

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

October 5, 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, October 5, 2010 at 3:00 p.m.

BOARD MEMBERS PRESENT:

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

OTHERS AT MEETING:

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

PLEDGE AND INVOCATION

Director Diep led the Salute to the Flag. President Neugebauer gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 7, 2010

A motion was made by Director Rice, seconded by Director Epperson to approve the Minutes of the Meeting of September 7, 2010, with a correction made. The motion was approved by the following vote:

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

APPROVAL OF THE MINUTES OF THE MEETING OF SEPTEMBER 20, 2010

A motion was made by Director Krippner, seconded by Director Rice to approve the Minutes of the Meeting of September 20, 2010. The motion was approved by the following vote:

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

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 530,695.63.

#	CK #	CK AMOUNT	VENDOR
1	3980-85		Check No. 3980 thru 3985 Printer Malfunction
2	3986	56.00	Advanced Workplace Strategies - Random Drug Testing (JS)
3	3987	143.07	Alamitos Auto Parts - M1 New Water Pump, V-Belt, and Automatic Tension Belt
4	3988	75.00	Cal's Sweeper Services - September 2010
5	3989	1,328.00	California Suspension - Wheel Alignment for T-56 and Parts
6	3990	14,674.67	CalPERS Fiscal Services - GASB 45 OPEB Monthly Contribution for September 2010
7	3991	525.00	Cobocare/Floor Master - General Maintenance Cleaning for Front and Back Offices Sept 2010
8	3992	55.07	DJ Printing - Window Envelopes
9	3993	3,693.50	Daniels Tires - Ken's Mini Van, Restock Four Tires, Replace Tires on T-9
10	3994	1,279.41	Dartco - Filter Kit and Trans Fluid for T-65 and Throttle for T-51
11	3995	805.00	DGA Consultants -Job Observation Serv. for Bushard and McFadden Project Sept 2010
12	3996	505.61	Fleet Services - Restock Lube Spin-on, High Efficiency Fuel and Coolant, Filters, Fittings,
13			Connect Blades and Control Values
14	3997	314.03	G & K Services - Uniform Rental Services for September 2010
15	3998	574.20	Golden Bell Products, Inc. - One Gallon of Super Butyl
16	3999	2,878.82	Haaker Equipment Company - Repair work on M-63
17	4000	1,087.50	Hydraforce - T-55 Packer Cylinder, and T-60 In & Out Cylinder Repair

18	4001	387,746.40	Mike Bubalo Construction - Unitary Billing #5 & Retention Payment
19	4002	286.02	Pitney Bowes - Lease for October 10th 2010 thru January 10th 2011
20	4003	372.20	Reye's Alternators - M-63 & M-64 Replace Alternators
21	4004	224.00	Westminster Chamber of Commerce - Annual Membership 12/1/2010 thru 12/1/2011
22		416,623.50	SUBTOTAL
23			
24			ADD HANDCUT CHECKS:
25	3968	32,265.49	CalPERS - Health Premiums for October 2010
26	3969	90.63	AT&T - Internet Brookhurst Lift Station (714) 531-0272 September 2010
27	3970	10,855.32	CalPERS - Retirement for Service Period 09-2010-3 and 09-2010-4
28	3971	80.00	City of Westminster - Hydrant Meters for September 2010
29	3972	112.00	ISDOC - Quarterly Meeting (JN,GE,MR,AK,TD,GN,KR)
30	3973	30.00	Notary Public Seminars - Material Fee for Sourcebooks (DG)
31	3974	40.00	Secretary of State - Notary Exam Fee (DG)
32	3975	730.68	The Standard Life Insurance - Premiums for October 2010
33	3976	128.29	Union Bank First Bankcard - (AC) Restock Water, Cups and Plates
34	3977	88.86	Union Bank First Bankcard - (NC) Restock Toiletries, Coffee, Creamer
35	3978	823.97	Verizon CA - Monthly Service - (714) 891-9410 (GE) Fax / 891-8624
36			District Fax 893-3553/ 893-3554/ 893-3555/ 897-5368 District Phones/
37			(714) 893-2299/ 903-1863/ 903-6154/ 903-6274 Lift Stations October 2010
38	3979	3,228.57	Southern California Edison - District, Fleet, and Pump Stations
39		465,097.31	SUBTOTAL PLUS HANDCUTS
40		58,379.07	Payroll Date 09/21/10 Staff Chk # 14825 - 14834 Taxes & Direct Deposits
41		2,662.05	Payroll Date 09/21/10 Nationwide Deferred Compensation
42		4,323.80	Board of Directors Payroll for The Month of September 2010 Chk # 14836-14838
43		233.40	Board of Directors Nationwide Deferred Compensation for The Month of September 2010
44			
45		530,695.63	TOTAL EXPENDITURES W/PAYROLL

President Neugebauer questioned if check #4001 for Mike Bubalo Construction in the amount of \$387,746.40 was for the McFadden and Bushard project.

GM Nordbak explained that it is the final payment for the project and that they (Mike Bubalo Construction) had also submitted a change orders for an additional total of \$170,000. AGM Robbins was able to negotiate the change orders down to zero.

A motion was made by Director Rice, seconded by Director Epperson to approve the expenditures in the amount of \$530,695.63. The motion was approved by the following vote:

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

REPORTS

REPORT OF PRESIDENT

President Neugebauer reported that she attended the Miriam Warne Building Dedication, but did not pose for a picture at the ribbon cutting as an attendee. President Neugebauer apologized to the Board as she later felt that it was her duty as their representative to have been in the picture.

REPORT OF GENERAL MANAGER

GM Nordbak asked the Board if they would mind moving the meeting thirty minutes earlier on the Board Meeting scheduled for next week, to Tuesday, October 12, at 2:30 instead of 3:00P.M., due to a conflict of schedules for that evening for several attendees.

The District received a letter from Allstate insurance, who is the insurer of the person who struck one of the District's trucks last week. The letter states that the driver may be underinsured and they may not be able to pay all of the damages to our truck. GM Nordbak stated that he has forwarded the letter to the District's insurance company. In the meantime, the bumper is being replaced due to safety issues at a cost of \$1,682.65. The other driver also hit several other cars as well and was cited by the Garden Grove Police Department. The District's insurance carrier has assured GM Nordbak that the District will be assuming none of the liability for the accident.

The District has confirmed its attendance to the Founders Day Parade on October 23rd at 9:30 A.M., as well as having the same Mariachi Band as last year for the event. The cost for the Mariachi Band is \$600.00, the same as last year.

GM Nordbak reported that the Vactor truck has been repaired and is operating. A laminator has been purchased for under \$200.00 and used for the first time to laminate the emergency cards for Board members and staff. President Neugebauer asked what the maximum size the machine will accommodate. GM Nordbak clarified that we will include that information in the next weekly newsletter.

GM Nordbak informed the Board that the mandatory annual driver training will take place in the District's yard this Saturday, October 9, 2010 for all drivers.

REPORT FROM ORANGE COUNTY SANITATION DISTRICT MEETING (OCSD)

President Neugebauer reported that the OCSD Operations Committee will be meeting on Wednesday October 6, 2010.

The OCSD Board meeting was held on September 22, 2010. President Neugebauer reported that the Vice President of EnerTec addressed the Board and let them know that they are now receiving the permits and that they need to more aggressively pursue their goal of disposing of the bio solids that are now primarily going to Arizona. They are also currently working on a method of repayment for the differences, but it is still under negotiation. LA County Sanitation is also part of that negotiation.

Donna Terrones has taken over the position as the new Clerk of the Board as of August 30, 2010. She was previously the City Clerk in Lompoc.

REPORT FROM CALIFORNIA SPECIAL DISTRICT'S ASSOCIATION (CSDA) CONFERENCE

All Board members reported that they had an informative time at the CSDA Annual Conference in Newport Beach, CA. They enjoyed the vendors fair, booths and exhibits, several inspirational speakers, and meeting with other CSDA members. AGM Robbins took his AB 1234 Ethics Training at the conference.

REPORT FROM INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) MEETING

Officers were elected at the meeting and President Neugebauer stated that she abstained from voting as she was instructed by the MCSD Board.

Director Diep explained that the speaker from LAFCO was addressing the issue of cities taking on unincorporated islands, such Westminster with Midway City.

CONSENT CALENDAR

None

OLD BUSINESS

- A. Review request of General Manager Nordbak to receive 40 hours of vacation pay in lieu of time off.

As the District policy for salaried employees seems to be unclear to most Board members, there was quite a bit of discussion on this Item.

President Neugebauer stated that it has never been requested or received before.

Director Rice felt that it should be paid out versus accrued.

Legal Counsel Tom Nixon stated that there is no policy for this and that it is the Boards discretion to decide what the Employment Agreement is and what the Compensation should be.

Director Krippner wanted it known that he did not feel that it was the appropriate forum to have this discussion, and that it should be done in closed session.

General Counsel Tom Nixon then explained that, in fact, it has to be discussed in open session because Board policy is an open session item and should be public knowledge, whereas labor negotiations are not.

It was determined that the Board was not ready to take action on this Item.

A motion was made by Director Krippner, seconded by Director Diep to defer this item to after the closed session for discussion. The motion was approved by the following vote:

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

- B. Consider a date and topics to discuss for a joint meeting with Costa Mesa Sanitary District (CMSD) to be held at the Midway City Sanitary District offices in November.

GM Nordbak reported that Costa Mesa Sanitary District has a new Board member coming in November, and they do not want to have a meeting at this time. CMSD would like to postpone the joint meeting until early next year. They will contact us when ready to reschedule.

A motion was made by Director Diep, seconded by Director Epperson to receive and file this Item. The motion was approved by the following vote:

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

- C. Consider Purchase of Global Positioning System (GPS) for District fleet.

President Neugebauer reminded the Board that this Item was deferred at the last meeting in order to negotiate better terms. GM Nordbak stated that the Board had approved this program provided that the District could get the same cost for years two and three. After further negotiations, the newest proposal states that the initial one-time start up cost for installation of the system has been cut in half, with years two and three having only minimal cost for the GPS airtime service.

A motion was made by Director Rice, seconded by Director Diep to move forward with the purchase of the GPS system for the District fleet. The motion was approved by the following vote:

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

NEW BUSINESS

- A. Consider approval of Finance Director Robert Housley's request for himself and employee, Toshia Kudlak, to attend a CalPERS Educational Conference October 25-27, 2010 in Indian Wells.

GM Nordbak recommended that the Board approve this training as it is very important to the District's welfare.

A motion was made by Director Diep, seconded by Director Epperson to approve the request by Finance Director Robert Housley and employee Toshia Kudlak to attend the CalPERS Educational Conference in Indian Wells on October 25-27, 2010. The motion was approved by the following vote:

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

- B. Consideration of RESOLUTION NO. 2010-18.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DISTRICT, OF ORANGE COUNTY, CALIFORNIA, FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

A motion was made by Director Rice seconded by Director Epperson to approve Resolution No. 2010-18. The motion was approved by the following roll call vote:

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

C. Consideration of RESOLUTION NO. 2010-19.

A RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER
THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

A motion was made by Director Diep seconded by Director Epperson to approve Resolution No. 2010-19. The motion was approved by the following roll call vote:

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

D. Consider purchasing a minimum of 50 pocket calendars with MCSD's name and logo for Board members to hand out.

The Board was in agreement to not purchase the 2011 pocket calendars.

A motion was made by Director Rice, seconded by Director Epperson to deny the recommendation to purchase 50 pocket calendars. The motion was approved by the following vote:

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

E. Consider the Rehabilitation of three Solid Waste Trucks (Asset Management).

GM Nordbak reported that this is an effort to make the District fleet as cost and energy efficient as possible. The Board was in agreement that this is a necessary expenditure which would add to the life of the District trucks for much less, rather than replacing them. The trucks will be rehabilitated one at a time by Bodyworks Equipment in Monrovia.

A motion was made by Director Krippner, seconded by Director Rice to rehabilitate three of the solid waste trucks. The motion was approved by the following vote:

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

BOARD CONCERNS/COMMENTS

President Neugebauer asked for clarification of the Over-The-Top report from Rainbow Disposal that was handed out by GM Nordbak at the last Board meeting. GM Nordbak clarified that the money is in fact owed to the City of Westminster, but MCSD does receive a portion based on the franchise agreement with Rainbow Disposal.

GENERAL COUNSEL CONCERNS/COMMENTS

None

GM/STAFF CONCERNS/COMMENTS

The Board was provided with new brightly colored and laminated emergency cards.

GM Nordbak provided an email copy of the response from a question asked of him by Director Diep. The question was who performed the solid waste survey that was provided to the Board at the previous Board meeting.

GM Nordbak informed the Board that OCSD/U.S. Peroxide entered the District yard on Sunday, September 26th in response to an alarm and possibly violated their contract. They are only authorized to enter when someone from the District staff is present. GM Nordbak is looking into this and having the necessary conversations to resolve the issue.

Board Members were provided with a copy of a circular letter from CalPERS regarding public Employee Compensation.

There were 2 letters received this week from residents requesting that "green waste" refuse be separated from solid waste which led to some discussion.

All Board members were provided with a complete explanation of the Stages in the Life Cycle of Flies, which was downloaded from the Orange County Vector Control website, as requested by President Neugebauer.

CLOSED SESSION

President Neugebauer convened the meeting to closed session at 4:24 P.M. pursuant to subdivision (b) Government Code Section 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: Thomas F. Nixon and Greg Nordbak
Unrepresented Employee: Assistant General Manager Ken Robbins
Requested by Director Rice

- B. CONFERENCE WITH LABOR NEGOTIATORS (Govt. Code 54957.6)
Agency Designated Representative: Thomas F. Nixon
Unrepresented Employee: General Manager Greg Nordbak

President Neugebauer reconvened the meeting to open session at 5:19 P.M.

General Counsel Tom Nixon reported that on Items 13A & 13B, there was no reportable action, and that Item 13B would be re-agendized.

INFORMATIONAL ITEMS

None

ADJOURNMENT

President Neugebauer adjourned the meeting at 5:21 P.M. to October 12, 2010 at 2:30 P.M.

Al P. Krippner, Secretary