

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

December 7, 2010

CALL TO ORDER

President Rice called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, on Tuesday, December 7, 2010 at 3 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Tyler Diep
Frank Cobo
Margie L. Rice

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 Cobo led the Pledge of Allegiance. Director Neugebauer gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 16, 2010

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of November 16, 2010. The motion was approved by the following roll call vote:

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

PUBLIC COMMENTS

Helen Paris let the Board know that she enjoyed the Special Meeting held last Friday, December 3, 2010.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 234,560.06

Director Neugebauer stated her concern over items #10 and #37 on the expenditures, and asked how much longer the District would have to pay out these two items which are unemployment insurance benefits and COBRA health insurance benefits for a previous employee.

GM Nordbak let the Board know that as of yesterday (December 6, 2010) the federal government had extended unemployment benefits for another 18 months and the District absorbs the entire amount for unemployment insurance. He then asked Finance Director Housley to comment on the COBRA insurance.

Finance Director Housley pointed out that the District does get reimbursed 100 % on the District's payroll taxes for the Cobra health insurance.

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

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

REPORTS

Report of President

None

Report of General Manager

GM Nordbak let the Board know that the District had received a reminder regarding the filing deadline for independent special districts to report their salary and compensation information to the State Controller. Wastewater Districts have been placed in group one, which has a deadline of Monday, December 13, 2010.

GM Nordbak reported that Rainbow Disposal had delivered holiday gifts for the Board Members this week.

The Board was also notified that the District received a refund check for \$11,364 from Zenith Insurance. Zenith is the District's Worker's Compensation Insurance carrier and the refund is for the time period of 2009-2010. The District makes payments based on its estimated payroll for the year.

GM Nordbak also let the Board know that the security system would be getting an upgrade on Monday, December 13, 2010. He explained that at this point there is only one code for all authorized personnel, and no accountability. After the upgrade is done all authorized personnel will have their own personal code so that management knows who is arming and disarming the system, who is entering the building, and at what time.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that she attended an operations committee meeting on December 1, 2010 and that the main topic of conversation was EnerTech. She reminded the Board that OCSD has been renegotiating their agreement with Los Angeles County Sanitation District and that staff had planned to have it for their December 15th 2010 meeting for final approval of the amendment. The operations committee felt that it was not weighted heavily enough in favor of OCSD at this time. Director Neugebauer reminded the Board that OCSD has been shipping approximately 225 tons of refuse to EnerTech, but that they are not yet capable of processing all of the biosolids, so they have been sending approximately half of it to Arizona. OCSD has been paying a premium rate for this service. The agreement with EnerTech specifies that once they get their process running properly and are creating energy from the biosolids, OCSD and Los Angeles Sanitation District will be reimbursed at a rate of 110%.

OLD BUSINESS

None

NEW BUSINESS

A. Independent Audit Leaf & Cole

Principal Steven Northcote and Auditor Russell Bushby, from Leaf & Cole, presented the annual audit in detail to the Board of Directors, and commended the Board for the District's fiscal responsibility.

President Neugebauer suggested that the items listed on the last page of the report be put on the agenda at the next Board meeting for discussion since they would help the District in becoming even more efficient. One of the items suggested on the last page is the scanning of information, which has been suggested to the Board in the past, but was not approved. The Directors were unanimous in their desire to have it be brought up again for discussion at a future Board meeting.

A motion was made by Director Diep, seconded by Director Cobo to accept the audit. The motion was approved by the following vote:

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

B. Consider SCE Lighting & Rebate Program Energy Efficiency Study/Report

GM Nordbak gave a brief introduction and then handed it to AGM Robbins since he has been working on the project. AGM Robbins explained that the lighting in the Districts offices needs to be replaced in order to save on the monthly energy cost. U.S. Energy was recommended by SCE, but their quote came in much higher than Coast to Coast Lighting, which is located in Westminster. AGM Robbins explained that the in-house cost for materials alone would be around \$6,800. He explained that the bids were written so that the contractor retains the rebate from the government and the District pays for the parts. He also let the Board know that it would take approximately 12 months to break-even on the original cost to the District, which would save the District around \$350 per month on the electric bill and approximately 19,000 kilowatts a month in energy savings.

GM Nordbak reminded the Board that this item is budgeted.

President Neugebauer asked if the bids included outdoor lighting because she noticed that the building exit area and parking lots were dark after the Special Meeting last Friday night.

GM Nordbak let the Board know that the bid from Coast to Coast Lighting does not include exterior lighting but he would have it looked into.

A motion was made by Director Diep, seconded by Director Neugebauer to award the contract to Coast to Coast Lighting. The motion was approved by the following vote:

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

C. Set a date & time for a Special Meeting to consider adopting a policy on vacation pay in lieu of time off for salaried and unrepresented employees.

Direction was given to bring this item back onto the agenda at the January 4, 2011 meeting. No motion was necessary.

D. Discuss and approve/not approve 2011 CSDA membership

Director Cobo asked if the California Special Districts Association (CSDA) were lobbyists, and President Rice explained that it is an association that provides education and information for special districts. GM Nordbak added that although CSDA is not a lobbyist company they do lobby on topics that are important to the District on a larger base.

A motion was made by Director Neugebauer, seconded by President Rice to approve renewing the District's membership to CSDA. The motion was approved by the following vote:

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

E. Chamber of Commerce, Public Service Award - Select District Recipient

GM Nordbak explained that the deadline for this item was Wednesday, December 8, 2010 and that he had already received an extension on it, so a decision needed to be made immediately.

Director Neugebauer suggested that the Board nominate retired Director Epperson.

Director Diep nominated Finance Director Housley as the District recipient for the Public Service Award from the Chamber of Commerce.

A motion was made by Director Diep, seconded by Director Cobo to make Finance Director Robert Housley the recipient of this year's award. The motion was approved by the following vote:

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

BOARD CONCERNS/COMMENTS

Director Cobo remarked that he had enjoyed the experience of attending his first Board meeting, and apologized for missing the Holiday party.

Director Neugebauer informed the Board that she had received information from Water Advisory Committee of Orange County (WACO) regarding several one day metropolitan water inspection trips.

Director Neugebauer stated she received the information on December 6, 2010 and the due date for a response is December 9, 2010.

A motion was made by Director Krippner, seconded by Director Neugebauer to bring it onto the agenda for consideration based upon findings that it requires immediate action and the matter was brought to the District's attention subsequent to the posting of the agenda. The motion was approved by the following vote.

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

A motion was made by Director Krippner, seconded by Director Neugebauer to authorize Board members and staff to attend. The motion was approved by the following vote:

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

GM Nordbak asked if anyone was interested in attending one of the tours as the District would respond to the survey tomorrow, Wednesday, December 8, 2010. President Neugebauer stated she would be interested in attending the Friday, March 11 2011, Infrastructure Tour. No other Directors or Staff stated they would be able to attend.

President Rice requested that a meeting be set up with Rainbow Disposal and the MCSD sub-committee since there hadn't been one for a while. She requested that Director Diep replace Director Neugebauer on the sub-committee since he is the Treasurer and that she would like him to learn about this part of the District. She also requested that AGM Robbins and GM Nordbak be part of the meeting.

GENERAL COUNSEL CONCERNS/COMMENTS

None

GM/STAFF CONCERNS/COMMENTS

GM Nordbak provided all Board members with a flyer from the Westminster Chamber of Commerce for their holiday open house.

He also provided the Board with a copy of an article from the Orange County Register regarding Orange County housing market values.

GM Nordbak had a gift basket sent to AGM Robbins last week when he was not feeling well and provided a copy of the order.

Board members were given a copy of a letter from a Mr. Parsons, who is a resident of the community, in which he comments on the District's yearly calendar.

Also provided to the Board was an anonymous letter written to the District complaining about the scavenger problem on refuse pickup days.

All Board members were provided with a copy of an election notice from CalPERS because there is one open spot on the Board. President Rice asked Director Neugebauer if she would like to pursue that position and she declined.

GM Nordbak provided the Board with a report from Rainbow Disposal on recycling and disposal which he had broken down for the Board. He pointed out that the amount of credit we are getting is down considerably. President Rice requested that Rainbow Disposal be asked to come to the District to discuss the recycling program since it had been awhile.

Each Board member was provided with a booklet for the CSDA annual conference in Desert Springs this coming January. The Board will need to approve attendance to this conference at the next Board meeting.

GM Nordbak provided everyone with a copy of Resolution 2010-13 regarding the District's deposits and investments since we have a new Treasurer.

He also included a copy of Orange County's Solid Waste Rates and Services as of July 2010 for the County for all of the Directors.

President Rice made a request that there be a binder with all of the District's policies together in one place. GM Nordbak informed her that the District already has one.

Director Neugebauer referenced Resolution #2010-14 which has to do with which Directors are authorized to make the deposits, transfers, and withdrawals on behalf of the District. The resolution reads that the only people authorized to move money by the District are the President, Treasurer and the General Manager. As president she has made all financial transactions required but as secretary she does not have that authority. She will continue to make financial transactions until the change over and paperwork is completed with the financial institutions.

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.

ADJOURNMENT

President Rice adjourned the meeting at approximately 4:05 P.M.

Joy Neugebauer, Secretary