

**EL DORADO HILLS COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING**

October 14, 2008

MINUTES

CALL TO ORDER

President Vandegrift brought the special meeting to order on Tuesday, October 14, 2008, at 6:30 p.m. Directors Larry Brilliant, Justin Masters, and Tony Rogozinski were in attendance. Director Vomund was absent. General Manager Wayne Lowery, Planning Director Dianna Hillyer, and General Counsel Erin Holbrook were present

Motion No. 1 Director Rogozinski moved and Director Brilliant seconded the motion to approve the agenda. Motion carried 4-0-1

General Business

1. Review Franchise Committee (Brilliant/Masters) recommendations for priority issues to be discussed with El Dorado Disposal Service, Inc. (Waste Connections) for amending the current franchise agreement for solid waste and recycle collection services.

Lowery reviewed the intent of holding this meeting regarding this agenda item with the members of the board stressing the importance of giving the Board's Franchise Committee (Brilliant/Masters) clear direction so they, and staff, followed the correct path before returning to the full board with recommendations.

The Board reviewed a letter from Robert Cloninger, corporate counsel to Waste Connections, Inc, dated October 13, 2008 regarding working with the Franchise Committee over the past six months and comments Director Justin Masters presented to the County Board of Supervisors at a recent meeting on relocating the Materials Recovery Facility in Diamond Springs. Masters clarified his comments to the Supervisors and pointed out that most were not made as a representative of the District. Erin Holbrook indicated that there was no legal basis for the comments in the Waste Connections letter and direct response was not required. Any response could be limited to (a) the Board has reviewed the letter, and (b) informing Waste Connections of the Board's decision regarding Director Master's seat on the Committee

Hillyer recommended that the Board consider approving an independent audit of Waste Connections to garner factual information on which to base future franchise contract discussions. The audit would be at the District's expense unless reported information differed by greater than 10% and the cost would be around \$25,000.

Director Rogozinski stated that future rate increases need to be based on supportive data and Director Brilliant offered that criteria for determining a future rate increase must be in place including supporting information from an audit.

The Board concluded that there were eight issues on which to focus contract discussions:

1. Franchise fee percentage (currently 5%).
2. Extending the contract term.
3. Recycle stream.
4. Automatic annual rate increase.
5. Performance standards.
6. Use of objective data for rate increases.
7. Process for determining rate calculation.
8. Limits of contract exclusivity.

Masters suggested that extra waste for carts also be considered.

Rogozinski encouraged additional dialogue with community on service levels.

Brilliant suggested that an audit be conducted first followed by sending the list of issues to Waste Connections with a clear definition of what the District seeks.

General direction was given to staff to respond to the Waste Connection letter and pursue an audit of the El Dorado Disposal Service operations.

Adjournment

There being no further business, the meeting was adjourned at 8:30 pm.

APPROVED: Wm. F. Vandegrift DATE: 11-13-2008
Wm. F. Vandegrift, President
EDHCSD Board of Directors

ATTEST: Wayne A. Lowery DATE: 11-13-08
Wayne A. Lowery, General Manager
Secretary to the Board of Directors