



Minutes of the June 20, 2018 Meeting

The Sonoma County Waste Management Agency met on June 20, 2018, at the Doubletree Hotel Vineyard Room, 1 Doubletree Drive, Santa Rosa, California.

Board Members Present:

City of Cloverdale	David Kelley	City of Santa Rosa	John Sawyer
City of Cotati	Susan Harvey	City of Sebastopol	Henry Mikus
City of Healdsburg	Larry Zimmer	City of Sonoma	Madolyn Agrimonti
City of Petaluma	Dan St. John	County of Sonoma	Susan Gorin
City of Rohnert Park	Don Schwartz	Town of Windsor	Deb Fudge

Staff Present:

Executive Director: Patrick Carter
Counsel: Ethan Walsh
SCWMA Clerk: Janel Perry
Staff: Thora Collard, Kristin Thigpen

1. Call to Order Regular Meeting

Regular meeting was called to order at 8:33 a.m.

2. Agenda Approval

3. Public Comments (items not on the agenda)

Carrie Baxter, R3 Consulting Group, is working with the City of Santa Rosa to create a Zero Waste plan. She requested the Board to take a survey regarding programs and policies.

4. Consent (w/attachments)

- 4.1 Minutes of the April 18, 2018 Regular Meeting
- 4.2 May, June, and July 2018 Outreach Calendar
- 4.3 North County HHW Facility Update
- 4.4 FY 2017/18 Third Quarter Financial Report
- 4.5 SCWMA FY 2018/19 Final Budget Approval [**Supermajority Vote Required**]
- 4.6 Approval of Revised SCWMA Reserve Policy
- 4.7 Budget Appropriation Adjustment [**Supermajority Vote Required**]

Don Schwartz, City of Rohnert Park pulled items 4.5 and 4.6 for discussion.

Public Comments:

None.

The motion for approval of items on consent calendar excluding item 4.5 and item 4.6 was made by Madolyn Agrimonti, City of Sonoma, and seconded by Susan Harvey, City of Cotati.

Vote Count:

City of Cloverdale	AYE	City of Santa Rosa	AYE
City of Cotati	AYE	City of Sebastopol	AYE
City of Healdsburg	AYE	City of Sonoma	AYE
City of Petaluma	AYE	County of Sonoma	ABSENT
City of Rohnert Park	AYE	Town of Windsor	AYE

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

Motion passed.

Susan Gorin arrived 9:39.

Board Discussion:

4.5 SCWMA FY 2018/19 Final Budget Approval:

Mr. Schwartz commented on the County retirement unfunded liabilities gap.

Mr. Carter discussed the difficulties of determining fair amount of unfunded liability for the SCWMA. The estimated amount is about \$100,000 per employee, or \$700,000 total. He suggested reviewing the reserve policy annually and adjust as necessary. The contingency reserve has enough funds to cover \$700,000.

Ms. Gorin stated it is one of the County Board of Supervisors top priorities. There is a community committee dedicated to this task.

Mr. Mikus asked about the MOU with the County to provide staffing to SCWMA and where the liability lays since staff are employees of the County.

Mr. Carter stated it is good fiscal policy to have money set aside now, in case liability is passed onto us from the County in the future.

Mr. Schwartz commented that we should set aside \$700,000 to potentially invest into a trust rather than CDs or hold in a reserve account and refine the amount with the County Auditor and Controller. He recommended SCWMA report back to the Board in 3-6 months.

Mr. Sawyer asked if phasing in the investment would be a better option.

Mr. Carter commented that the Organics Reserve Fund balance was set aside for a compost facility, but our needs have changed. Currently there is \$3,000,000 of unallocated funds that can be put towards pension liability or other priorities.

Mr. Kelley recommended staff bring back a discussion item on this issue, to create a program with investment strategies.

Mr. Schwartz stated we should make a designation of money now, then refine in the future.

Ms. Harvey agreed we should put aside what we have, but later address the bigger problem.

Ms. Gorin supported moving the budget forward, then bring back discussion in future.

Mr. Carter stated the reserve policy reflects consolidation of funds. He recommended giving staff direction to amend budget and reserve policy at this meeting, then refine amounts as needed in the future.

Public Comments

Roger Larson commented that Mr. Mikus should recues himself from voting, due to a conflict of interest with funding his own pension.

Mr. Walsh stated there is no conflict, as none of the Board members work for the SCWMA currently.

Board Discussion

Dan St. John, City of Petaluma, made a motion to approve the final budget, but delay the reserve policy. Mr. Schwartz seconded the motion.

After discussion about the reserve policy, Mr. Schwartz withdrew his second.

The motion for approval of budget and to bring reserve issue back for discussion at another time Dan St. John, City of Petaluma, and seconded by Susan Gorin, County of Sonoma.

Vote Count:

City of Cloverdale	AYE	City of Santa Rosa	AYE
City of Cotati	AYE	City of Sebastopol	AYE
City of Healdsburg	AYE	City of Sonoma	AYE
City of Petaluma	AYE	County of Sonoma	AYE
City of Rohnert Park	NO	Town of Windsor	AYE

AYES -9- NOES -1- ABSENT -0- ABSTAIN -0-

Motion passed.

4.6 Approval of Revised SCWMA Reserve Policy

Board Discussion

None

Public Comments

None

The motion for approval of Reserve Policy as it stands and direction for staff to bring back discussion by September. Dan St. John, City of Petaluma, and seconded by Deb Fudge, Town of Windsor.

Vote Count:

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

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

Motion passed.

Regular Calendar

5. Presentation of SCWMA Rebranding Progress by the Engine is Red

Chris Denny, from the Engine is Red, presented a progress report.

Board Discussion

Ms. Fudge asked about the confusion of SCWMA having a new name and which website agendas would be on.

Mr. Denny responded all information would be kept together in a single web entity rather than two websites.

Kristin Thigpen, SCWMA staff, suggested going to RecycleSmart to see a similar concept.

Ms. Fudge stated that the group P.E.A.S in Windsor is trying to make Windsor concerts zero waste by offering recycling education through volunteers.

Mr. Denny stated we want to be a single resource to guide people where items should go and what programs and events are currently being held, rather than people searching through different municipalities.

Ms. Gorin stated areas of the county do not have internet access; information should be given out multiple ways. She suggested looking into starting rural area events and collections. She believed that Nextdoor can be an effective way to send out messages to the public.

Ms. Thigpen responded that Nextdoor is being used and the response has been great. She believed that having the guide is a good way to share information to those without internet.

Ms. Gorin suggested we use Facebook to link people to SCWMA as well.

Ms. Thigpen confirmed we use Facebook, Instagram and Twitter.

Ms. Harvey stated that city websites should point people toward the SCWMA for the most current information.

Mr. Kelley asked if there was feedback for the term “waste” during the Engine’s discovery phase, since SCWMA does more than just manage waste.

Mr. Denny replied they are trying to anchor to the most commonly known words and then push beyond that.

Ms. Agrimonti stated she likes organizational charts.

Mr. Schwartz asked if we have discussed our campaign with the local haulers.

Ms. Thigpen stated that we keep the haulers up-to-date on our progress.

Mr. Schwartz stated we are operating too independently. We are expecting others to come to us in a leadership role, but we are not going to them.

Mr. Carter stated the rebranding effort is aspirational. We are saying we want to get to a place of being a national leader and high performing by doing research and reaching out to other leaders. Our responsibility is to do the research to find the best ways to run high quality programs, not the Engine’s. There are a lot of things we are catching up on right now like policies, building a new HHW facility, etc.

Mr. Schwartz stated if we are trying to become a national leader we should look at other national leaders to see what they are doing right, and also talk to our haulers to find out best practice.

Ms. Thigpen stated we are work very closely with the haulers, we just didn’t have them actively participate in our rebranding process.

Larry Zimmer, City of Healdsburg, thanked staff. He suggested a place on the website where people can type in what they want to dispose of and then received an answer.

Ms. Gorin stated Zero Waste is a philosophy and questioned if the name will produce additional confusion as other events and SCWMA’s use the same term.

Mr. Denny stated is allows us to tie to larger conversations, but establishes us as the local resource.

Public Comments

Ms. Leslie Lukacs, chair Zero Waste Task Force, wanted to applaud the decision to name the SCWMA Zero Waste Sonoma. She commented that leaders in our county are moving towards zero waste. She mentioned wanting to present a zero waste resolution request at the next board meeting. She wanted to preserve the landfill as long as possible.

Mr. Ken Wells, LTF Chair, stated the SCWMA has been a national leader in the past. He wanted to know how the focus group was selected. He stated that social marketing is an effective way to produce behavior change and that education is not a behavioral change. It will take money to get to zero waste.

Mr. Rick Downey, Republic Services, stated we have to deal with the regulatory environment and every decision that is made has implications. He stated there is an issue with the SCWMA's guide only being printed once a year, as the information comes in more often.

Board Discussion

Mr. Kelley is concerned there are a number of zero waste programs and using the name may generate confusion about our mission.

Ms. Gorin stated she appreciates Ms. Lukacs's support for the name but she has concern over possible trademark challenges.

Mr. Carter stated we can look into the issue. He stated we have an agreement to transfer Zero Waste Sonoma as an intellectual property from Ms. Lukacs' organization to ours.

Mr. St. John stated he liked the domain recyclenow.org.

Mr. Carter stated he didn't want us pigeon holed into just recycling. We could keep recyclenow.org then redirect people to new site.

Ms. Fudge agreed changing to Zero Waste Sonoma is a great idea.

6. Consideration of an Agreement with ECS Refining, Inc. for E-Waste Handling, Transportation and Recycling Services

Mr. Carter presented the item and recommended the Board execute the Agreement with ECS Refining, Inc. for E-Waste Handling, Transportation and Recycling from the execution date through June 30, 2021, with the opportunity for two annual extensions.

Mr. Carter also recommended the Board execute an Agreement with Onsite Electronics for E-Waste Handling, Transportation and Recycling from an effective date to be determined through June 30, 2021 with the opportunity for two annual extensions.

Board Discussion

Ms. Agrimonti, Ms. Harvey, and Ms. Gorin asked about scenarios in which ECS could default.

Mr. Walsh confirmed that we would terminate the agreement and have another company come in simultaneously. They would be in default for not paying us. Since we have a company to backfill it is not necessary to create a bond to cover gap.

Mr. St. John noted our cost consideration is only 20%, he preferred it to be higher. He stated we should be mindful of maximizing our revenue.

Mr. Carter replied he believed the amount is not huge in the grand scheme of things, around \$10,000-\$20,000. Factors other than revenue which were evaluated included handling of the materials, environmental certifications, and our solid track record with ECS.

Mr. Kelley asked why on the matrix Onsite was ranked 1 point higher on handling materials. He asked if we could identify why, then have company chosen use those best practices. He stated there is no schedule for payments.

Mr. Carter replied we are typically paid per shipment, with lag time from when they get the material to when we receive the money.

Mr. Mikus asked if it was a reorganization of chapter 11 and not a dissolution of assets.

Mr. Walsh confirmed.

Mr. Mikus expressed caution that the pricing with ECS may be part of the problem. He expressed concerned that shortcuts may be taken even with people who have the best intentions. He suggested we follow up that material is properly handled.

Mr. Carter replied that the contractor must provide downstream reports within 7 days of any change with penalties for non-compliance.

Mr. Walsh stated that payment is within 60 days of shipment.

Mr. Mikus wanted to make sure everyone recognized the risks.

Ms. Agrimonti asked if we are picking ECS because there are no additional funds we would have to supplement.

Mr. Carter stated that we are endorsing ECS because they ranked the highest from all of our evaluation criteria.

Public Comments

John Walker, ECS Refining, stated there would be no service interruptions with SCWMA. ECS has a \$10,000,000 liability umbrella policy and a closure policy.

Board Discussion

The motion for approval on executing an Agreement with ECS Refining, Inc. with a backup contract with Onsite Electronics Susan Gorin, County of Sonoma, and seconded by Larry Zimmer, City of Healdsburg.

Vote Count:

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

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

Motion passed.

7. Discussion and Possible Action on the Organic Material Processing Services RFP Evaluation [Carter]

Mr. Carter delivered a presentation regarding this item. Staff recommended the Board take the following actions: 1) enter into a disposal agreement with Waste Management/Redwood Landfill for a term of three years, 2) enter into a disposal agreement with Cold Creek Compost for a term of three years, 3) direct staff to schedule a public hearing on the proposals received through the SCWMA's Organic Material Processing Services RFP for long term organic material processing for the August 15, 2018 SCWMA meeting.

Board Discussion

Mr. St. John asked why Napa Recycling is not the most cost effective alternative.

Mr. Carter stated that it is based on both distance and rates.

Mr. Schwartz asked about a flaw in the score of the short term calculations.

Mr. Carter commented that it was a misprint, but Cold Creek would still score the highest.

Mr. Schwartz asked how capacity fits into scoring.

Mr. Carter stated it was a criteria in the RFP and that scores were more heavily weighted on per ton disposal costs and transportation costs.

Mr. Schwartz asked if all short term sites have the capacity we need.

Mr. Carter responded that no single responder could cover all our capacity needs.

Ms. Harvey asked what the future growth in tons was.

Mr. Carter responded we may be around 125,000 tons per year in 20 years.

Ms. Harvey questioned the amount of manure and its impact.

Mr. Carter responded the herbicides in animal food is problematic.

Mr. Schwartz asked for clarification on the proposers marketing plan.

Mr. Carter stated the question is what will happen to the material on the backend, with diversion then landfill not being a good solution. There is currently an increased demand for compost and we asked how they would address the need through the proposal.

Mr. Schwartz stated that staff were directed not to give local preference.

Mr. Carter responded that he disagrees it is a local preference. It's more about a plan to serve a need within the county.

Ms. Gorin stated there is a demand for compost from home gardeners and is a need for the county.
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Mr. Carter stated it was based on 15 points out of 100 points. He stated the company did not need to have a physical presence in Sonoma County, but the material could still fit the need of our residents.

Ms. Gorin asked how we would push them to bring the material back to Sonoma County.

Mr. Carter stated the agreement required 300 yards from Cold Creek Compost and 350 from Redwood Landfill per year to be offered free of charge for people to come and pick up in our county.

Ms. Gorin stated she preferred the location of compost production to be close to the distribution site. She questioned when the contact and delivery process would start.

Mr. Carter stated there would be no break in service, since we are already working with them.

Mr. Kelley asked how disposal cost impacted for local rates.

Mr. Carter responded there may be a slight increase based on slightly higher rates from Cold Creek Compost and based on the results from the RFP for transportation.

Public Comments

Martin Mileck, Cold Creek Compost, stated there is not a shortage of compost in the county. They work with five established dealers in our county and are capable of servicing more dealers.

Ken Wells, LTF, asked if there was a penalty if 10,000 tons per year commitment is not met.

Mr. Carter responded he believed we would have to pay for any material not sent that is under the 10,000 ton requirement.

Mr. Mikus asked if more than 10,000 tons is sourced out of Healdsburg.

Mr. Carter affirmed.

Board Discussion

The motion for approval of two short term contracts for green waste disposal was made by Susan Gorin, County of Sonoma, and seconded by Susan Harvey, City of Cotati.

Vote Count:

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

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

Motion passed.

Board Discussion

Mr. Carter presented long term options.

Mr. Mikus stated many of the proposals included using the Laguna site. He asked how that effects the people that don't have the advantage of that place.

Mr. Carter responded that all proposers were aware the site was available and could contract directly with Santa Rosa for lease of that space.

Mr. Mikus asked what happens if proposers cannot come to an agreement with Santa Rosa.

Mr. Carter responded we would go down the list.

Mr. Mikus suggested at the next meeting we should have information about revenue.

Mr. Carter responded that there will be a rate increase.

Larry Zimmer left at 11:58 AM.

Mr. Kelley asked if costs are spread evenly through all jurisdictions or based on flow commitments for each city.

Mr. Carter responded we do not know yet what the ratepayer impact would be. If cities opted out then they would not be charged the fee.

Mr. Schwartz asked if the range of rates from Renewable Sonoma was based on a low and a high volume received.

Mr. Carter confirmed.

Mr. Mikus stated that comparing averages may be false because the time commitment is a factor.

Mr. Schwartz asked if bidders were able to get a definitive cost for using the waste water plant location.

Mr. Carter responded that each proposer made their own assumptions on costs.

Mr. Schwartz stated that Renewable Sonoma has never operated before. How is their ranking similar to those that have an established history of operation?

Mr. Carter responded that Renewable Sonoma's team members have had a history of operating. Part of the RFP included a \$1,000,000 proposal bond. Renewal Sonoma required a \$10,000,000 bond.

Ms. Agrimonti left at 12:07 PM.

Mr. Schwartz responded it was a point of significant discomfort.

Ms. Harvey stated there is discomfort that one company has never worked together, Possible unforeseen location lease issues and contract issues between SCWMA and the cities. She questioned what makes you think they can work together?

Mr. Carter responded he is happy to address those concerns more fully in August.

Ms. Gorin clarified that she is not one of the supervisors that has a negative opinion of using Stage Gulch as a location.

Ms. Fudge responded she is uncomfortable putting 100% blame on Sonoma Compost for the facility's closure in the past. She believed a lot of blame came from things that went on at the county level, neighbors and behind the scenes.

Mr. Mikus agreed.

Public Comments

William Skinner, Hitachi Zosen INOVA, stated that the higher bond for one company may indicate that there is possibility something may go wrong. He believed evaluation criteria should reflect this more. He stated his company's price decrease was known April 15th and was not new information.

Margaret. Kullberg, a resident living across from the proposed location for Stage Gulch Organics, commented that in the past the board concluded that area was not suitable. She believes is it still not suitable. She has traffic concerns with road size and safety hazards. She objects to increased insects and odors affecting her vineyards.

Roger Larsen, Happy Acre Resident, handed out a map of the Tiger Salamander habitat. He believes that Stage Gulch Road is the best location for compost site. He commented there will be drainage issues at the Water Treatment Facility. He stated it does not seem right giving the contract to the same people who experienced drainage problems in the past.

Allan Tose, Stage Gulch Organics, provided copies of Use Permit from Permit Sonoma. He stated the reduction of the site by five acres changes concerns and solves all problems. He stated the whole area of Llano Road site is Tiger Salamander territory as well. He commented that using a property that already exists and can meet the needs without destroying animal habitat makes the most sense.

Mr. Mileck, Cold Creek Compost, stated he offered the lowest bid for the previous contract but it was offered to the highest bidder. He then built a fully compliant facility in Mendocino County about a year faster than Sonoma Compost was able to. He stated by using the recommended proposal the rate payer would be paying \$52,000,000 more over 20 years, he is not sure the point system reflects this difference. His proposal proposes two facilities each able to do the entire job. He asked how this is reflected in the point system. He stated his compost product has been the best compost on the market for 25 years, and asked how that is reflected in points.

Mr. St. John asked for elaboration regarding which officials expressed concerns about the Stage Gulch site.

Mr. Carter stated Supervisors Rabbitt and Zane objected to Stage Gulch site years ago.

Mr. St John left at 12:32.

Direction was given to staff to arrange for a public hearing at the August 15 SCWMA Board meeting.

7. Boardmember Comments

None.

8. Staff Comments

None.

9. Next SCWMA meeting: July 18, 2018

10. Adjournment:

The meeting adjourned at 12:34 P.M.

Submitted by: Janel Perry