



AGENDA

Garden Grove Sanitary District
Board of Directors

Tuesday, April 24, 2018

6:30 PM

Community Meeting Center, 11300
Stanford Avenue, Garden Grove, CA
92840

Kris Beard

President

John R. O'Neill

Vice President

Patrick Phat Bui

Member

Steven R. Jones

Member

Stephanie

Klopfenstein

Member

Kim B. Nguyen

Member

Thu-Ha Nguyen

Member

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the Sanitary District should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The Sanitary District may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Sanitary District Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the Sanitary District meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the Sanitary District are requested to complete a pink speaker card indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications", and should be limited to matters under consideration and/or what the Sanitary District has jurisdiction over. Persons wishing to address the Sanitary District regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the Sanitary District: After being called by the President, you may approach the podium, it is requested that you state your name for the record, and proceed to address the Sanitary District. All remarks and questions should be addressed to the Sanitary District as a whole and not to individual Sanitary District Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the Sanitary District shall be called to order by the President. If such conduct continues, the President may order the person barred from addressing the Sanitary District any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of (5) five minutes. When any group of

persons wishes to address the Sanitary District on the same subject matter, the President may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the Sanitary District's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

AGENDA

Open Session

6:30 PM

ROLL CALL: MEMBER BUI, MEMBER JONES, MEMBER KLOPFENSTEIN, MEMBER K. NGUYEN, MEMBER T. NGUYEN, VICE PRESIDENT O'NEILL, PRESIDENT BEARD

1. ORAL COMMUNICATIONS (to be held simultaneously with other legislative bodies)
2. CONSENT ITEMS

(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Sanitary District Member.)

- 2.a. Authorization for the General Manager to execute Quitclaim Deed of obsolete sewer easement on Christ Cathedral Property. *(Action Item)*
- 2.b. Receive and file the minutes from the meeting held on March 27, 2018. *(Action Item)*

3. ITEMS FOR CONSIDERATION

- 3.a. Approval of an amendment to the agreement with Republic Waste Services of Southern California LLC, dba Garden Grove Disposal for a mandatory organic waste program and rate implementation. *(Joint Action Item with the Garden Grove City Council.)*

4. MATTERS FROM THE PRESIDENT, BOARD MEMBERS AND GENERAL MANAGER

- 4.a. Discussion regarding private sewer laterals inquiry.

5. ADJOURNMENT

The next Regular Meeting of the Sanitary District Board will be held on Tuesday, June 26, 2018, at 5:30 p.m., in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Omar Sandoval
Dept.:	General Manager	Dept.:	City Attorney
Subject:	Authorization for the General Manager to execute Quitclaim Deed of obsolete sewer easement on Christ Cathedral Property. (<i>Action Item</i>)		
		Date:	4/24/2018

OBJECTIVE

To obtain Board authorization for the General Manager to execute a quitclaim deed releasing an obsolete sewer easement on Christ Cathedral property.

BACKGROUND

The Garden Grove Sanitary District was granted an easement for sewer and incidental purposes within Orange County Assessor's Parcel Number 231-021-24 recorded in Book 6982, Page 353 of Official Records within Instrument Number 25862 on March 30, 1964, which is no longer necessary for the District.

DISCUSSION

The Christ Catholic Cathedral Facilities Corporation, a California non-profit religious organization ("Christ Cathedral") is improving their property and this easement interferes with their development. They have therefore requested the District to quitclaim this obsolete easement.

FINANCIAL IMPACT

None. Christ Cathedral will pay an Administrative Fee of four hundred dollars (\$400) to defray the cost of processing the Quitclaim of the easement.

RECOMMENDATION

It is recommended that the Board:

- Authorize the General Manager to execute the attached Quitclaim deed.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Sewer Easement Quitclaim	4/2/2018	Backup Material	Christ_Cathedral_QC_sewer_deed.docx
Christ Cathedral Easements Location	4/2/2018	Backup Material	Christ_Cathedral_Easements_Quitclaim_Map.pdf

RECORDING REQUESTED BY AND WHEN RECORDED
RETURN TO:

Christ Catholic Cathedral Facilities Corp.
13280 Chapman Avenue
Garden Grove CA 92840

APN: 231-021-24

Space above this line for Recorder's Use

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

The **GARDEN GROVE SANITARY DISTRICT**, a public agency of the State of California,
does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to:

CHRIST CATHOLIC CATHEDRAL FACILITIES CORPORATION, a California non-profit religious corporation,

EASEMENT for sewer and incidental purposes recorded in Book 6982, Page 353 of Official Records in the COUNTY OF ORANGE, California, recorded as Instrument Number 25862 on March 30, 1964.

Date: _____

GARDEN GROVE SANITARY DISTRICT,
A public agency of the State of California

By _____

Name: SCOTT STILES

Its: General Manager

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 2018, before me, _____,
Notary Public, personally appeared Scott C. Stiles, who proved to me on the basis of satisfactory
evidence to be the person whose name is subscribed to the within instrument and acknowledged
to me that he executed the same in his authorized capacity, and that by his signature on the
instrument the person, or the entity upon behalf of which the person acted, executed the
instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(seal)

Signature _____

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy
Dept.: General Manager Dept.: City Clerk
Subject: Receive and file the minutes from the meeting held on March 27, 2018. (*Action Item*) Date: 4/24/2018

Attached are the minutes from the meeting held on March 27, 2018, recommended to be received and filed as submitted or amended.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Minutes	4/18/2018	Minutes	sd-min_03_27_2018.pdf

MINUTES

GARDEN GROVE SANITARY DISTRICT BOARD OF DIRECTORS

Regular Meeting

Tuesday, March 27, 2018

Community Meeting Center
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE MEETING

At 7:50 p.m., President Beard convened the meeting in the Council Chamber.

ROLL CALL PRESENT: (7) President Beard, Members Bui, Jones,
Klopfenstein, K. Nguyen, T. Nguyen, O'Neill

ABSENT: (0) None

ORAL COMMUNICATIONS

Speakers: John Holm, Jon Dumitrie, Mona Marche, Nicholas Dibs, Maureen Blackmun, John Duong

RECESS

At 8:10 p.m., President Beard declared a recess.

RECONVENE

At 8:26 p.m., President Beard reconvened the meeting with all Members present.

RECEIVE AND FILE MINUTES FROM THE MEETINGS HELD ON FEBRUARY 27, 2018, AND MARCH 13, 2018 (F: Vault)

It was moved by Member O'Neill, seconded by Member T. Nguyen that:

The minutes from the meetings held on February 27, 2018, and March 13, 2018, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Beard, Bui, Jones, Klopfenstein, K. Nguyen, T. Nguyen, O'Neill

Noes: (0) None

ADJOURNMENT

At 8:27 p.m., President Beard adjourned the meeting. The next Regular Sanitary District Meeting is scheduled for Tuesday, April 24, 2018, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Teresa Pomeroy, CMC
Secretary

City of Garden Grove**INTER-DEPARTMENT MEMORANDUM**

To: Scott C. Stiles From: William E. Murray

Dept.: General Manager Dept.: Public Works

Subject: Approval of an amendment to the agreement with Republic Waste Services of Southern California LLC, dba Garden Grove Disposal for a mandatory organic waste program and rate implementation. (Joint Action Item with the Garden Grove City Council.) Date: 4/24/2018

OBJECTIVE

To obtain approval by the Garden Grove City Council and the Garden Grove Sanitary District Board of an amendment to the agreement with Republic Services Waste Services of Southern California LLC, dba Garden Grove Disposal to be in compliance with the State Mandatory Commercial Organic Program and rates implementation.

BACKGROUND

As part of the State's goal to achieve 75% waste diversion statewide by 2025, the State adopted a mandatory commercial organic recycling program for local jurisdictions to implement as part of the Governor's Assembly Bill AB 1826 Chesbro (Chapter 727, Statutes of 2014). This new law was designed to help improve air quality by reducing greenhouse gas emissions that are produced in landfills. Beginning in 2016, the law requires certain businesses in California, with limited exceptions, to recycle organic materials. Organic material is defined as food waste, green waste (landscape debris and trimmings), and non-hazardous wood waste. Organics recycling requires that your business separate your organic materials from other refuse materials. Multi-family residential dwellings are not required to have a food waste diversion program.

The implementation schedule for businesses to enact an organics recycling program is as follows:

Description	Implementation Date
Tier 1: Businesses that generate 8 cubic yards or more of organic waste per week	April 1, 2016
Tier 2: Businesses that generate 4 cubic yards or more of organic waste per week	January 1, 2017
Tier 3: Businesses that generate 4 cubic yards or more of trash per week	January 1, 2019
Tier 4: Businesses that generate 2 cubic yards or more of trash per week*	January 1, 2020

*If the State of California, by the year 2020, has not reached its goal to reduce organic disposal by 50% of the base year (2014), the mandated organic recycling requirement will be expanded to cover businesses that generate 2 cubic yards or more of trash per week.

Under this new law, businesses must apply good faith efforts by implementing one of the following:

- Subscribe to the new Food Scrap recycling service
- Self-haul your food scraps to a composting facility, and/ or
- Donate edible food to a food bank

SB 605 (Lara, Chapter 523, Statutes of 2014) directed California Air Resources Board to develop a comprehensive short-lived climate pollutants (SLCPs) strategy, in coordination with other state agencies and local air quality management and air pollution districts to reduce emissions of SLCPs. SB 1383 (Lara, Chapter 395, Statutes of 2016) directed the Board to approve and begin implementing the plan by January 1, 2018, and set statewide 2030 emission reduction targets for methane, HFCs, and anthropogenic black carbon.

As it pertains to CalRecycle, SB 1383 targets have been established to achieve a 50 percent reduction in the level of statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. The law grants CalRecycle the regulatory authority required to achieve the organic waste disposal reduction targets and establishes an additional target of no less than 20 percent of currently disposed edible food to be recovered for human consumption by 2025. If the statewide diversion goal is not met, local jurisdictions may be required to impose penalties and collect fees to recover costs incurred from non-recycling organic waste generators in order to in comply with the State regulations.

DISCUSSION

Republic Services, doing business as Garden Grove Disposal, has been the Garden Grove Sanitary District's (District) solid waste collection and disposal provider since 1989. On July 1, 2010, this franchise service agreement was amended and the City was added as a party. In response to AB 1826, Republic Services has developed a source separated food scrap collection program. Program strategies are to have the materials collected, and processed into a renewable source of fuel and/or energy through a process known as anaerobic digestion.

To ensure the rates proposed for this new program are fair and reasonable, the District in January 2017, contracted with HF&H Consultants to perform a formal rate review process on Republic Services' proposed recycling organic rates, and to negotiate on behalf of the District with the hauler. Other Republic Services' contracted agencies such as the cities of Fullerton, Brea, Yorba Linda and Placentia also underwent a rate review facilitated by HF&H at the same time as our District. This collaborative effort made the rate negotiations consistent among all participating agencies.

HF&H has thoroughly assessed program containers, collection vehicles, collection equipment, organics processing, public education and outreach, reporting, advertising, labor, principal, and interest payments proposed by Republic Services. Based on their cost analysis, final negotiations were successfully reached with Republic Services in January 2018. This resulted in commercial rate payers receiving the most cost effective rates with a program that meets State compliance.

The proposed rate adjustment would increase commercial rates on July 1, 2018, and January 1, 2019, by increments of 1.825%, or a total increase of 3.65%. These rates are based on Republic's estimated participation levels with a rebalancing mechanism being set to take place in 2022 (unless the organics tonnage threshold is achieved earlier), for the purpose of adjusting rates to match actual program costs. Program implementation will become effective July 2018.

FINANCIAL IMPACT

There is no impact to the General Fund.

RECOMMENDATION

It is recommended that the City Council:

- Approve the amendment to the 2010 Agreement with Republic Waste Services of Southern California LLC, dba Garden Grove Disposal for organic waste handling services;
- Authorize the City Manager to execute the agreement on behalf of the City, and make minor modifications as appropriate thereto.

It is recommended that the Sanitary District Board:

- Approve the amendment to the 2010 Agreement with Republic Waste Services of Southern California LLC, dba Garden Grove Disposal for organic waste handling services;
- Authorize the General Manager to execute the agreement on behalf of the Sanitary District, and make minor modifications as appropriate thereto.

By: A.J. Holmon III, Streets/Environmental Manager

ATTACHMENTS:

Description	Upload Date	Type	File Name
Amendment	4/2/2018	Backup Material	GGSD_AMENDMENT_3_TO_SOLID_WASTE_FRANCHISE_AGREEMENT_RE_ORGANIC_WASTE.FINAL.docx

**AMENDMENT NO. 3 TO AGREEMENT AMONG CITY OF GARDEN GROVE,
GARDEN GROVE SANITARY DISTRICT AND REPUBLIC WASTE SERVICES OF
SOUTHERN CALIFORNIA, LLC dba GARDEN GROVE DISPOSAL
FOR SOLID WASTE HANDLING SERVICES
(ORGANIC WASTE)**

This Amendment No. 3 (“Amendment”) to the Agreement for Solid Waste Handling Services is entered into to be effective as of the 24th day of April, 2018, by and among the City of Garden Grove, the Garden Grove Sanitary District, a subsidiary special district formed and existing pursuant to the Sanitary District Act of 1923, California Health and Safety Code Section 6400 et seq., and Republic Waste Services of Southern California, LLC (“Republic”), a Delaware Limited Liability Company dba Garden Grove Disposal. The City and District are hereby collectively referred to as “City.” The City, District and Republic are hereby collectively referred to as the “Parties.”

R E C I T A L S:

A. Effective July 1, 2010, the Parties hereto entered into the Agreement Between City of Garden Grove, Garden Grove Sanitary District and Republic Services of Southern California, LLC dba Garden Grove Disposal for Solid Waste Handling Services (“Agreement”).

B. Pursuant to Section 8.3.4 of the Agreement, Republic is required to design and present a program to the City to comply with any new requirement imposed upon the City or Republic by CalRecycle, or any Federal, State or Local law or regulation, and the Parties are required to meet and confer in good faith to determine a fair and reasonable adjustment to the maximum rates set forth in the Agreement for the implementation of any new source separated program for the collection of any waste material not already covered under the Agreement.

C. In 2014, the State of California enacted AB 1826, requiring the implementation of mandatory commercial organics recycling beginning in 2016, which services require a new source separated program that is not currently contemplated in the Agreement.

D. Pursuant to Recital E of the Agreement, incorporated into the Agreement by reference per Section 1 thereto, the Parties intend that Republic, and not the City, shall be solely responsible for establishing and collecting all charges for Solid Waste Handling Services provided by Republic pursuant to the Agreement.

C O V E N A N T S:

NOW, THEREFORE, for and in consideration of the terms and conditions of this Amendment, the Parties hereby agree as follows:

SECTION 1. Section 2 (Definitions) of the Agreement is hereby amended to include the following definitions:

AB 1826

“AB 1826” means the Organic Waste and Recycling Act of 2014 (Chapter 27, Statutes of 2014 modifying AB 939, the California Integrated Waste Management Act of 1989, Division 30 of the California Public Resources Code (commencing with Section 40000 et seq.), as amended, supplemented, superseded, and replaced from time to time.

Food Waste

“Food Waste” means all kitchen and table food scraps; animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; discarded paper that is contaminated with Food Waste; fruit waste, grain waste, dairy waste, meat, and fish waste, which has been source separated from other Solid Waste. Food Waste is a subset of Organic Waste.

Organic Waste

“Organic Waste” means Food Waste, Green Waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper that is mixed in with food waste.

Organic Waste Processing Facility

“Organic Waste Processing Facility” means a permitted facility where Organic Waste is sorted, mulched or separated for the purposes of Recycling, reuse or composting.

SECTION 2. Section 8.3 of the Agreement is hereby amended to add the following provisions:

8.3.6 Organic Waste Recycling Program for Commercial Premises and Multi-Family Dwelling Customers

(a) Republic shall implement and be responsible for ensuring that the source separated Organic Waste Recycling program meets the requirements of AB 1826. If AB 1826 is subsequently amended and if such amendment requires a modification of the Organic Waste Recycling program in a manner not anticipated by this Agreement, then City and Republic shall meet and confer regarding such modifications as provided in Section 8.3.4 of the Agreement.

(b) Republic shall be responsible to ensure that all Organic Waste is processed using methods that are approved by CalRecycle for Diversion credit.

(c) Republic shall offer Organic Waste Recycling services to all Commercial Premises and Multi-Family Dwellings and City Facilities.

(d) Republic shall offer Organic Waste Recycling services based on the Container size and service frequency as contained in the Rate Schedule in Exhibit 1. The services offered shall include a two-cubic yard bin and a 65-gallon cart, collected one to

three times per week. If CalRecycle determines that mandatory commercial Organic Waste service shall be provided to Customers on or after January 1, 2020 that subscribe to two-cubic yards or more of solid waste service per week, then Republic will also offer a 35-gallon cart at the rate identified in Exhibit 1 for Customers who generate a small amount of Organic Waste.

(e) The method(s) for contacting customers as described in this Amendment, unless otherwise specified, shall be accomplished through means which may include direct mail, email, telephone calls, site visits and/or other methods in Republic's discretion, provided that such methods meet the regulatory requirements of CalRecycle.

(f) In the event Republic encounters a contaminated Organic Waste Container, Republic shall document the contaminated Container using a driver on-board system, forward the message to dispatch and retain photos of the incident. Republic shall advise the Customer that Republic will return the following business day to provide Collection service for the contaminated Container. Republic shall contact and provide education materials to the Customer on appropriate items to be placed in the Organic Waste Container. For each instance of a contaminated Organic Waste Container, Customer shall be charged the fee identified in Exhibit 1.

(g) Republic shall identify and target Commercial Premises that create large amounts of Organic Waste, such as hotels, business parks, and Multi-family Dwelling Customers with significant landscaping waste disposed of in non-recyclable material container(s). Republic shall also target Commercial Premises Customers that have food service operations such as restaurants, grocery stores, hospitals, corporate cafes, bakeries, etc. If necessary or if requested by CalRecycle, Republic shall conduct visual waste audits of Commercial Premises and Multi-Family Dwellings to evaluate the Organic Waste service requirements and service level needs. Republic shall provide access to training materials to train Customer employees such as servers, food preparers, hospitality and maintenance staff, taking into consideration employee turnover, and shift changes. If necessary or if requested by CalRecycle, on an annual basis, Republic shall conduct Customer surveys and onsite waste assessments of Commercial Premises and Multi-Family Dwelling Customers subject to the requirements of AB 1826 that do not receive Republic provided Organic Waste Recycling, utilize an in-house program, donate edible foods to a charitable organization or Recycle using a third party vendor. Republic shall provide copies of waste assessments performed each quarter until January 2020 or later if requested by CalRecycle or City and shall submit copies of all waste assessments as part of the annual report to the City in accordance with Section 23.2 of the Agreement [as amended pursuant to Section 3 of this Amendment]. In the event a Customer that meets the requirements in AB 1826 refuses Republic's Organic Waste Recycling service and does not report to Republic that they achieve Organic Waste Recycling via in-house, food donations, or through a third party Recycling program that meets the requirement under applicable laws, Republic shall provide to the City information including Customer's name, address and contact information on a City approved template for inclusion with State reporting.

(h) Republic, with City support, shall contact and provide outreach to participating Commercial Premises and Multi-Family Dwelling Customers as follows:

- (i) Initial Direct Mailing Outreach to be performed by Republic
 - Upon approval of an Organics Waste collection program, Republic will prepare a multi-lingual letter regarding the requirements of AB 1826 for City approval. Upon receipt of City approval the letter is to be printed using the City's electronic letterhead and mailed or delivered by Republic to all Commercial Premises and Multi-Family Dwelling Customers, informing Customers of the Republic-provided Organic Waste Recycling Program and the requirements for compliance with AB 1826. The letter shall note that participation is mandatory under State law for customers that meet the participation thresholds under AB 1826.
- (ii) Initial Direct Mailing of Compliance Outreach to be performed by Republic
 - Republic will prepare a letter for City approval and send to all non-compliant Customers detailing their non-compliance and annual reporting requirements to CalRecycle. The letter is to be printed using the City's electronic letterhead. Republic will contact all non-compliant Customers identified using the Republic's database. Republic will provide the City a list of all non-compliant Customers, including but not limited to, contact person, service and billing addresses, phone number, email, account notes and any information relating to the previous refusal of Organic Waste Recycling program services to report to CalRecycle.
- (iii) Annual Outreach to be performed by Republic
 - Republic shall contact all Customers that fall under the requirements of AB 1826, but that do not have a CalRecycle approved program in place, and are not in compliance with the requirements set forth in AB 1826.
- (iv) Ongoing Outreach to be performed by Republic
 - Provide Organic Waste Recycling information to all Commercial Premises and Multi-family Dwelling Customers including step by step process; guidelines for new employee training; do's and don'ts of separation; signage examples; source reduction suggestions; links to online City programs/resources; Good Samaritan Law definition; information on environmentally preferable purchasing policies; and resource list of sustainability programs and toolkits from trade organizations like the National Restaurant Association and US Composting Council Curb to Compost Toolkit and/or government agencies like the EPA toolkit for Reducing Food Waste and Packaging and FTC Guidelines on compostable and degradable claims.
 - Provide samples of indoor and outdoor Container options and signage.

- Contact or provide information to help identify Customer’s “startup team” to implement the program and provide long term support.
- If necessary or if requested by Customers, conduct, comprehensive, in-house, multi-lingual trainings with kitchen and janitorial staff at no additional charge.
- Follow-up and monitor to ensure successful participation, which shall include visual audits and additional training when necessary.
- Create solutions for the identified challenges and waste stream specifics.
- Connect Customers with food donation programs where applicable (Senate Bill 1383 requires recovery of twenty percent (20%) of edible food for human consumption that is currently landfilled by 2025).
- Republic shall produce, keep current, and provide information to the public on AB 1826 and identification of Commercial Premises and Multi-Family Dwelling Customers affected by the legislation.
- The information for the Republic provided Organic Waste Recycling program shall be promoted through Republic’s website, mailers, brochures, billing inserts, email content, social media, and online announcements.

SECTION 3. Section 23.2 (Quarterly Reports) of the Agreement is amended to read as follows:

23.2 Quarterly Reports

23.2.1 Minimum Requirement

At a minimum, Republic shall report the following to City on a quarterly basis: the information required in the monthly reports; the complaint summary for the quarter summarized by nature of complaints; copies of promotional and public education materials sent during the quarter; description of Republic outreach activities conducted the previous quarter; and such other information or reports that the City may reasonably request or require. Republic shall, upon demand by City, provide true and accurate copies of landfill disposal (tipping) receipts and similar such documents in order to enable City to verify Republic's quarterly reports.

23.2.2 Quarterly Commercial Premises and Multi-Family Dwellings Organic Waste Recycling Program Reporting Requirements

Republic shall provide the following to the City on a quarterly basis (until January 2020), and annually thereafter, in a format approved by the City:

- The total number of Commercial Premises and Multi-Family Dwelling Customers serviced by the Republic that meet the thresholds of AB 1826.
- The number of these Customers that:
 - Subscribe to the Republic provided Organic Waste Recycling program;
 - Recycle Organic Waste via an in-house program;
 - Donate edible food to charitable organizations;
 - Use a third-party vendor for Organic Waste Recycling; and,
 - Are without a known Organic Waste Recycling program.
- A listing of all contact, surveys and onsite waste assessments performed for customers that are required under State law, but that refuse organics service and copies of onsite waste assessments.
- Contact information for Commercial Premises and Multi-Family Dwellings Customers (as available in the Republic's data base) that do not currently have an Organic Waste Recycling program.
- All documentation provided shall include detailed support.

SECTION 4. Section 24 (Compensation) of the Agreement is hereby amended to add the following provisions:

24.9 Organic Waste Recycling Compensation Adjustment

(A) Republic shall provide Organic Waste Recycling services at rates it sets, charges to, and collects from Customers, which rates are listed in Exhibit A, subject to a rate adjustment to the existing Commercial Solid Waste handling services rates of 3.4 % to be phased-in with two equal increments of 1.7% each as follows: beginning July 1, 2018, Republic will implement a one-time rate increase of 1.7% for Commercial rates in addition to the annual rate adjustment per Section 24 of the Agreement. Republic will subsequently implement an adjustment of 1.7% to Commercial rates on January 1, 2019 in addition to the annual rate adjustment per Section 24 of the Agreement. The sector-wide increase will also be adjusted to include application of the City's Franchise Fee.

(B) The parties acknowledge that effective July 1, 2019 and annually thereafter, Commercial rates will be adjusted for changes in the Organics Waste disposal/processing fee per ton based on the formula in Exhibit 2 hereto - Organic Waste Processing Component Adjustment, except that such formula will not be applied in any year that the Rate Adjustment Rebalancing Formula is applied in accordance with Section 24.9(C) and 24.9(D) below.

(C) Effective July 1, 2022, the Organic Waste Collection rate increases previously implemented will be adjusted based on the Rate Adjustment Rebalancing Formula in Exhibit 3 hereto to reflect the actual level of participation in the program. Republic will provide for City review all data and documentation requested by the City supporting the number of units (tons, hours, container count) and related calculations in Exhibit 3. Such data shall include any allocation methods used to allocate tons or hours to the City from shared organics collection routes in other cities.

(D) If the actual number of tons for the Organic Waste collected under this program in calendar year 2019 exceeds the tonnage threshold of 4,148 tons, then the rebalancing calculation may be performed effective July 1, 2020 upon Republic's written notice to City, if received by the City prior to February 1, 2020, and will be performed again effective July 1, 2021 and July 1, 2022. The rebalancing procedure will not be performed again after July 1, 2022.

(E) The processing cost per ton to be used in Exhibit 2 and Exhibit 3 is based on the tipping fee at the third party's CORE Organic Waste Processing Facility in the City of Orange. If Republic develops its own Organic Waste Processing Facility and proposes to use it for processing Organic Waste generated in the City, and provided that Republic's facility is competitive with market rates, City and Republic shall meet and confer in good faith to determine a fair and reasonable adjustment to the maximum rates set forth on Exhibit A based on the processing cost per ton that reflects the proposed facility's costs, and a method of adjusting the processing cost per ton.

SECTION 5. The "Approved Republic Rate Schedule" in Exhibit A of the Agreement is amended to include the refuse/organics collection rates shown in Exhibit 1.

SECTION 6. Exhibit 2, Organics Waste Processing Component Adjustment, is added to the Agreement.

SECTION 7. Exhibit 3, Rebalancing Mechanism, is added to the Agreement.

SECTION 8. Exhibit 4, Documentation of the Rebalancing Adjustment Factor, is added to the Agreement.

SECTION 9. Except as expressly set forth herein, nothing in this Amendment shall affect or modify any other of the provisions of the Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

CITY OF GARDEN GROVE

By: _____
Scott C. Stiles, City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

GARDEN GROVE SANITARY DISTRICT

By: _____
Scott C. Stiles, General Manager

ATTEST:

Secretary

APPROVED AS TO FORM:

General Counsel

REPUBLIC WASTE SERVICES OF
SOUTHERN CALIFORNIA, LLC dba
GARDEN GROVE DISPOSAL

(Corporate Seal)

By: _____

Printed Name

Its: President

By: _____

Printed Name

Its: Secretary

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	William E. Murray
Dept.:	General Manager	Dept.:	Public Works
Subject:	Discussion regarding private sewer laterals inquiry.		Date: 4/24/2018

OBJECTIVE

To provide response to a resident comment regarding sewer laterals.

BACKGROUND

In May of 1997, the City consolidated its sewer maintenance, refuse collection, and recycling efforts under one organization, the Garden Grove Sanitary District (GGSD). The Garden Grove City Council acts as the Board of Directors of the GGSD. Prior to this time, local sewer service was provided by the Garden Grove Sanitary and Midway City Sanitary Districts. These districts operated independently of the City of Garden Grove.

Since the GGSD was founded and continuing since the merger with the City, the District's sewer lateral codes and requirements have remained the same. The 2010 GGSD Code of Regulations reads the same as the 2000 regulations on sewer lateral ownership, which is:

"4.10.120 Maintenance of residential connections. All residential connections and appurtenances thereto now existing or hereafter constructed, shall be maintained by the owner of the property served in a safe and sanitary condition and all devices or safeguards which are required by this title for the operation thereof shall be maintained in good working order."

Sewer laterals connect buildings and homes to the main sewer. The lateral includes the portion extending under parkways and public streets.

In 1999, the GGSD developed a Sewer Master Plan. The purpose of the plan was to identify deficiencies and develop capital improvement costs. The capital improvement costs were used to set the sewer rates and that system is valid today. The Sewer Master Plan has never included the costs to replace the residential laterals and the estimated costs to replace the laterals would increase the capital improvement costs by a factor of five.

In 2006, the GGSD was sued by Orange County Coastkeepers, and one of the results of the lawsuit was the establishment of a private sewer lateral loan program. The loan program total \$45,000 annually, and provides funds to residents for the repair or replacement of their laterals. To date, no resident has taken part in the program.

In 2008, the neighboring cities of Costa Mesa and Home Gardens Sanitary Districts hired a legal firm to study and assess the liability from private sewer lateral spills. GGSD received a copy of the report and agrees with the findings. Essentially, the report states that as long as the laterals remain private and the main lines are maintained to industry standards, the cities would not be liable for lateral sewer spills. The State has the ability to fine up to \$10,000 per day per occurrence for sewer spills. The result of the study was to increase the authority of the sanitary districts to regulate the maintenance of private sewer laterals via an ordinance.

DISCUSSION

Currently, the GGSD does incorporate a set of protocols to assist residents with private sewer lateral issues. Those protocols are as follows:

- Upon the receipt of a call from a resident regarding a sewer lateral, GGSD schedules and sends a crew out for CCTV inspection of the sewer lateral at no charge, provided a cleanout or access to the sewer lateral is available.
- If any blockage and damage to the sewer lateral within the street is found to be caused by one of the City trees or was damaged from a City project or utility work, the City will repair or replace it within the street.
- Any laterals damaged by anything else, including age, will be the owner's responsibility to fix the lateral.

To further understand the private sewer lateral issue, staff has reviewed our studies of neighboring agency practices. Currently in north Orange County, only 5 of the 29 local collection agencies accept any responsibility for sewer laterals.

The five agencies incorporate the following policies:

- OCSD's unincorporated Area 7 (area just north of Tustin) owns the laterals within the public right-of-way and will maintain them;
- Santa Ana does not accept ownership but will repair or replace the laterals within the public right-of-way. Santa Ana adopted a fee to cover this work;
- IRWD does not accept ownership of laterals, but will repair or replace the lateral within the public right of way.
- Irvine Business Complex owns and maintains the laterals within the public right-of-way.
- The City of Fullerton provides regular lateral cleaning to residents experiencing problems due to the City trees, but only if a lateral clean out is provided by the resident.

The remaining 24 local collection agencies do not accept responsibility for sewer

laterals, similar to the policy of Garden Grove Sanitary District.

FINANCIAL IMPACT

There is no impact to the General Fund. However, depending on City Council's direction there may be an impact to the GGSD's funds and liability.

RECOMMENDATION

Based on the information provided staff believes we are delivering service consistent with industry standards and does not recommend a change to our existing practices.

By: William E. Murray, Public Works Director