



Sunset Beach Sanitary District

P.O. Box 1185

Sunset Beach, CA 90742

(562) 493-9932

www.sunsetbeachsd.org

Minutes for the General Meeting of the Board of Directors

March 12th, 2026 - 6:30 p.m.

Sunset Beach Woman's Club - 16812 Bayview Drive, Sunset Beach CA 90742

Directors present: President Graham Hoad, Secretary John H. Woods, Treasurer Bernard Hartmann, and John Dentzer.

Staff present: Supt. Brad VanMalsen, Supt. II Rolf Pridham, Asst. Supt. Eric Schlange, District Engineer Mark Lewis, and District Clerk Chris Montana.

Community: Debbie Killey of Republic Services; Linda Garofalo, Surfside resident.

President Hoad called the meeting to order at 6:30 p.m.

Community Input: Debbie Killey reported on Republic Services' recent purchase of 5 electric trash trucks, which are geared with 360 degree safety cameras, and are quieter than standard trucks. They are used mostly for lighter, recyclable trash pick-ups. Debbie Killey also reported on Republic Services' sustainability efforts achieved with the implementation of a new polymer center in Las Vegas for grinding plastic bottles into flakes, which can be re-manufactured 5-7 times into new plastic containers.

Review and Possible Approval of Republic Services 2026-27 Residential Rate: Clerk Montana distributed Republic Services' 2026-27 Residential Services Rate Adjustment Agreement for Board review, and explained that while the District's franchise agreement adjusts rates annually by CPI not-to-exceed 5%, there is a provision for the District to negotiate with Republic in good faith when County tipping fees increase. Beginning in July 2026, Orange County Waste & Recycling (OCWR) is increasing per-ton gate tipping fees from \$43.76 to \$67 (53.11% increase) and up to \$81 + CPI by 2029-30. The Clerk reviewed a calculation sheet arriving at the following rates, segregated by service component (85.18% of total rate) and the Disposal component (14.82%). CPI is estimated for years after 2026-27 and OCWR percentages are as approved by County.

	<u>Total</u>	<u>Service</u>	<u>Disposal</u>
2025-26 current year per unit monthly rate	\$27.21	\$23.18	\$4.03
2026-27—serv. incr. by 4.8% CPI, disp. incr. by OCWR 53.11%	\$30.47	\$24.29	\$6.18
2027-28—serv. incr. by 4.8% CPI, disp. incr. by OCWR 10.45%	\$32.28	\$25.45	\$6.83
2028-29—serv. incr. by 4.8% CPI, disp. incr. by OCWR 9.46%	\$34.15	\$26.67	\$7.48
2029-30—serv. incr. by 4.8% CPI, disp. incr. per OCWR CPI%	\$35.85	\$28.00	\$7.85

In response to Treasurer Hartmann's inquiry, Debbie Killey confirmed that the disposal component would increase based on the OCWR increases above, and that the service component would be adjusted based on the change in the CPI, but not exceed 5%. Based on the above, a motion was made and carried as follows:

MOTION: Secretary Woods moved to accept the 2026-27 Rate Adjustment Letter from Republic Services, Inc., accepting the monthly residential unit rate of \$30.47, and to authorize President Hoad to sign on the Board's behalf. Secretary Woods seconded, and the motion passed unanimously.

Review and Possible Approval of the February 12th, 2026 General Meeting of the Board of Directors Minutes: After Directors and Staff reviewed the minutes of the February 12th, 2026 General Meeting of the Board of Directors, a motion was made and carried as follows:

Sunset Beach Sanitary District
General Meeting of the Board Minutes
March 12th, 2026

MOTION: Director Dentzer moved to approve the minutes of the February 12th, 2026 General Meeting of the Board of Directors as prepared, Treasurer Hartmann seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented the March 12th, 2026 Claims Transmitted for Payment for County processing totaling \$169,052.42, as well as an invoice from Vido Artukovich & Sons, Inc./Vidmar Inc., a JV, in the amount of \$948,598.75 for construction of the Broadway Pump Station Bypass Sewer Project, for a total of \$1,117,651.17. Clerk Montana stated that the construction invoice would be paid from State loan proceeds. After Board and Staff reviewed, Director Dentzer moved to approve the current months bills as presented, Treasurer Hartmann seconded, and the motion passed unanimously.

Fund Balance: Treasurer Hartmann reported Total Fund Balance as of February 28th, 2026 to be \$2,999,068. The Treasurer also reviewed and signed off on the February 2026 bank account reconciliations.

Clerk's Report and Review of Trial Balance: The Clerk reviewed the February 28th, 2026 trial balance with the Board, as well as a 5-Year Cash Flow Projection with Sewer Service and Trash Service components reported both separately and combined.

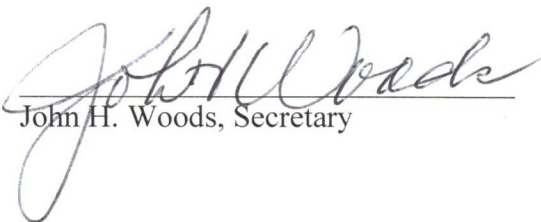
Possible Prop. 218 Rate Increase Notice: As a result of the positive cash flows report for FY 2026-27 above, and the fact that the District had increased both sewer and trash rates two years ago, the Board unanimously agreed to table consideration of a Prop. 218 trash and sewer rate increase until fiscal year 2027-28.

Superintendent's Report (see attached): Superintendent VanMalsen reviewed the monthly Superintendent's Report, including recent power outages, and Flow Report with the Board.

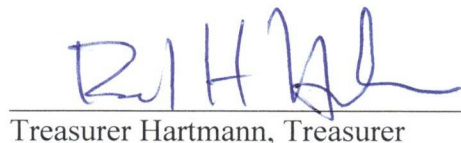
Engineer's Report (see attached): District Engineer Lewis discussed the monthly Engineer's Report and the status of the Broadway Pump Station Bypass Sewer Project's micro-tunneling and open trench installation with the Board and Staff.

New Business / Board Member Items: President Hoad updated the Board on his recent communications with the Sunset Beach Community Association regarding the status of the Broadway Pump Station Bypass Sewer Project.

Adjournment: There being no other business to be presented to the Board, Director Dentzer moved for adjournment at 7:20 p.m., Secretary Woods seconded, and the meeting was unanimously adjourned.



John H. Woods, Secretary



Treasurer Hartmann, Treasurer