

MINUTES

GARDEN GROVE SANITARY DISTRICT

An adjourned regular meeting of the Garden Grove Sanitary District Board of Directors was called to order in the Council Chamber, 11300 Stanford Avenue, on Tuesday, May 11, 2004, at 7:00 p.m.

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

ABSENT: (0) NONE

ALSO PRESENT: General Manager, Matthew Fertal; Assistant General Manager/Treasurer, Les Jones; Public Works Director, Keith Jones; Legal Counsel, John Shaw; and Deputy Secretary, Priscilla Stierstorfer.

ORAL COMMUNICATIONS – PUBLIC

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

RECESS

At 7:32 p.m., the President declared a recess.

RECONVENE

At 9:08 p.m., the meeting was reconvened with President Broadwater and all Members in attendance.

MINUTES (F: Vault)

It was moved by Member Leyes, seconded by Member Rosen, and carried by unanimous vote, that the minutes of the Regular Meeting of the Sanitary District held April 27, 2004, be and hereby are approved.

CONSIDERATION OF REPORT SUBMITTED BY DIEHL, EVANS & COMPANY ON THE METHODOLOGY AND MATHEMATICAL ACCURACY OF THE FRANCHISE FEES, SERVICES RATES, AND PAYMENT CHANGES OUTLINED IN THE GARDEN GROVE DISPOSAL PROPOSAL RELATIVE TO SOLID WASTE FRANCHISE FEES AND CHANGES TO RESIDENTIAL AND COMMERCIAL TRASH RATES (F: S-128-1) (XR: S-60.1) (XR: S-55)

Staff report dated May 11, 2004, was introduced.

President Broadwater questioned whether it is necessary to hire Diehl, Evans & Company to check the math in the Garden Grove Disposal proposal. He commented that the city's Finance Department could review the figures. He also questioned whether Diehl, Evans & Company would participate in the negotiations with Garden Grove Disposal if it turns out that there is some substance in what they find.

The General Manager commented that Diehl, Evans & Company is prepared to negotiate for an additional fee of \$25,000.

President Broadwater inquired as to when the costs will be available. The Public Works Director commented that staff could prepare a timeline and provide it at the next Board meeting.

Member Tran commented that there are nine outstanding issues. He indicated he would like to see the services that will be provided before he approves an agreement for \$25,000. He noted that the Board knows what is needed and inquired whether the company can provide it. The Public Works Director commented that staff would provide a report.

President Broadwater requested that the staff report include the timeline and methodology.

Member Rosen questioned whether the rate increase requires a four-fifth's vote. Legal Counsel responded that it does.

Member Rosen inquired when the trash contract expires. The Public Works Director commented that it expires in 2014.

Member Rosen commented that we should get a sense from the Board on whether there will be enough votes for the increase.

The Public Works Director commented that Diehl, Evans & Company was hired to check the math. The dollar figures had changed from the original proposal that Garden Grove Disposal submitted. Staff

recommends the services of Hilton Farnkopf & Hobson to determine the value of the proposed changes, address outstanding issues, and make appropriate recommendations on the proposal.

Member Dalton questioned whether Hilton, Farnkopf & Hobson is an expert in this field. The Public Works Director commented that they are experts and work on the side of the cities.

Member Leyes commented that we do not have to amend the contract. However, there may be some advantage for the Board to amend it. The Board should discuss what it wants out of the trash contract.

President Broadwater requested that this item be brought back to the June 22 Board meeting to discuss whether to proceed with the trash agreement.

Member Dalton requested that the staff report also contain some success stories that the company has had with other cities.

Member Rosen also requested that the staff report include whether there are any parent or sister companies of Garden Grove Disposal.

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

Member Dalton commented that the Orange County Sanitation District Board voted for a 15% increase with five cities voting against the increase. The increase will be added to the property tax bill. There was no requirement that people be noticed of the meeting when the increase was considered; therefore, there was nobody from the public showing any opposition.

ADJOURNMENT

At 9:35 p.m., the meeting was declared adjourned.

PRISCILLA STIERSTORFER
DEPUTY SECRETARY