



## Minutes of the April 19, 2017 Special Meeting

The Sonoma County Waste Management Agency met on April 19, 2017, at the City of Santa Rosa Council Chambers, 100 Santa Rosa Avenue, Santa Rosa, California.

### Board Members Present:

City of Cloverdale	Melanie Bagby	City of Santa Rosa	John Sawyer
City of Cotati	Susan Harvey	City of Sebastopol	Henry Mikus
City of Healdsburg	Brent Salmi	City of Sonoma	Madolyn Agrimonti
City of Petaluma	Dan St. John	County of Sonoma	Susan Gorin
City of Rohnert Park	Pam Stafford	Town of Windsor	Deb Fudge

### Staff Present:

Executive Director	Patrick Carter	Staff	Felicia Smith
Counsel	Ethan Walsh		Kristin Thigpen
Agency Clerk	Sally Evans		Courtney Scott

### 1. Call to Order Special Meeting

Closed session was called to order at 8:00 a.m.

### 2. Closed Session:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Executive Director

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title Agency Counsel

### 3. Adjourn Closed Session at 8:40 a.m.

The regular Board meeting was called to order at 8:43 a.m.

Chair John Sawyer, City of Santa Rosa, stated there was no reportable action from closed session.

### 4. Agenda Approval

### 5. Public Comments (items not on the agenda)

None

### 6. Consent (w/attachments)

6.1 Minutes of March 15, 2017 Special Meeting

6.2 April and May 2017 Outreach Calendar

6.3 Home Composting Evaluation

**The motion for consent calendar approval was made by Susan Harvey, City of Cotati, and seconded by Brent Salmi, City of Healdsburg.**

**Vote Count:**

Cloverdale	Aye	Santa Rosa	Aye
Cotati	Aye	Sebastopol	Aye
Healdsburg	Aye	City of Sonoma	Aye
Petaluma	Aye	County of Sonoma	Aye
Rohnert Park	Aye	Windsor	Aye

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

**Motion passed unanimously.**

**Regular Calendar**

**7. Public Workshop for Establishing Priorities for the Long Term Organics Capacity Request for Proposals**

Patrick Carter, SCWMA Executive Director, provided a brief background regarding the SCWMA process since 2007 to identify a new site to handle wood, food, and green waste.

Mr. Carter stated the Board hired R3 Consulting Group to assist with the RFP process, and R3 recommended holding stakeholder interested party workshops to allow feedback on the priorities for this RFP process. Mr. Carter noted this meeting would be one workshop, and the second workshop would take place on April 27, 2017 at the Santa Rosa Vets Hall at 3:00 p.m. Mr. Carter stated Garth Schultz and Carrie Baxter of R3 would be presenting information to the Board, and the public would be invited to provide their feedback.

Mr. Schultz indicated it was anticipated a draft RFP and draft processing agreement would be brought before the Board by the middle of May 2017. Mr. Schultz explained this RFP process would focus on the longer term organics processing Agency needs, which would be facilities that would come into place three or four years from now.

**Boardmember Questions**

Susan Gorin, County of Sonoma, noted the community's need and desire for organic compost. Ms. Gorin expressed concern regarding the short timeline and recommended flexibility to accommodate high quality proposals.

Ms. Gorin stated compost operations could potentially be located in the County and it was important to insure proposals coming forward included conversations with the Board of Supervisors and County Permit and Resources, to ensure the proposed location was viable and could move through the proposed timeline.

Mr. Schultz replied the proposals would be evaluated for readiness.

Mr. Carter noted the private owner/operator would need to go through the permitting process of the jurisdiction for the proposed site location.

Ms. Harvey inquired if the viability of the solution would be evaluated in looking at the proposals.

Mr. Schultz replied it was a collaborative approach in which R3 was the technical advisor and would be looking at the viability of the proposals, including sites, location, if permits were lined up, and readiness of staff. Mr. Schultz stated R3 would provide feedback to SCWMA staff and the proposal evaluation panel.

Dan St. John, City of Petaluma, inquired if biosolids would be addressed.

Mr. Carter replied the RFI process asked what materials the site would be able to accommodate and included agricultural waste, green waste, wood waste, food waste, and he believed there was a section for other and biosolids. Mr. Carter noted some responses to the RFI included biosolids.

Mr. Schultz added biosolids could be included as an option for proposers to include.

Mr. Schultz highlighted the role of the Agency, member agencies, and the contractors sought throughout the process as follows:

Role of member agencies – Selecting option to direct their flow to the SCWMA selected processing facilities or to opt-out of that system and arrange for processing organics materials through other means.

Role of the Agency - Securing and managing agreement with processor or processors of organic material, directing the flow commitment from the jurisdictions who wished to continue to provide the flow of organic materials to the Agency selected facilities, and establishing the per ton rates. It did not include establishing, owning or operating the sites or facilities.

Role of Contractors - Fully responsible, receiving the material, building, owning, managing, processing and selling the material. Contractors would have flow commitments and revenue associated with the flow commitment based on a stipulated contract in per ton rate, local market, and apparent demand for the materials coming out of their process.

Mr. Schultz noted this process would meet state law AB 876, requiring establishing fifteen years of long term processing capacity.

Ms. Gorin stated that as a number of jurisdictions were going through the rebidding process for a solid waste hauler, they were now contemplating a number of composting facilities. Ms. Gorin added the various cities and County may be geographically positioned to go to the nearest facility or be willing to pay a little more to go to a different kind of processor. Ms. Gorin inquired if it had been considered the flow commitments may come from the individual jurisdictions rather than the Agency.

Mr. Schultz replied member agencies would be engaged early in the process to determine if there was interest in committing their flow through the Agency. Mr. Schultz noted one of the principle ideas being discussed was having an Agency-wide rate for organics, as there currently was, regardless of the destination facility.

Mr. Schultz briefly described the evaluation process anticipated after the proposals were received, and noted the types of things that would be looked at would be qualifications, technical approach, and proposed fees.

Mr. Schultz noted it would be very helpful to this process to have an understanding early on from each member agency if they were interested in committing flow, in a non-binding way, as part of the outcome of this process. Mr. Schultz noted R3 and SCWMA staff would be getting a letter out to each member jurisdiction by the end of April 2017, asking member jurisdictions to indicate if there would be a current interest in committing flow at the end of RFP process based on what was known then.

Ms. Harvey inquired if a jurisdiction that initially indicated they were not interested in committing their flow to the SCWMA would be able to change their mind at the end of the RFP process.

Mr. Schultz noted this would put the SCWMA in a position to add flow commitment rather than decrease it.

Mr. Schultz sought discussion and Board direction regarding the main priorities for the RFP process and stated the Agency was proceeding along with the assumption in-county facilities were the Board and Agency preferences and inquired if this would be exclusive to in-county facilities, whether there would be allowance for out of county facilities, if preference points would be awarded for in-county facilities or if there was no preference. Mr. Schultz asked what the maximum number of agreements to be awarded would be, and recommended more than one agreement to meet the different needs.

Pam Stafford, City of Rohnert Park, stated she would need to speak with her council, but noted that while in-county composting was preferred, they would not be opposed to out of county, as cost was important.

Melanie Bagby, City of Cloverdale, expressed she would like to discuss this with her council further, but Cloverdale was not opposed to any out of county possibility, as it would make sense to be open to locations north of Cloverdale. Ms. Bagby noted they were concerned about cost, but the preference would be in-county.

Ms. Gorin stated she was not speaking for the County Board, but had a strong sense of what the County Board would like to see. Ms. Gorin noted a lot of time and energy had been spent rejecting out of county solutions and working hard to keep the landfill. Ms. Gorin noted the community asked for a source of good organic local compost during discussions and reminded the Board member agencies were part of the Regional Climate Protection Plan, and out-hauling and in-hauling would increase greenhouse gases. Ms. Gorin stated she felt one or more local processing facilities needed to be in the County and it was important to seriously consider giving a preference to local processing.

Ms. Harvey stated she was not speaking for her council, but she was in agreement with Ms. Gorin and would like to see the SCWMA be set up with a good solution for the next 25 years. Ms. Harvey noted she was open to looking out of County if there were no in-county solutions, and added it may come down to feasibility and cost.

Brent Salmi, City of Healdsburg, stated the City of Healdsburg would favor an in-county solution, and suggested awarding preference points for in-county. Mr. Salmi noted it would be fair and still possible for an out of county facility to come out ahead. Mr. Salmi noted he did not have a preference on the maximum number of agreements, and expressed concern for biosolids.

Henry Mikus, City of Sebastopol, challenged those who would be responding to the RFP with the possibility of having an out of county producer make the compost and find a way to effectively bring it back.

Deb Fudge, Town of Windsor, stated that based on preliminary discussions, Windsor would prefer in-county composting and possibly awarding preference points for in-county composting. Ms. Fudge noted Windsor was concerned regarding cost as well as greenhouse gases. Ms. Fudge suggested there could be a combination of things and a number of agreements, depending on where in the County the sites would be located, technology, and compost produced. Ms. Fudge noted she felt Windsor would want to join and commit flow to the SCWMA.

Madolyn Agrimonti, City of Sonoma, stated she was not speaking for her council at this time but personally preferred in-county composting.

Mr. St. John stated that he favored an in-county facility but would not want to be limited to that, and noted he would not want to exclude small operations. Mr. St. John noted he believed location of facilities could be addressed in terms of greenhouse gas impact and indicated that for Petaluma, it was not a question of in or out of county, but rather a question of greenhouse gases. Mr. St. John noted he did not see ability to be permitted addressed.

Mr. St. John indicated he would like to see options for biosolids, and he understood they were a market problem with the designation of organic. Mr. St. John indicated he personally would like to see a countywide unified rate.

Mr. Schultz provided a preview of the online survey through SurveyMokey and Mr. Carter explained the feedback received through the process at both workshops and the SurveyMonkey would be provided to the Board the first week of May.

Ms. Gorin encouraged the SCWMA Board to advertise the survey to increase the number of respondents. Ms. Gorin recommended including a question regarding commercial food scraps and asking if the public was interested in including that in composting. Ms. Gorin noted she would like to know if there was a market for anything other than organic compost.

Ms. Fudge stated she felt the SurveyMonkey was a good tool and requested SCWMA staff send the link to the Board so they could add it to their Facebook pages to obtain additional responses.

Mr. Carter explained the Agency received requests from firms that did not originally respond to the RFI process, who wanted to be part of the RFP process. Mr. Carter noted it stated clearly in the RFI document that those who wanted to be in the RFP distribution needed to participate in the RFI. Mr. Carter added there was also language stating the Board had the right to solicit proposals from those who did not participate in the RFI process. Mr. Carter recognized it created a sense of unfairness to those who participated in the RFI process and it was a balance between getting the most information because the goal was to get the best project. Mr. Carter noted this was a policy question and not a legal question.

Mr. Carter stated the Agency received one letter and indication from as many as four firms who did not participate in or pass the RFI process that would like to be included in the RFP process.

Mr. Carter inquired if the Board was interested in getting the broadest range of options for the

proposals or stay with the RFI process, where it was said only those who participated in the RFI could participate in the RFP. Mr. Carter stated he did not believe there was a significant competitive advantage for those who did not participate in the RFI, as there was not a lot of financial information included from most RFI respondents. Mr. Carter suggested it was in the public's best interest to get the most diverse amount of proposals and staff recommended the Board include others in the process.

Ms. Agrimonti shared the City of Sonoma had gone through something similar recently and ended up in a lawsuit. Ms. Agrimonti noted that while there could possibly be extenuating circumstances as to why some were unable to respond to the RFI, she felt it could create an issue for those who responded and followed the process appropriately.

Ms. Harvey suggested the possibility of using a point system, in the interest of fairness, so those who did reply to the RFI got a point or two and points were taken away from those who did not. Ms. Harvey noted she was in agreement with having the largest number of proposals.

Mr. St. John asked if there was any indication why the companies did not submit for the RFI.

Mr. Carter replied the firm included in the packet did not know about the process when it was released, and there was a group who participated in the RFI but the evaluation team did not believe there was enough information included in the RFI response to continue to the RFP process, and they had indicated they would like to be included in the RFP process.

Mr. Sawyer expressed his concern in using the point system, as that would be a condition that was not existent in the RFI from the beginning. Mr. Sawyer said he also looked forward to as many proposals as possible.

Ms. Stafford stated she was in agreement with Mr. Sawyer but she would like to hear what Mr. Walsh had to say.

Mr. Walsh stated as this was an RFP process, it was not dictated by a specific law. Mr. Walsh noted the process with the RFI was set and the caveat was included stating the Board retained the right to have discussions with other entities. Mr. Walsh stated he appreciated both sides of the issue but it was ultimately a policy decision and the Board had that flexibility.

### **Public Comment**

Renaud des Rosiers, Sustainability Manager for Amy's Kitchen, speaking as a private citizen, stated he felt packaging needed to be considered and it was important to begin the process from the perspective of maximizing waste diversion, as there were a lot of alternative materials becoming available for consumer packaged goods companies and food service establishments. Mr. des Rosiers noted making the transition to compostable packaging was challenging enough for companies and restaurants, and not having a composting system that would take the materials at end of life was problematic. Mr. des Rosiers noted using ASTM 6400 and 6868 standards, and allowing for the acceptance of those materials would be key.

Mr. des Rosiers referenced the California mandatory recycling law, and that noted from the perspective of a restaurant that should avoid sending food waste to the landfill, it was very difficult to send food scraps from tables if non-compostable packaging was used, but if packaging

were to be included within the scope of what was accepted, a significantly higher amount of food scraps would be captured.

Dan Noble, Executive Director of the Association of Compost Producers, expressed his support for the process in general, but wished to make comments relative to his private practice as a market analyst and consultant to the environmental industry for the past thirty years. Mr. Noble noted all the discussion he heard at this meeting spoke to a need to share a common framework for making complex decisions, especially for renewable carbon management and renewable nutrient management within the communities.

Mr. Noble stated some of the dimension included backyard composters, small scale community composting and gardening, facility level on farm vs. composting at the waste water treatment plan, and regional and larger area facilities. Mr. Noble noted that represented a whole new market approach and new markets being immerged, and the markets were controlled by municipal services. Mr. Noble stated every community in California and globally was going through this process. Mr. Noble noted one of the other dimensions was markets vs. monopolies, and added if there were more of a market based system, communities of practice would be created, such as Compost Council of Sonoma County, to include not only municipal composters but also biosolids composters. Mr. Noble indicated he would like to share more depth with staff and R3.

Wendy Krupnick, Compost Coalition of Sonoma County, stated the coalition was an ad hoc group with the goal of bringing back high quality composting to Sonoma County. Ms. Krupnick noted part of the coalition included a number of different stakeholders, and she personally represented agriculture, small scale farming, and landscaping. Ms. Krupnick stated the coalition submitted detailed public comments via email and she wanted to make sure the Board received the information.

Chair Sawyer noted the email may have arrived too late to be included in the packet but staff would make sure those who did not received the email did.

Allen Tose, Stage Gulch Organics, complimented the Board on the progress. Mr. Tose stated the demand for compost, how much, and what quality was needed in Sonoma County was unknown. Mr. Tose noted knowing this would provide an idea of how much was needed in Sonoma County to determine what needed to be done. Mr. Tose noted an enormous amount of compost was being brought in from out of the area even prior to the closure of Sonoma Compost.

Merle Reuser, Standard Organics Group, stated he was one of the respondents to the RFI. Mr. Reuser noted their approved use site was located in the Town of Windsor, and they had the technology in place. Mr. Reuser explained his group needed to know from the Board who directed the flow and how much flow they had to direct in order to run the numbers for the proposal. Mr. Reuser stated they were at a road block with a proposal with everything in place. Mr. Reuser stated they had the marketing of the compost set, as he imported 40,000 cubic yards into Sonoma County last year and had been doing that for about five years. Mr. Reuser noted they had an interest in the finished product and an understanding of how to do the manufacturing of the compost. Mr. Reuser stated if they couldn't get the questions answered, they would not be participating in the RFP, because they were unable to provide the numbers.

#### **Boardmember Comments**

Ms. Fudge stated she was aware of Standard Compost and it was unknown how long it would take for them to go through the permit process and up and running. Ms. Fudge inquired if someone like Standard Compost were to be up and running before the RFP process was concluded, would Windsor be able to dedicate waste to them separately and then join in through the Agency when the process was completed. Ms. Fudge noted this may or may not happen. Ms. Fudge noted she was concerned proposers would lose their leases, as it had happened with the garbage contract.

Mr. Carter responded the flexibility built into the agreement would allow it, as it was an opt-in process. Mr. Carter noted it would become complicated if Windsor wanted to opt-in to the process after the rest of the SCWMA had moved forward under a different assumption. Mr. Carter noted the SCWMA would do its best to accommodate that, but could not say with certainty that would be possible at this point.

Mr. Walsh recommended that if Windsor were interested in that specific facility, she would want to discuss it with her city manager and city attorney and Windsor could negotiate the contract with them specifically, and the rest of the SCWMA would go forward and make a decision. Mr. Walsh noted if the SCWMA also decided on that specific facility, there would possibly be an ability to merge the two contracts together. Mr. Walsh noted he would be concerned if Windsor went in as a placeholder for the larger facility, because that would raise due process issue for everyone else.

Mr. St. John asked Mr. Carter to address the no flow numbers with regards to the public comment.

Mr. Carter noted there was no committed flow to the new system, as it would require an agreement between the SCWMA and the members to commit that flow going forward. Mr. Carter noted the numbers were known but it was the commitment that allowed private operators to obtain capital to build the facility. Mr. Carter noted staff proposed obtaining a letter of interest from all member agencies interested in proceeding so it could be included in the RFP solicitation, this way respondents knew there was interest from the cities and what that flow was.

Mr. Carter stated the goal was to incorporate the feedback from the public process and send it to the Board members the first week of May. Mr. Carter added the SCWMA would ask for the letter of commitment, which R3 and Mr. Carter would draft in an effort to make the process easy, and send to the city managers and copying the board member and asking to receive that back by the May 17 Board meeting. The May 17 date would be the final feedback before the RFP was released at the end of May. Mr. Carter noted that if the Board was comfortable with it, the city managers would be able to sign the letter stating there was non-binding interest at this point.

**8, 9, 10. There were no Board member or Staff Comments. Next SCWMA meeting: May 17, 2017**

**11. Adjournment:**

The meeting adjourned at 10:22p.m.

Submitted by:

Sally Evans