

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 of the Community Meeting Center, 11300 Stanford Avenue, on Tuesday, May 27, 2008, at 7:01 p.m.

ROLL CALL: PRESENT: (4) PRESIDENT DALTON, MEMBERS JONES, NGUYEN, ROSEN

ABSENT: (1) MEMBER BROADWATER

ORAL COMMUNICATIONS – PUBLIC

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

RECESS

At 7:25 p.m., the President declared a recess.

RECONVENE

At 7:55 p.m., the meeting was reconvened with President Dalton and Members Jones, Nguyen, and Rosen present.

MINUTES (F: Vault)

It was moved by Member Jones, seconded by Member Rosen, and carried by unanimous vote of those present, that the minutes of the Regular Meeting of the Sanitary District Board held April 22, 2008, be and hereby are approved.

PUBLIC HEARING - GARDEN GROVE DISPOSAL'S ADJUSTMENT TO SOLID WASTE COLLECTION AND DISPOSAL RATES (F: S-60.1) (XR: S-55.1)

Staff report dated May 27, 2008, was introduced.

Staff reviewed Garden Grove Disposal's proposed adjustment to solid waste collection and disposal rates. Garden Grove Disposal has been the District's solid waste collection and disposal provider since 1989, and the term of the Franchise Agreement is through April 2014. In order to offset rising costs, the agreement provides for an automatic annual price adjustment in accordance with the Consumer Price Index (CPI), up to a maximum of 5 percent. Over the past nine years, the annual CPI increase had averaged 3 percent. This year's proposed rate adjustment is 3.92 percent, with subsequent annual maximum adjustments up to 5 percent through the end of the agreement.

In accordance with Proposition 218, Public Hearing notices were mailed to all the owners of record and tenants of the 38,164 affected real property parcels. Property owners, as defined under Proposition 218, objecting to the proposed rate adjustments were entitled to file written protests with the City Clerk up until the close of the Public Hearing.

Member Rosen inquired as to the Board of Directors' role in the proceedings.

The City Attorney reported that Proposition 218 requires a Public Hearing be held to determine if a majority protest exists.

Member Rosen indicated that without the 19,000 protests needed, the Franchise Agreement provides for the rate to be adjusted.

In response to Member Jones's inquiries, the City Attorney reported that he is not aware of a majority protest occurring on a trash rate increase in the State.

President Dalton declared the Public Hearing opened and asked if anyone wished to address the Sanitary District on the matter.

Bob Owens, Verla Lambert, Charles Mitchell, Robin Marcario, Tony Flores, Gerald Hannan, Leland Sisk, Virgil Judd, Dale Erves, Scott Shroeder, Shirley Mason, Peggy Bergin, Harry Pearce, and Rose Alex addressed the Board of Directors, protesting the proposed rate adjustment and the need for a majority protest to set aside the proposed rate adjustment.

There being no further comments from the audience, the Public Hearing was declared closed.

Member Rosen commented that due to the economic environment, limiting the rate adjustment to the CPI is to the City's advantage.

Member Nguyen inquired if the District had any recourse to terminate the Franchise Agreement.

The City Attorney indicated the agreement does not provide for termination without a breach of the contract.

The City Clerk read into the record: "The City Clerk's Office, as of 5:30 p.m., May 27, 2008, had received a total of 78 written protests. Since 5:30 p.m., an additional 2 written protests were received. There are 38,164 parcels affected by the rate increase. As a result, there has not been a submittal of a majority protest."

AWARD OF CONTRACT TO GCI CONSTRUCTION, INC. FOR PROJECT NO. 7810, CARDINAL CIRCLE SEWER IMPROVEMENT PROJECT
(F: S-55.32) (XR: 92.proj.7810)

Staff report dated May 27, 2008, was introduced.

It was moved by Member Rosen, seconded by Member Jones, and carried by unanimous vote of those present, that GCI Construction, Inc., be and hereby is determined to be the lowest responsible bidder in connection with the Cardinal Circle Sewer Improvement Project No. 7810, and that contract for said project be and hereby is awarded to said company in the amount not to exceed \$536,159, in accordance with the terms of the District's plans and specifications and the bid submitted by said company; that all other bids be and hereby are rejected; and the General Manager and Secretary are authorized to execute said contract.

ADJOURNMENT

At 9:03 p.m., the meeting was declared adjourned.

KATHLEEN BAILOR
SECRETARY