

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

November 16, 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, November 16, 2010 at 3:00 p.m.

BOARD MEMBERS PRESENT:

Tyler Diep (arrived at 3:02P.M.)
Grace P. Epperson
Joy L. Neugebauer
Margie L. Rice
Al P. 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 Epperson led the Pledge of Allegiance. Director Rice gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 2, 2010

A motion was made by Director Epperson, seconded by Director Krippner to approve the Minutes of the Meeting of November 2, 2010. The motion was approved by the following vote:

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

PUBLIC COMMENTS

Helen Paris expressed her congratulations to the newly and re-elected Board members and wished Director Epperson and President Neugebauer a Happy Birthday.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 271,555.38

#	CK #	CK AMOUNT	VENDOR
1	4092	60.68	Advanced Gas - Cylinder Rental for October 2010
2	4093	40.32	Alamitos Auto Parts - Restock 5W20 Oil
3	4094	875.03	Battery Systems - Commercial Battery for Westminster and Hammon Lift Stations, Replace Battery on M64,T62
4	4095	6,109.91	Bodyworks - Replace Joystick for T62 and Restock, Loader Harness for T61 and Release Value for T55
5	4096	1,702.37	California Suspension - T62 Replace Suspension
6	4097	31,740.30	CalPERS Fiscal Services - GASB 45 OPEB Monthly Contribution for October 2010
7	4098	5,457.13	CalPERS - Retirement for Service Period 11-2010-03
8	4099	332.80	Chemsearch - Frag. Super Block 5 lb for all Lift Stations
9	4100	1,132.56	Computer Research Center - Maintenance & Support for November 2010, and Set Up New Website Domain
10	4101	12,639.90	CR Transfer, Inc. - Tonnage for October 2010
11	4102	40.35	Cummins Cal Pacific, LLC -Sales Tax
12	4103	5,500.65	Daniel Tires - Restock Tires, Recap Tires and New Tires for M64
13	4104	514.24	Dartco - Restock Filter Kits
14	4105	194.38	Dial Communications - Restock Four Microphones for Refuse Trucks
15	4106	123.98	Fire Safety First - Vehicle Bracket for T54,T55, and Restock
16	4107	1,411.71	Fleet Services - Strobe Light for T55, Restock Fittings, Restock Lamp, Bulbs
17	4108	456.12	G & K Services - Uniform Rental Services for October 2010
18	4109	70.00	Memorial Prompt Care - Random Drug & Alcohol (CR)
19	4110	7,846.05	OCSO - Permit Fees for October 2010
20	4111	20.51	Pitney Bowes - Postage Equipment Tax Fee 2010
21	4112	825.61	Plumbers Depot, Inc. - Vactor Cage, Tubing, and Float Ball for M64
22	4113	105,901.66	Rainbow Recycling - Tonnage Fees October 2010
23	4114	1,587.59	Rosemead Oil - Restock Oil
24	4115	2,000.00	BNY Mellon - Administration Fee for 11/01/2010 to 10/31/2011
25	4116	172.88	Top Mobile Vision - Re-Installed Foot Cable in Rear of T51
26	4117	24.00	Underground Service Alert - October 2010 Services
27		186,780.73	SUBTOTAL
28			
29			ADD HANDCUT CHECKS:
30	4084	644.41	AT&T Mobility - (714) 310-2313 (KR) / 310-4406 (AC) / 310-8653 (NC)
31			310-8654 (Sewer Department) / 310-9004 (Emergency Phone)
32	4085	83.99	DirecTV - Monthly Service November 2010
33	4086	452.91	Office Max - Office Supplies
34	4087	2,823.92	The Standard Dental Insurance - Premiums for December 2010
35	4088	7,242.93	US Bank - CalCard October 2010
36			(NC) - Refuse Operating Supplies \$368.77

37		(AC) - Sewer Maintenance Operating Supplies \$796.36
38		(GN) - Flowers for (RM,TK) \$133.63, Water Filter Services \$64.00
		(KR) - Board Meeting Food & Refreshments \$126.51, GPS System for Refuse and
39		Sewer Trucks \$5,445.30
40		(RH) - CalPERS Seminar \$300.00 and Postage Stamps \$8.36
41	4089	842.58 Verizon CA - Monthly Service - (714) 891-9410 (GE) Fax / 891-8624
42		District Fax 893-3553/ 893-3554/ 893-3555/ 897-5368 District Phones
43		(714) 893-2299/ 903-1863/ 903-6154/ 903-6274 Lift Stations November 2010
44	4090	37.45 Verizon - Internet Access District Offices September 2010
45	4091	11,682.00 Zenith Insurance Company - Worker's Compensation/Progressive Payment
46		
47		210,590.92 SUBTOTAL PLUS HANDCUTS
48		59,374.16 Payroll Date 11/02/10 Staff Chk # 14864-14873 Taxes & Direct Deposits
49		1,590.30 Payroll Date 11/02/10 Nationwide Deferred Compensation
50		
		271,555.38 TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Rice, seconded by Director Epperson to approve the expenditures in the amount of \$ 271,555.38. The motion was approved by the following vote:

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

REPORTS

REPORT OF PRESIDENT

President Neugebauer began by commending staff for the excellent Biography that was done for Director Epperson for the new website. After reading it aloud for everyone, she recommended that a Resolution of Commendation be prepared for her since she is retiring and it should include the information from her Biography as well as some of the accomplishments listed on Director Rice's bio. President Neugebauer said that she felt that something needed to be done to commemorate her 18 years served and also suggested a plaque of some sort, which would be presented at the Swearing In/Reorganization meeting and then again at the Christmas party.

President Neugebauer reminded the Board of the Chamber of Commerce Holiday Luncheon this Thursday November 18, 2010 and confirmed that she would be providing an item to donate for the door prize from the District.

REPORT OF GENERAL MANAGER

GM Nordbak remarked that upon reviewing the report for accrual of vacation time on the books for District employees, the policy that was set last year by the Board is working very well. There are only three employees that are over the allotted vacation time and all three are going to have this annually because they have been with the District for

such a long time that they are not able to use up all of their vacation time annually. He also pointed out that 20 employees will be paid out for sick time when it reaches 192 hours – which supports the success of the policy since it shows that those District employees are not calling in sick.

GM Nordbak came in extra early today, Tuesday, November 16, 2010 to meet with the drivers to discuss the increase in accidents that have been occurring with the refuse drivers. He reminded them that they need to slow down in order to avoid such incidents. He also reminded the drivers that we are entering winter and weather conditions will be changing and they need to be careful. He also commented that Dave Larson (MCSD Labor Counsel) will be coming in on Thursday, November 18, 2010 at 8am to meet with GM Nordbak and AGM Robbins to discuss with the Union their concerns on the new GPS system installed on the trucks and how it will affect the drivers.

President Neugebauer asked whether the drivers were rushing because they are paid for 8 hours regardless of what time they finish their route.

GM Nordbak said that he felt that she was correct and that the MOU states that the drivers are paid for 8 hours, whether it takes them that long or less. He spoke to the drivers and reminded them that the MOU is very strict on accidents, and not to jeopardize their jobs by rushing. He also reminded the Board that for each incident that has occurred, the driver has been the one to report it and own up to it.

GM Nordbak stated that there is still a grievance that is not resolved, and that it is ongoing.

REPORT FROM ORANGE COUNTY SANITATION DISTRICT MEETING (OCSD)

President Neugebauer reported that there was a meeting of the operations committee on November 3, 2010. There was discussion regarding the property purchased in Garden Grove, in order to have a more centrally located facility. There were plans to renovate or rebuild but now they are considering declaring it surplus and selling it, along with some property in Kern County. Several of the committee members stated that they feel that this is not the time to sell the properties because they would be taking a loss and that the properties should be leased as is for the time being. After a lot of discussion, the Board decided to sell the property in Kern County and declare it surplus, but the Garden Grove property will be retained and leased for now.

President Neugebauer also reported that there will be a full Board meeting tomorrow, November 17, 2010 that she will also be attending. OCSD will be working with the Los Angeles County Sanitation District to negotiate a rider to their existing agreement with EnerTec which will make each District 110% whole. That agreement has been negotiated and will be coming to the Board at OCSD after it has been approved with the shareholders of EnerTec.

REPORT FROM ORANGE COUNTY SOLID WASTE BOARD

The Orange County Solid Waste Board met on November 4, 2010. Director Rice attended the meeting and said that it was mostly about the turnaround in Board Directors. Director Rice has been requesting a breakdown by city and district on the AB 939 report so that she can see where Midway City Sanitary District stands. She was only told that some are exceeding their quota while others are meeting theirs. She has requested the report again and is hoping to receive it at the next meeting.

CONSENT CALENDAR

A. Receive and File Investment Report for October 2010

A motion was made by Director Rice, seconded by Director Krippner to approve the Investment Report. The motion was approved by the following vote:

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

OLD BUSINESS

None

NEW BUSINESS

A. Consider adopting a policy on vacation pay in lieu of time off for Management and Salaried Employees

President Neugebauer asked for clarification regarding the difference between Management and Salaried Employees. GM Nordbak explained that the General Manager and Assistant General Manager are management contract employees, while Finance Director Housley is a management salaried employee.

President Neugebauer pointed out that all the information regarding each employee's payroll needs to be looked at – specifically the amount of sick days and vacation time, as well as the policy regarding compensatory time.

GM Nordbak explained that the policy for compensatory time is a negotiated part of the MOU for the sewer crew only, and does not apply to management. He pointed out that the new policy needs to include all unrepresented non union employees.

Director Krippner stated that he felt that it was wrong to say that approval of this policy would potentially reduce the District's financial liability over the course of many years. He asked that he be provided with the difference in interest between being paid earlier versus later.

Director Rice requested that a breakdown on each person be provided at that time, and that the position be considered, not the person.

There was quite a bit of discussion on this topic and President Neugebauer asked that it be brought back and a special meeting be provided for this issue alone.

A motion was made by Director Krippner, seconded by Director Rice to agendize the vacation pay policy for salaried and unrepresented employees. The motion was approved by the following vote:

AYES: Directors Diep, Epperson, Neugebauer, and Rice

NOES: None

B. Discuss and consider recognition for employees at holiday dinner

The holiday dinner for this year is scheduled for Sunday, December 5th at 6 P.M. and President Neugebauer reminded the Board that she would like to present Director Epperson with a Resolution of Commendation in her honor at that time.

The Board was reminded that last year, each District employee was given a Stater Bros. Markets gift certificate worth \$100, as well as a gift certificate good for 2 one-pound boxes of See's Candy.

Director Rice suggested gift certificates for Honey Baked Ham as an option.

A motion was made by Director Epperson, seconded by Director Diep to give gift certificates for Stater Brothers in the amount of \$100 and See's Candy certificates for 2 1-pound boxes to each District employee at the holiday dinner. The motion was approved by the following vote:

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

NOES: None

C. Set a time and agenda order for the Swearing In/Reorganization meeting on Friday, December 3, 2010

A time of 4:30 P.M. was agreed upon for the special meeting of the Swearing In/Reorganization of the new Board of Directors.

GM Nordbak asked about setting the order of the Agenda with a Resolution for Election, Swearing In, and taking the Oath of Office.

President Neugebauer said she would also like photographs taken of the present Board as well as the new incoming Board of Directors.

The order of the Agenda was discussed further and it was decided that the Resolution of Commendation for Director Epperson as well as a photograph of the old Board be done first. The new Resolution for the new Board, as well as the certifying and verifying

of the vote to be done next, the Swearing In and Oath of Office, and then the Reorganization last.

GM Nordbak proposed that the District provide some food for the event since there would be additional guests. He also asked that whoever is being sworn in please let the District know who they would be choosing to swear them in, as it is their option.

A motion was made by Director Diep, seconded by Director Rice to set a time of 4:30P.M. for the Swearing In/Reorganization meeting on Friday, December 3, 2010. The motion was approved by the following vote:

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

D. Discuss State Controller's Compensation Report for 2009

Director Krippner questioned the high cost of health benefits for Director #3 and asked that it be noted in the minutes. The report does not have names on it, only positions. It must be filed by December 13, 2010, and annually hereafter. It was again agreed that this information would not be posted on the District website at this time, but to direct the public to the State Controller's Office for this information.

A motion was made by Director Diep, seconded by Director Krippner to receive and file the State Controller's Compensation Report for 2009. The motion was approved by the following vote:

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

BOARD CONCERNS/COMMENTS

Director Epperson remarked that she had enjoyed her time on the Board, thanked everyone, and promised to stop in from time-to-time.

Director Rice thanked staff for the notebook provided for her Agenda, and said that it was much easier for her to handle. Director Krippner asked that he be provided with the same, as did Frank Cobo, if he is elected the new Director on the Board.

President Neugebauer told everyone that she had watched a program on T.V. regarding the problematic trash situation in New York, and their need to haul it to landfills in other states. GM Nordbak informed the Board that the refuse rates for the state of New York are the same monthly as Westminster and Midway City pay for yearly service.

GENERAL COUNSEL CONCERNS/COMMENTS

None

GM/STAFF CONCERNS/COMMENTS

GM Nordbak pointed out some information that he provided regarding “Living with Proposition 26”.

He also remarked on the District’s CalPERS investment return which is up for 2009/2010, but also added that they are 3-5 years behind before they will be able to pass it on to Special Districts or Municipalities.

GM Nordbak provided a copy of a check for \$355,199.54 from the Westminster City Redevelopment Agency and pointed out that it is \$39,380.33 lower than last year, and \$50,000 less than what was budgeted.

GM Nordbak let the Board know that he will need to leave the Chamber Luncheon this Thursday at 12:30 due to a conflicting appointment with Los Angeles Sanitary District.

All Board members were provided with a copy of the new District calendar for 2011 and everyone remarked on a job well done by AGM Robbins, Staff and the Calendar Committee. President Neugebauer pointed out the tribute to Director Epperson on the February page of the calendar.

CLOSED SESSION

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.

INFORMATIONAL ITEMS

None

ADJOURNMENT

President Neugebauer adjourned the meeting at 4:00 P.M.

Joy Neugebauer, Secretary

HAPPY BIRTHDAY President Neugebauer and Director Epperson!