

**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 29, 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 29, 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 Diep led the Pledge of Allegiance. Director Cobo gave the Invocation.

APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 7, 2011

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of February 7, 2011. The motion was approved by the following vote:

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

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

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the minutes of the meeting of February 15, 2011. The motion was approved by the following vote:

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

APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 1, 2011

A motion was made by Director Diep, seconded by Director Cobo to approve the minutes of the meeting of March 1, 2011. The motion was approved by the following vote:

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

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 412,670.48

#	CK #	CK AMOUNT	VENDOR
1	4397	986.38	Advanced Gas Products - Compressed Gas and Acetylene, Cylinder Rental , Grinding Wheels (40)
2			Cylinder Dissolver (2) , Bernard's Tips
3	4398	50.00	Advanced Office Services - Fix Scanner for Julia's Computer
4	4399	57.00	Advanced Workplace Strategies - Random Drug Testing (AC)
5	4400	523.09	Bodyworks - Re-Stock Whisker Switch (4), Rocker Switch (10), 4" Roller (10), Roller (10)
6	4401	75.00	Cal's Sweeper Services - Services for Mar 2011
7	4402	43,849.57	CalPERS Health - Health Premiums for Apr 2011
8	4403	12,398.00	Charles King Company, Inc. - Emergency Sewer Line Repair on 8" Sewer Main at 15852 Redlands Street
9	4404	1,077.56	Computer Research Center - Maintenance & Support for Apr 2011 & Install Asset Keepers Software
10	4405	375.00	Country City Towing - Tow T65
11	4406	19,771.76	CR Transfer, Inc. - Tonnage for Feb 2011

12	4407	3,226.40	Daniels Tires - Replace (4@\$262.00) Aluminum Wheels for Fleet Refuse Trucks, Restock Recaps (11)
13	4408	505.76	Dartco - Filter Kits (8) and Drain Plugs (5)
14	4409	7,700.00	ECIS - Inspection for Grease Control Devices Mar 2011
15	4410		Void Printer Malfunction
16	4411		Void Printer Malfunction
17	4412		Void Printer Malfunction
18	4413	153.64	HillCo - Restock Nuts (11), Bolts (6), Washers (20)
19	4414	432.56	Huntington Beach Ford - Fuel Pump for M-6 Boom Truck
20	4415	15,623.60	Hydraforce, Inc. - Replace Wear Bar on T52, Restock Pressure Switch and Complete Grabber
21			Cylinder for T62/T60, Replace AR Plate, Corner Sides, Packer Paddle Kit, Packer Cylinder, Hydraulic Pump
22	4416	3,500.00	James F. McConnell Attorney At Law - Fee for Lobbying Services for Feb 2011
23	4417	248.23	James F. McConnell Attorney At Law - Feb 2011 Reimbursement for Expenses
24	4418	80.00	Memorial Prompt Care - DMV Random Drug & Alcohol Testing (RG,AG)
25	4419	9,778.75	OCS D - Permit Fees for Feb 2011, OCHCA FOG/BMP Inspections Qtr. 2, 2010-11
26	4420	720.00	Performance Pipeline Tech. - CCTV Inspection of Sewer Main Stoppage at Redlands Street 2/24/11
27	4421	400.00	Pitney Bowes - Postage Meter Refill Mar 2011
28	4422	11,946.75	Plumbers Depot Inc. - Vactor M63 Pump Rebuilt, Directional Valve and Toggle Switch with Boot
29	4423	87,953.10	Rainbow Disposal - Tonnage Fee for Feb 2011
30	4424	4,881.24	Rehrig Pacific Company - 50 65-Gallon Blue Cans with Lids, 50 65-Gallon Black Cans with Lids
31	4425	22.00	Robbins, Kenny - Reimbursement for CASA Conference in DC Mar 14-16, 2011
32	4426	3,534.44	Rosemead Oil Products - Restock Oil Products, Replace Beta Lube ATF Oil for T65
33	4427	700.05	Rutan & Tucker, LLP. - Professional Legal Fees for Feb 2011
34	4428	2,035.30	Tec Of California - Replace Module for T54
35	4429	489.70	Tell Steel - Replace Flooring in T55
36	4430	395.81	Top Mobile Vision - Troubleshooting Short Video Output Monitor and Repair for T51
37	4431	13.50	Underground Service Alert - 9 New Tickets Feb 2011 Services
38	4432	276.00	Wespac Security - Monitoring Services for 1/2011-3/2011
39	4433	4,062.74	Fleet Services - Replace Gaskets & Re-clean Filters on T60, Restock Strobes, Replace A/C in T56
40			Air Line Filter for T60, Restock Thermal Wire
41	4434	605.76	G & K Services - Uniform Rental Services for Feb & Mar 2011
42	4435	372.04	Grainger - Replace Sander, Grinder, Grinding Wheel
43	4436	17,349.97	CalPERS Fiscal Services - GASB 45 OPEB Monthly ARC Contribution for Mar 2011
44	4437	5,487.45	CalPERS - Retirement for Service Period 03-2011-03

45	4438	5,487.45	CalPERS - Retirement for Service Period 03-2011-04
46		267,145.60	SUBTOTAL
47			
48			ADD HANDCUT CHECKS:
49	4375	75.08	Union Bank First Bankcard - (AC) Restock Water
50	4376	950.31	Verizon CA - Monthly Service - (714) 891-9410 District Fax; 893-3553/893-3554 893-3555/ 897-5368 District Phones; (714) 893-2299/ 903-1863/ 903-6154/ 903- 6274 Lift Stations
51			
52	4377	200.00	Cobo, Frank - Washington DC CASA Conference Per Diem 3/13-3/16/2011
53	4378	200.00	Neugebauer, Joy - Washington DC CASA Conference Per Diem 3/13-3/16/2011
54	4379	200.00	Rice, Margie - Washington DC CASA Conference Per Diem 3/13-3/16/2011
55	4380	200.00	Robbins, Ken - Washington DC CASA Conference Per Diem 3/13-3/16/2011
56	4381	632.07	AT&T Mobility - (KR)714 310-2313 / (AC) 714-310-4406 / (NC) 714-310-8653 Sewer 714-310-8654 / Emergency 714-310-9004
57			
58	4382	459.00	Cummins Cal Pacific, LLC - Hammon Lift Station Repairs and Labor
59	4383	86.99	DirecTV - Monthly Service Mar 2011
60	4384	170.94	Petty Cash - (Ken Robbins) See Summary Below
61	4385	2,787.48	The Standard Dental Insurance - Premiums for Apr 2011
62	4386	6,211.92	US Bank - Cal Card Feb 2011 (NC) \$2,188.60 - Refuse Operating Supplies \$2,188.60 (AC) \$855.09 - Sewer Maintenance Operating Supplies \$855.09 (GN) \$1,164.00 - Water Filter Services \$64.00, MWDOC Water Forum & Dinner for (GN,KR,MR,JN,FC,AK,TD) \$525.00, Board Secretary/Clerk Conference for (DG) \$575 (KR) \$1,113.62 - Office Supplies \$55.44, Board Members Chairs (1@146.80 & 5@\$81.55 each for a total of \$407.78 including tax for a grand total of \$554.58), Get Well Flowers for Greg Nordbak's Daughter and Randy Griffin's Daughter \$150.00, Postage \$18.30
63			
64			
65			
66			
67			
68			
69			WiarCom, Inc. GPS Services Monthly Fee \$335.30 (RH) \$745.34 - CAL-OSHA Webinar \$139.00, Postage \$7.34, Pro-Ware Software for Fixed Assets \$599.00
70			
71			(DG) \$145.27 - Refreshments for Board Meetings \$145.27
72	4387	5,610.00	Zenith Insurance Company - Worker's Compensation/Progressive Payment
73	4388	376.50	Blue Shield of California - Nancy Gilbert COBRA Insurance for Apr 2011 Glyn's Mobile Opacity Testing - Perform Diesel Opacity Smog Testing for all Fleet Trucks
74	4389	600.00	
75	4390	7.49	Verizon - Internet Access District Offices Feb 2011
76	4391	40.00	City of Westminster - Hydrant Meter Water Usage for Feb 2011
77	4392	492.95	Verizon Business - Internet Connection for Scada System Feb 2011
78	4393	93.24	AT&T - Internet Brookhurst Lift Station (714) 531-0272

79	4394	165.19	Gas Company - Utility Service for Fleet Maintenance, Utility Service for District Offices and Yard
80	4395	112.00	ISDOC - Qtrly Mtg. on Thursday 03-31-11 (MR, FC, TD, AK, JN, GM, KR)
81	4396	163.98	Office Max - Office Supplies
82		286,980.74	SUBTOTAL PLUS HANDCUTS
83			
84			Payroll
85		58,172.32	Payroll Date 3/08/11 Staff Chk # 14983 - 14988 Taxes & Direct Deposits
86		1,586.16	Payroll Date 3/08/11 Nationwide Deferred Compensation
87		58,117.32	Payroll Date 3/22/11 Staff Chk # 14993 - 15001 Taxes & Direct Deposits
88		2,809.78	Payroll Date 3/22/11 Nationwide Deferred Compensation
89		4,654.34	Board of Directors Payroll for the Month of March 2011 Chk # 15003 - 15005
90		349.82	Board of Directors Nationwide Deferred Compensation for the Month of March 2011
91		412,670.48	TOTAL EXPENDITURES W/PAYROLL
92			
93			Petty Cash Summary
94		81.03	Board Meeting Refreshments (DG)
95		5.42	Office Supplies for Board Meeting (TK)
96		50.00	Smog Test for Mixing Truck (AC)
97		8.49	Copy of Police Reports from the Garden Grove Police Dept and Donuts for Safety Meeting (NC)
98		26.00	Parking for Boot Camp Conference (TD,KR)
99			
100		170.94	Total Petty Cash Expenditures

Director Neugebauer questioned line item #25 of the expenditures. The payment is made out to Orange County Sanitation District (OCSD) for permit fees and OCHCA for FOG inspections. She reminded the Board that Midway City Sanitary District receives 5% of the fees collected and that amount is not listed. She asked if those amounts could be broken out and separated in the future.

Director Neugebauer also questioned line item #67 regarding the new Boardroom chairs, which she understood to have been purchased on sale for \$75 each.

GM Nordbak explained that the first chair was purchased at regular price, while the rest were purchased on sale. He asked Finance Director Housley to clarify the amounts and bring it back to the next board meeting on Tuesday, April 5, 2011.

A motion was made by Director Diep, seconded by Director Cobo to approve the expenditures in the amount of \$ 412,670.48, as long as further information is provided regarding the cost of the board room chairs at the next board meeting. 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 received an engagement letter from Leaf and Cole LLP for independent audit services for the fiscal year 2010-11.

GM Nordbak stated that it would be put on the next agenda for the Board's consideration.

President Rice stated that Director Krippner had provided her with a pamphlet regarding Disaster Preparedness.

GM Nordbak stated that he would put the discussion for disaster preparedness on the next agenda.

Report of General Manager

GM Nordbak summarized the informational items that were delivered along with the agenda packets on Friday March 25, 2011. They included a copy of a letter notifying the District of a random audit of the District's Workers Compensation payroll and claims, a CASA Newsletter, a WACO meeting notification and agenda, a Notice of an "Opportunity to Comment" from the State Water Resources Control Board, Information on CSDA Legislative Days in Sacramento, a LAFCO draft budget hearing notification, and a positive comment from a resident about one of our solid waste drivers.

GM Nordbak asked if any of the Board members had any questions regarding any of the information that he had provided to them.

No Board Members had questions.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that there was an OCSD meeting on Wednesday, March 23, 2011 and that there was a performance report on EnerTech. In February, 2011, 34% of OCSD biosolids were managed by EnerTech, 37% of that 34% were

processed by EnerTech, and the other 63% went to land applications in Arizona. There was only one unscheduled outage and no violations or permit issues during the month.

Director Neugebauer reported that OCSD is also in labor negotiations at this time.

During the process of the OCSD meeting, ISDOC's representative to LAFCO made Director Neugebauer aware that ISDOC's executive committee had recently gone over their procedures for elections and stated that there would be no more secret ballots in the future.

Report from CASA Conference in Washington D.C.

Director Neugebauer gave a detailed explanation of the trip to Washington D.C., the accommodations and the CASA conference attended by her, Director Cobo, President Rice and AGM Robbins. She stated that at the conference, there was an emphasis on the Clean Water Act. Director Neugebauer especially enjoyed speaker Larry Brady.

President Rice reported that she was given a beautiful suite in the Hotel Monaco, but requested that she not be booked on any red eye flight in the future. She reported that there were Congressional visits and a Capitol Hill meet and greet. President Rice felt that the Legislators were supportive of everything that the Directors spoke of.

Director Neugebauer's son, Dale, who is a Chief of Staff, had an aide take President Rice, Directors Neugebauer and Cobo, and AGM Robbins on the floor of Congress, and on a tour of the White House.

Director Cobo enjoyed his first trip to Washington D.C. and was particularly impressed with several speakers at the conference.

AGM Robbins reported on the meeting with lobbyist James McConnell during which he explained the District's activities so that he could go after grant money according to what the District actually does. He asked AGM Robbins for fuel assumptions and assessments to show the Environmental Protection Agency (EPA).

Director Neugebauer reported that Congressman Dana Rohrabacher spoke with Michael Gold of OCSD in Washington D.C. and said that he would like to have a meeting with him regarding the Clean Water Act.

Director Neugebauer stated that while at the OCSD meeting last week, Michael Gold reported that he had already had a meeting with Congressman Dana Rohrabacher on that subject.

Report on Electronic Document Storage

GM Nordbak stated that after talking with District Legal Counsel Nixon he feels that the District needs to have a retention policy in place prior to moving forward on this item

because the District needs to know and understand exactly which documents need to be stored electronically.

Legal Counsel Nixon stated that he is working toward a final draft version of a retention policy. He reported that the State has been working on a policy that will be implemented statewide to local agencies for electronic document storage. He is following up on that in order to make sure that the District follows that policy correctly prior to adopting its own.

GM Nordbak explained that there are two different companies being considered for the electronic document storage and that they are quite different from each other. When the time comes, he will present to the Board what it is that they do and let the Board decide which one to use.

Director Krippner asked if the contract would have to go to the lowest bid.

GM Nordbak explained that it is a service contract, and not a bid, and that the Board can choose the one that they feel will serve the District best.

Report from Solid Waste Board

President Rice asked AGM Robbins if he had reviewed the CD which she gave to him a few weeks ago regarding recycling.

AGM Robbins stated that he had reviewed it, but that it dealt with mostly the recycling opportunities for foam, which the District does not deal with.

President Rice stated that she will bring an informational item to be put in the yellow folders for the Board next week.

President Rice reported that there is a new President on the Solid Waste Board since Cheryl Brothers was not elected and that she (President Rice) may resign because she does not feel "heard".

CONSENT CALENDAR

- A. Approval of the Request of Mechanic Mike LaFreniere to Receive 40 hours of Vacation Pay In Lieu of Time Off.
- B. Investment Report for February 2011

Director Krippner asked that the wording for the Consent Calendar on the agenda be changed from "will be enacted" to "may or may not be enacted" or some other verbiage that does not assume that the motion will be passed.

Legal Counsel was asked to make any necessary changes to the Consent Calendar verbiage.

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

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

OLD BUSINESS

None

NEW BUSINESS

A. Consideration of General Manager's Employment Agreement

Director Neugebauer asked if this item could be moved to after the closed session, and all Board members agreed.

B. Discuss How the Meeting Minutes Should Be Reviewed by the Board

President Rice asked if the Board felt that it is the Secretary's job to make corrections, or to merely make recommendations for corrections and then bring them to the Board for approval.

Director Neugebauer stated that she would be pleased to be relieved of the responsibility because she has been doing it for so many years. She stated that she still feels that grammar and spelling should be corrected prior to public Board meetings.

Director Diep stated that he feels that only the Board should make any changes to the minutes and that the Secretary should record action items and not every single discussion that takes place.

Director Krippner stated that sometimes a single word can make a big difference.

President Rice stated that she does not feel that the meeting minutes should be verbatim, but to record action items and if a person feels strongly about an item that they ask for it to be included in the minutes.

A motion was made by Director Diep, seconded by Director Cobo to direct staff not to record comments verbatim, to report action items only, for the Board's concerns to be under Board Concerns and Comments, to make any changes in public Board meetings

only and for it to no longer be the Secretary's responsibility to review the minutes. The motion was approved by the following vote:

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

President Rice asked that there be a second motion to revise the current policy.

A motion was made by Director Neugebauer, seconded by Director Krippner to direct Legal Counsel to amend the current policy regarding the review of the meeting minutes, and that the Secretary and President are no longer charged with reviewing the meeting minutes. The motion was approved by the following vote:

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

C. Consider the City of Westminster's Request for Sponsorship of the Concerts in the Park Series

GM Nordbak stated that the Directors asked that this item be put on the agenda for further discussion. Staff reported there is a public outreach/community service fund, but that it is the Board's decision.

President Rice asked Legal Counsel whether this would be legal or considered a gift of the taxpayer's money.

Director Krippner stated that he believed it would be considered Outreach.

General Counsel agreed that it would be Outreach and that it would be legal to sponsor the Concerts in the Park Series.

Director Krippner stated that he was in support of the sponsorship because the community is not aware of the District and its activities.

Director Neugebauer stated that she is not in support of spending money on this item. She fully supports Safety Day and the TET Parade and feels that that is enough outreach for the District.

A motion was made by Director Krippner, seconded by Director Cobo to commit to a sponsorship in the amount of \$500. The motion was approved by the following vote:

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

D. Rehabilitation/Repair of Sewer Mains Project – Award of Contract

Director Neugebauer stated her concern about the wording “waive any informality in the bid” on the staff report.

AGM Robbins stated that the words “waive any informality in the bid” would be struck out and deleted from the award of contract.

A motion was made by Director Diep, seconded by Director Neugebauer to allow the General Manager to award the contract to the lowest bidder, Isituform, with the wording “waive any informality in the bid” removed. The motion was approved by the following vote:

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

E. Consider Scheduling the First Public Budget Workshop/Study Session FY 2011/12

After some discussion, everyone agreed on Friday April 22, 2011 at 4:30 P.M. for the first budget meeting. No motion was necessary since direction was given.

GM Nordbak stated that he had an item to bring to the Board’s attention that is not on the agenda. The Chamber of Commerce State of the City Luncheon is taking place on Tuesday, April 5, 2011 and is being held at the Rose Center. A table for eight can be purchased at a cost of \$280.

It was decided that this item needed to be walked on to the agenda since it required immediate action.

A motion was made by Director Neugebauer, seconded by President Rice to walk this item onto the agenda since the need to take immediate action came up after the agenda was posted. The motion was approved by the following vote:

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

A motion was made by Director Neugebauer, seconded by Director Cobo to approve attendance to the State of the City Luncheon on Tuesday, April 5, 2011 at 11 A.M. The motion was approved by the following vote:

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

President Rice and Director Diep will be attending but representing the City of Westminster.

Attending from MCSD will be Directors Krippner, Cobo, Neugebauer, GM Nordbak, AGM Robbins, and Finance Director Housley. Staff was instructed to purchase six tickets at a cost of \$30 each, for a total of \$180.

CLOSED SESSION

President Rice convened the meeting to closed session at 5:45P.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 LEGAL COUNSEL – ANTICIPATED LITIGATION Govt. Code Section 54956.9(c)
Initiation of litigation (1 potential case)

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

President Rice reconvened the meeting at 6:12 P.M.

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

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she wanted to bring an item onto the agenda. She reminded the Board of the Resolution of Commendation for Albert Cibrian and felt that it needed to be done immediately.

GM Nordbak stated that the Resolution was already prepared and that it had been put on the agenda for the April 5, 2011 Board meeting to be acted upon and adopted.

Director Neugebauer commended Finance Director Housley for the format of the investment report.

Director Krippner stated that the handout on disaster preparedness was a good example of how wording is important.

Director Neugebauer asked whether there would be any impact from the halting of the State's budget negotiations and if it could move us toward the time when state workers will not be paid.

Director Diep explained that the deadline for adopting the new budget is at the end of the fiscal year which is June 30, 2011, but that the Governor already has the vote to approve a budget, and only needs Republican votes for a tax increase.

President Rice stated to GM Nordbak that the Board wished to do a performance evaluation on his position at the next Board meeting.

GM/STAFF CONCERNS/COMMENTS

None

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

None

ADJOURNMENT

President Rice adjourned the meeting at approximately 6:17 P.M.

Joy Neugebauer, Secretary