

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

March 1, 2011

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, California on Tuesday, March 1, 2011 at 4:00 P.M.

BOARD MEMBERS PRESENT:

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

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 Diep gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 15, 2011

Staff was directed to make several corrections to the minutes and bring them back to the next Board meeting for approval.

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 272,792.68

#	CK #	CK AMOUNT	VENDOR
1		VOIDED	Printer Malfunction For Check Numbers 4332 Through 4352
2	4357	341.47	Advanced Gas Products - Propane, Compressed Gas and Acetylene
3	4358	57.00	Advanced Workplace Strategies - Random Drug Testing (RG)
4	4359	761.00	American Analytical - Lead Sample Collection for 14712 Bushard Sewer Spill
5	4360	665.70	Bodyworks - Restock (10)Rocker Switches, (4)Coils, (2)Limit Switches and (6)Grip Belts
6	4361	75.00	Cal's Sweeper Services - Services for Feb 2011
7	4362	5,595.18	CalPERS - Retirement for Service Period 02-2011-4
8	4363	1,633.63	Fleet Services - Replace Air Flow Filter for T60, Restock Filters, Fittings, Coolant SpinOn's,
9			Miniature Lamps and Air Elements
11	4364	302.88	G & K Services - Uniform Rental Services for Feb 2011
12	4365	104.49	Huntington Beach Ford - Restock (4) Relay Switches
13	4366	1,213.84	Interstate Billing Services/Rush Trucking - Replace Head Assembly Filters for T65
14	4367	84.83	Los Alamitos Auto Parts - Restock (8) Headlights
15	4368	142.70	Neugebauer, Joy - Insurance Reimbursement Mar 2011
16	4369	100,196.87	Rainbow Disposal - Tonnage Fee for Jan 2011
17	4370	23.00	Rutan & Tucker, LLP. - Professional Legal Fees for January 2011
18	4371	186.86	Tec of California - Restock (8) Exhaust Clamps, Fan Wheel for T57
19	4372	116.36	Winners Circle Trophy Company - New Name Plates for (5) Board Members
20	4373	4,656.00	Woodruff, Spradlin & Smart - Legal Services for Jan 2011
21	4374	40,447.36	Service Master Emergency Response - Clean up and Repairs to 14712 Bushard Sewer Spill
22		156,604.17	SUBTOTAL
23			
24			ADD HANDCUT CHECKS:
25	4325	80.00	City of Westminster - Hydrant Meters for Dec 2010 & Jan 2011
26	4326	669.36	Office Max - Office Supplies
27	4327	492.92	Verizon Business - Internet Connection for Scada System Mar 2011
28	4328	154.07	Gas Company - Utility Service for Fleet Maintenance, District Offices and Yard
29	4329	43,954.13	CalPERS Health - Health Premiums for Mar 2011
30	4330	30.51	City of Westminster Water Services - Hammon Lift Station 12/22/2010-2/15/2011
31			Westminster Lift Station 12/22/2010-2/15/2011
32	4331	330.00	D.A.L. Safety Consultants/Ralph S. Limon - Motor Carriers Safety Compliance Workshop for (NC,JS)

33	4353	93.24	AT&T - Internet Brookhurst Lift Station (714) 531-0272
34	4354	2,194.77	Southern California Edison - District, Fleet, and Pump Stations
35	4355	743.80	Standard Life Insurance - Premiums for Mar 2011
36	4356	82.95	Union Bank First Bankcard - (NC) Restock Toiletries, Coffee, and Creamer
37			
38		205,429.92	SUBTOTAL PLUS HANDCUTS
39		58,647.37	Payroll Date 2/22/11 Staff Chk #14968 - 14978 Taxes & Direct Deposits
40		2,755.18	Payroll Date 2/22/11 Nationwide Deferred Compensation
41		5,960.21	Board of Directors Payroll for the Month of February 2011 Chk # 14980 - 14982
42			
43		272,792.68	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Cobo to approve the expenditures in the amount of \$ 272,792.68. The motion was approved by the following vote:

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

REPORTS

Report of President

President Rice stated that she is not happy with LAFCO's letter of response that was received by the District about the Districts protest on how the LAFCO/ISDOC election was held.

GM Nordbak informed her that Legal Counsel Nixon has a suggestion for a response that he would like to discuss with her when the time is appropriate.

Legal Counsel Nixon recommended that this item be brought back for discussion during closed session at the next Board meeting on March 29, 2011.

President Rice agreed to that recommendation.

President Rice informed the Board that she received the professional service agreement from the District's lobbyist, and requested that a copy of it be made for each Director.

GM Nordbak had a copy of the agreement made and distributed it each Director.

Report of General Manager

GM Nordbak reported that although Danielle Gerardo was approved at the last Board meeting to attend a conference for Board Secretary training she has had to cancel due to a last minute family emergency. It was cancelled before the deadline without incurring any cost to the District.

The Infrastructure Tour offered by the Metropolitan Water District of Orange County (MWDOC) that Director Neugebauer had wished to attend on March 11, 2011 has been changed to a Diamond Valley Lake Tour, which she is not interested in attending. The next Infrastructure Tour being offered has been scheduled for April 29, 2011. That date is the same as two conferences the Board as agreed to attend, so they will not attend the next tour.

GM Nordbak provided the Board with a copy of the District's financial information from last year which needs to be posted on the District website for the State Controller's Office by March 31, 2011. He asked the Board to please look the information over and then let him know if they have any concerns. He will be posting it on the website next week in order to keep the District in compliance.

GM Nordbak provided the Board with a current evaluation of the GASB 45 which is good until June of 2011. There is nothing new to report until June when the Board will discuss the District's actuary and find out what the next years funding will be.

GM Nordbak asked the Board to clarify what they would like on the District website regarding District compensations. He asked if they would like the link to the State Controller's website, post the employees compensations on the District's website, or give the information of where to find the information.

President Rice asked GM Nordbak what he suggested, GM Nordbak recommended providing the link to the State Controller's website. He also informed the Board that whatever they decided needed to be done before the end of March 2011.

Director Neugebauer stated that if posted to the State Controller's website this would provide information for all compensations statewide.

The Board approved adding the State Controller's link to the District website of the District's salary information.

GM Nordbak provided the Board with a packet from the City of Westminster asking the Board to consider sponsoring the Concert in the Park program. He asked if the Board would like this item to be put on the next agenda for discussion to which President Rice replied yes.

The Board was provided with a copy of the District's budget for the website.

GM Nordbak provided the Board with an email from the District's Legal Counsel representing the District's prior worker's compensation carrier, State Fund, regarding former employee Jacob Watson. In the letter, Legal District Counsel states that a hearing is scheduled for April 6, 2011, and that at that time Jacob Watson will be relieving his attorney. Legal District Counsel is hoping to resolve Mr. Watson's claims at that time. The deposition is being rescheduled to a date convenient for all parties.

President Rice stated that she would like to have the items in the yellow folder made available to her earlier than the day of a Board meeting so that she has time to look these items over.

GM Nordbak stated that he would find a way to accommodate her request.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the Board of Directors of Orange County Sanitation District (OCSD) met on February 23, 2011. There was a discussion during a closed session and then a vote of the 23 present voting members was taken. There were four noes, one of which was Director Neugebauer's vote for Midway City Sanitary District. They voted to approve a second agreement with EnerTech. The agreement that has been in place since 2006 and has a purpose of creating a byproduct from biosolids, has not yet been achieved, and they continue to increase fees. Director Neugebauer reported that it has cost \$30 more per ton to send our biosolids there than if OCSD were sending them to Arizona for land application. OSD is currently sending 225 tons per day and she feels that enough money has been put at risk.

Director Krippner attended the orientation for the newly elected Directors and their alternates. He said that it was educational but not very well attended and they mainly explained how they expect to spend their money.

Report from California Foundation of Fiscal Responsibility Boot Camp

Director Krippner reported that there was a union representative in attendance at the Boot Camp who was making threats to attendees. Aside from that, he felt that the event was very well done.

President Rice found it very informative and stated that she would attend another if offered. She especially enjoyed a speech given by Nestor Valencia on the City of Bell.

Director Cobo was impressed and enlightened by the information given. He found the information on CalPERS interesting.

Director Diep appreciated that it was a local event and found the information refreshing. He said that he would continue to bring future events like this to the attention of the Board.

Director Neugebauer thanked Director Diep for suggesting that the Board attend this event because she felt that it was very worthwhile. She stated that she feels that you need to understand a problem before you can address it and that her goal is to ensure that the pensions that District employees have earned, be available to them when it is time to draw from them.

Director Neugebauer stated that she felt that the speakers for this event were well chosen and well versed in their target areas, and that she especially enjoyed one particular speaker named Gerard Miller. Director Neugebauer suggested to President Rice that Mr. Miller be asked to speak for the CASA conference since she is on the Board of Directors for CASA.

Director Neugebauer pointed out that Congressman Devon Nunez indicated that it would be helpful to send a letter of support for the bill which he is carrying. She asked if the District could send a letter or email of support to his office.

GM Nordbak asked if Director Neugebauer or any other Director had the bill name or number, no one had that information but indicated the details were in the packet received at the Boot Camp.

Director Neugebauer quoted Thomas Jefferson and then reminded the Board of a time when CalPERS told the District that their pensions were funded into perpetuity.

Report from Sub-Committee Meeting With Rainbow Disposal & CR&R

Director Diep reported that he, along with President Rice and GM Nordbak met with Rainbow Disposal representative Jerry Moffett and Ron Shenkman, as well as two representatives from CR&R to discuss their interest in extending the Evergreen Contract that they currently have with the District. In return the District would like to have an increase in franchise fees (which are now at 9%). Director Diep pointed out that GM Nordbak is also asking for their help to fund a green waste barrel for the District. Rainbow Disposal, CR&R, and District staff agreed to work together to put together an agreement to bring back for the Board's consideration.

President Rice stated that they agreed to prepare something, taking everything that the District and General Manager had brought forth into consideration, and bring it back to present it to the Board.

GM Nordbak reported that Ron Shenkman from Rainbow Disposal called him today. The original deadline to report back was the end of next week, but they have asked for additional time due to staff illnesses and vacations. GM Nordbak extended their

deadline to March 16, 2011 because several District Board members will also be out of town for conferences until March 15, 2011. He stated that he wanted to have their proposal prior to the District budget meeting which is scheduled with staff and management on March 17, 2011.

President Rice felt that Rainbow Disposal and CR&R were very agreeable and that the meeting was worthwhile. She stated that they seem to want to cooperate fully with the District's needs and understand that the District wants a higher percentage of revenue.

GM Nordbak pointed out that they realize how successful the Over-The-Top Program has been with cleaning up the targeted areas and that they are issuing fewer fines.

Director Neugebauer asked what the District receives for those fines.

GM Nordbak responded that the District receives 9% of the amount since that is the franchise fee agreement.

President Rice explained that the Over-The-Top Program has increased Rainbow Disposal's revenue, so the District has asked for an increase in franchise fees as well.

Report from Metropolitan Water District of Orange County (MWDOC) Water Policy Forum and Dinner

President Rice reported that she was not impressed by the event and does not support MWDOC due to their misuse of funds. She stated that the speaker, Jack Foley, was entertaining, she thought his jokes were funny, but that he is being overpaid for his job, and that the people of California are overpaying for their water.

GM Nordbak, as former chairman of a water board, was disappointed by the lack of information given for plans or trends for the future of water for the state of California. He pointed out that Jack Foley is chairman of the Metropolitan Water District. GM Nordbak felt that he made a mockery of what is going on in the Bay Delta area as a majority of the water for the entire state of California goes through that area. He stated that he felt that Mr. Foley should have shared more information on the cost and supply of water, instead of making jokes and entertaining the attendees.

Director Cobo found the event entertaining and compared it to the likes of Dean Martin and Jerry Lewis.

Director Neugebauer stated that she was surprised at the strong pro position taken on desalination instead of the ground water replenishment system. She also enjoyed the interaction between the two gentlemen from UBS who sat at the District's table.

All of the Directors agreed that it was an entertaining event, but that the meal was not worth the cost of the event, and that the lack of information given on the water situation in California was disappointing.

CONSENT CALENDAR

- A. Approval of the Request of Pump Station Mechanic Darrell Grimes to Receive 40 hours of Vacation Pay In Lieu of Time Off.

A motion was made by Director Neugebauer, seconded by Director Diep to approve the item on the consent calendar. The motion was approved by the following vote:

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

OLD BUSINESS

- A. Open Sealed Bids for the Rehabilitation/Repair of Sewer Mains Within the Midway City Portion of the District.

President Rice asked AGM Robbins to open the sealed bids one at a time.

GM Nordbak reported that the District invited five contractors to bid on the project and received sealed bids from all of them. He stated the District's estimate is \$148,128.00 for the project. GM Nordbak then stated he hopes due to the economy that the bids will come in lower.

The sealed bids were opened one at a time by AGM Robbins.

The bid total from SAK Construction was \$83,757

The bid total from Southwest Pipeline was \$89,360

The bid total from RePipe was \$91,690

The bid total from Insituform was \$83,273.10

The bid total from Sancon Engineering was \$99,173.05

The similar bid amounts were noted, with Insituform coming in as the lowest.

GM Nordbak stated that staff will review the bids and will respond to the lowest bid which appears to be from Insituform at a cost of 83,273.10. It will be then be put on the next agenda for Board approval. The contract will be sent to Legal Counsel to review.

President Rice asked if the District has had any work done by Insituform in the past.

GM Nordbak responded that they had not, to his knowledge.

Director Neugebauer asked where the District's project estimate cost had come from.

GM Nordbak responded that AGM Robbins provided the estimate.

AGM Robbins explained that he had arrived at that figure by averaging out three estimates received from top agencies in the area.

GM Nordbak stated that the bids were extremely competitive.

Director Neugebauer asked whether it was necessary to have a meeting for this item prior to the next Board meeting on March 29, 2011.

GM Nordbak responded that it is not time sensitive and can wait until the next Board meeting.

B. Confirm Attendance to SDI Conference April 28-29 in Indian Wells, CA.

Directors Neugebauer and Krippner confirmed their attendance to the SDI Conference in Indian Wells, and Director Cobo stated that he would like to attend, but needs to check his schedule prior to confirming. AGM Robbins has a possible conflict as well, and will let staff know if he will be going.

President Rice stated that she will not be attending this conference as she feels that she needs to attend the CASA conference in Sacramento which is on the same dates.

Director Diep stated that he will not attend this conference.

GM Nordbak stated that if AGM Robbins cannot attend the SDI Conference in Indian Wells, Finance Director Housley will go in his place and drive the District van with the Directors.

Staff was directed to make tentative reservations for Directors Neugebauer, Krippner, Cobo, and AGM Robbins at this time.

C. Confirm Attendance to CASA Conference April 27-30 in Sacramento, CA

President Rice confirmed that she will be attending the CASA conference in Sacramento as she is on the Board for CASA.

GM Nordbak confirmed that he will be accompanying President Rice to the CASA conference in Sacramento.

Staff was directed to make reservations for President Rice and GM Nordbak.

Directors Neugebauer, Cobo, and Krippner will not be going to this conference because they are attending the SDI conference in Indian Wells at the same time.

Director Diep confirmed that he cannot attend the CASA conference either.

President Rice asked Administrative Secretary Gerardo to contact CASA and change her mailing address from the City of Westminster to MCSD's address for correspondence between her and CASA.

Director Cobo notified Administrative Secretary Gerardo that he has a new email address that he would like her to use instead of the current one.

NEW BUSINESS

A. Consider Budget Calendar for Fiscal Year 2011/12.

Director Diep stated that he is pleased with staff's timeline of the budget that was provided.

A motion was made by Director Neugebauer, seconded by Director Krippner to approve the budget calendar. The motion was approved by the following vote:

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

B. Consider Approving and Confirming Attendance to the Independent Special Districts of Orange County (ISDOC) Quarterly Meeting on March 31, 2011.

A motion was made by Director Neugebauer, seconded by Director Diep to approve attendance to the ISDOC meeting. The motion was approved by the following vote:

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

All five Board members plus GM Nordbak and AGM Robbins will be attending the ISDOC meeting at 11:30 A.M. on March 31, 2011. Everyone who wants to carpool was asked to meet at the District office at 11 A.M. that morning.

BOARD CONCERNS/COMMENTS

Director Neugebauer questioned whether the District had enough money set aside for Al Cibrian's retirement party, and if not, where the money was being transferred from.

AGM Robbins and GM Nordbak both explained that there were adequate funds for the event.

President Rice informed the Board that she would be out of town from March 4-8, 2011, back in town for three days, then off to the conference in Washington D.C. on March 13, 2011.

GM/STAFF CONCERNS/COMMENTS

GM Nordbak provided a copy of the journal for the District's office alarm for the past month and explained that employees were not leaving early, but that the alarm's clock was incorrect, and has been correctly reset.

GM Nordbak pointed out the new chairs for the Board. He informed them that they were on sale for half off (\$74.00 each). He then asked the Board what they would like done with the old chairs from the other conference room. The Board gave GM Nordbak approval to sell them at a cost of \$25 each.*

GM Nordbak informed the Board that he will be participating in a roundtable discussion Thursday afternoon with Senator Ron Calderon. He will represent the District since special district reserves are being considered to be part of the takeaway by the State.

AGM Robbins reported that repairs for the sinkhole on Redlands will start Thursday, March 3, 2011 and will be done by the Charles King Company. The District will bill the Verizon contractor for the cost of the repairs.

GM Nordbak stated that the District will be fronting the funds for this project due to safety issues, then working to be reimbursed.

Director Neugebauer questioned the statement from the minutes of February 15, 2011 under GM/Staff Concerns/Comments where it states that 3.68 tons of waste was diverted from the landfill due to the installation of the artificial turf at the District offices.

AGM Robbins and GM Nordbak both confirmed that the number was correct, and that it was for the year.

GENERAL COUNSEL CONCERNS/COMMENTS

None

CLOSED SESSION

President Rice convened the meeting to closed session at 5:09 P.M. pursuant to 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 Section 54957.6)
Agency Designated Representative: Thomas F. Nixon
Unrepresented Employee: General Manager

The Board returned to open session at approximately 6:05 P.M.

Legal Counsel Nixon stated that there was no reportable action taken during the closed session.

INFORMATIONAL ITEMS

None

ADJOURNMENT

President Rice adjourned the meeting at approximately 6:06 P.M.

Joy Neugebauer, Secretary

*Incorrectly Reported - Corrected in Expenditures of Minutes for March 29, 2011.