

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

April 19, 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, April 19, 2011 at 4:03 P.M.

BOARD MEMBERS PRESENT:

Al P. Krippner
Joy L. Neugebauer
Frank Cobo (arrived at 4:22 PM)
Margie L. Rice
Tyler Diep

OTHERS AT MEETING:

Greg Nordbak, General Manager
Ken Robbins, Assistant General Manager
Robert Housley, Finance Director
Dave Larsen, Labor Counsel
James Eggart, District Counsel
Danielle Gerardo, Administrative Secretary

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 28, 2011

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of March 28, 2011, with one correction. The motion was approved by the following vote:

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

APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 29, 2011

A motion was made by Director Diep, seconded by Director Krippner to approve the minutes of the meeting of March 29, 2011, with several corrections made. The motion was approved by the following vote:

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

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 270,735.85

#	CK #	CK AMOUNT	VENDOR
1	4470	144.05	Advanced Gas Products -Compressed Gas (\$72.41),Monthly Cylinder Rental (\$71.64)
2	4471	57.00	Advanced Workplace Strategies - Random Drug Testing (IG)
3	4472	100.00	Benny Oil Filter Recycling, Inc. - Oil Filter Drum Charge
4	4473	680.95	Bodyworks - Replace Journal Blocks (3) and Hopper Cover
5	4474	480.00	Carmenita Truck Center -Inspection of Exhaust and Smoke from M63
6	4475	43,427.69	City of Westminster -Gasoline and Diesel Fuel Purchased from Jan2011-Mar2011
7	4476	982.56	Computer Research Center - Maintenance & Support for May 2011
8	4477	21,542.00	CR Transfer, Inc. - Tonnage for Mar 2011
9	4478	1,467.14	Daniels Tire Service - Tire Disposal (2) and Restock Recap Tires (9)
10	4479	425.55	Dartco - Restock Filter Kits and Insulator
11	4480	28.81	Fastenal - Restock Nuts and Bolts
12	4481	6,254.98	Fleet Service - Replace Gaskets, Clamp on T60
13	4482	375.00	Frog Env, Inc. - 2010-2011 Monitoring Plan Binder, Training and Sampling Kits, BMP Inspection Report
14	4483	302.88	G & K Services - Uniform Rental Services for Mar 2011
15	4484	29.53	Grainger - Restock Respirator Protection (10PK)
16	4485	157.29	Huntington Beach Ford - Battery Cable and Cable Assembly for T9
17	4486	3,500.00	James F. McConnell Attorney At Law - Fee for Lobbying Services for Mar 2011
18	4487	600.90	Los Alamitos Auto Parts - Replace Exhaust Cap on T52, Lamps, Lift Mirror, Flex Tubing, Heat Hoses
19	4488	77.00	Memorial Prompt Care - First Aid Injury for (DH) on March 30, 2011

20	4489	5,951.75	OCS D - Permit Fees for Mar 2011 (MCS D 5%= \$313.25)
21	4490	111,440.30	Rainbow Disposal - Tonnage Fee for Mar 2011
22	4491	175.00	Resource Communications -Troubleshoot and Repair Shop Phone Line
23	4492	849.80	Reyes Alternators - Replace Alternator on T65, T55, T54, M6
24	4493	1,008.00	SWRCB Fees - Annual Permit Fee for SB Issued SW Industrial
25	4494	157.50	Terrastar Media - Web Tech Support
26	4495	13.50	Underground Service Alert - 9 New Tickets Mar 2011 Services
27			
28		200,229.18	SUBTOTAL
29			
30			ADD HANDCUT CHECKS:
31	4465	869.75	Michael LaFreniere - Board Approved Vacation Payout of 40-Hours
32	4466	632.73	AT&T Mobility - (KR) 714 310-2313 / (AC) 714-310-4406 / (NC) 714-310-8653
33			Sewer 714-310-8654 / Emergency 714-310-9004
34	4467	86.99	DirecTV - Monthly Service Mar 2011
35	4468	2,787.48	The Standard Dental Insurance - Premiums for May 2011
36	4469	5,610.00	Zenith Insurance Company - Worker's Compensation/Progressive Payment
37			
38		210,216.13	SUBTOTAL PLUS HANDCUTS
39			
40			Payroll
41		58,879.88	Payroll Date 4/05/11 Staff Chk # 15006 - 15015 Taxes & Direct Deposits
42		1,639.84	Payroll Date 4/05/11 Nationwide Deferred Compensation
43		270,735.85	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Neugebauer, seconded by Director Diep to approve the expenditures in the amount of \$ 270,735.85. The motion was approved by the following vote:

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

REPORTS

Report of President

President Rice stated that she received a Certificate of Liability from State Farm Insurance for the District's Lobbyist, James McConnell. She gave the Certificate to GM Nordbak to have on file at the District.

President Rice stated that she received a confidential letter from Woodruff, Spradlin and Smart and asked the rest of the Board if they had also received the same letter. All Board members confirmed that they had received a copy of the letter.

GM Nordbak stated that he would address the letter later in the meeting and that it had to do with Agenda Item 9E regarding the discussion of LAFCO bylaws.

Report of General Manager

GM Nordbak explained that the confusion regarding the chairs purchased for the District Board room was because there was one additional chair purchased for Finance Director Housley. The first was purchased at the regular price of \$146.80 for President Rice. Five more were later purchased on sale at a cost of \$75 each (total of \$407.78 including sales tax or \$81.56 each including sales tax) for four Board members and Finance Director Housley.

GM Nordbak stated that he was delivering yellow packet items early since the Board would need them before the next Board meeting on Friday, April 22, 2011.

GM Nordbak asked the Board whether their stipends should pay for the State of the City Luncheon or the retirement party for Albert Cibrian. The Board confirmed that they would be not be paid for either.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that she had received an update on the OCSD Magnolia/Trunk Sewer Rehabilitation Project in Westminster. It states that the project will move into the City of Westminster on Monday April 18, 2011. It is on Magnolia Street between Westminster Boulevard and Bishop Street. She gave copies of that report to each of the Board members so that they would have the information in case anyone questioned them on the project.

Director Neugebauer reported that the operations committee met on Wednesday, April 6, 2011 and that they are working on their budget for next year. The discussion was mainly on capital improvement programs for next years' budget. An increase in the level of service, going to full secondary treatment and water reclamation/rehabilitation are driving the budget and the Directors are struggling to keep it within reason.

Director Neugebauer reported that the State took \$16 million from OCSD a few months ago.

Director Neugebauer stated that OCSD is continuing labor negotiations and that there is a committee meeting on April 20, 2011. Just prior to that there is an event called the Walk of Honor where they will be adding the name of Doug Davert, who is the immediate past chairman of OCSD.

CONSENT CALENDAR

- A. Investment Report for March 2011
- B. Consider Attendance to the Special Districts Institute (SDI) Administration Conference at the Omni San Diego Hotel in San Diego on June 9-10, 2011

A motion was made by Director Diep, seconded by Director Neugebauer 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

- A. Confirm Attendance at the Mayor's Prayer Breakfast

All Board members confirmed that they will be attending the Mayor's Prayer Breakfast on May 5, 2011. The City of Westminster will be paying for President Rice and Director Diep. Directors Neugebauer, Krippner and Cobo, AGM Robbins and Finance Director Housley will be attending through the District at a cost of \$20 each.

NEW BUSINESS

- A. Sewer System Master Plan (SSMP) Audit

AGM Robbins explained that the State requires an audit of the Sewer System Master Plan every two years. He then explained the changes that have been made to it.

Director Neugebauer suggested a few minor changes as well.

A motion was made by Director Diep, seconded by Director Krippner to receive and file the Sewer System Master Plan (SSMP) audit, as amended. The motion was approved by the following vote:

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

- B. Consider a Proposal from McGinn Actuaries LTD., to provide an Updated Valuation Report of Other Post Employment Benefits (OPEB) as required by Governmental Accounting Standards Board (GASB) Statement No. 45

Finance Director Housley gave a detailed explanation of this item.

Director Neugebauer stated that she did not feel that it was necessary to spend the additional \$1,000 to have McGinn Actuaries LTD attend a meeting to present the report to the Board, and that she felt confident having Finance Director Housley do it instead.

A motion was made by Director Neugebauer, seconded by Director Cobo to approve the proposal from McGinn Actuaries LTD in the amount of \$4,500. The motion was approved by the following vote:

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

- C. Consider the Request from State Senator Joel Anderson for Support of Senate Bill 11 (SB-11)

GM Nordbak stated that this item came to the Districts attention by way of a letter that Director Neugebauer received. The District supported this bill in 2009 when Senator Joel Anderson was an Assemblyman. He is asking for support of the same bill now.

Director Diep explained that the bill is due to the State of California not adopting a budget on time. The bill provides that IOU's can be used to pay debts that are outstanding.

A motion was made by Director Neugebauer, seconded by Director Diep to send a letter of support for Senate Bill 11 from the District. The motion was approved by the following vote:

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

- D. Consider Enrolling Midway City Sanitary District in Nationwide SecurePay with Nationwide Retirement Solutions, the District's 457 Deferred Compensation Administrator, for Submitting Employee Payroll Information and Authorizing Payment of Employee Contributions

GM Nordbak stated that this went back to the discussion that took place at the last Board meeting regarding who can make monetary transfers for the District.

Finance Director Housley explained that this program would save the District money, and has fewer steps to make when transferring. He assured Director Neugebauer that it is still safe and maintains all of the checks and balances of the District's previous method.

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

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

E. Discussion and Action on Proposed Local Agency Formation
Commission (LAFCO) Bylaws

GM Nordbak stated that all Board members received a confidential letter regarding this matter, as well as some information from Legal Counsel.

GM Nordbak suggested to the Board that they reagendize this item for further discussion when Legal Counsel Nixon returned from vacation.

A motion was made by Director Neugebauer, seconded by Director Diep to reagendize this item for the next regular Board meeting. The motion was approved by the following vote:

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

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she wished to remind the Board to discuss Administrative Professionals Day on the next regular agenda.

GM/STAFF CONCERNS/COMMENTS

GM Nordbak went over the yellow folder items which had been delivered to the Board the previous Friday.

GM Nordbak stated that he and AGM Robbins had attended another meeting at Rainbow Disposal. Rainbow Disposal is trying to receive a grant for the worm composting project. GM Nordbak suggested hiring Theresa Kasprzyk at a cost of \$750 to write the grant. The Board decided that they will agendize this for the next Board meeting.

GM Nordbak stated that there has been a District vendor change, but he did not wish to discuss it at this time.

GENERAL COUNSEL CONCERNS/COMMENTS

Legal Counsel requested that the Board put an item on the closed session agenda first as it relates to labor negotiations between the District and the Local Union 1734.01. He stated that there were labor negotiations last Friday, April 15, 2011 and they need to meet with the Board to discuss those labor negotiations. He requested that the Board meet the labor negotiating team of himself (Dave Larsen), GM Nordbak, and Finance Director Housley. He stated that they were not aware of the outcome of negotiations until after the meeting on last Friday, making it too late to put it on today's published agenda, so he requested the Board to take a vote to approve bringing it onto the agenda.

A motion was made by Director Neugebauer, seconded by Director Krippner to bring an item onto closed session because the need to hold it was not evident when the agenda was posted, and there is a need to take immediate action. The motion was approved by the following vote:

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

Legal Counsel Eggart then requested that the Board add a closed session agenda item pursuant to Government Code Sections 54957 relating to public employee discipline, dismissal, release because information was brought to the District's attention after the agenda was posted and requires immediate attention.

A motion was made by Director Neugebauer, seconded by Director Cobo to bring a second item onto closed session because the need to take action became apparent after the agenda was posted and requires immediate action. The motion was approved by the following vote:

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

Legal Counsel stated that even though there was no one in the audience at the meeting, it needed to be stated in open session that this was the time for public comments for the closed session allowing anyone an opportunity to speak. He then stated for the record that there wasn't anyone.

CLOSED SESSION

President Rice convened the meeting to closed session at 5:06 P.M. pursuant to Government Code Sections 54957.

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.

President Rice reconvened the meeting at 7:01 P.M.

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

President Rice requested that the District's Board Secretary add the closed session items from today's agenda to the agenda for the Board meeting on Friday, April 22, 2011 so that the Board could take action.

Board Secretary Gerardo stated that the agenda had already been posted.

Legal Counsel stated that there could be an addendum or amended agenda.

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she received a call from a gentleman on Fiske Avenue complaining of a cockroach infestation. He told Director Neugebauer that he noticed that MCSD was working nearby and was wondering if our workers were to blame since they were spraying. He recommended a company called Golden Bell to remedy the situation. She was wondering whether staff at the District was aware of the problem.

AGM Robbins explained that this usually happened where there is a lot of grease because that is what they eat. He explained that the District has a method of pre-spraying the manholes before annual line cleaning, as well as duct seal and plugging the manholes to keep them in.

AGM Robbins offered to speak to the gentleman if he had more questions.

Director Neugebauer stated that she would let him know when the next regular Board meeting was so that he could attend if he would like.

GM/STAFF CONCERNS/COMMENTS

AGM Robbins stated that the City of Huntington Beach is requesting a special agreement for a skate park on McFadden and Gothard. He stated that the District had been in contact with LAFCO and per their ordinance, we can do a special agreement out of District boundaries.

President Rice asked why they want the District to do something about it.

AGM Robbins stated that it is because they don't have a sewer system close to it.

President Rice stated that she was against it and did not want the City of Huntington Beach to hook into our sewer system. She reminded the Board of the land on Edinger Avenue and Beach Boulevard that the District wanted to develop years ago. The city of Westminster had to pay a large sum of money to go under the ground, and under the freeway to hook into the sewer line.

AGM Robbins stated that his question was mainly intended for the attorney in order to find out if there had to be some kind of special agreement, other than just a normal residential one.

Legal Counsel suggested that this item be agendaized at the next regular Board meeting on May 3, 2011.

Director Neugebauer suggested charging the City of Huntington Beach a fee.

GENERAL COUNSEL CONCERNS/COMMENTS

None

INFORMATIONAL ITEMS

None

ADJOURNMENT

President Rice adjourned the meeting to a special meeting on Friday, April 22, 2011 at 4:30 PM at approximately 7:08 P.M.

Joy Neugebauer, Secretary