

MINUTES

GARDEN GROVE SANITARY DISTRICT

A regular meeting of the Garden Grove Sanitary District Board of Directors was called to order in the Council Chamber, 11300 Stanford Avenue, on Tuesday, April 22, 2003, at 7:40 p.m.

ROLL CALL: PRESENT: (5) PRESIDENT BROADWATER, MEMBERS DALTON, LEYES, ROSEN, TRAN

ABSENT: (0) NONE

ALSO PRESENT: General Manager, George Tindall; Public Works Director, Les Jones; Legal Counsel, John Shaw; and Secretary, Ruth Smith.

ORAL COMMUNICATIONS – PUBLIC

There were no public oral communications relevant to the Sanitary District.

RECESS

At 7:55 p.m., the President declared a recess.

RECONVENE

At 8:07 p.m., the meeting was reconvened with President Broadwater and all members in attendance.

STATUS REPORT ON THE SANITARY DISTRICT OPERATIONS WITHIN THE CITY (F: S-128.3)

Staff report dated April 22, 2003, was introduced, reviewing the status of the Garden Grove Sanitary District activities for the month.

It was moved by Member Tran, seconded by Member Dalton, and carried by unanimous vote, that the Status Report on the Sanitary District activities within the city from mid-March through mid-April 2003, be and hereby is received and ordered filed.

MINUTES (F: Vault)

It was moved by Member Tran, seconded by Member Dalton, and carried by unanimous vote, that the minutes of the Adjourned Regular Meeting of the

Sanitary District held March 4, 2003, and Regular Meeting held March 25, 2003, be and hereby are approved.

REPORT FROM ORANGE COUNTY SANITATION DISTRICT (OCSD)
REPRESENTATIVE (F: S-128.4)

Member Leyes commented that the ground water replenishment system is a joint project between the Water District and the Sanitation District, noting that the Sanitation District has nearly half a billion dollars in reserves, and their proposal has been to pay cash for their share of that project. There is a capital improvement plan program that is set over ten years for about \$2.3 billion. He noted that he has argued his belief that the whole picture needs to be looked at. Part of the problem is that these rates are paid on property tax bills, which are seen only once a year. He noted that the Finance Committee heard the matter, and there was a motion to raise rates 20 percent; however, he demonstrated that there was no need for that amount, and the motion was withdrawn and substituted with a motion to raise rates 15 percent, which he believes is far in excess of what needs to occur to finance even the expanded capital program. It was a close vote, but the recommendation was to raise rates, and this will go to the Board of Directors. If they approve the increase, it would be another increase on top of many other proposed fee increases.

Member Leyes noted that there is a Board meeting scheduled for tomorrow evening, and one of the issues being discussed is how to finance a capital improvement program that has changed significantly in the last year. Some individuals believe meeting new requirements may require a rate increase, while others believe it can be done within the current rate structure. He noted that as a member of the Finance Committee, he is arguing against a rate increase, and he will continue to monitor this subject and report as necessary to the Board.

MATTERS FROM BOARD MEMBERS (F: S-53.1) (XR: S-74.2) (XR: 46.1)

Member Rosen commented that he has looked at the Sanitation District Board minutes, and in light of the fact that three members of the Sanitary District Board are running for higher office next year and will be raising tremendous amounts of money in that regard, this will create problems for them to sit on boards such as this because of potential conflicts of interest that can disqualify them from voting on certain matters. He noted that the Sanitation District Board minutes reflect Member Leyes abstained on all of the warrants that were voted on during the year 2002. His abstentions on warrants and contracts add up to over \$200 million. He suggested that a new representative who is not involved in running for a higher office be selected to serve on both the Orange County Sanitation District Board and the Sanitary District Liaison Committee.

Member Rosen moved, seconded by Member Dalton, that the Board select a new representative to the Orange County Sanitation District Board and to the Sanitary District Liaison Committee.

Member Dalton suggested that representation on outside boards should be rotated so everyone has an opportunity to familiarize himself with the various operations.

In response to an inquiry by Member Tran, Member Leyes noted that he has served on the Sanitation District Board for about six years.

Member Leyes commented on a new law that now requires specific warrants be identified in the abstention, rather than abstaining from the entire group of warrants. He indicated that he did abstain quite a few times on the warrants.

Member Rosen noted agreement with Member Dalton's suggestion of rotation and suggested an ordinance to that effect be developed at a later date.

Member Leyes commented that warrants are simply a matter of bookkeeping, and he suggested that perhaps he is being punished for standing with the taxpayers and rate payers and not playing ball with the bureaucracy. He indicated that three members of this board voted to raise sewer fees for the citizens of Garden Grove, and another already endorsed a rate increase at the county level. He noted that he was opposed to all of those.

Member Leyes commented that he appreciates having served on the Sanitation Board, and that he will continue to monitor the situation and give his advice when it is welcome to whomever represents the City on that board.

Member Dalton commented that relative to the sewer increase to which Member Leyes alluded, he and Member Rosen were against the lowest rate, and Member Leyes wanted a higher increase.

Member Rosen commented that at the July 22, 1999, meeting on the sewer increase, he and Member Dalton wrote a report indicating that the recommendation of the consultant was too high and recommending a \$3.32 increase, which ultimately passed. He indicated that Councilman Leyes said it should be \$3.78, and Member Rosen read from the minutes of that meeting.

Councilman Leyes disputed the allegation.

The foregoing motion carried by the following vote:

AYES: MEMBERS: (4) DALTON, ROSEN, TRAN, BROADWATER
NOES: MEMBERS: (1) LEYES
ABSENT: MEMBERS: (0) NONE

It was moved by Councilman Rosen, and seconded by Councilman Tran, that Member Dalton be selected as the representative to the Orange County Sanitation District Board and the Sanitary District Liaison Committee.

Member Tran noted his concern about Member Leyes' prior remarks alleging political punishment, expressing his disagreement with that. He further noted that the members can agree to disagree, but it is important to move ahead with the issues. He also noted his agreement with rotating representation on the various committees and boards.

Member Leyes commented that the District Liaison Committee is a remnant of the old sanitary board and an excuse in the old days to bill for another meeting. He further commented that there have been occasions during the past several months where the agenda has been very lean, and he believes the committee needs to be disbanded. He noted that it costs the City dinners for about seven people every other month, at a cost of \$100 per person to go to the meeting because it is billed as a meeting of the Sanitary District. He further noted that with countywide rate increases for sewer and water rates and City rate increases for streetlights looming, this is a cost that can be saved right off the top. Member Leyes moved a substitute motion that the committee be disbanded.

Councilman Rosen took issue with the substitute motion, indicating that it is not germane to the previous motion, which was a nominating motion.

The substitute motion died for lack of a second.

The original motion carried by the following vote:

AYES: MEMBERS: (4) DALTON, ROSEN, TRAN, BROADWATER
NOES: MEMBERS: (1) LEYES
ABSENT: MEMBERS: (0) NONE

Member Rosen suggested that Member Dalton report back in three or four months with his thoughts on the viability of the District Liaison Committee.

Member Leyes suggested that the need and purpose for the District Liaison Committee with the contract trash hauler be placed on the next Sanitary District agenda for discussion, and agendas and minutes for meetings over the last two years be provided as part of the item.

Member Dalton inquired how long Mr. Leyes has served on that committee, to which Member Leyes responded seven years. Member Dalton indicated his concern that Member Leyes did not present his thoughts about this committee previously.

ADJOURNMENT

At 9:28 p.m., the meeting was declared adjourned.

RUTH E. SMITH
SECRETARY