

NOES: None

President Neugebauer reminded the Board that the Salute to Seniors Luncheon will be held on Tuesday, July 20<sup>th</sup> at 12 noon at The Westminster Rose Center Crystal Ballroom and asked who was planning to attend. Attendees will be Directors Rice, Epperson, Krippner, and President Neugebauer (which she will pay for), who will be bringing a senior guest along with GM Nordbak. Director Diep was not certain whether he will attend. GM Greg Nordbak will make the reservations and to have President Neugebauer's guest sit at their table.

## **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 Thursday, July 8<sup>th</sup>, 2010.

President Neugebauer shared the 2009-2010 fiscal year accomplishments as presented by the GM of the OCSD team, including their managing of assets at the replacement value of \$6.25 billion, their many accomplishments, including maintaining 100% compliance of all environmental permits, and no notices of violation. OCSD reported only 4 small and 2 medium size sanitary sewer overflows resulting in no beach closures, and no public health impacts associated with spills. The OCSD team followed the Board adopted strategic plan thus achieving AAA ratings from both Fitch, and Standard & Poor. President Neugebauer stated that this shows the efficiency of the District.

A brief discussion followed as to whether or not we should incorporate any of this information into our next calendar. It was decided that there will be another meeting for this item, as President Neugebauer strongly believes that the public should be made aware of where our sewer water is going, and how it is treated since the public pays for this service. President Neugebauer also brought up OCSD's method of testing the 42 miles of Orange County beach waters for bacteria which requires 24 hours, and is not sufficient for timely beach closures. OCSD is testing a new method of testing the bacteria which will not take as long.

President Neugebauer reported that we also gave final approval for OCSD's final budget for the next 2 years is \$495.6 million for the 1<sup>st</sup> year, and \$437.1 million for the 2<sup>nd</sup> year and she will represent the Board by attending the Operations Committee meeting tomorrow, Wednesday July 7<sup>th</sup>, at OCSD.

No questions regarding the report followed.



## CONSENT CALENDAR

- A. Approval of the request of Sewer Maintenance Worker Cody Ranslem to receive 40 hours of vacation pay in lieu of time off.
- B. Approval of the request of Utility Worker Gustavo Carrera to receive 40 hours of vacation pay in lieu of time off.
- C. Approval of the request of Pump Station Mechanic Darrell Grimes to receive 40 hours of vacation pay in lieu of time off.

Director Rice asked whether employees take at least a week off per year, and GM Greg Nordbak reported that it is now required for each employee to take at least a minimum of one week off per the latest MOU.

A motion was made by Director Diep, seconded by Director Rice, to approve all 3 items on the Consent Calendar. The motion was approved by the following vote:

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

## OLD BUSINESS

## NEW BUSINESS

- A. Taste & Tour of Little Saigon

The date of this event is slated for Thursday, September 16<sup>th</sup>. In the past we have sponsored a corporate table at the price of \$600, but the cost is unclear at this time, so the Board unanimously decided to defer attendance at this time.

A motion was made by Director Epperson, seconded by Director Krippner to defer attendance to the Taste & Tour of Little Saigon until the next Board meeting. The motion was approved by the following vote:

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

B. Consider MCSD's participation in the City of Westminster's Annual Safety Day on Wednesday, July 21, 2010

President Neugebauer and all Board members agreed that this is a good public relations event, and is cost effective.

A motion was made by Director Diep, seconded by Director Epperson to approve participation in the City of Westminster's Annual Safety Day on Wednesday, July 21, 2010. The motion was approved by the following vote:

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

Discussion followed regarding what to give away. The Board decided bottled water (with the District logo) and fans would be handed out. It was noted that the event begins at 11:30 a.m., and Directors along with GM Nordbak will man the tables and need to be there at or about 11:15 a.m.

C. The Children's Moon Festival 2010

Participation to this event was discussed. This event is on Saturday, September 18<sup>th</sup>, 2010, and the minimum cost is \$2,000, the Board unanimously felt the cost was too high.

GM Greg Nordbak offered to respond via email to inform them that we will not be participating this year.

A motion was made by Director Rice, seconded by Director Epperson to receive and file attendance to the Children's Moon Festival 2010. The motion was approved by the following vote:

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

D. Review and Comment on Orange County Local Agency Formation Commission (LAFCO) Best Practices – Financial Ability to Provide Services

A motion was made by Director Rice, seconded by Director Diep to approve to receive and file the review and comment from LAFCO. The motion was approved by the following vote:

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

E. Independent Special Districts of Orange County (ISDOC) / Orange County Council Of Governments (OCCOG) Joint Powers Agreement Resolution Request

There was discussion regarding the increase of dues to \$5,000 per year for Special Districts due to ISDOC representing Special Districts on the Orange County Council of Governments. In the future, they would request the Special Districts to adopt a resolution, that would request to execute an amended and restated OCCOG joint power agreement.

Legal counsel, Tom Nixon was asked whether he had reviewed the resolution. He stated that he had reviewed the template, which is not yet a complete resolution, due to lack of information. He stated that it approves the joint powers agreement and authorizes the signature on that agreement, to the extent that there is continued participation through ISDOC there will be annual dues that will be paid.

President Neugebauer asked whether we can remain a member of ISDOC without approving the resolution. GM Nordbak stated that was not clear, which is why he asked this question at the meeting, and was not given a clear answer. GM Nordbak told the Board that they need to decide the value of being a member of ISDOC. President Neugebauer stated that ISDOC needs to decide the value of our Districts membership. Director Krippner stated that he feels that we should tell them that we regret that we cannot afford it, and to let them know promptly. President Neugebauer reminded the Board that our dues are paid for this year. GM Nordbak stated that he feels that it is possible to remain a member of ISDOC but let them know that we do not feel that there is a value to remain a member of OCCOG. It was decided that we would take no action to adopt the resolution at this time, and to so notify ISDOC by a letter GM Nordbak will prepare for President Neugebauer's signature.

A motion was made by Director Diep, seconded by Director Epperson to not take further action or adopt the resolution at this time. The motion was approved by the following vote:

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

## F. California Special Districts Association (CSDA), 2010 Board Elections

President Neugebauer stated that there is a ballot for the Election of the Board of Directors for Region 6, which needs to be returned by August 6<sup>th</sup>. Director Rice suggested that we continue to support Arlene Schafer, who has done a great job. Staff is instructed to return the ballot casting the unanimous vote for Arlene Schafer.

A motion was made by Director Rice, seconded by Director Diep, to approve the Board's support for Arlene Schafer. The motion was approved by the following vote:

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

## G. California Special Districts Association (CSDA), Bylaws Amendment redefine CSDA voting members

This amendment redefines who the voting members are. A response is needed by Friday, July 30<sup>th</sup>, 2010. Since there are no major changes or fiscal impact, there are no recommendations being made.

A motion was made by Director Rice, seconded by Director Epperson, to approve the changes made to CSDA Bylaws. The motion was approved by the following vote:

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

## H. Ethics AB 1234 Compliance Training

President Neugebauer reminded all board members that they have the opportunity to take this training at no cost to the District at the conference in Monterey, CA, except for Director Krippner due to his hip replacement which is scheduled for early August. It was suggested that he attend the conference in San Bernardino Valley Municipal Water District on July 22<sup>nd</sup> instead, as this is yearly mandatory training and all must attend.

A motion was made by Director Diep, seconded by Director Epperson, to approve attendance to the conference in San Bernardino by any Board members who choose to. The motion was approved by the following vote:

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

NOES: None

## **BOARD CONCERNS/COMMENTS**

Director Diep questioned the number of times the ethics training (AB1234) is needed to be taken. The Board informed him that it needs to be taken every two years. Legal Council, Tom Nixon, reminded the Board that they will need to provide a Certificate of Completion of the course to The City of Westminster.

Director Krippner said that he is scheduled to have his hip replacement on Aug. 6<sup>th</sup>.

Director Rice thanked the staff for an easy-to-read and follow agenda.

President Neugebauer brought up "In God We Trust" for the Board room. GM Greg Nordbak said that he could have it done in 3 weeks with the logo, but it was decided that the Board would like to see a draft of it first, since there is some indecision regarding the color and size.

## **GENERAL COUNSEL CONCERNS/COMMENTS**

No concerns or comments at this time.

President Neugebauer thanked legal council, Tom Nixon, for his work.

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

GM Greg Nordbak informed the Board that both Nancy Gilbert and April Parmelee had terminated their CalPERS retirement benefits, which relieves the District of any obligation regarding future retirement issues. GM Greg Nordbak also informed the Board that by prepaying our CalPERS employer contribution, \$33,874.84 was saved this next budget. The Board was commended for this, as was Finance Director Robert Housley.

AGM Kenneth Robbins reminded the Board that he was going on vacation next week (for two weeks), thus missing the next Board meeting, Salute to Seniors and Safety Day.

Financial Director Robert Housley had no comments.

## CLOSED SESSION

President Neugebauer convened the meeting to closed session at 3:51 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

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 4:14 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 4:17 p.m.

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Al P. Krippner, Secretary