



Minutes of October 15, 2014 Meeting

The Sonoma County Waste Management Agency met on October 15, 2014, at the City of Santa Rosa Council Chambers, 100 Santa Rosa Avenue, Santa Rosa, California

Present:

City of Cloverdale	Bob Cox
City of Cotati	Susan Harvey
City of Healdsburg	Jim Wood
City of Petaluma	John Brown
City of Rohnert Park	John McArthur
City of Santa Rosa	Jake Ours
City of Sebastopol	Sue Kelly
City of Sonoma	Carol Giovanatto
County of Sonoma	Susan Klassen
Town of Windsor	Debora Fudge

Staff Present:

Counsel	Janet Coleson
Staff	Henry Mikus
	Patrick Carter
	Lisa Steinmann
	Karina Chilcott
Acting Clerk	Patrick Carter

1. Call to Order

The meeting was called to order at 9:28 a.m.

2. Open Closed Session

3. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION GOVERNMENT CODE SECTION 54956.9(d)(1) – One case

ANTICIPATED LITIGATION

Government Code Section 54956.9(d)(2) and (e)(5)

Two cases

Direction was given to Counsel.

4. Adjourn Closed Session

5. Agenda Approval

There were no changes to the Agenda.

6. Public Comments (items not on the agenda)

None

7. Consent (w/attachments)

7.1 Minutes of the September 17, 2014 SCWMA meeting

7.2 Tip Fee Surcharge Adjustment

7.3 Petaluma Surcharge Agreement 9th Amendment

7.4 Consultant Contract Extension

John Brown, City of Petaluma requested item 7.3 be tabled until the Petaluma City Council had a chance to consider the agreement. The item was continued.

Mr. Brown, John McArthur, City of Rohnert Park, Sue Kelly, City of Sebastopol, Carol Giovanatto, City of Sonoma, and Susan Klassen, County of Sonoma abstained from the vote of Item 7.1 the Minutes of September 17, 2014, due to their absences. The item was continued to the next meeting.

Susan Harvey, City of Cotati, moved to approve items 7.2 and 7.4 of the Consent Calendar. Ms. Klassen seconded the motion.

The motion passed unanimously.

7.2 and 7.4 Vote Count:

Cloverdale- Aye	Cotati- Aye
County- Aye	Healdsburg- Aye
Petaluma- Aye	Rohnert Park- Aye
Santa Rosa- Aye	Sebastopol- Aye
Sonoma – Aye	Windsor- Aye

AYES -10- NOES -0- ABSENT -0- ABSTAIN -0-

Regular Calendar

8. Sonoma Compost Amendment

Patrick Carter, Agency Staff, reported that this item was continued from the previous meeting. Sonoma Compost Company was awarded this agreement when it was competitively bid in 2013. There is a revenue sharing provision in the new agreement; all revenue collected from the sale of finished products after a minimum amount of \$367,547 would be shared equally between the Agency and Sonoma Compost Company. Sonoma Compost Company intended this amount to be double of what was included in the current agreement.

In the previous agreement Sonoma Compost Company had been making revenue sharing payments of approximately \$300,000 per year, and the Agency had been paying Sonoma Compost Company \$2.5-2.6 million per year for their services. When the new agreement began, the revenue sharing dropped at the end of the previous agreement, but increased significantly when the new agreement went into effect. Payments to Sonoma Compost decreased significantly when the new agreement went into effect. The Agency received the benefit of the reduced cost, but also received a relatively higher level of revenue. Sonoma Compost stated they could not afford

that arrangement. Agency staff admits that the goal of the new agreement was to reduce the costs to the Agency and that the increased revenue sharing amount was not the intent of the new agreement, as evidenced by the reduced budget amount for revenue sharing.

Sonoma Compost has requested an amendment to the agreement with the Agency and the amount of revenue sharing listed in the amendment from Sonoma Compost be changed to the amount they originally intended, \$735,094. Increasing the revenue sharing threshold would mean that the Agency would forego \$183,773.50 in revenue due by Sonoma Compost Company. This would not have a financial impact on the Agency budget in the prior or current year because these additional funds were not projected in the Budget.

Board Questions

Mr. Brown stated that the agreement had been in effect for eighteen months and asked when the issue became apparent.

Mr. Carter replied that it was discovered when the first annual revenue sharing payment was due in June 2014.

Mr. Brown asked whether making the agreement retroactive would constitute a gift of funds.

Janet Coleson, Agency Counsel, responded that it would not be structured such that it was retroactive. The amount due would be adjusted going forward.

Public Comments

Martin Mileck, Cold Creek Compost, supports the concept of Sonoma Compost making a product and keeping the revenue. Mr. Mileck claimed that the Agency's facility was funded almost entirely on tip fees rather than the sale of products. Mr. Mileck used Cold Creek Compost as an example of a compost facility that received 15% of its revenue from tip fees and the rest from product sales. Mr. Mileck stated that Cold Creek Compost does not send its material to power plants as it has a greater value as compost.

Board Discussion

Jake Ours, City of Santa Rosa moved to amend the agreement with Sonoma Compost Company to reflect that revenue not be shared between Sonoma Compost Company and the Agency until Sonoma Compost Company receives \$735,094 in revenue from the sale of finished products and that the net effect be as if this amendment were retroactive to the beginning of this agreement. Ms. Harvey seconded the motion.

The motion passed unanimously.

Cloverdale- Aye	Cotati- Aye	County- Aye	Healdsburg- Aye
Petaluma- Aye	Rohnert Park- Aye	Santa Rosa- Aye	Sebastopol- Aye
Sonoma – Aye	Windsor- Aye		

AYES -10-	NOES -0-	ABSENT -0-	ABSTAIN -0-
-----------	----------	------------	-------------

9. Compost Zero Discharge Plan Update

Mr. Mikus reported that there had been a few rainfall events since the last meeting and that there had been no discharge from the compost site, and all water received was managed and did not impact construction activities. The 18% footprint reduction was completed. The amount hauled to other compost facilities will be reduced in the near future.

Additional contingency costs were used to fund a berm to separate storm water from the cleared area of the site and the operational portion of the site.

The project to combine the two existing storm water ponds has proceeded well, with a slight delay of the liner installation due to rainfall from the previous night. During the course of excavating the pond, some rock was discovered which required extra work and an additional cost to remove the rock. There may need to be an additional budgetary adjustment in November to account for the additional costs incurred for this project.

Board Questions

Mr. Ours asked how much water had been pumped and hauled. Mr. Mikus replied that the water had all been managed on site and no off-site hauling was required.

Ms. Harvey stated that the renewal of the Agency was an item in the report to the North Coast Regional Water Quality Control Board, and she requested that staff update the Board as to the progress. Mr. Mikus reported that staff has been working with staff from member jurisdictions, that three cities had discussed renewal, and that the remaining members were addressing the amendment as appropriate.

Ms. Harvey stated that she had heard concerns from the attorneys and wanted to know what was being done to address their concerns and move this process forward. Mr. Mikus replied that an update on this process was scheduled for the November meeting. Ms. Coleson reported that a meeting of attorneys had taken place and that there were some significant concerns. Ms. Coleson said there may need to be some fundamental issues addressed by the Board.

Public Comments

Steve McCaffrey, the Ratto Group, reported that haul of compost material was going very well. Mr. McCaffrey felt that the Sonoma Compost facility looked fantastic.

Board Discussion

None

10. Central Proposed Site Engineering Report

Mr. Mikus reported that the Board had selected TetraTech to perform a fatal flaw analysis of the New Central Compost Site, with a report due by this meeting. The three key items of the analysis were to verify that the Central Site had the capacity to process 200,000 tons per year of feedstock, to perform a site design accurate enough to predict whether the site would be financial feasible, and to evaluate whether the proposed 29 million gallon pond would be necessary for the new site. The result of the analysis was that there was sufficient capacity, that the site would be affordable, and that the pond could be used, but was not necessary.

After giving an overview of the site layout, Mr. Mikus pointed out the processing buildings and described how they had previously been contemplated to be roofed, but not enclosed structures, but a best management practice would be to enclose the buildings, have them kept under

negative pressure, and use biofilters to reduce potential odors. The total project cost was higher than expected, but Mr. Mikus stated that when the capital costs were amortized over 25 years and the annual operating costs were taken into account, the result was costs higher than were realized now. However, when compared to complete overhaul, all of the financial scenarios of building at Central were more cost effective than overhaul. Comparative costs for constructing a compost facility at Site 40 and both the site purchase and site lease scenarios were more expensive than construction at the Central Site.

Some of the items increasing cost over previous estimates were putting a roof over the Central Compost Site since at a cost of seven million dollars, nine million dollars for the two enclosed buildings, and the cost of the GORE cover system.

Stu Clark, DEI, discussed costs to the ratepayer. A \$54 million facility is a large cost but when it is amortized over 25 years and broken down into a per ton cost, and when that impact to the ratepayer is examined, the facility is affordable. Yard waste only represents about 3.5% to 4% of the customer's bill, which would represent a very small increase to the customer's bill. Overhaul of all compost materials would result in at least \$25 per ton in added expense without any of the benefits of the new facility compared to an increase of approximately \$0.30 - \$0.95 per home per month for financing a new site. The new facility is expected to be less expensive than overhaul, would support the SWAG goals, doubles the capacity to handle organics locally, and is more sensitive to the impacts on the landfill neighbors.

Mr. Mikus pointed out that while the cost information is presented at this meeting, the Board is not being asked to commit to that amount at this time; the amount is an estimate. Moving forward with the project, it has been contemplated that the site model would be constructed by the selected operator, and they would be paid a per ton fee which include the operations and the amortization of the costs to build the site.

Board Questions

Ms. Harvey asked for clarification about the buildings. Mr. Mikus replied that both Site 40 scenarios and the Central Enhanced scenario included roofs over the compost area and enclosed buildings. The Central Conventional scenario included a roof but did not include enclosed buildings.

Ms. Harvey stated that the amortization was described as 25 year and questioned whether all the line items had a 25 year life. Mr. Mikus replied that the useful life of equipment was taken into account, with rolling stock as 10 years and infrastructure as 25 years.

Ms. Harvey asked whether the existing equipment is the Agency's equipment. Mr. Mikus replied that it is not and stated that the operator's cost of doing business would be a part of the rate charged to the Agency.

Public Comments

Allan Tose asserted that the material bulk density affects the 200,000 ton per year capacity. Mr. Tose stated that the bulk density of finished compost, 2.24 cubic yards per ton, was used where a density of 3.5 cubic yards per ton should have been used. Mr. Tose claims the capacity is 30% less than it needs to be. Mr. Tose also claimed that the Central site does not allow for seasonal variations in material received and finished compost sold.

Roger Larsen, Happy Acres, stated that this report was a missed opportunity to examine the Central Site and list the problems that make it impractical to compost there. Mr. Larsen asserted that he had been asking the Board for over a year and a half to open the EIR and reexamine the obvious flaw in that document which listed the Central Site as the Environmentally Preferred Site. Mr. Larsen stated he had asked the Board on many occasions to stop the deliberate discharge of compost waters to Stemple Creek but that practice will continue this year unless the courts stop it. Mr. Larsen stated that the laws of physics will cause taller compost piles to increase the fire danger dramatically. Mr. Larsen stated that he believes the Board does not have to build the same facility at Site 40 that it does at the Central Landfill, and that there is no need for a roof or covered buildings at Site 40 and that the composting could be done as open windrows.

Mr. Larsen stated that Agency actions for the past two years have been to dodge the bullet at the Central Site and that the \$100,000 study told the Board exactly what Mr. Larsen said it would – if you have enough money and are willing to take high risks you can do whatever you want at Central. Mr. Larsen questioned the adequacy of fire protection, and claimed that well water, reclaimed water, and pond water would be available at Site 40. Mr. Larsen claimed that new state regulations may not allow the draw from an aquifer without recharge; storm water would need to be discharged from the new Central stormwater pond and would not be available for reuse at the compost operation.

Mr. Larsen questioned the validity of the 200,000 tons per year capacity at Central, but claimed there would be infinite capacity at Site 40. Mr. Larsen reiterated his concern about pile heights at the Central Site but asserted that the pile heights could be lower at Site 40 due to unlimited space. Mr. Larsen noted there were temporary air quality impact at the Site 40 but not at the Central Site and questioned that conclusion. Mr. Larsen claimed that cumulative impacts caused by the expansion of landfill activities and Roblar Quarry were not taken into account in the EIR. Mr. Larsen claimed that zoning issues listed in the EIR for Site 40 were created by the Board of Supervisors over the past year. Mr. Larsen stated that there were over one hundred homes with elderly, disabled, and child residents in Happy Acres and a school and a few hundred more homes on Roblar Road that will all be impacted by this facility, but there is nothing but agriculture and a few scattered ranches around Site 40. Mr. Larsen listed risks of fire, water pollution, public health problems, limited water supply, noise, and lawsuits to stay at Central. Mr. Larsen claimed the Board could build a less expensive facility, compost in windrow, operate at less cost, higher profits, and be responsible to the ratepayers at Site 40.

Martin Mileck, Cold Creek Compost, said that the cost per ton listed in the presentation was based upon 200,000 tons per year of material received. Mr. Mileck stated that at current incoming material rates, those costs per tons would be double.

Board Discussion

Ms. Kelly moved to accept the report. Ms. Harvey seconded the motion.

The motion passed unanimously.

Cloverdale- Aye	Cotati- Aye	County- Aye	Healdsburg- Aye
Petaluma- Aye	Rohnert Park- Aye	Santa Rosa- Aye	Sebastopol- Aye
Sonoma – Aye	Windsor- Aye		

AYES -10-

NOES -0-

ABSENT -0-

ABSTAIN -0-

11. **New Compost Site Selection**

Mr. Mikus stated that the previous item concluded that the Central Site was viable. Mr. Mikus referenced previous staff reports which listed the pros and cons of both Site 40 and the Central Site. Storm water management was an issue with the Central Site, but that has been addressed with the roofing option, Central was listed as the financially advantageous site, and the EIR listed the Central Site as the environmental preferred alternative to a limited extent. Mr. Mikus stated that the infrastructure was in place at the Central Disposal Site and that there would be a rate impact to shift the infrastructure to Site 40 from Central. Site 40 has the advantage of being a large parcel with unlimited potential for expansion, by existing in a different water quality control board with less onerous water regulations, and could allow the Agency independence through ownership instead of renting or leasing.

Mr. Mikus reported that as many of the questions have been answered, the next step would be certification of the EIR and site selection. With the new information provided in the Tetra Tech report, it may be advantageous to review the EIR again before certification to ensure it is the best possible document. Part of the driving force behind site selection is that selection and construction of a new site is part of the Zero Discharge Plan.

Board Questions

None

Public Comments

Margaret Kullberg, Stage Gulch Road, listed the issues she saw as problems for Site 40 to be the cost of the property as \$4-6 million, the cost of the turnout lanes on Stage Gulch Road, traffic along Adobe Road and Lakeville has tripled since 2007, the land is under a Williamson Act agreement which would take a Board of Supervisors action to change, the land is LEA zoned and prime agriculture land, of statewide importance, and grazing land, the debris would cause pathogens and odors to spread onto hundreds of acres of organic dairies and vegetables, and that the facility is too close to the Petaluma Airport. Ms. Kullberg listed the benefits of the Central Site as consistency to the General Plan, movement of dirt would be free because of the landfill operation, and Zero Discharge is now being addressed. Ms. Kullberg concluded that the Central Site meets all the project objectives and is the environmentally preferred site. Ms. Kullberg stated that agriculture was a large part of the economy and that she would hate to see that jeopardized by a compost facility in her area.

Allan Tose, Representative of Site 40, claimed that the new technology at the Central Site is not in the EIR, and that the price was put in to make the Central Site look cheaper. Mr. Tose stated that if the numbers were analyzed, they wouldn't hold up.

Carolyn Watson, Jackson Family Wines, expressed concerns for choosing Site 40. The area around Site 40 is a high value grape growing region and the compost facility would impact the quality of the grapes. Ms. Watson believed that must be other better sites than Site 40.

Roger Larsen, Happy Acres, stated that there were organic dairies and vineyards around the Central Site, as well as 300 people who live right across the street from the Central Site. There are schools on the other side of the hill. Building at Site 40 will impact four or five ranches, but it will impact more people in Happy Acres and around Central.

A resident of Happy Acres who did not identify herself expressed concerns about diesel truck traffic. She expressed concerns about her elderly mother's health with the diesel fumes. She stated that the smells have increased over the past two years. She stated that there are 300 people living in Happy Acres, and while they cannot all attend these meetings but hope that the Board would select Site 40. She discussed other information about her tax bill and the amount she paid for her house, and said that her neighbor tried to sell her house but was unable to do so.

Board Discussion

Ms. Harvey stated her understanding of the goal of this project was to increase diversion of the material already received, so there wouldn't necessarily be an increase in the number of trucks.

Mr. Mikus responded that the previous waste characterization study identified between 60,000 and 80,000 tons per year of organic materials that could be composted.

Ms. Harvey questioned whether there would be more truck traffic as a result of choosing Site 40, as there would then be a need to transport material from the Central Site to Site 40.

Mr. Mikus responded that there would be increased greenhouse gas emissions as a result of choosing Site 40 related to traffic.

Mr. Larsen stated that having twice as much compost material would result in additional traffic when the material left the site. Also if all material is driven to Central first and then delivered to Site 40 that will increase the truck traffic, but if the material is delivered directly to Site 40, there will not be an increased amount of traffic. Mr. Larsen believed staff was being dishonest when the stated that there would be increased greenhouse gas emissions at Site 40 and referred to a chart prepared by staff at a previous meeting.

An audience member questioned whether trucks could be sent directly to Site 40.

Mr. Mikus replied that some trucks could be sent directly to Site 40 and some could not, depending on their type.

Ms. Klassen asked for more clarification about whether the costs were the same for building the facilities at both sites.

Mr. Clark responded that there was a reduction in cost applied to Site 40 due to not all of the facility needing to be covered. Otherwise the facilities were equivalent. Regardless of what site is chosen, the best facility should be built to address water quality, odors, and air emission standards. There were some differences between the sites with examples of water supply, site excavation costs, roof costs, and additional transportation costs.

Ms. Klassen asked whether the traffic mitigations were included in the costs.

Mr. Carter stated that there were traffic mitigations and he believed those costs were include in the budget.

Mr. Mikus stated that the analysis was done to try to compare apples to apples. Items like developing the road to get to the far side of Site 40 and turn lanes to get into the site were included in the site costs.

Chair Wood asked Counsel to give an opinion about the information presented which made the Central Site look like a more desirable site but was not included in the EIR.

Ms. Coleson recommended the Board direct staff to examine the EIR, and, if necessary, have consultants incorporate new information that has become available. That may require recirculation, but is prudent.

Chair Wood asked whether the review would be the entire document or focused around the new information.

Ms. Coleson said the scope could be narrowed, as appropriate.

Mr. Wood asked about time and cost.

Ms. Coleson said that there didn't seem to be any significant new studies required, but if the document required recirculation it could add five to six months to the project.

Mr. McArthur expressed support for Counsel's recommendation.

Ms. Coleson stated the Board should not make a decision on that site until all the information was presented.

Ms. Harvey said review of the document was the prudent measure.

Mr. Mikus reminded the Board that site selection is related to the Zero Discharge Plan and requested direction as to what is communicated to the North Coast Regional Water Quality Control Board on this subject.

Chair Wood, Ms. Fudge, and Mr. Ours expressed frustration about the delay to the project, but that the review of the EIR is the most prudent course of action.

Chair Wood suggested the message that is sent to the Water Board be that there are circumstances that require this review and that the Board is committed to seeing the process through.

Ms. Klassen stated that the County's preference is the Central Site, as the environmentally preferred site and that the EIR should examine the new information.

Ms. Harvey stated that as the current EIR lists the Central Site as the environmentally preferred site and that there is new information regarding that site from the Tetra Tech report, Ms. Harvey moved to direct staff to review the EIR document and bring the information back to the Board at a future date. Mr. Cox seconded the motion.

Mr. Clark suggested that there was an urgency to the measure as it is part of the Zero Discharge Plan.

Chair Wood asked whether there could be a friendly amendment to include direction to staff to engage with a consultant and move forward as expeditiously as possible.

After discussion, Chair Wood summarized the amended motion as follows: there was no site selection at this meeting, the Board has authorized a very narrowly focused review of the EIR related to the Central Site, the Board has assigned the Executive Director to begin the process of engaging a consultant to expedite the process, and bring the Board back a budget and project description at the next meeting.

The motion passed unanimously.

Cloverdale- Aye	Cotati- Aye	County- Aye	Healdsburg- Aye
Petaluma- Aye	Rohnert Park- Aye	Santa Rosa- Aye	Sebastopol- Aye
Sonoma – Aye	Windsor- Aye		

AYES -10- NOES -0- ABSENT -0- ABSTAIN -0-

12. Attachments/Correspondence:

12.1 Reports by Staff and Others:

- 12.1.a October and November 2014 Outreach Events
- 12.1.b News articles regarding the Alameda County Meds Ordinance
- 12.1.c New legislation regarding organics materials: AB 1594 & AB 1826
- 12.1.d Sharps Flier: Proper Disposal
- 12.1.e California reusable bags ban summary report

Mr. Mikus pointed out that the State has passed a carryout bag law in the form SB 270 which was signed on September 30, 2014. The intent of 12.1.e was to share with any members of the public who questioned whether the State law or the local ordinance was in effect.

13. Board Member Comments

Mr. Cox stated that he was involved in the Russian River Cleanup, and he noticed a significant drop in the number of plastic bags collected.

Chair Wood requested that the Board consider bringing back an item at the next meeting to discuss the proper amount of the delegated signing authority of the Executive Director. There was Board consensus to do so. Chair Wood stated that this may be his last meeting if he is elected to higher office.

14. Staff Comments

Mr. Mikus thanked Chair Wood for his service and leadership on the Board.

15. Next SCWMA meeting: November 19, 2014

16. Adjourn

The meeting was adjourned at 11:18 AM.

Submitted by
Patrick Carter