



Minutes of September 17, 2014 Meeting

The Sonoma County Waste Management Agency met on September 17, 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 (via teleconference) |
| City of Healdsburg | Jim Wood |
| City of Petaluma | Dan St. John |
| City of Rohnert Park | Don Schwartz |
| City of Santa Rosa | Jake Ours |
| City of Sebastopol | Larry McLaughlin |
| City of Sonoma | Steve Barbose |
| County of Sonoma | Shirlee Zane |
| 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 9:01 a.m.
- 2. Open Closed Session**
- 3. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION**
Government Code Section 54956.9(d)(2) and (e)(5)
Two cases

Direction was given to Agency Counsel.
- 4. Adjourn Closed Session**
- 5. Agenda Approval**
There were no changes to the Agenda.
- 6. Public Comments (items not on the agenda)**

Margaret Kullberg objected to Site 40 being considered in the compost relocation EIR. Site 40 would cost millions of dollars, it is prime agricultural land under the Williamson Act, and the roads to the site are very busy, and Adobe Road has plenty of potholes already. Leaving the compost facility at the present site with a new basin built to contain the problem water has good roads and would be the obvious place to keep the site.

7. Consent (w/attachments)

- 7.1 Minutes of the August 20, 2014 SCWMA meeting
- 7.2 Annual Budget Adjustments
- 7.3 Construction Management Services, Pond Combination Project
- 7.4 Agreement for Special Counsel Services

Shirlee Zane, County of Sonoma, asked whether Item 7.4 required a unanimous vote. After some discussion, Item 7.4 was pulled from the consent calendar.

Bob Cox, City of Cloverdale, moved to approve the Consent Calendar, Jake Ours, City of Santa Rosa, seconded the motion.

Don Schwartz, City of Rohnert Park, and Jake Ours, City of Santa Rosa abstained from the vote of Item 7.1 the Minutes of July 16, 2014, due to their absences.

The motion passed with the noted abstentions.

7.1 Vote Count:

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

7.2 and 7.3 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 -8- NOES -0- ABSENT -0- ABSTAIN -2-

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

7.4 Agreement for Special Counsel Services

Ms. Zane requested to know whether this item required a unanimous vote.

Janet Coleson, Agency Counsel, replied that the services of Mr. Gene Tanaka would be provided on an hourly basis, and that there are not typically not-to-exceed amounts on these types of contracts.

Chair Wood suggested that until the agreement is signed, perhaps it would be helpful to have a not to exceed amount. Ms. Zane agreed.

Ms. Coleson replied that because attorney agreements are based upon an hourly rate and can be terminated at any time, the structure allows them to continue by a majority vote without potential delays caused by unanimous votes. If the Board sets a not-to-exceed amount, the next time the item is up for review, it could cause the item to be a unanimous vote item.

Chair Wood stated that he doubted the Board would have an issue with needing to pay for the services of special counsel, but that they were reluctant to move forward with an unlimited amount.

Ms. Zane agreed and said that if special counsel needed an additional amount, the Board could consider the request, but that an amount needed to be established.

Steve Barbose, City of Sonoma, stated that as an attorney, any estimate the Board would receive would be a range of estimates depending on the complexities of the case.

Mr. Barbose motioned approval of the Agreement for Special Counsel Services with the law firm, Best, Best, and Krieger LLP, in an amount not-to-exceed \$45,000 until staff returns for authorization of additional funds. Mr. Ours seconded the motion.

The motion passed unanimously.

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|-----------------|-------------------|-----------------|-----------------|
| 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. Compost Zero Discharge Plan Update

Mr. Mikus reported that the Agency promised to give monthly reports to the North Coast Regional Water Quality Control Board (NCRWQCB), and that was sent the previous week. The report followed the structure and nomenclature of the Zero Discharge Plan. The focus of the last month has been on the interim measures in the plan, including the footprint reduction and increasing the capacity of the existing ponds. Mr. Mikus reported that Sonoma Compost has created a plan for movement of materials from the 4.25 acres. The stakeholders have been meeting weekly to discuss the issues and ensure all tasks are being completed.

The other interim measure is the increased capacity of the ponds. Magnus Pacific was selected for the work and was scheduled to begin work on September 15, which they did. The schedule was to complete the work by October 23, which has the potential to be in the rainy season, but there was a plan to deal with potential runoff from a potential rain event which had been reviewed by both the County and the NCRWQCB staff.

Mr. Mikus stated that as it related to the pumping and trucking of water collected during the rainy season, the Agency has been receiving the services of Environmental Pollution Solutions when meeting with waste water treatment plant operators.

Mr. Mikus reported that the engineering analysis for the site selection is expected to be presented to the Board at the October Board Meeting.

Mr. Mikus also reported that the cities of Petaluma and Sonoma have directed their haulers to directly outhaul compostable material to other compost facilities to make it easier for Sonoma

Compost to achieve the footprint reduction in time. The City of Petaluma also committed to receiving some compost water.

Board Questions

Don Schwartz, City of Rohnert Park, asked what percentage of compostable material was attributable to Petaluma and Sonoma.

Mr. Mikus replied that Petaluma was approximately twelve to fourteen percent and Sonoma was approximately three percent.

Dan St. John asked which other treatment plants had committed to receive compost waters in Sonoma County.

Stu Clark, DEI, responded that the Laguna Waste Water Treatment Plant has agreed to maximize the amount of water they can receive from Central. Staff has reached out to the Sonoma County Water Agency, specifically the Sonoma Valley plant, which had declined to take the water this year, but would be willing to revisit the issue next year. Beyond Sonoma County, the Novato Sanitary District as well as the Marin District considered the requests, but declined for various reasons. The East Bay Municipal Utilities District has agreed to take a minimum of 60,000 gallons of water per day at their Oakland facility.

Mr. St. John responded that the Agency would be receiving an official commitment to receive the 5,000 gallons per day from the Agency's compost facility.

Deb Fudge, Town of Windsor, asked whether the Windsor facility had been contacted.

Mr. Clark responded that they had not been contacted, but he would do so after this meeting.

Ms. Zane requested additional detail regarding how much water would be trucked to each facility and how it relates to the eighteen percent footprint reduction.

Public Comments

Roger Larsen said he was happy to hear the cities were working together on the issues. Mr. Larsen asked whether the permit for the small pond was done through County's PRMD.

Mr. Mikus responded that the issue was complex and that staff would get back to him on that.

Allan Tose asserted that on an average year approximately 6 million gallons would be discharged into Stemple Creek. He also asserted that East Bay MUD would take as much water as the Agency would give them because they processed the water differently, and because they had the capacity to accept it.

Board Discussion

Ms. Zane requested the contingency plan for rainfall be delivered to the Board for the next meeting.

9. Waste Characterization Study Report

Patrick Carter, Agency staff, introduced the Waste Characterization Study (WCS) final report and gave a brief description of the history of waste characterization studies performed by the Agency

in the past. Mr. Carter introduced Michelle Leonard of SCS Engineers, the firm hired by the Agency to perform the study.

Ms. Leonard gave an overview of the purpose of the study being to compare the composition of waste between this study and past studies, to identify specific generators of divertible waste, and to identify household hazardous waste. Based on information from the hauler, the sampling plan was put together to study residential, commercial, and self-hauled waste. There was an approximately 30% decrease in waste from the 2007 Waste Characterization Study, due to the economic conditions as well as diversion programs.

Organics, paper, and Construction and Demolition materials made up the top three categories of waste in the overall waste composition. Food waste was about 17% of the overall waste. About 65% of the current waste stream is divertible or compostable. While most of the categories decreased in terms of tons disposed, however, plastics increased when compared to the previous WCS. Additional information about the residential, commercial, and self-hauled materials was discussed.

With regard to specific generator types, offices and healthcare facility generated and disposed of a significant amount of paper. There was a significant amount of glass in the lodging sector. Restaurants, health clubs, and golf courses produce a large amount of organics.

Board Questions

Mr. Barbose asked about the analysis of food waste with regard to vegetative vs. non-vegetative food waste.

Ms. Leonard replied that the detailed tables in the report did analyze food waste in greater detail, and that the tables dealing with whether the material was divertible lumped all food waste together.

Mr. Barbose asked why plastic waste was increasing.

Ms. Leonard replied plastic packaging has been increasing, both in product packaging, and film to cover the products.

Ms. Zane asked about how the data should be applied. What recommendations should be made to meet the 90% diversion rate goals?

Ms. Leonard responded that there were opportunities to increase the diversion of organics as well as plastics.

Ms. Zane asked for more specifics on whether the programs should be broad or targeted to specific commercial generators.

Ms. Leonard said that with regard to organics there are programs around the country that are tailored to specific generators, like restaurants, that have been effective. With regard to plastic, extended producer responsibility may be an option. Trade groups may be good organizations to partner with for increase diversion.

Ms. Zane requested that additional policy recommendations be brought back by staff at a future meeting. Ms. Zane requested the tourism industry be targeted as well for increasing their diversion. Ms. Zane suggested that construction and demolition debris be targeted as well.

Ms. Fudge said that she felt this was an opportunity to improve programs for specific generator types.

Susan Harvey, City of Cotati, asked whether there were other successful program throughout the country targeting paper.

Ms. Leonard replied that many of the paper programs involved source reduction.

Mr. Schwartz stated that the Environmental Health Department inspects and provides resources to the facilities they inspect and asked whether there was partnership potential with that department.

Mr. Carter replied the mandatory commercial recycling program accomplishes the very targeted, pragmatic, easily implemented activities, and that working with the Environmental Health Department would be a great suggestion to incorporate with the mandatory commercial recycling program.

Mr. St. John asked what we might expect in terms of increased diversion once this county has a compost program that can accept meat, dairy, and fish.

Ms. Leonard responded that just having the facility does not necessarily result in increased diversion, it will also depend on how well the program is marketed and supported. Ms. Leonard believed another 5-10% diversion could be achieved.

Public Comments

Steve McCaffrey, the Ratto Group, acknowledge the amount of work that took place to accomplish this program. Mr. McCaffrey asserted that the findings from this study backed up what was predicted by the SWAG Research Committee several years ago. A comprehensive food waste program and a dirty MRF were recommended by the SWAG, and both programs are in the process of being implemented through the MOA.

Nea Bradford expressed a frustration with lodging facilities and the lack of recycling options, but also with stores not having appropriate signage for people to make a quick decision on whether an item is recyclable or not.

Rick Downey, Republic Services, echoed the comments of Steve McCaffrey, in that the WCS mirrored the SWAG Research Committee report. The food waste program from the MOA will be taken to the Republic compost facility in Richmond, until capacity is available in Sonoma County. There will also be a wet/dry system for waste when the MOA is effective. Mr. Downey expects October 7, 2014 to be the date of the final approval of the MOA by all the cities except Petaluma.

Ernie Carpenter suggested that the education is paying off, and that the Board should consider the Agency's Third Amendment sooner than later. Mr. Carpenter informed that Board that Former Supervisor Mike Reilly works for the tourism bureau and would be a good contact for talking about increasing diversion in the tourism sector.

Mr. Clark said he was impressed by the study and echoed earlier comments about this study reinforcing the diversion programs that resulted from the SWAG process.

Ken Wells suggested that this WCS is a wealth of information. Mr. Wells suggested that there are many programs out there that could be beneficial to staff in providing policy recommendations. Mr. Wells suggested the shortcoming with implementing these programs in having enough staff at the Agency. As tipping fee increases and the work plan are considered, Mr. Wells suggested the Board consider increasing staff.

Board Discussion

Ms. Zane requested staff return to the Board with policy recommendations and examine the MOA programs.

Ms. Zane moved acceptance of the Waste Characterization Study. The motion was seconded by Mr. Cox.

The motion passed unanimously.

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|-----------------|-------------------|-----------------|-----------------|
| 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- |
|-----------|----------|------------|-------------|

10. Compost Outhaul Agreement

Mr. Carter gave an update on the outhaul agreement with the Ratto Group. There was direction from the Board at the August Board Meeting to approve the agreement with the Ratto Group as long as the agreement didn't materially differ from what was presented at that meeting. The result of further negotiations was materially different from what was presented, so staff is asking the Board for direction at this meeting. The major differences were the Ratto Group wishing to only use the Redwood Landfill and Jepson Prairie Organics for the regular hauling, with the reasoning given being the longer operating hours and different equipment that would be more advantageous to the Ratto Group. One outstanding issue relates to pressure treated wood, and staff expects that issue can be resolved in the next couple of months.

The financial implications of this agreement compared to the one presented previously are an annual cost of \$5.2 million for full outhaul compared to \$4.9 million with the previous agreement, and partial outhaul would be about \$115,000 over the current costs with Sonoma Compost. The Agency would cover the costs of hauling from the City of Sonoma to the Napa Compost facility, at about \$8/ton. The outhaul from the City of Petaluma to the Redwood Landfill would not have a financial impact on the Agency.

Board Questions

Ms. Zane asked the Ratto Group to address the significant unresolved issues.

Mr. McCaffrey stated the outstanding issues have been resolved with the language in the agreement.

Mr. Barbose asked what was happening to the treated wood in the interim.

Mr. McCaffrey stated that the Sonoma Compost was loading the wood into debris boxes and the Ratto Group was hauling it to the proper disposal locations.

Mr. St. John asked about the WCC Republic facility.

Mr. Carter responded that the WCC Republic facility is more of an emergency backup if there is no capacity at Redwood Landfill or Jepson Prairie Organics.

Public Comments

Sean O'Rourke, Cold Creek Compost, reported that the elimination of Cold Creek Compost and the City of Napa Compost Facility would come at greater expense to the ratepayers. Mr. O'Rourke stated that Cold Creek Compost was prepared to accept 10,000 tons per year of food, wood, and green materials at a rate of \$22.40/ton. Approximately \$190,000 would be saved by bringing material from the Healdsburg transfer station to Cold Creek Compost, as well as reducing traffic, and immediately allow additional compost material.

Mr. Barbose asked Mr. O'Rourke to respond to the comments on hours of operation.

Mr. O'Rourke responded that the facility is open and willing to accommodate any hours.

Roger Larsen stated that overhaul is only necessary because the Board insists on composting at the Central Landfill. If you moved the compost facility elsewhere no overhaul or ponds would be necessary.

Board Discussion

Mr. Ours asked whether there is a rebuttal to the comments made by Cold Creek Compost.

Mr. Mikus replied that Cold Creek's comments were reflected in the Agency staff report last month. However, the hauler does not wish to bring material to that facility due to hours and efficiency of operations. The efficiency relates to the equipment the Ratto Group has available as opposed to what can be received at the other facilities.

Mr. Schwartz recalled that the Board approved an amendment with Sonoma Compost to purchase a piece of equipment that would assist in the reduction of the footprint, and wanted to know about the implications of the changes due to Petaluma and Cotati.

Mr. Mikus responded that the changes from Petaluma made the purchase of that equipment not making financial sense.

Mr. Barbose expressed his displeasure in the hauler not providing for the most cost effective option and asked whether all the changes proposed by the Ratto Group were reflected in the staff report.

Mr. Carter replied affirmatively.

Ms. Fudge asked about the difference in mileage from going to Jepson Prairie and Cold Creek.

Mr. Carter replied that the difference in tip fee was approximately \$4/ton so the rest of the difference was in the hauling cost. Mr. Carter stated that he believed the Ratto Group had more possum belly trucks available for hauling.

Mr. Mikus stated that staff does not like the situation the Agency has been put in but with the Ratto Group as the only bidder, he's focused on how do we move forward and get where we need to be.

Ms. Harvey stated that she remembered that Cold Creek could not accommodate all of the Healdsburg Transfer Station material, and that some other outhaul would still be necessary. Ms. Harvey also expressed disappointment that the agreement that was presented at the last meeting seemed almost like a bait-and-switch.

Mr. St. John stated he was surprised that Cold Creek had not had discussion with a different hauler to have material hauled from the Healdsburg Transfer Station to their facility.

Mr. Carter acknowledged that Cold Creek had done exactly that and sent that information to staff, but the complexity lies with the Ratto Group's operation of the transfer stations. When the Agency originally released the RFP, the scope of work was to haul from the transfer stations to the other compost facilities. However the Ratto Group stated the Agency did not have authority to do so, specifically for outside haulers to be loaded by the transfer station operator. Regardless of whether Agency staff agreed with that assertion, staff did change the scope of the RFP to only haul from the Central Compost Site to other compost facilities. The Ratto Group responded with a proposal which met the requirements of the RFP and included an alternate proposal to haul from the transfer stations to other facilities directly. Mr. Carter stated that he believed it would be a difficult situation for another hauler to bring material from the transfer stations to other compost facilities.

Ms. Zane felt that the process was uncomfortable, but that we need to move forward now. Staff did what was requested of them.

Mr. Barbose asked staff to confirm whether the RFP process generated the rates presented in the previous report or the current report.

Mr. Carter responded that the rates included in the current proposal were the rate originally proposed by the Ratto Group. The Ratto Group originally did not include rates to bring material to Cold Creek or the City of Napa. Agency staff negotiated with the Ratto Group to include those facilities due to the cost savings. Staff believed there was agreement on the costs to go to those facilities, but ultimately the negotiations resulting in what is before the Board currently.

Mr. Ours stated that the contractor's refusal to go to those facilities ties the Agency's hands.

Ms. Zane moved to move forward with the agreement. Mr. Cox seconded the motion.

Mr. Barbose and Chair Wood requested a friendly amendment to include the other staff recommendations from the staff report.

The friendly amendment was accepted by both Ms. Zane and Mr. Cox.

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. Tip Fee Surcharge Discussion

Mr. Mikus discussed the funding for the Agency's programs. The surcharge set by this Board is currently \$5.95/ton of garbage. The Master Operation Agreement that appears to be close to implementation contemplates spreading the Agency's surcharge across all inbound materials at the County transfer stations, not just garbage. Without changing the Agency surcharge, the result would be approximately \$500,000 of additional revenue. The MOA suggests the Agency surcharge should be reduced to a lower level to avoid this windfall. Agency staff has calculated that the surcharge should be \$4.85/ton to be approximately revenue neutral to the Agency. A consequence of implementing the surcharge on all material would be that the surcharge would be imposed on the inbound tip fees on wood and yard debris, as well as a convenience fee of \$9.25/ton by the County to cover maintenance of closed landfills not under Republic's responsibility. Staff is seeking direction from the Board on how to proceed.

Board Questions

Mr. St. John requested clarification on the two new fees and the third fee related to assurance of future liabilities.

Mr. Mikus stated that he had been told by County Transportation and Public Works Director Susan Klassen that the third fee would only be assessed on garbage and not the green or wood waste.

Mr. St. John asked whether staff was requesting direction on the other two fees.

Mr. Mikus responded that the convenience fee is not under the control of this Agency, only the tip fee surcharge.

Mr. St. John asked what the difference was between what the Agency receives for income and what the Agency pays Sonoma Compost.

Mr. Mikus replied that the revenue doesn't just pay Sonoma Compost, but it also includes payment for the transfer of materials from the transfer stations to the compost site.

Mr. Carter stated that there is very little room to cushion the rate increase.

Ms. Zane stated that there has been a lot of staff time to vet the MOA and the amount listed in the MOA should be used. She recommends using the \$4.85/ton recommended rate.

Public Comments

Ken Wells stated he was not sure the County has the ability to unilaterally apply the fees to the green waste. He stated the incentives are backwards, as the Agency should not be discouraging the use of the green waste program. Mr. Wells would urge leaving the tip fee at \$6/ton, remove it from the green waste, and use the extra funding for education.

Rick Downey stated that the amount in the MOA was \$4.50.

Mr. St. John asked what the discretion of the Board was to set the surcharge.

Mr. Mikus stated that it is the purview of this board to set the Agency surcharge. It is the County's right to set the fee at the gate at whatever they want to.

Ms. Coleson reiterated what Mr. Mikus stated. The County is obligated to provide the Agency the amount of revenue the Agency is due according to the tip fee surcharge the Agency sets. If the County wishes to include the surcharge amount on other materials, it may do so, as long as the Agency is made whole.

Roger Larsen stated that if the compost site was at Site 40, the County would not be the Agency's landlord and would not have a say on whether the surcharge was applied there.

Ms. Harvey asked for clarification about who sets the surcharge.

Ms. Coleson reiterated that the Agency Board has the sole authority to set the Agency surcharge amount. If the County, as the landlord, decides to apply other fees, that is their purview.

Mr. Barbose asked whether imposing the fee on green waste would create a disincentive on participation in the green waste program.

Mr. Mikus responded that the additional fees on the green waste would have the greatest effect on self hauled material. The impact on the fee at the green can is negligible, but the self hauled material might be a big enough difference to make financial sense for self haulers to go to a different site.

Ms. Zane asked for Mr. Downey to discuss the assumptions made in the MOA. Amendments to the agreement are possible.

Mr. Downey expressed concern that the price listed in the MOA that has been shown to the cities is \$4.50/ton, and is a pass-through cost. Mr. Downey feared that if the price presented to the cities was one amount, and the Board changes that amount, the difference may be a problem to the cities. Mr. Downey suggested that Mr. Mikus was a party to some of the discussions where the \$4.50/ton amount was discussed.

Mr. Mikus suggested that when the \$4.50/ton amount was calculated, there was a math error that didn't take the Petaluma waste into effect and the County was informed a year and a half ago. Mr. Mikus revisited the issue with County staff a few weeks ago, as the MOA is approaching implementation, wishing to resolve this issue. County staff asked him to calculate the fee, and that is what is in the staff report.

Ms. Zane stated that Ms. Klassen also recommended the \$4.85/ton amount and that the Agency should move forward with that surcharge amount.

Mr. Downey said that the amount does not bother him, it's just whether there will be a perception that the costs are increasing by \$0.35/ton more than what was previously presented.

Ms. Fudge did not believe the cities would be concerned with the difference in \$0.35/ton, but she was concerned that by drawing down reserves the actions may put the Agency in a poorer financial situation, and it doesn't make sense to reduce revenue in that situation.

Mr. Barbose stated that the MOA and the JPA don't match up on all items, and that it is the responsibility of all members to make sure the items match up. Mr. Barbose believes the Agency should go forward with the correct number of \$4.85/ton.

Board Discussion

Mr. Barbose moved to direct staff to proceed with the Agency tip fee set at \$4.85/ton on garbage and compost materials.

Ms. Zane seconded the motion.

Mr. Ours agreed the funding at this point should be set at \$4.85/ton.

Mr. Schwartz stated that there is a 33% increase in tonnage and an 18% reduction the surcharge amount and creates an economic disincentive to bring material to this compost facility. Mr. Schwartz asked why the Board would decide to do this.

Mr. Mikus stated that the rationale behind spreading the surcharge over more materials was to provide long term stability for Agency funding. As trash decreases, the Agency receives less revenue, as is less able to fund its programs.

Mr. Schwartz hoped that these issues would be discussed more as the renewal of the Agency is considered, as to his understanding there were no assurances that the County would continue to provide a site as a subsidy after the 2017 normal expiration.

Mr. Mikus replied that, recognizing the compost site selection discussion would take place at the October meeting, he had written a letter to the County on the subject of providing a site with the expectation of a response in time for the October meeting.

Mr. St. John felt that all the information needed to make this decision was not in the staff report, including compost facility costs, why the decision needed to be made now, and the financial information about the current and future surcharge.

Mr. Mikus reiterated that Agency staff had written a letter to the County and spoke in front of the Board of Supervisors about the fee amount being incorrect two years ago and that he and Agency Counsel had met with Ms. Klassen and County Counsel and there was no resolution at the time. As it became clear the MOA was approaching implementation, Agency staff raised the issue again with the County. Regarding compost facility costs, Mr. Mikus reported that the data on how much the site would cost was presented to the Board about one year ago, and that it would be funded through a design/build operator with an agreement that would have a term sufficient to adequately finance the project. Mr. Mikus suggested the information about the surcharge calculation was included in the staff report.

Mr. St. John requested that if the surcharge change was to be made at the October meeting, that the amendment to the agreement with Petaluma be included as well. After much discussion between Mr. St. John and Agency Counsel, Mr. Barbose suggested the item be voted upon.

Mr. Schwartz and Ms. Harvey abstained as their councils have not yet voted on the MOA.

The motion passed on the following vote.

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

AYES -8- NOES -0- ABSENT -0- ABSTAIN -2-

Mr. Barbose and Mr. Ours left the meeting at 12:05 PM.

12. Sonoma Compost Amendment

This item was continued to the October 15, 2014 Agency meeting.

13. Attachments/Correspondence:

13.1 Reports by Staff and Others:

13.1.a August 2014 and September 2014 Outreach Events

14. Board Member Comments

None

15. Staff Comments

None

16. Next SCWMA meeting: October 15, 2014

17. Adjourn

The meeting was adjourned at 12:06 PM.

Submitted by
Patrick Carter