



July 17, 2007

The Honorable Nancy Wieben Stock
Presiding Judge, Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Mayor
Richard T. Dixon

Mayor Pro Tem
Mark Tettemer

Council Members
Peter Herzog
Kathryn McCullough
Marcia Rudolph

City Manager
Robert C. Dunek

Re: Orange County Grand Jury Report: Assembly Bill 939 Waste Diversion: Are We Finally Making Progress?

Dear Judge Stock:

Pursuant to Penal Code §933 and §933.05, please accept the following responses on behalf of the City of Lake Forest to the Orange County Grand Jury Report: "Assembly Bill 939 Waste Diversion: Are We Finally Making Progress?" Since incorporation, the City of Lake Forest has contracted with Waste Management of Orange County (WMOC) for residential and commercial solid waste collection and recycling services.

Finding F-6: *The presence of non-franchise haulers and so-called "Ghost-Haulers" bins, in cities which bypass the recycling system, needs to be corrected in order to establish the waste haulers' confidence that their municipalities are looking out for their best interests.*

We agree with this finding in the abstract, but do not agree that this is an issue in Lake Forest. In response to the Grand Jury report, the City has reviewed its own records and consulted with its franchise waste hauler (WMOC) to determine if non-franchise haulers present a concern in Lake Forest. After that review and consultation, we have concluded that the presence of non-franchise haulers is not a problem in the City. In fact, WMOC officials indicated they are not aware of any non-franchise haulers operating in the franchise area. The City and WMOC have developed a longstanding positive relationship with open lines of communication to ensure Lake Forest residents and businesses are provided high-quality solid waste and recycling services at a low cost relative to other Orange County cities.

Recommendation R-6: *Municipalities need to solve their unauthorized waste bin problems by enacting city ordinances forbidding these practices, imposing fines, including stepped-up fines for additional violations, and impounding unauthorized bins.*

The City's Municipal Code already prohibits non-franchised waste haulers from providing service, and establishes criminal penalties for illegal waste hauling in violation of the City's exclusive franchise agreement. Given that non-franchise



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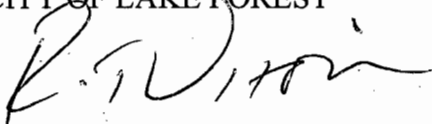
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haulers are not actively operating in Lake Forest, the City has concluded that the existing prohibition and penalties are sufficient to address this issue. The City will continue to monitor this issue in cooperation with WMOC, and will evaluate additional enforcement mechanisms as needed. In short, the City of Lake Forest has already implemented the majority of this recommendation, but will not be implementing bin impoundment or increased fines for additional violations at this time.

Thank you for the opportunity to respond to the recommendations prepared by the 2006/2007 Orange County Grand Jury in their report entitled, "Assembly Bill 939 Waste Diversion: Are We Finally Making Progress?" Should you have any questions, please contact Bob Woodings, Director of Public Works/City Engineer, at (949) 461-3480.

Sincerely,

CITY OF LAKE FOREST



Richard T. Dixon

Mayor

c: Robert L. Woodings, P.E., Director of Public Works/City Engineer
Scott C. Smith, City Attorney
David Ross, Waste Management of Orange County