

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

May 3, 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, May 3, 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:

Ken Robbins, Assistant General Manager
Robert Housley, Finance Director
Tom Nixon, District Counsel
Danielle Gerardo, Administrative Secretary

PLEDGE AND INVOCATION

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

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

A motion was made by Director Diep, seconded by Director Krippner to approve the amended 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

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

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of March 29, 2011 with a change. 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 APRIL 5, 2011

A motion was made by Director Diep, seconded by Director Neugebauer to approve the minutes of the meeting of April 5, 2011 with a change. 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 APRIL 19, 2011

A motion was made by Director Neugebauer, seconded by Director Diep to approve the minutes of the meeting of April 19, 2011 with a change. 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 APRIL 22, 2011

A motion was made by Director Diep, seconded by Director Cobo to approve the minutes of the meeting of April 22, 2011. The motion was approved by the following vote:

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

PUBLIC COMMENTS

Luis Gomez, from the City of Huntington Beach's Economic Development Department, requested to speak to the Board regarding Item 9B on the agenda. Item 9B is discussion and consideration of a covenant and agreement for provision of sewer services with the City of Huntington Beach for a skate park. It was decided that he would wait to speak until it came up on today's agenda.

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$ 195,565.68

#	CK #	CK AMOUNT	VENDOR
1	4513	234.11	Advanced Gas Products - Bernard Nozzles (5 for \$119.57), Restock Propane, Forklift Tank Flat Washer,
2			Welding Feed Wire (\$114.54)
3	4514	39.96	Battery Systems - Credit for (2) Core Return Invoice #11-C32105, Replace Battery on T9
4	4515	1,536.30	Bodyworks - Replace Plunger, Coil, Solenoid, Valves for T60 & T62, Restock Solenoids, Relief Valve
5	4516	75.00	Cal's Sweeper Services - Services for Apr 2011
6	4517	1,285.16	Cummins Cal Pacific, LLC - Hammon and Westminster Lift Station Full Pump Service for Generator
7	4518	7,233.58	Daniels Tire Service - Restock Recap Tires (12), Restock New Tires (6 @ \$340.00 ea),
8			Replace (6) New Tires for T61
9	4519	99.39	Fastenal - Restock Nuts and Bolts
10	4520	12,800.30	Fleet Services - Credit for Returned Gaskets (2), Install New Exhaust Filtration System on M63
11	4521	8,269.13	Flo-Systems, Inc. - Repair Hydrostat Submersible Pump
12	4522	150.00	4Pals, Inc. Plumbing & Fire Protection - Backflow Testing on Fleet Parking Sprinkler System &
13			Westminster Lift Station
14	4523	343.38	G & K Services - Uniform Rental Services for Apr 2011
15	4524	93.68	Huntington Beach Ford - Battery Cable and Cable Assembly for T4
16	4525	3,615.19	Hydraforce, Inc. - Replace Brackets, Support Vertical, Inner Seal Ring, and Middle Harness for T53,
17			Replace Cross Member Packer, Pins, Bearings, and Coil Kits, Replace In & Out Cylinder for T65,
18			Replace Door Cylinder for T55, Replace Left Cylinder for T60
19	4526	643.49	Interstate Billing Services/Rush Trucking - Repair Coolant System for T65
20	4527	1,847.98	Los Alamitos Auto Parts - Credit for Core Return, Restock (3) Brake Drums, Break Kits (2) & Core (2)
21			for T56, Break Kits (4) & Core (4) for Restock, Replace Break Drums (4) on T56
22	4528	72.54	Los Angeles Freightliner - Air Valve Cover for M64
23	4529	142.70	Neugebauer, Joy - Insurance Reimbursement May 2011
24	4530	25,183.82	Rehrig Pacific Company - 486 95-Gallon Black Cans with Lids
25	4531	532.88	Reyes Alternators - Replace Starter on T51, and Replace Alternator on T56
26	4532	1,127.00	Rutan & Tucker, LLP. - Professional Legal Fees for Mar 2011
27	4533	341.44	Top Mobile Vision - Replace Color Camera on T51
28	4534	7,070.00	Woodruff, Spradlin & Smart - Legal Services for Mar 2011
29			
30		72,737.03	SUBTOTAL

31			ADD HANDCUT CHECKS:
32	4496	28.23	City of Westminster - Maintenance Shop Water (\$14.39), Hammon Lift Station (\$13.84),
33			Westminster Lift Station (\$14.39)
34	4497	150.00	Cobo, Frank - SDI Conference in Indian Wells Per Diem Apr 27-29, 2011
35	4498	150.00	Krippner, Allan - SDI Conference in Indian Wells Per Diem Apr 27-29, 2011
36	4499	VOID	Nordbak, Greg
37	4500	200.00	Rice, Margie - CASA Conference Sacramento Per Diem Apr 26-27, 2011, SDI Conference in
38			Indian Wells Per Diem Apr 28-29, 2011
39	4501	150.00	Robbins, Kenny - SDI Conference in Indian Wells Per Diem Apr 27-29, 2011
40	4502	376.50	Blue Shield of California - Nancy Gilbert COBRA Insurance for May 2011
41	4503	40.00	City of Westminster - Hydrant Meter for Mar 2011
42	4504	99.66	Gas Company - Fleet Maintenance (\$57.55), District Offices (\$42.11)
43	4505	491.86	Verizon Business - Internet Connection for Scada System Apr 2011
44	4506	93.21	AT&T - Internet Brookhurst Lift Station (714) 531-0272
45	4507	44,284.31	CalPERS Health - Health Premiums for May 2011
46	4508	1,275.89	Office Max - Office Supplies
47	4509	2,154.37	Southern California Edison - Archives & Parking Garage \$66.26, District Office \$201.76, Maint Shop \$224.29
48			Brookhurst Lift Station \$179.06, Westminster Lift Station \$518.68 Willow Lift Station \$254.06
49			Hammon Lift Station \$ 502.80
50	4510	650.94	Standard Life Insurance - Premiums for May 2011
51	4511	79.69	Union Bank First Bankcard - (AC) Restock Water, Coffee, Cups
52	4512	100.00	Westminster Prayer Breakfast Committee - Prayer Breakfast For (FC, AK, JN, KR, RH)
53		123,061.69	SUBTOTAL PLUS HANDCUTS
54			
55			Payroll
56		69,690.07	Payroll Date 4/19/11 Staff Chk # 15017 - 15025 Taxes & Direct Deposits
57		2,813.92	Payroll Date 4/19/11 Nationwide Deferred Compensation
60		195,565.68	TOTAL EXPENDITURES W/PAYROLL

A motion was made by Director Diep, seconded by Director Cobo to approve the expenditures in the amount of \$ 195,565.68. 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 had received a letter from GM Nordbak which she would discuss with the Board during closed session. She also received a letter from the Orange County Grand Jury, which would be discussed later during agenda Item 9E.

Report of General Manager

AGM Robbins reported that truck #T54 has been having electrical problems, and the source of those problems has not been found as of yet. It has been deemed inoperable until the source of the problem can be found.

AGM Robbins reported that the Air Resources Control Board will not give the District a permit for the 2004 portable generator due to the engine being out of date. He is looking into changing out the motor or replacing the generator, and will bring back an estimate to fix or replace it at a later Board meeting.

AGM Robbins stated that there may be a small change order on the Midway City alley lining project due to calcium buildup and extra line cleaning. He is negotiating the change order with the contractor, Institutform.

AGM Robbins reported that LAFCO made a public records request for financial statements from June 30, 2006 through June 30, 2010 for their Comprehensive Annual Financial Review Report.

Director Neugebauer suggested that staff ascertain as to whether the District is being targeted or whether other Special Districts also received the same records request.

AGM Robbins reported that the District may have a potential claim at 9512 Westwood Drive. The resident is claiming that the District is responsible for their cracked patio. AGM Robbins explained that the District was working in his area over a year ago, and that the resident's cracked patio cannot be due to the District's work.

Legal Counsel Nixon advised the Board that this information should be tendered to the contractor and the insurance company.

AGM Robbins reported that the City of Westminster will be doing a storm drain improvement project, and will need to add a sewer line. AGM Robbins will draft up an agreement for counsel's review and put it on next agenda for approval.

Report from Orange County Sanitation District Meeting (OCSD)

Director Neugebauer reported that the Board of Directors for OCSD met on Wednesday, April 20, 2011. Prior to that meeting, Doug Davert, who is the immediate

past chairman) was added to Walk of Fame. Director Neugebauer stated that there was a report on the SARI line, and that OCSD's plant #1 received the State Plant of the Year award from the California Water Environment Association. Director Neugebauer reported that the Magnolia Trunk Sewer Rehab Project is scheduled to move into the City of Westminster. She reported that night work will be taking place at the intersection of Magnolia & Bolsa from 6 PM until 6 AM, from May until June of this year and that OCSD's operations committee will meet again on Wednesday, May 4, 2011.

Report from Special District's Institute (SDI) Conference in Indian Wells, CA

Director Krippner gave everyone a handout he produced regarding the SDI conference in Indian Wells that he stated spoke for itself.

Director Cobo stated that he appreciated the discussions regarding picking a General Manager, managing Districts, Board member responsibilities, and agreed that a vision is needed by the District.

President Rice stated that she feels the District is in need of a strategic plan and vision and requested that the Board consider a retreat in August to discuss these issues. She requested that this be put on the next agenda for discussion.

AGM Robbins agreed with the idea of strategic planning and a vision for the District.

CONSENT CALENDAR

None

OLD BUSINESS

- A. Confirm Attendance to the Special Districts Institute (SDI) Administration Conference at the Omni San Diego Hotel in San Diego on June 9-10, 2011

All Directors confirmed that they would be attending the conference as well as AGM Robbins and Finance Director Housley. Director Cobo will let staff know if he is able to attend as soon as possible.

- B. Discussion and Action on Proposed Local Agency Formation of Orange County (LAFCO) Bylaws

Legal Counsel Nixon stated that the LAFCO bylaws do address the Board's concerns, but suggested that the Board send a letter requesting a meeting prior to the upcoming vote on proposed by-laws.

A motion was made by Director Krippner, seconded by Director Diep to authorize legal counsel to draft a letter to LAFCO and include the District's issues and concerns. The motion was approved by the following vote:

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

NEW BUSINESS

B. Discuss and Consider a Covenant and Agreement for Provision of Sewer Services With the City of Huntington Beach

Luis Gomez, from the City of Huntington Beach's economic development department and Cristal Garcia from Site Design (who is working with Van's) brought site plans for a proposed skate park/plaza that the City of Huntington Beach is planning to allow Van's to build on Gothard Street between Center Street and McFadden Avenue. The City of Huntington Beach is requesting to tie in to the District's sewer lines in order to provide private laterals for the park's restrooms. Mr. Gomez reported that they already met with LAFCO who suggested an agency to agency contract with the District.

A motion was made by Director Krippner, seconded by Director Cobo not to approve the request made by the City of Huntington Beach. A substitute motion was made by Director Diep, seconded by President Rice to continue this item for thirty days. The substitute motion was approved by the following vote:

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

A. Consider Scheduling a Date for the "Administrative Professionals Day" Lunch

A motion was made by Director Krippner, seconded by Director Diep to schedule the administrative luncheon for staff on Tuesday, May 10, 2011 at 11:30 AM at the Fireside at the Riviera and to include Albert Cibrian and Legal Counsel Nixon. The motion was approved by the following vote:

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

D. Consider Attendance to the Orange County Water Summit on May 20, 2011

The Board changed the budget meeting to May 19, 2011, at 4 PM in order to better accommodate the Orange County Water Summit on May 20, 2011.

A motion was made by Director Diep, seconded by Director Neugebauer to move the budget meeting to Thursday, May 19, 2011. 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 Diep to approve attendance to the OC Water Summit on Friday, May 20, 2011. The motion was approved by the following vote:

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

All Directors and AGM Robbins will be attending the O.C. Water Summit and will meet at the District office at 7:30 AM.

E. Discussion of the Soon To Be Released 2010-11 Orange County Grand Jury Report on the Compensation Survey of Water and Sanitation Districts.

A motion was made by Director Diep, seconded by Director Cobo to send Board Secretary Neugebauer and Finance Director Housley as representatives for the District. The motion was approved by the following vote:

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

C. 3rd Quarter Financials

Finance Director Housley gave the Board a detailed explanation of the District's 3rd quarter financials.

A motion was made by Director Diep, seconded by Director Neugebauer to receive and file the 3rd Quarter Financials. The motion was approved by the following vote:

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

BOARD CONCERNS/COMMENTS

Director Neugebauer suggested a change on page 8 of the minutes from April 5, 2011.

A motion was made by Director Neugebauer, seconded by Director Krippner to approve the amendment to the minutes of April 5, 2011. The motion was approved by the following vote:

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

CLOSED SESSION

President Rice convened the meeting to closed session at 5:47 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 6:18 P.M.

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

BOARD CONCERNS/COMMENTS

Director Neugebauer stated that she had received a brochure from the City of Westminster's Concert in the Park series, which the District has sponsored. The District is misrepresented as Midway City Sanitation District instead of Midway City Sanitary District.

Director Neugebauer stated that her neighbor on Fiske Street explained that other agencies like the District have contracts with a company called Golden Bell for insect control, and she asked AGM Robbins if he was aware of the product.

AGM Robbins stated that the District already uses Golden Bell products.

President Rice informed the Board that Director Neugebauer's brother had passed away shortly after her visit with him. She requested to adjourn the meeting in his honor and offered the District's condolences to Director Neugebauer.

GM/STAFF CONCERNS/COMMENTS

AGM Robbins stated that he would be attending the WACO meeting on Friday, May 6, 2011. California Forward is on the program and will give a presentation on how its government reform proposals could impact the function and finances of special districts and other local governments. AGM Robbins will report on this topic at the next Board meeting.

GENERAL COUNSEL CONCERNS/COMMENTS

None

ADJOURNMENT

President Rice adjourned the meeting at approximately 6:27 P.M. in honor of Director Neugebauer's brother, Patrick Benchhoff of Ohio.

Joy Neugebauer, Secretary