

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

August 3, 2010

3:00 P.M.

CALL TO ORDER

President Neugebauer called the regular meeting of the Governing Board of the Midway City Sanitary District to order at 14451 Cedarwood Avenue, Westminster, on Tuesday, July 6, 2010 at 3:00 p.m.

BOARD MEMBERS PRESENT:

Grace P. Epperson
Joy L. Neugebauer
Al P. Krippner
Margie L. Rice

OTHERS AT MEETING:

Greg Nordbak, General Manager
Ken Robbins, Assistant General Manager
Robert Housley, Finance Director
Tom Nixon, District Counsel
Julia Sales, Administrative Secretary
Danielle Gerardo, Administrative Secretary
Frank Cobo (Public)

PLEDGE AND INVOCATION

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

APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 8, 2010

A motion was made by Director Epperson, seconded by Director Rice to approve the minutes of the meeting of June 8, 2010. The motion was approved by the following vote:

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AYES: Directors Epperson, Neugebauer, Krippner and Rice.
NOES: None
ABSENT: Director Diep

APPROVAL OF THE MINUTES OF THE MEETING OF JUNE 22, 2010

A motion was made by Director Rice, seconded by Director Epperson to approve the minutes of the meeting of June 22, 2010. The motion was approved by the following vote:

AYES: Directors Epperson, Neugebauer, Krippner and Rice.
NOES: None
ABSENT: Director Diep

APPROVAL OF THE MINUTES OF THE MEETING OF JULY 6, 2010

A motion was made by Director Epperson, seconded by Director Rice to approve the minutes of the meeting of July 6, 2010. The motion was approved by the following vote:

AYES: Directors Epperson, Neugebauer, Krippner and Rice.
NOES: None
ABSENT: Director Diep

PUBLIC COMMENTS

None

APPROVAL OF EXPENDITURES

A. Demands in the amount of \$295,095.58

#	CK #	CK AMOUNT	VENDOR
1	3835	101.00	Advanced Workplace Strategies - Random Drug Testing (DG, AG)
2	3836	75.00	Cal's Sweeper Service - Sweeping Services For July 2010
3	3837	5,226.09	Charles King Company, Inc. - Emergency Sewer Repair on Broken
4			Lateral at Van Buren St.
5	3838	525.00	Country City Towing - Towing Charges For T60
6	3839	1,064.03	Daniels Tire - Restock Recaps and Two Tires For T65
7	3840	401.68	Dartco - Transynd For T65
8	3841	3,551.51	Fleet Services - Brake Shoes and Shoe Core For T60, T51, Full Flow Tubes,
9			By-Pass and Fittings For Restock
10	3842	145.02	Hose-Man - Fitting For Restock
11	3843	5,910.22	HydraForce - Dump Arm For T61, Single Arm and Inner Arm For T54,T60,T61
12			and Lift Arm and In & Out Cylinder For T61
13	3844	140.70	Neugebauer, Joy - Insurance Reimbursement August 2010
14	3845	378.24	Office Max - Office Supplies
15	3846	78.57	Petty Cash - (Ken Robbins) See Summary Below

16	3847	463.99	Prudential Overall Supply - July 2010 Services
17	3848	125.06	PSI - Restock Hose, Double-Wire Braid
18	3849	203.00	Randy Griffith - CaliFornia Water Environment Association Renewal
19	3850	21,988.60	Rehrig Pacific Company - 432 Large Black Cans With Lids
20	3851	195.75	Sign Design - High Gloss Arlon Signs (Caution: Vehicle Makes Frequent Stops,
21			Wide Right Turns)
22	3852	139,184.40	Solid Waste Insurance - District Commercial Insurance Policies 8/1/10-8/1/11
23	3853	2,825.40	Tec of CaliFornia - T56,T57,T59 Horn Button, T59 Seat Belt & Seat, Fan Drive,
24			Sealing Rings O-Rings
25	3854	5,772.80	Woodruff, Spradlin & Smart - Legal Services For June 2010
26			
27		188,356.06	SUBTOTAL
28			ADD HANDCUT CHECKS:
29	3826	37,197.12	CalPERS - Health Premiums For August 2010
30	3827	525.00	Cobocare/Floor Master - Cleaning Maintenance For Front and Back Offices July 2010
31	3828	-	Printer Malfunction
32	3829	96.00	ISDOC Quarterly Meeting July 29, 2010 (MR,GE,TD,AK,JN,GM,KR)
33	3830	492.14	Verizon Business - Internet Connection For Scada System July 2010
34	3831	71.24	Gas Company - Utility Service For District Offices, Yard and Fleet Maintenance
35	3832	90.60	AT&T - Internet Brookhurst Lift Station (714) 531-0272 July 2010
36	3833	656.84	Union Bank First Bankcard - (NC) Restock Toiletries, Coffee, Creamer,
37			Water For Admin. One Pallet of Water with Logo For Safety Day July 21, 2010
38	3834	844.41	Verizon CA - Monthly Service - (714) 891-9410 (GE) Fax / 891-8624
39			District Fax 893-3553/ 893-3554/ 893-3555/ 897-5368 District Phones/
40			(714) 893-2299/ 903-1863/ 903-6154/ 903-6274 Lift Stations August 2010
41			
42		228,329.41	SUBTOTAL PLUS HANDCUTS
43			
44		59,782.56	Payroll Date 07/27/10 Staff Chk #14772 - 14782 Taxes & Direct Deposits
45		2,667.11	Payroll Date 07/27/10 Nationwide Deferred Compensation
46		4,098.66	Board of Directors Payroll For The Month of July 2010 Chk #14784-14786
47		217.84	Board of Directors Nationwide Deferred Compensation For The Month of July 2010
48			
49		295,095.58	TOTAL EXPENDITURES W/PAYROLL
50			
51			Petty Cash Summary
52		49.32	Board Meeting Refreshments July 20, 2010 (JS)
53		11.75	Orange County Assessor - Maps For Parcel Program (RL)
54		17.50	Sam's Club Membership Fee (AC)
55			
56		78.57	Total Petty Cash Expenditures

Director Rice questioned a towing charge (Line 5, check 3838) in the expenditures. It was explained to her that the towing charge was for one of the trucks that broke down at Rainbow Disposal and needed to be towed back to the District office.

A motion was made by Director Rice, and seconded by Director Epperson to approve the expenditures in the amount of \$295,095.58. The motion was approved by the following vote:

AYES: Directors Epperson, Neugebauer, Krippner and Rice.
NOES: None
ABSENT: Director Diep

REPORTS

None

REPORT OF PRESIDENT

President Neugebauer read a letter of thanks and appreciation from ISDOC President Sandra Jacobs, dated July 26, 2010 which thanks the District for its continued membership and support. The letter was in response to MCSD's letter and also referenced the last October increase in dues that would allow ISDOC to pay for their new OCCOG dues assessment of \$5,000.00 and maintain their voting status on OCCOG. It appears, from the letter that they will continue to consider MCSD a member without adopting the Resolution. Staff was requested to make a copy of the letter for all of the Board members (which were done).

President Neugebauer also read a letter from OCTA which indicates their many milestones. A copy of that letter was also made for all Board members.

REPORT OF GENERAL MANAGER

GM Nordbak referenced a copy of a letter sent to the Santa Ana Regional Water Quality Control Board per the Board's request. The letter is in support for Orange County's Proposed Collaborative Regional Shoreline Bacteria Monitoring Program.

GM Nordbak also referenced an email from George Lazaruk of CR&R which invites Board members to a dinner at Fandango Restaurant on Wednesday, August 18th while in Monterey for the CASA Conference. Directors Rice and Epperson, President Neugebauer, and GM Nordbak and his wife plan to attend the dinner.

GM Nordbak also wanted to make the Board aware of a customer who was extremely happy and grateful to District employee Gus Carrera for picking up her bulky items and for being so polite. This was also mentioned in the weekly newsletter.

Finally, GM Nordbak received an email from Jerry Moffatt at Rainbow Disposal that was forwarded from Steve Ratkay from the City of Westminster. The email questions the feasibility of the City of Westminster providing trash collection services. A letter will be drafted by GM Nordbak and sent to the Westminster City Manager requesting that he or his staff do not contact our contract hauler, and that they deal directly with Midway City Sanitary District.

REPORT FROM ORANGE COUNTY SANITATION DISTRICT MEETING

President Neugebauer let the Board know that OCSD Board met last Wednesday, July 28, and that we did review a status report, and a Year End Review of the Fiscal Year 2009-2010 Work Plan.

President Neugebauer also reviewed the July status report from GM James Ruth. They now have the new system of Rapid Testing of Orange County beaches in place, which runs parallel with the old cultural testing system, and should make reporting of contaminated beaches quicker. This should help to make beach closures more timely for the health of the community.

Regarding the budget closeout for the year ending 2009-2010, they were under budget approximately \$24.4 million or 15.8%, 18 million of which is anticipated to be incorporated into this next years' budget.

On a final note, President Neugebauer reported that Penny Kyle, who has been with the OCSD for 27 years, has retired as Board Secretary, and they are testing and interviewing for a replacement.

President Neugebauer reported that the operations committee will be dark in August, so she will not have an operations committee report at the final Board meeting this month.

REPORT FROM THE INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

Board members held a short discussion on the information presented by speakers at ISDOC on the Orange County Council of Governments (OCCOG) and the Fair Political Practice Commission.

CONSENT CALENDAR

- A. Approval of the request of Fleet Maintenance Mechanic Mike Lafreniere to receive 40 hours of vacation pay in lieu of time off.
- B. Consider approval of attendance at the California Special Districts Association (CSDA) Annual Conference in Newport Beach September 20-23, 2010.

President Neugebauer pointed out that the registration deadline for the attendance to the CSDA Conference is Friday, August 6, 2010, so the registration for this event needs to be done promptly, so that an extra charge of \$25.00 will not be applied. All Board members will be attending – Directors Epperson, Rice, Krippner, and President Neugebauer. Director Diep will also be attending along with GM Nordbak and AGM Robbins.

A motion was made by Director Rice, seconded by Director Epperson, to approve all items on the Consent Calendar. The motion was approved by the following vote:

AYES: Directors Epperson, Neugebauer, Krippner and Rice
NOES: None
ABSENT: Director Diep

OLD BUSINESS

- A. Confirm attendance to the Taste and Tour of Little Saigon

The Taste and Tour of Little Saigon takes place on Thursday, September 16, 2010. The District will not be purchasing a table as it has done in the past. Instead, tickets will be purchased individually for Directors Krippner and Epperson, President Neugebauer, as well as GM Nordbak and AGM Robbins. Director Rice will also be attending, but will go through the City for her ticket.

A motion was not needed to confirm attendance to the Taste & Tour of Little Saigon.

NEW BUSINESS

- A. Quarterly Financial Reports, for July 1, 2009 through June 30, 2010

President Neugebauer questioned whether account #408, #409, and #410 regarding Taxes, Secured and Unsecured on the Statement of Revenues, were joined as one in the budget for this year, or separated out as they are on the Quarterly Financial Reports. Finance Director Robert Housley responded that yes, they were separated out on the budget as well. Director Krippner requested that the dates on the report be more

precise and specific. President Neugebauer also noted the near exact difference in the Budget and the Quarterly Financial Reports

Director Rice asked where aid from other government agencies (pass-through) came from. Finance Director Robert Housley responded that the largest portion comes from the City of Westminster, the OC Redevelopment (which is through the County) for the Midway City area, and a very small portion from the City of Garden Grove. President Neugebauer asked whether that included the fees we collect from OCSD. Finance Director Robert Housley responded that that is a separate entry on the statement.

Finance Director Robert Housley pointed out a few details regarding the increase of assets, the difference in total expenses and change in net assets for the year, the increase in cash reserves for the year, the change in value of COP bonds, and finally the budget vs. actual revenues which came to 100.01% of what was forecasted, or 12.7% under budget.

President Neugebauer asked whether the audit had begun yet. Finance Director Robert Housley let everyone know that the audit would begin next week on August 11, 2010. GM Nordbak pointed out that the cost of the District trucks has been broken out as have the utility cost for each lift station. President Neugebauer asked about truck #47, which has been sold, staff will see it gets deleted.

A motion was made by Director Rice, seconded by Director Epperson, to approve the quarterly financial reports. The motion was approved by the following vote:

AYES: Directors Epperson, Neugebauer, Krippner and Rice
NOES: None
ABSENT: Director Diep

B. Drivers Safety Training – Class B Drivers

This is an annual training course, which is in the budget, and helps with our insurance. All of the District's employees who hold a Class B driver's license should take this course. The cost is \$1,650 per our agreement with the Rule Company. The instruction takes place on site, but after hours, so it will constitute overtime which will cost the District an additional \$2,400 plus lunch for \$250, for a total cost of \$4,300.

A motion was made by Director Rice, seconded by Director Epperson, to approve the expenditure. The motion was approved by the following vote:

AYES: Directors Epperson, Neugebauer, Krippner and Rice
NOES: None
ABSENT: Director Diep

C. Approval of District Calendar 2010/2011

There was a great deal of discussion on and about each page of the calendar by the entire Board, and numerous editing changes were recommended.

President Neugebauer asked legal counsel, Tom Nixon, whether Board members could have their pictures in something that will be mass mailed to residents of the District. He responded that there is a legal issue with photographs and that it was probably a good idea to delete them.

The price of printing the calendar was also discussed and it was decided that staff would present a minimum of 3 proposals and include printers from within the City of Westminster, since PROforma is located in Huntington Beach.

No motion was made at this time, as there will be numerous editing changes made, quotes from printers, and a final review of the calendar at the next Board meeting August 17th.

D. Consider District Web-Site Proposals

There were 3 proposals put to the Board for the design of the new website. Everyone agreed on TerraStar Media since it is located in Westminster, and is also the least expensive.

A motion was made by Director Rice, seconded by Director Epperson, to move forward on the restructuring of the District website and accept the bid from Terastar. The motion was approved by the following vote:

AYES: Directors Epperson, Neugebauer, Krippner and Rice
NOES: None
ABSENT: Director Diep

BOARD CONCERNS/COMMENTS

None

GENERAL COUNSEL CONCERNS/COMMENTS

None

GM/STAFF CONCERNS/COMMENTS

GM Nordbak let the Board know that we received a notice from State Controller John Chiang regarding the salaries of government officials being placed on the local websites. This is due to the recent news from the City of Bell, California. There may be additional requirements that will affect the District in the future.

GM Nordbak also let the Board know that there was a minor accident with one of the trucks. The cap on top of a brick wall was knocked off by the arm, which the driver reported immediately, and the District would be taking care of.

Director Krippner's surgery date has been changed to August 20, 2010.

Donna Nordbak, wife of GM Nordbak will be joining the Board members on the trip to Monterey. The time everyone will be leaving will be finalized at the next Board meeting.

GM Nordbak let the Board know that there is a golf tournament for the Westminster Boy's and Girl's Club on Monday afternoon and he and AGM Robbins will be attending with Rainbow Disposal.

GM Nordbak presented a more accountable system for annual visits done to retail and commercial businesses for verifying their sewer use. There will be a new form for the District's inspector during their visit. This will create better transparency and to maintain an accurate record for the District when contacted by the rate payer.

INFORMATIONAL ITEMS

None

ADJOURNMENT

President Neugebauer adjourned the meeting at approximately 5:20 p.m.

Al P. Krippner, Secretary

