



Meeting of the Board of Directors

December 19, 2018

SPECIAL MEETING

CLOSED SESSION PRIOR TO REGULAR MEETING 8:30 AM

Regular Session begins at 8:45 a.m. (or immediately following
closed session)

Estimated Ending Time 11:30 a.m.

City of Santa Rosa Council Chambers

100 Santa Rosa Avenue

Santa Rosa, CA

Meeting Agenda and Documents

SONOMA COUNTY WASTE MANAGEMENT AGENCY

Meeting of the Board of Directors

December 19, 2018

SPECIAL MEETING

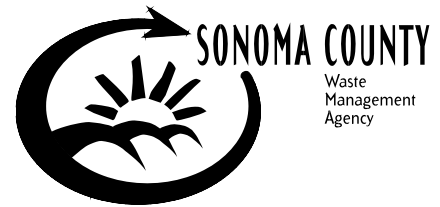
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Note: This packet is 75 pages total



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City of Santa Rosa Council Chambers
100 Santa Rosa Avenue
Santa Rosa, CA

Agenda

Item

1. Call to Order
2. **Closed Session:** PUBLIC EMPLOYMENT
Titles: Executive Director
3. Adjourn Closed Session / Call to Order Regular Session / Introductions
4. Agenda Approval
5. Public Comments (items not on the agenda)

Consent (w/attachments)

- 6.1 Minutes of the September 19, 2018 Regular Meeting
- 6.2 Minutes of the October 17, 2018 Special Meeting
- 6.3 November, December, January 2018/19 Outreach Calendar
- 6.4 Approval Unfunded Liabilities Policy
- 6.5 FY 2018/19 SCWMA 1st Quarter Financial Report
- 6.6 Approval of Updated Polystyrene Model Ordinance
- 6.7 Resolution for Patrick Carter

Regular Calendar

7. Organics Transport [Klassen] – Discussion and Possible Action on the Agreement with Recology for Hauling of Compostable Materials from Sonoma County Disposal Sites to Compost Processors

Recommended Action: Adopt a Resolution approving the agreement with Recology for Compostable Material Transport Services

8. Discussion and Possible Action on the Second Amendment to the Agreement with Recology for E-Waste Handling Services [Scott]

Recommended Action: Adopt a Resolution approving the amendment with Recology for E-Waste Handling Services

9. Discussion and Possible Action on Clean Harbors HHW contract extension [Scott]

Recommended Action: Direct staff to negotiate an extension with Clean Harbors.

10. Boardmember Comments – NO ACTION

11. Executive Director Report - NO ACTION

12. Staff Comments – NO ACTION

13. Next SCWMA meeting: January 16, 2019

14. Adjourn

Consent Calendar: These matters include routine financial and administrative actions and are usually approved by a single majority vote. Any Boardmember may remove an item from the consent calendar.

Regular Calendar: These items include significant and administrative actions of special interest and are classified by program area. The regular calendar also includes "Set Matters," which are noticed hearings, work sessions and public hearings.

Public Comments: Pursuant to Rule 6, Rules of Governance of the Sonoma County Waste Management Agency, members of the public desiring to speak on items that are within the jurisdiction of the SCWMA shall have an opportunity at the beginning and during each regular meeting of the SCWMA. When recognized by the Chair, each person should give his/her name and address and limit comments to 3 minutes. Public comments will follow the staff report and subsequent Boardmember questions on that Agenda item and before Boardmembers propose a motion to vote on any item.

Disabled Accommodation: If you have a disability that requires the agenda materials to be in an alternative format or requires an interpreter or other person to assist you while attending this meeting, please contact the Sonoma County Waste Management Agency Office at 2300 County Center Drive, Suite B100, Santa Rosa, (707) 565-3579, at least 72 hours prior to the meeting, to ensure arrangements for accommodation by the Agency.

Noticing: This notice is posted 72 hours prior to the meeting at The Board of Supervisors, 575 Administration Drive, Santa Rosa, and at the meeting site the City of Santa Rosa Council Chambers, 100 Santa Rosa Avenue, Santa Rosa. It is also available on the internet at www.recyclenow.org



To: Sonoma County Waste Management Agency Board Members
From: Susan Klassen, Interim Executive Director
Subject: December 19, 2018 Board Meeting Agenda Notes

Please note there will be Closed Session discussion beginning at 8:30 a.m.

Consent Calendar

These items include routine financial and administrative items and **staff recommends that they be approved en masse by a single vote.** Any Board member may remove an item from the consent calendar for further discussion or a separate vote by bringing it to the attention of the Chair.

- 6.1 **Minutes of the September 19, 2018 Regular Meeting:** regular acceptance.
- 6.2 **Minutes of the October 17, 2018 Special Meeting:** regular acceptance.
- 6.3 **November, December, January 2018/17 Outreach Calendar:** This item provides an update on outreach events since the last meeting and upcoming outreach events. No action is required.
- 6.4 **Approval Unfunded Liabilities Reserve Policy:** Approval of this policy would create a separate fund for future pension liabilities the SCWMA may be liable for. **Staff recommends the Board approve the new policy and transfer of funds from the Organics Reserve account.**
- 6.5 **FY 2018/19 SCWMA 1st Quarter Financial Report:** Quarterly reports are required by the SCWMA's Joint Exercise of Powers agreement. This report displays the actual revenues and expenditures compared to budget estimates. First quarter expenditures do not show any significant areas of concern where revenues will not meet expenditures. Other than those specifically discussed in item 7. **Staff recommends approving the FY 2018/19 1st Quarter Financial Report on the Consent Calendar.**
- 6.6 **Approval of the Updated Polystyrene Model Ordinance:** This item updates the model ordinance to replace language referring to "biodegradable" plastics to compostable. **Staff recommends the Board accept the updated polystyrene model ordinance language update.**
- 6.7 **Resolution for Patrick Carter:** This is a recognition for Patrick Carter's twelve years of service to the SCWMA.

Regular Calendar

7. **Discussion and Possible Action on Agreement with Recology for Hauling of Compostable Materials from Sonoma County Disposal Sites to Compost Processors:** SCWMA issued an RFP for Compostable Materials Transport on September 25, 2018. Recology Sonoma Marin was the sole responder. Recology is proposing global price increases for hauling from most of the transfer stations, but staff feels the increased rates are reasonable for this service. **Staff recommends the Board adopt a resolution approving the agreement with Recology for Compostable Material Transport Services.**
8. **Discussion and Possible Action on the Second Amendment to the Agreement with Recology for E-Waste Handling Services:** Recology acquired the e-waste sorting and hauling contract when they purchased The Ratto Group in November of 2017. They indicated that they were no longer interested in providing the handling services portion of the agreement, but would continue internal transportation from the transfer stations. The SCWMA's E-Waste processor Onsite will be taking over the handling and sorting as allowed by

their existing contract. This proposed amendment to the Recology agreement reflects the reduced scope of work, extends the term of the agreement, and reflects a new pricing structure.

Staff recommends the Board adopt a resolution approving the amendment with Recology for E-Waste Handling Services.

9. Discussion and Possible Action on Clean Harbors HHW contract extension. Clean Harbors' contract for HHW services with the SCWMA has a current termination date of June 2019. With the potential for an additional HHW facility to be sited in the next several years which will dramatically impact the scope of services. **Staff recommends the Board direct staff to negotiate an extension to the existing agreement with Clean Harbors.**



Minutes of the September 19, 2018 Meeting

The Sonoma County Waste Management Agency met on September 19, 2018, 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	Absent
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	Pam Stafford	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 8:35 a.m.
2. **Agenda Approval**
3. **Public Comments (items not on the agenda)**
None.
4. **Consent (w/attachments)**
 - 4.1 Minutes of the August 15, 2018 Special Meeting
 - 4.2 September and October 2018 Outreach Calendar
 - 4.3 Approval of MOU for C&D Facility Certification Testing Services
 - 4.4 FY 2017/18 SCWMA 4th Quarter Financial Report
 - 4.5 FY 2016/17 SCWMA Financial Audit

Public Comments:

None.

The motion for approval of items on consent calendar 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	ABSENT
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City of Cotati AYE
City of Healdsburg AYE
City of Petaluma AYE
City of Rohnert Park AYE

City of Sebastopol AYE
City of Sonoma AYE
County of Sonoma AYE
Town of Windsor AYE

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

Motion passed.

Regular Calendar

5. Discussion and Possible Action on a Model Ordinance to Prohibit Use and Sale of Disposable Food Service Ware and Other Products Containing Polystyrene Foam

Recommended Action: Direct staff to develop a model staff report and circulate the model polystyrene waste reduction ordinance for consideration of adoption by SCWMA member agencies. If requested, SCWMA staff will assist in the presentation of the ordinance to member agency councils and Board.

Board Discussion

Ms. Agrimonti prefers that personal to-go containers are not brought into restaurants in order to protect restaurants from liability. She questioned if SCWMA would be providing samples of alternative products to be used in place of polystyrene.

Mr. Carter stated within the ordinance we do not have information about alternatives, but it would be part of the educational outreach. There are currently 119 polystyrene ordinances in effect in California. San Mateo and Santa Clara counties have had their polystyrene ordinances in effect for about 4-5 years.

Ms. Agrimonti stated these products end up in homeless shelters. She suggest we look the recipients of cast off products.

Ms. Bagby stated she backs up Mr. Carter. She has been approached by a group in Cloverdale interested in a polystyrene ordinance and feels one will be well received. She appreciates the thoroughness of the ordinance, but would like additional resources for polystyrene that will be cast off. Ms. Bagby requests SCWMA inform the cities about locations that will take polystyrene items like coolers.

Ms. Gorin stated a polystyrene ordinance is a priority. A lot of these products are sold at wholesale vendors and suggests that we reach out to these vendors to offer to-go packaging alternatives to sell. She recognizes it will take a while for people to realize alternatives and to use up their existing inventory. Ms. Gorin suggests a household hazardous waste drop off program for formed polystyrene. She questions if the survey was geographically widespread.

Mr. Carter responded we reached out to all the chambers of commerce, promoted the survey on Facebook with boosts and possibly promoted on Nextdoor. We can provide city survey response data if the Board is interested.

Ms. Gorin is concerned some members of the public will believe the ordinance is not fair or that they were not informed properly. She prefers to know the data.

Ms. Harvey questions how many jurisdictions are charging a fee for container approach.

Mr. Carter replied that it is not that common in other jurisdictions, which is why we are requesting it be a voluntary option.

Ms. Harvey questioned if there are any legal challenges for the public to bring their own containers into restaurants.

Mr. Walsh replied that these types of ordinances are fairly new and he hasn't heard of any legal issues. These ordinances have been less controversial than the bag ordinances were.

Ms. Harvey stated that bags are different than to-go containers as they do not hold raw food. She wants to ensure bases are covered. She questions who will enforce the ordinances, the SCWMA or the jurisdictions.

Mr. Carter responded that the jurisdictions can enforce the ordinance or they can enter into an agreement with the SCWMA.

Ms. Harvey stated that small cities without a lot of resources may prefer the SCWMA to enforce the ordinance. She agrees education is key and asks how much interaction the SCWMA has with Recology.

Mr. Carter responded that during the outreach process he does not recall Recology commenting on the ordinance, but their motto is "Waste Zero" so it falls in line with their ethos. Recology staff did participate recently in the Zero Waste Study Session in Sebastopol, where this ordinance was a fairly large part of discussion. He did not hear any negative comments about the ordinance, and offered to reach out to Recology to make absolutely sure if needed.

Ms. Harvey stated that she would like confirmation from Recology that they are on board. She believes the SCWMA needs to partner with Recology and looks forward to this progressing.

Ms. Stafford responded that she is concerned about small restaurants being sued because of contamination from people's personal to-go containers and also of the challenges with enforcing the ordinance.

Ms. Fudge questioned the confusion that may occur from the public if some jurisdictions do not pass the model ordinance or if some alters the ordinance.

Mr. Carter responded it is a model ordinance not a countywide ordinance. If the cities want the SCWMA to indemnify them we would stand behind the model ordinance. If there were alterations by the cities, the SCWMA may not indemnify. We would deal with the challenges of not all cities opting in or altering the ordinance as best we can. We are hoping for consistency and that all jurisdictions pass the ordinance.

Ms. Fudge stated she forgot the indemnification part. She asks if this be called out near the front of the reports when it goes to the cities.

Mr. Walsh replied that we would make a separate agreement with each jurisdiction who approves the ordinance and wants the SCWMA to be responsible for the implementation. That agreement would include indemnity.

Ms. Fudge responded that before the jurisdictions make a decision they need to know that the model ordinance needs to stay the same for the SCWMA to give indemnity.

Mr. Walsh stated that there are a lot of cities currently making their own ordinances and implementing them with their own staff, but they are responsible for the implementation at that point. Our jurisdictions would get some benefit because the SCWMA did a lot of the work, but they are able to make their own changes.

Ms. Gorin questioned if the SCWMA would enforce the ordinance with a hotline and then respond accordingly. The county will have some questions of how it will be enforced.

Mr. Carter stated it would be complaint based enforcement. We should be doing more to partner with the cities and the county by including information on their websites and other places referring people to us when appropriate.

Ms. Gorin questioned how we move forward with Renewable Sonoma to make sure more items like service ware are compostable.

Mr. Carter responded compliant to-go containers with the model ordinance must be either recyclable or compostable. There have already been talks with World Centric, Amy's, Renewable Sonoma, etc. on what is compostable and what will work with Renewable Sonoma's new system. Many more meetings need to be held. We will lose public trust if we say that items are compostable but they end up going into the landfill. Our educational effort is key. Having a new employee to focus on waste reduction and policy issues will play a role in making the ordinance work.

Ms. Gorin questions if we should wait a month or so to decide on the ordinance in order for additional language to be added about compostable items.

Mr. Carter responded that doesn't believe these discussions and conclusions will be wrapped up in a month. There are currently a lot of alternatives available right now that can go right into the compost, like straws made of straw. Items made of natural fibers have very little problems with the composting process. He does not feel like there is a need to delay the ordinance, especially since it will be months before it goes to the councils and the Board.

Mr. Mikus responded that his council wants to bring it back in October. He told them he didn't think so.

Mr. Carter replied based on different reasons it may be months before the ordinance goes to the councils and the Board.

Ms. Harvey responded that she wants to ensure public trust and not lead people astray by having them buy alternatives that won't work. She prefers we proceed cautiously and get a right solution.

We bought into the idea with the JPA that jurisdictions could alter the Agencies models on their own and that the county as a whole will not always be consistent.

Mr. Mikus stated when we did the bag ban we learned through the process.

Mr. Harvey stated we will probably end up with different versions of the ordinance, hopefully one city doesn't go one way and another city go another way.

Mr. St. John stated their council will support it and doesn't see the need for a lot tweaking to the ordinance. It is more as a statement of aspiration. This is an environmental issue, not so much a landfill compost issue. Polystyrene is not taking up a lot of room in the landfill or a lot of weight for diversion. We should be doing this for plastics as well. He questions what CalRecycle is doing.

Mr. Carter responded CalRecycle provides information about the material. There is no state-wide legislation about polystyrene. He expects there will be a phase in period for people with an existing inventory of polystyrene. This will give the SCWMA more time to come to a consensus with Renewable Sonoma and the producers of biodegradable products, as well as more time for educational outreach.

Ms. Agrimonti stated that CalRecycle is closing down recycle centers and not being honest.

Public Comments

David Harris Santa Rosa resident-stated he has a B.A. in chemistry. He reviewed the history of styrene and found it occurs naturally in tree bark and tree sap. It is 75% benzene. The fires are a good example that when styrene gets put into structures and burns. We are moving into the right direction.

Board Discussion

Ms. Stafford stated she wants to pull the to-go containers out of the ordinance, as she worries about the restaurants.

Mr. Carter responded that aspect is voluntary and restaurants can say no.

Ms. Stafford stated if it is clear that restaurants do not have to do it she would be okay with the ordinance as it is.

Ms. Agrimonti stated she hears the concerns and restaurants can refuse it.

Ms. Gorin stated some restaurants package the leftovers themselves and the others let the customer package them. She has seen some restaurants that do not have a problem with people using their own to-go containers.

Mr. Walsh added in 6E and 6F that restaurants are encouraged to do it, but they don't have to. It is aspirational.

Mr. Carter responded that on page 67, section 6, item F, it is a voluntary subsection within a section. If it is the Board's interest we can include it in the education section.

Ms. Gorin stated she is comfortable with how it is.

Ms. Harvey stated it is one thing if someone hands you a container and you put your own food in it, but another thing if the customer has their food packaged in their personal to-go container by the restaurant.

Ms. Bagby responded she always fills up her own to-go container herself. This defeats the purpose of reducing waste if places like Starbucks refuse to put coffee in people's reusable coffee cups. She believes that it is reasonable for restaurant owners, as it is voluntary and the language should be left as it is.

Ms. Stafford responded she feels comfortable with it as long as it is voluntary.

Susan Gorin, County of Sonoma, motioned to direct staff to develop a model staff report and circulate the model polystyrene waste reduction ordinance with staff assisting in the presentation of the ordinance, and Madolyn Agrimonti, City of Sonoma, seconded the motion.

Vote Count:

City of Cloverdale	AYE	City of Santa Rosa	ABSENT
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 -9- NOES -0- ABSENT -1- ABSTAIN -0-
Motion passed.

6. Discussion and Possible Action on a Zero Waste Resolution

Recommended Action: Approve a Zero Waste Resolution and direct staff to present the Resolution at member agency councils and Board for their consideration.

Board Discussion

Ms. Agrimonti questioned if there were any plans for benchmarks.

Mr. Carter responded that there are no benchmarks as the resolution is aspirational and that we will continue to track state required benchmarks. If cities and the County take new policy decisions as they come up, like the polystyrene ordinance, to their councils and Board we can say that it fits with the framework we have in mind.

Ms. Agrimonti stated she see things that have already been accomplished.

Ms. Gorin is concerned that elected bodies will say that we already did this. It is important to emphasize that this is taking it a step further. We have Recology that can help us move this forward. There are opportunities of synergy here. She questioned if both initiatives will go to the councils and Board together.

Mr. Carter responded that it is possible depending on the timing and how the Board gives direction to the SCWMA today. It is more efficient to visit once versus multiple times. Better to do both at once with Zero Waste first then polystyrene second.

Ms. Gorin responded both addressed at the same time will be easier to schedule.

Ms. Bagby stated she advocates the Zero Waste Resolution is presented first and then the Polystyrene Ordinance second. She encourages the SCWMA to present at the Russian River Watershed Association.

Ms. Harvey stated she is glad to know it is aspirational. There have been bumps in the road with swag, and it is time to get back on track. There should be periodic measurements of what is left to do and to decide what the next thing to go after is. She believes the Zero Waste Resolution should go first.

Mr. Carter responded that measuring progress is important. The remaining landfill capacity data we are tracking annually can be used as a measurement. If the landfill runs out it may be a decade long process to permit a new one.

Mr. St. John stated he doesn't know what all of the policies are and hasn't compared them to what we currently do. He questions if the SCWMA will have time to drill down on the policies and be able to explain what the impact of adopting the policies will be. He questioned if we are setting ourselves up for failure if we make numerical goals.

Mr. Zimmer stated he agrees that the Polystyrene Ordinance and Zero Waste resolution should go together.

Ms. Gorin stated she thinks the elected bodies and the public will ask questions about benchmarks and how we get there. We should form an ad-hoc group to talk about how we get to zero waste and to visit other jurisdictions facilities to see how they are moving the zero waste concept forward.

Ms. Stafford questioned if Mr. St. John's questions are answerable.

Mr. Carter responded that they are answerable, but not right this second. We can put together an implementation plan if it is desired in the coming months. A lot of the suggestions are things that are already in place and achieved in different jurisdictions.

Ms. Harvey stated that technology has changed and the costs are changing also. Before anaerobic digestions prices were very high and have since decreased. We constantly need to look at where we are at and what is new and available.

Mr. Mikus stated he is encourage by Recology, as we now have a partner that embraces the same ideas as the SCWMA and the public. This is the right thing to do, but a plan is needed of how it will done. I am not sure it should be passed today. We do need to have a starting point with a plan. Due to the SCWMA staff transition an ad-hoc group would have merit in this case for consistency in the process.

Ms. Gorin suggested amending the resolution rather than tabling it. We can say the SCWMA will work with the community to create an implementation plan to be delivered in the next year or so. This will show to the community it is aspirational but there are practical steps to get there.

Ms. Fudge stated Windsor does now split can recycling and people are refusing to do it. Sonoma County Resource Recovery has the same attitude as Recology and they do work together which is good. We should move this forward today and then have groups come up with the implementation later.

Mr. Mikus suggested the members within the ad-hoc committee consist of: 1-2 of our staff, Recology, Sonoma County Resource Recovery, Sonoma Garbage Collectors, a Local Task Force member, a Board member and 1-2 people from other related industries such as Republic.

Mr. Carter stated that list of representatives describes the current Local Task Force members and we can ask them if they will be able to take it on.

Ms. Bagby stated she recommends we pass the resolution as it is while giving directions to the Local Task Force, if they care willing, to come up with an implementation and measurement plan then report back.

Public Comments

Leslie Lukacs Chair of the Zero Waste Task Force and serves on the Local Task Force for the Town of Windsor-thanked the Board for considering the resolution, which is a goal and a starting point. There are so many things happening in our county. Jackson family wines is in process of getting a third party zero waste certification, Amy's kitchen is implementing zero waste at their fast food restaurant, The City of Santa Rosa is creating a zero waste plan, the Town of Windsor community members are expressing their desire to make the Thursday night concert series zero waste and the Town of Sonoma is trying to ban plastic water bottles at all of their town sponsored events. The Local Task Force is made up of members from the compost industry, haulers, private companies, cities and the SCWMA. 53 members are currently part of the Zero Waste Task Force. They will gladly be the ad-hoc committee.

Dan Noble Executive Director of the Association of Compost Producers, Santa Rosa resident and previously chaired the Compost Council of Sonoma County-stated there is broad community support. The Compost Council of Sonoma County is now part of the Zero Waste Task Force. The contamination reduction working group is the largest working group in the Association of Compost Producers. Organics and inorganics contaminate each other. The Local Task Force should be used as the forum for these discussions.

Board Discussion

Ms. Gorin stated she is convinced about going forward.

Mr. Carter stated the Local Task Force was just a suggestion. The representative speaking during public comment represented the Zero Waste Task Force, which is not part of the Local Task Force. He questioned if the Board wants the Local Task Force or the Zero Waste Task Force to be the ad-hoc committee.

Mr. Mikus stated the Local Task Force is the more appropriate group.

Ms. Stafford questioned why they broke away.

Mr. Carter responded the Zero Waste Task Force wanted to focus specifically on zero waste issues. The Local Task Force is a county-constituted advisory board.

Ms. Gorin questioned what Mr. Carter's recommends and how much overlap there is.

Mr. Carter responded there is a decent amount of overlap. I would be comfortable with the Zero Waste Task Force taking on the task as they are already agreeing to it.

Ms. Gorin suggested we ask the Local Task Force and bring back a recommendation.

Melanie Bagby, City of Cloverdale, motioned to approve the Zero Waste Resolution with the direction for staff to bring back a recommendation for who will lead the ad-hoc committee and Susan Gorin, County of Sonoma, seconded the motion.

Vote Count:

City of Cloverdale	AYE	City of Santa Rosa	ABSENT
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 -9- NOES -0- ABSENT -1- ABSTAIN -0-
Motion passed.

7. Boardmember Comments

None.

8. Staff Comments

None.

9. Next SCWMA meeting: To Be Determined.

10. Adjournment:

The public meeting adjourned at 10:08 a.m.

11. Call to Order Closed Session:

Closed session was called to order at 10:20 a.m.

Closed session adjourned at 12:15 p.m.

Deb Fudge left the meeting at 12:15 p.m.

No announcement from closed session.

Larry Zimmer left the meeting at 12:20 p.m.

A special meeting will be scheduled in the coming weeks, and the October 17, 2018 meeting will be rescheduled to a date to be determined.

The motion to adjourn meeting, Susan Gorin, County of Sonoma, and seconded by Melanie Bagby, City of Cloverdale.

Vote Count:

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

AYES -7- NOES -0- ABSENT -3- ABSTAIN -0-

Motion passed.

12. Meeting adjourned at 12:26 p.m.

Submitted by: Janel Perry



Minutes of the October 17, 2018 Meeting

The Sonoma County Waste Management Agency met on October 17, 2018, 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	Absent	City of Sebastopol	Henry Mikus
City of Healdsburg	Larry Zimmer	City of Sonoma	Absent
City of Petaluma	Dan St. John	County of Sonoma	Susan Gorin
City of Rohnert Park	Don Schwartz	Town of Windsor	Deb Fudge

Staff Present:

Counsel: Ethan Walsh
Staff: Thora Collard, Courtney Scott
Agency Clerk: Janel Perry

1. Call to order Special Meeting

Closed Session meeting was called to order at 8:30 a.m.

2. Closed Session:

PUBLIC EMPLOYMENT
Titles: Interim Executive Director
Executive Director

3. Adjourn Closed Session at 8:45 a.m.

Call to Order Regular Meeting

Regular meeting was called to order at 8:55 a.m.

4. Agenda Approval

5. Public Comments (items not on the agenda)

None.

Regular Calendar

6. Appointment of Interim Executive Director

Recommended Action: Adopt a Resolution appointing Susan Klassen to serve as Interim Executive Director of the Agency.

Board Discussion

Ms. Gorin stated the SCWMA is very fortunate to have someone with Ms. Klassen's caliber and experience. She is incredibly knowledgeable about waste management county-wide. We will be recruiting for the new permanent director position shortly. I want thank Ethan Walsh and Patrick Carter for their discussions of candidates. It has been a seamless process.

Mr. Schwartz stated the only thing better than having Ms. Klassen as the Interim Executive Director is having Ms. Klassen as the Permanent Executive Director.

Public Comments

None.

Board Discussion

None.

Susan Gorin, County of Sonoma, motioned to adopt a resolution appointing Susan Klassen to serve as Interim Executive Director and Dan St. John, City of Petaluma, seconded the motion.

Vote Count:

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

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

Motion passed.

8. Boardmember Comments

9:04 a.m. Madolyn Agrimonti arrived.

Ms. Klassen stated she looks forward to serving during this interim period. She can start right away and hopes to start scheduling meetings with Patrick, Board members and staff.

Ms. Gorin stated she hopes Ms. Klassen has a great conversation with the incredible staff.

Ms. Klassen responded will do.

Mr. St. John stated welcome back. I am excited you were willing to come back and help us over this bridge.

Mr. Sawyer stated we are very fortunate to have Ms. Klassen's expertise. It's difficult to find someone to take on the responsibility for a short period of time. We couldn't be in better hands.

Mr. Mikus stated the Zero Waste Resolution passed in Sebastopol at the council meeting yesterday. They also approved a motion of support for the polystyrene ordinance and asked for it to be brought back in the proper sequence. They also went through a long list of zero waste activities asking for a future plan on how to achieve them.

9. Staff Comments

None.

10. Next SCWMA meeting: November 7, 2018

11. Adjournment:

The meeting adjourned at 9:09 a.m.

Submitted by: Janel Perry



Agenda Item #: **6.3**
Agenda Date: **12/19/2018**

ITEM: November, December and January 2018/19 Outreach Calendar

November 2018 Outreach Events

November 1	11 AM – 12 PM	Presentation to Avance Program Parents (Second Group) – Sonoma
November 2	11 AM – 7 PM	E-Waste Event – Santa Rosa – Municipal Service Center
November 3	11 AM – 3 PM	End of the Harvest Fiesta – Santa Rosa
November 3-4	9 AM – 5 PM	E-Waste Event – Santa Rosa – Municipal Service Center
November 6	4 PM – 8 PM	Community Toxic Collection – Oakmont
November 9	7:30 AM – 12 PM	DMV Outreach – Petaluma
November 11	1 PM – 4 PM	Health & Wellness Fair - Our Lady of Guadalupe Church – Windsor
November 13	4 PM – 8 PM	Community Toxic Collection – Guerneville
November 15	9:10 AM – 10:15 AM	Healdsburg Labor Center presentation – Healdsburg
November 15	9:10 AM – 10:15 AM	Fulton Labor Center presentation – Fulton
November 9	7:30 AM – 12 PM	DMV Outreach – Petaluma
November 16-17	9 AM – 1 PM	HazMobile – Sea Ranch
November 27	4 PM – 8 PM	Community Toxic Collection – Petaluma
November 27	4 PM – 8 PM	ReFuel Your Fun Propane Exchange Event – Petaluma

December 2018 Outreach Events

December 4	4 PM – 8 PM	Community Toxic Collection – Windsor
December 7	11 AM – 7 PM	E-Waste Event – Petaluma – Lucchesi Park
December 8-9	9 AM – 5 PM	E-Waste Event – Petaluma – Lucchesi Park
December 11	4 PM – 8 PM	Community Toxic Collection – Santa Rosa, W
December 13	9:10 AM – 10:15 AM	Healdsburg Labor Center presentation – Healdsburg
December 13	9:10 AM – 10:15 AM	Fulton Labor Center presentation – Fulton

January 2019 Outreach Events

January 4	11 AM – 7 PM	E-Waste Event – Santa Rosa – Luther Burbank Center
January 5-6	9 AM – 5 PM	E-Waste Event – Santa Rosa – Luther Burbank Center
January 6	4 PM – 8 PM	Dia de los Reyes Celebration Roseland Elementary – Santa Rosa
January 8	4 PM – 8 PM	Community Toxic Collection – Sebastopol
January 15	4 PM – 8 PM	Community Toxic Collection – Santa Rosa, E
January 19-20	9 AM – 5 PM	E-Waste Event – Oakmont – Community Center
January 22	4 PM – 8 PM	Community Toxic Collection – Cloverdale
January 29	4 PM – 8 PM	Community Toxic Collection – Sonoma



Agenda Item #: **6.4**
Cost Center: **All**
Staff Contact: **Collard**
Agenda Date: **12/19/2018**
Approved By: **SRK**

ITEM: Unfunded Liabilities Reserve Policy

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approval of the Unfunded Liabilities Reserve Policy.

II. BACKGROUND

The public pension system has large gaps, called “unfunded liabilities”, between assets and what will be needed to meet the pension obligations to retirees. At the June 6, 2018 meeting, staff was directed by the Board to create a new reserve fund in anticipation of future unfunded retirement liabilities.

III. DISCUSSION

The County of Sonoma has started an internal working group to investigate the obligations of unfunded liabilities and the impact it will have on the County and on special districts. No official policy or calculations have been created to address these liabilities. In order to be fiscally prudent and proactive, staff is recommending setting aside funds in a reserve account to cover any future obligations. Staff is recommending an amount of \$100,000 per staff member as a base amount for the reserve. When the County determines an actual amount needed, the reserve funds can be adjusted at that time.

IV. FUNDING IMPACTS

SCWMA currently has \$2,866,753 in the Organics Reserve fund set aside for the construction of a composting facility. With the establishment of the Organics RFP and outsourcing of that project the funds can be reallocated to offset other SCWMA programs and needs without sacrificing current services.

V. ATTACHMENTS

Unfunded Liabilities Reserve Policy
Resolution

SONOMA COUNTY WASTE MANAGEMENT AGENCY

2018 UNFUNDED LIABILITIES RESERVE POLICY

I. Purpose

To establish a reserve fund for future unfunded pension liabilities for Sonoma County Waste Management Agency (SCWMA) retirees.

II. Policy

The SCWMA shall maintain a reserve fund for unfunded liabilities in the amount of \$100,000 per full time equivalent employee (FTE).

Organics Reserve Fund

Treatment

The fund goal for the Unfunded Liabilities Reserve Fund is \$100,000 per FTE. If the County of Sonoma establishes an official benchmark reserve, the amount per FTE will be adjusted at that time.

Any interest earned on the funds contained in the Unfunded Liabilities Reserve shall remain within the reserve.

Distribution

The funds accumulated in the Unfunded Liabilities Reserve will only be for use in conjunction with any future pension deficits.

Resolution No.: 2018-

Dated: December 19, 2018

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("SCWMA")
ADOPTING THE 2018 UNFUNDED LIABILITIES RESERVE POLICY

WHEREAS the SCWMA Board of Directors recognizes the future obligations of "Unfunded Liabilities" may impact the budget;

WHEREAS the Board of Directors gave direction to the SCWMA's Executive Director to establish a reserve fund for future pension obligations in the amount of \$100,000 per full time equivalent (FTE) staff position;

WHEREAS, the Board of Directors authorize the budgetary transfer of \$650,000 from the Organics Reserve fund to a newly established Unfunded Liabilities Reserve Fund.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sonoma County Waste Management Agency does hereby adopt the 2018 Unfunded Liabilities Reserve Policy dated December 19, 2018 and establish a new reserve account for these funds.

MEMBERS:

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

AYES: -- NOES: -- ABSENT: -- ABSTAIN: --

SO ORDERED

The within instrument is a correct copy
of the original on file with this office.

ATTEST: DATE: December 19, 2018

Clerk of the Sonoma County Waste Management Agency
Agency of the State of California in and for the
County of Sonoma



Agenda Item #: **6.5**
Cost Center: **All**
Staff Contact: **Collard**
Agenda Date: **12/19/2018**
Approved by: **SRK**

ITEM: **Approval of FY 2018-19 First Quarter Financial Report**

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approving the FY 2018-19 First Quarter Financial Report on the Consent Calendar.

II. BACKGROUND

In accordance with the requirement in the joint powers agreement the Sonoma County Waste Management Agency (SCWMA) staff make quarterly reports to the Board of Directors of Agency operations and of all receipts to and disbursements from the SCWMA, this report covers the First Quarter of FY 18-19 (July 1, 2018 - September 30, 2018).

The FY 2018-19 First Quarter Financial Report contains the actual amounts spent or received to date at the end of the quarter. It is important to not draw many conclusions in the year-to-date figures, as very little of the fiscal year has passed. Second and Third Quarter Reports provide a better picture of the SCWMA's financial position.

III. DISCUSSION

Relatively few revenues have been realized in FY 2018/19 First Quarter. The SCWMA has received the July payments for the SCWMA surcharge and green waste fees. With regard to expenditures, all accounts are currently projected to stay within budget limits.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approving the FY 2018-19 First Quarter Financial Report on the Consent Calendar.

V. ATTACHMENTS

FY 2018-19 First Quarter Financial Report

Department / Account	Description	Revised Budget	Actual Year to Date	Remaining Balance	% Remaining
66110300	SCWMA - Organics Reserve				
All Revenues					
44002	Interest on Pooled Cash	<u>14,679.00</u>	<u>0.00</u>	14,679.00	100.00%
44050	Unrealized Gains and Losses	<u>0.00</u>	<u>16,556.05</u>	(16,556.05)	0.00%
All Revenues		<u>14,679.00</u>	<u>16,556.05</u>	(1,877.05)	-12.79%
All Expense/Expenditure Accts					
51201	Administration Services	<u>45,723.00</u>	<u>16,556.62</u>	29,166.38	63.79%
51206	Accounting/Auditing Services	<u>2,500.00</u>	<u>0.00</u>	2,500.00	100.00%
51212	Outside Counsel - Legal Advice	<u>5,000.00</u>	<u>524.40</u>	4,475.60	89.51%
51803	Other Contract Services	<u>30,000.00</u>	<u>0.00</u>	30,000.00	100.00%
51911	Mail Services	<u>0.00</u>	<u>2.05</u>	(2.05)	0.00%
52111	Office Supplies	<u>1,000.00</u>	<u>0.00</u>	1,000.00	100.00%
All Expense/Expenditure Accts		<u>84,223.00</u>	<u>17,083.07</u>	67,139.93	79.72%
All Expense/Expenditure Accts		84,223.00	17,083.07	67,139.93	
All Revenues		14,679.00	16,556.05	(1,877.05)	
Net Cost		69,544.00	527.02	69,016.98	

Department / Account	Description	Revised Budget	Actual Year to Date	Remaining Balance	% Remaining
66110400	SCWMA - HHW				
All Revenues					
42358	State Other Funding	<u>173,443.00</u>	<u>0.00</u>	173,443.00	100.00%
42601	County of Sonoma	<u>1,412,254.00</u>	<u>129,207.96</u>	1,283,046.04	90.85%
44002	Interest on Pooled Cash	<u>5,162.00</u>	<u>0.00</u>	5,162.00	100.00%
44050	Unrealized Gains and Losses	<u>0.00</u>	<u>7,004.52</u>	(7,004.52)	0.00%
46029	Donations/Contributions	<u>280,141.00</u>	<u>19,795.18</u>	260,345.82	92.93%
All Revenues		<u>1,871,000.00</u>	<u>156,007.66</u>	1,714,992.34	91.66%
All Expense/Expenditure Accts					
51041	Insurance - Liability	<u>7,440.00</u>	<u>6,472.78</u>	967.22	13.00%
51201	Administration Services	<u>382,530.00</u>	<u>25,756.93</u>	356,773.07	93.27%
51205	Advertising/Marketing Svc	<u>13,000.00</u>	<u>1,077.50</u>	11,922.50	91.71%
51206	Accounting/Auditing Services	<u>7,500.00</u>	<u>0.00</u>	7,500.00	100.00%
51207	Client Accounting Services	<u>9,433.00</u>	<u>0.00</u>	9,433.00	100.00%
51212	Outside Counsel - Legal Advice	<u>5,000.00</u>	<u>114.00</u>	4,886.00	97.72%
51249	Other Professional Services	<u>131,286.00</u>	<u>21,818.53</u>	109,467.47	83.38%
51421	Rents and Leases - Bldg/Land	<u>9,000.00</u>	<u>1,000.00</u>	8,000.00	88.89%
51801	Other Services	<u>0.00</u>	<u>668.08</u>	(668.08)	0.00%
51803	Other Contract Services	<u>1,263,000.00</u>	<u>50,730.88</u>	1,212,269.12	95.98%
51804	EDC Expense	<u>0.00</u>	<u>760.40</u>	(760.40)	0.00%
51901	Telecommunication Data Lines	<u>2,000.00</u>	<u>0.00</u>	2,000.00	100.00%
51902	Telecommunication Usage	<u>200.00</u>	<u>7.48</u>	192.52	96.26%
51904	ISD - Baseline Services	<u>4,332.00</u>	<u>716.56</u>	3,615.44	83.46%
51911	Mail Services	<u>100.00</u>	<u>0.00</u>	100.00	100.00%
51916	County Services Chgs	<u>43,586.00</u>	<u>0.00</u>	43,586.00	100.00%
52091	Memberships/Certifications	<u>10,450.00</u>	<u>10,450.00</u>	0.00	0.00%
52111	Office Supplies	<u>3,000.00</u>	<u>119.08</u>	2,880.92	96.03%
All Expense/Expenditure Accts		<u>1,891,857.00</u>	<u>119,692.22</u>	1,772,164.78	93.67%
All Expense/Expenditure Accts		1,891,857.00	119,692.22	1,772,164.78	
All Revenues		1,871,000.00	156,007.66	1,714,992.34	
Net Cost		20,857.00	(36,315.44)	57,172.44	

Department / Account	Description	Revised Budget	Actual Year to Date	Remaining Balance	% Remaining
66110900	SCWMA - Contingency Fund				
All Revenues					
44002	Interest on Pooled Cash	<u>17,065.00</u>	<u>0.00</u>	17,065.00	100.00%
44050	Unrealized Gains and Losses	<u>0.00</u>	<u>886.31</u>	(886.31)	0.00%
48004	Residual Equity Transfers	<u>0.00</u>	<u>1,825,797.58</u>	(1,825,797.58)	0.00%
All Revenues		<u>17,065.00</u>	<u>1,826,683.89</u>	(1,809,618.89)	-10604.27%
All Expense/Expenditure Accts					
51201	Administration Services	<u>37,348.00</u>	<u>931.11</u>	36,416.89	97.51%
51206	Accounting/Auditing Services	<u>1,500.00</u>	<u>0.00</u>	1,500.00	100.00%
51212	Outside Counsel - Legal Advice	<u>2,000.00</u>	<u>0.00</u>	2,000.00	100.00%
51803	Other Contract Services	<u>50,000.00</u>	<u>81,913.00</u>	(31,913.00)	-63.83%
52111	Office Supplies	<u>1,000.00</u>	<u>0.00</u>	1,000.00	100.00%
All Expense/Expenditure Accts		<u>91,848.00</u>	<u>82,844.11</u>	9,003.89	9.80%
All Expense/Expenditure Accts		91,848.00	82,844.11	9,003.89	
All Revenues		17,065.00	1,826,683.89	(1,809,618.89)	
Net Cost		74,783.00	(1,743,839.78)	1,818,622.78	

Department / Account	Description	Revised Budget	Actual Year to Date	Remaining Balance	% Remaining
66111000	Education & Outreach				
All Revenues					
42358	State Other Funding	<u>142,000.00</u>	<u>0.00</u>	142,000.00	100.00%
42601	County of Sonoma	<u>445,975.00</u>	<u>40,802.52</u>	405,172.48	90.85%
44002	Interest on Pooled Cash	<u>2,379.00</u>	<u>0.00</u>	2,379.00	100.00%
46029	Donations/Contributions	<u>41,228.00</u>	<u>7,757.70</u>	33,470.30	81.18%
46200	PY Revenue - Miscellaneous	<u>0.00</u>	<u>1,500.00</u>	(1,500.00)	0.00%
48004	Residual Equity Transfers	<u>0.00</u>	<u>451,218.42</u>	(451,218.42)	0.00%
All Revenues		<u>631,582.00</u>	<u>501,278.64</u>	130,303.36	20.63%
All Expense/Expenditure Accts					
51041	Insurance - Liability	<u>3,000.00</u>	<u>2,609.99</u>	390.01	13.00%
51201	Administration Services	<u>347,688.00</u>	<u>88,059.10</u>	259,628.90	74.67%
51205	Advertising/Marketing Svc	<u>0.00</u>	<u>68.40</u>	(68.40)	0.00%
51206	Accounting/Auditing Services	<u>4,000.00</u>	<u>0.00</u>	4,000.00	100.00%
51207	Client Accounting Services	<u>3,804.00</u>	<u>0.00</u>	3,804.00	100.00%
51211	County Counsel - Legal Advice	<u>15,000.00</u>	<u>0.00</u>	15,000.00	100.00%
51212	Outside Counsel - Legal Advice	<u>0.00</u>	<u>2,756.49</u>	(2,756.49)	0.00%
51249	Other Professional Services	<u>67,026.00</u>	<u>4,238.17</u>	62,787.83	93.68%
51401	Rents and Leases - Equipment	<u>3,000.00</u>	<u>0.00</u>	3,000.00	100.00%
51421	Rents and Leases - Bldg/Land	<u>8,250.00</u>	<u>3,601.50</u>	4,648.50	56.35%
51803	Other Contract Services	<u>88,200.00</u>	<u>21,472.18</u>	66,727.82	75.66%
51901	Telecommunication Data Lines	<u>2,568.00</u>	<u>8,510.69</u>	(5,942.69)	-231.41%
51902	Telecommunication Usage	<u>960.00</u>	<u>177.05</u>	782.95	81.56%
51904	ISD - Baseline Services	<u>11,461.00</u>	<u>2,423.92</u>	9,037.08	78.85%
51906	ISD - Supplemental Projects	<u>1,000.00</u>	<u>0.00</u>	1,000.00	100.00%
51909	Telecommunication Wireless Svc	<u>2,046.00</u>	<u>371.72</u>	1,674.28	81.83%
51911	Mail Services	<u>500.00</u>	<u>13.39</u>	486.61	97.32%
51916	County Services Chgs	<u>17,575.00</u>	<u>0.00</u>	17,575.00	100.00%
51922	County Car Expense	<u>1,000.00</u>	<u>685.63</u>	314.37	31.44%
52091	Memberships/Certifications	<u>3,150.00</u>	<u>150.00</u>	3,000.00	95.24%
52111	Office Supplies	<u>22,670.00</u>	<u>8,356.71</u>	14,313.29	63.14%
52162	Special Department Expense	<u>0.00</u>	<u>217.34</u>	(217.34)	0.00%
52163	Professional Development	<u>25,000.00</u>	<u>3,512.73</u>	21,487.27	85.95%
All Expense/Expenditure Accts		<u>627,898.00</u>	<u>147,225.01</u>	480,672.99	76.55%
All Expense/Expenditure Accts		627,898.00	147,225.01	480,672.99	
All Revenues		631,582.00	501,278.64	130,303.36	
Net Cost		(3,684.00)	(354,053.63)	350,369.63	

Department / Account	Description	Revised Budget	Actual Year to Date	Remaining Balance	% Remaining
66111100	Organics				
All Revenues					
42601	County of Sonoma	<u>4,860,000.00</u>	<u>404,340.03</u>	4,455,659.97	91.68%
44002	Interest on Pooled Cash	<u>6,421.00</u>	<u>0.00</u>	6,421.00	100.00%
46029	Donations/Contributions	<u>0.00</u>	<u>3,840.87</u>	(3,840.87)	0.00%
48004	Residual Equity Transfers	<u>0.00</u>	<u>1,378,741.26</u>	(1,378,741.26)	0.00%
All Revenues		<u>4,866,421.00</u>	<u>1,786,922.16</u>	3,079,498.84	63.28%
All Expense/Expenditure Accts					
51041	Insurance - Liability	<u>1,560.00</u>	<u>1,357.20</u>	202.80	13.00%
51201	Administration Services	<u>141,441.00</u>	<u>0.00</u>	141,441.00	100.00%
51206	Accounting/Auditing Services	<u>6,500.00</u>	<u>0.00</u>	6,500.00	100.00%
51207	Client Accounting Services	<u>1,978.00</u>	<u>0.00</u>	1,978.00	100.00%
51211	County Counsel - Legal Advice	<u>5,000.00</u>	<u>0.00</u>	5,000.00	100.00%
51212	Outside Counsel - Legal Advice	<u>0.00</u>	<u>1,254.00</u>	(1,254.00)	0.00%
51803	Other Contract Services	<u>4,985,320.00</u>	<u>921,568.55</u>	4,063,751.45	81.51%
51901	Telecommunication Data Lines	<u>2,100.00</u>	<u>5,106.41</u>	(3,006.41)	-143.16%
51904	ISD - Baseline Services	<u>13,800.00</u>	<u>1,665.48</u>	12,134.52	87.93%
51909	Telecommunication Wireless Svc	<u>0.00</u>	<u>123.91</u>	(123.91)	0.00%
51911	Mail Services	<u>250.00</u>	<u>0.00</u>	250.00	100.00%
51916	County Services Chgs	<u>9,139.00</u>	<u>0.00</u>	9,139.00	100.00%
52111	Office Supplies	<u>2,000.00</u>	<u>4.45</u>	1,995.55	99.78%
All Expense/Expenditure Accts		<u>5,169,088.00</u>	<u>931,080.00</u>	4,238,008.00	81.99%
All Expense/Expenditure Accts		5,169,088.00	931,080.00	4,238,008.00	
All Revenues		4,866,421.00	1,786,922.16	3,079,498.84	
Net Cost		302,667.00	(855,842.16)	1,158,509.16	

1st Quarter Fund Balances FY 18/19

Fund		Beginning Balance	Ending Balance	Fund Balance Goal
Organics	78111	\$ 1,373,263	\$ 1,011,147	\$ 775,363
Organics Reserve	78103	\$ 2,866,753	\$ 2,866,226	\$ -
HHW	78104	\$ 1,033,868	\$ 1,060,948	\$ 283,778
Education & Outreach	78110	\$ 447,684	\$ 355,740	\$ 62,790
Contingency Reserve	78109	\$ 1,815,353	\$ 1,966,426	\$ 156,974



Agenda Item #: **6.6**
Cost Center: **All**
Staff Contact: **Collard**
Agenda Date: **12/19/2018**
Approved By: **SRK**

ITEM: Updated Polystyrene Model Ordinance Language Update

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approval of the updated polystyrene model ordinance language.

II. BACKGROUND

On September 19, 2018 the Board approved the Polystyrene Model Ordinance.

III. DISCUSSION

Existing law prohibits the sale of a plastic product that is labeled as “biodegradable,” “degradable,” or “decompostable,” and prohibits implying that a plastic product will break down, fragment, biodegrade, or decompose in a landfill or other environment, unless the plastic product meets one of several specified standards relating to environmental marketing claims. We recommend changing the language in Section 6 from “biodegradable” to compostable.

IV. FUNDING IMPACTS

None

V. ATTACHMENTS

Updated Polystyrene Model Ordinance

MODEL ORDINANCE

**An Ordinance to Prohibit Use and Sale of Disposable Food Service Ware and Other Products
Containing Polystyrene Foam**

WHEREAS, public agencies have a duty to protect the natural environment, the economy, and the health and safety of residents; and

WHEREAS, products made from expanded polystyrene foam are not biodegradable, returnable or recyclable; and

WHEREAS, there is a prevalence of polystyrene foam debris littering parks and public places, streets and roads, waterways, storm drains and beaches, which results in a high financial and environmental cost to residents, wildlife and natural resources; and

WHEREAS, eliminating the use of polystyrene foam and other non-compostable and non-recyclable items will maximize the operating life of landfills, lessen the economic and environmental costs of waste management for businesses and residents of Sonoma County, and further protect the public health and safety of residents, the natural environment, waterways and wildlife.

NOW, THEREFORE, the City Council of the City of [JURISDICTION] does hereby ordain as follows:

Section 1. Recitals. The above recitals are hereby found to be true and correct and are incorporated herein by this reference.

Section 2. Amendment. Article XX is hereby added to the [JURISDICTION] Municipal Code to read in full as set forth in Exhibit “A”, attached hereto and incorporated herein by this reference.

Section 3. CEQA. This ordinance is exempt from environmental review under the California Environmental Quality Act pursuant to Section 15061(b)(3) of Title 14 of the California Environmental Code of Regulations because it can be seen with certainty that there is no possibility that this ordinance will have a significant negative effect on the environment. Further, the proposed Ordinance is exempt from CEQA on the separate and independent ground that it is an action of a regulatory agency (the City) for the protection of the environment because it will strengthen the City’s regulations regarding the distribution and sale of polystyrene products. Thus, this Ordinance is categorically exempt from the

requirements of CEQA under Section 15308 of Title 14 of the California Code of Regulations as an action by a regulatory agency for the protection of the environment.

Section 4. Severability. If any section, sentence, clause or phrase of this Ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 5. Effective Date. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same or a summary thereof to be published as required by law. This Ordinance shall take effect thirty (30) days after its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of [JURISDICTION], California, at a regular meeting of the City Council held on the ____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

[NAME], Mayor

ATTEST:

[NAME], City Clerk

EXHIBIT “A”

Section 01. Findings and intent.

Section 02. Definitions.

Section 03. Prohibited food service ware and products.

Section 04. Prohibited retail sales.

Section 05. Nonfood packaging material.

Section 06. Required compostable or recyclable disposable food service ware.

Section 07. Implementation—contracts and leases.

Section 08. Exemptions.

Section 09. Enforcement.

Section 10. Violations.

Section 11. Severability.

Section 12. No conflict with Federal or State law.

Section 13. Preemption.

Section 14. Effective Date.

01. Findings and intent.

The City finds and declares:

- (A) The City has a duty to protect the natural environment, our economy, and the health of its citizens.
- (B) Products made from expanded polystyrene foam are not biodegradable, returnable or recyclable. Polystyrene foam easily breaks up into smaller pieces and, because it is lightweight, is carried by the wind even when it has been disposed of properly.
- (C) There is a prevalence of polystyrene foam debris littering our parks and public places, streets and roads, waterways, storm drains and beaches. This litter exists at a financial cost to residents and an environmental cost to our natural resources.
- (D) The City is situated near the Sonoma Coast and near waterways which drain to the marine environment. Marine animals and birds often confuse polystyrene foam pieces as a food source, which, when ingested, can impact the digestive track which often leads to death.

(E) Discarded polystyrene constitutes a portion of the City’s waste stream. Laws, policies and regulations pertaining to this material, which is difficult to recycle, have become a vital component in the efforts to reduce the amount of disposed waste.

(F) It is not economically feasible to recycle most polystyrene in the City. Eliminating the use of polystyrene foam and other noncompostable and nonrecyclable items will maximize the operating life of our landfills and will lessen the economic and environmental costs of waste management for businesses and citizens of Sonoma County.

(G) According to the California Department of Resources Recycling and Recovery (CalRecycle), polystyrene’s overall environmental impacts were the second highest of any product, behind only aluminum.

(H) Alternative products exist for almost all uses of polystyrene foam.

(I) Restricting the use of polystyrene foam products will further protect the public health and safety of the City’s residents, the natural environment, waterways, and wildlife.

02. Definitions.

Unless otherwise expressly stated, whenever used in this chapter the following terms shall have the meanings set forth below:

“ASTM standard” means meeting the standards of the American Society for Testing and Materials (ASTM) International standards D6400 or D6868 for biodegradable and compostable plastics, as may be amended.

“Biodegradable” means all materials in the entire product or package will completely break down and return to nature, i.e., become part of usable compost and/or decompose into elements found in nature within a reasonably short period of time after customary disposal. “Biodegradable,” as used herein, shall include but is not limited to, products that meet the then-applicable ASTM standards for compostability.

“City” means all the territory within the [Jurisdiction], State of California.

“City contractors and lessees” means any person or entity that has a contract with the City for works or improvements to be performed, for a franchise, concession or lease of property, for grant monies or goods and services or supplies to be purchased at the expense of the City.

“City facilities” means any park, building, structure or vehicles owned or operated by the City, its agent, agencies, departments and franchisees.

“Disposable food service ware” includes all containers, bowls, plates, trays, cartons, cups, lids, straws, stirrers, forks, spoons, knives, napkins and other food ware items designed for one-time use for prepared foods, including without limitation service ware for take-out foods and/or leftovers from partially consumed meals prepared by food providers. The term “disposable food service ware” does not include items composed entirely of aluminum or polystyrene foam coolers and ice chests that are intended to be reusable.

“Food provider” means any vendor, business, organization, entity, group or individual, and including retail food establishments, located or providing food within the City that offers food or beverage to the public.

“Person” means an individual, trust, firm, joint stock company, corporation including a government corporation, partnership, or association.

“Polystyrene foam” means blown polystyrene and expanded and extruded foams (sometimes called Styrofoam™) which are thermoplastic, petrochemical materials utilizing a styrene monomer and processed by any number of techniques including, but not limited to, fusion of polymer spheres (expandable bead polystyrene), injection molding, foam molding, and extrusion-blown molding (extruded foam polystyrene). Polystyrene foam is generally used to make cups, bowls, plates, trays, clamshell containers, meat trays and egg cartons.

“Prepared food” means food or beverages prepared for consumption on the food provider’s premises or within the City, using any cooking or food preparation technique. Prepared food includes food prepared for consumption off the food provider’s premises, also known as “take-out food.”

“Recyclable” means material that can be sorted, cleansed, and reconstituted using recycling collection programs available in Sonoma County for the purpose of using the altered form in the manufacture of a new product. Recycling does not include burning, incinerating, converting, or otherwise thermally destroying solid waste.

“Retail vendor” means any store or other business that sells goods or merchandise located or operating within the City.

“Reusable” means materials that will be used more than once in its same form by the customer, retail vendor or other reuse program. Reusable food service ware includes: food and beverage containers,

packages and trays, such as, but not limited to, soft drink bottles and milk containers that are designed to be returned to the distributor or reused by the customer and that are provided as take-out containers. Reusable also includes durable containers, packages or trays used on-premises, returnable containers brought back to the food vendor and those intended to be taken home by the consumer for reuse, including all containers, bowls, plates, trays, cartons, cups, and other items that are designed for prolonged use, including, but not limited to, durable plastic, ceramic, glass, porcelain, and metal food service ware.

“Special event promoter” means an applicant for any special event permit issued by the City, or any City employee(s) responsible for any organized special event in the City.

03. Prohibited food service ware and products.

On and after [INSERT EFFECTIVE DATE]:

- (A) Food providers shall not sell, hand out, give away, distribute or otherwise make available for public or customer use prepared food in disposable food service ware that contains polystyrene foam.
- (B) City facilities, and any person renting a city facility, shall not provide prepared food in disposable food service ware that contains polystyrene foam.
- (C) City departments may not purchase, acquire or use disposable food service ware that contains polystyrene foam.
- (D) City contractors and lessees may not use disposable food service ware that contains polystyrene foam.

04. Prohibited retail sales.

No retail vendor or special event promoter shall sell, rent or otherwise provide any disposable food service ware which is composed in whole or in part of polystyrene foam, except as exempted in Section 08. In addition, no retail vendor shall sell, rent or otherwise provide the following:

- (A) coolers, ice chests, or similar containers, unless they are wholly encapsulated or encased within a more durable material so as to be reusable;
- (B) pool or beach toys, not including personal floatation devices such as life jackets; and
- (C) packing peanuts or other packaging materials.

05. Nonfood packaging material.

It shall be a policy goal of the City to promote and encourage, on a voluntary basis, the elimination of all polystyrene foam packaging. Business establishments located outside the City are encouraged to eliminate use of any packaging that utilizes polystyrene foam, including both block polystyrene foam or packing peanuts; and to eliminate the purchase, use, distribution or sale, for home or personal use, any packaging which utilizes polystyrene foam.

06. Required compostable or recyclable disposable food service ware.

On and after [INSERT EFFECTIVE DATE]:

- (A) All food providers utilizing any disposable food service ware shall use, when such products are commercially available, a compostable product that is accepted at local compost facilities or recyclable product.
- (B) All City facilities and departments using any disposable food service ware shall use compostable or recyclable disposable food service ware.
- (C) City contractors and lessees using any disposable food service ware shall use compostable or recyclable disposable food service ware in City facilities while performing under a City contract or lease.
- (D) All food providers shall only provide straws, lids, cutlery, and to-go condiment packages upon request of customers.
- (E) All food providers are encouraged to provide \$0.25 credit for customers bringing their own reusable containers for to-go items.
- (F) All food providers are encouraged to charge a 'take out fee' of \$0.25 for disposable cups, lids, straws, and/or utensils. This fee is intended to offset the potential cost difference of compostable or recyclable food service ware.

07. Implementation—City contracts and leases.

The City Manager or his or her designee is authorized to promulgate regulations, guidelines and forms and to take any and all other actions reasonable and necessary to enforce this chapter.

08. Exemptions.

- (A) The City Manager or his or her designee may exempt a food provider, retail vendor or special event promoter from the requirements of this chapter for a one-year period upon showing that this chapter would create an undue hardship or practical difficulty not generally applicable to other persons in similar circumstances. The City Manager or his or her designee shall put the decision to grant or deny a waiver in writing and it shall be final.

(B) A food provider, retail vendor or special event promoter granted an exemption must reapply prior to the end of the one-year exemption period and demonstrate continued undue hardship, if it wishes to have the exemption extended. Extensions may only be granted for intervals not to exceed one year.

(C) An exemption application shall include all information necessary for the City to make its decision, including but not limited to documentation showing the factual support for the claimed exemption. The City Manager or his or her designee may require the applicant to provide additional information to determine facts regarding the exemption application.

(D) The City Manager or his or her designee may approve the exemption application, in whole or in part, with or without conditions.

(E) Foods prepared or packaged outside the City and sold inside the City are exempt from the provisions of this chapter. This exemption shall not apply to food providers operating in City facilities, pursuant to City contracts, or as a special event promoter in the City. Purveyors of food prepared or packaged outside the City are encouraged to follow the provisions of this chapter.

(F) Notwithstanding the prohibition on retail sales of products containing polystyrene foam, products which pose a small risk of becoming litter or in which polystyrene foam is included for insulating or flotation purposes and is completely encased in more durable material are exempt from the provisions of this chapter. Examples include surfboards, boats, life preservers, construction materials, craft supplies and durable coolers not principally composed of polystyrene.

(G) Packaging for meat and fish is exempt from the provisions of this chapter.

09. Enforcement.

Enforcement of this chapter shall be as follows:

(A) The City Manager, or designee, shall have primary responsibility for enforcement of this chapter and shall have authority to issue citations for violation of this chapter. The City Manager, or designee, is authorized to establish regulations or administrative procedures to obtain compliance with this chapter, including, but not limited to, inspecting any vendor's premises to verify compliance in accordance with applicable law.

(B) Anyone violating or failing to comply with any of the requirements of this chapter or of any regulation or administrative procedure authorized by it shall be guilty of an infraction.

(C) The City Attorney may seek legal, injunctive, or any other relief to enforce this chapter and any regulation or administrative procedure authorized by it.

(D) The remedies and penalties provided in this chapter are cumulative and not exclusive of one another.

(E) The City may inspect any retail vendor's or special event's premises to verify compliance with this chapter.

10. Violations.

Violations of this chapter shall be enforced as follows:

(A) For the first violation, the City Manager , or designee, upon determination that a violation of this chapter has occurred, shall issue a written warning notice to the food provider, retail vendor or special event promoter specifying that a violation of this chapter has occurred, along with the appropriate penalties in the event of future violations. The vendor will have 30 days to comply.

(B) The following penalties shall apply for subsequent violations of this chapter:

- (1) A fine not exceeding \$100.00 for the first violation 30 days after the first warning.
- (2) A fine not exceeding \$200.00 for the second violation 60 days after the first warning.
- (3) A fine not exceeding \$500.00 for the third violation 90 days after the first warning, and for every 30 days not in compliance.

(C) Vendors or special event promoters who violate this chapter in connection with commercial or noncommercial special events shall be assessed fines as follows:

- (1) A fine not exceeding \$200.00 for an event of 100 to 200 persons.
- (2) A fine not exceeding \$400.00 for an event of 201 to 400 persons.
- (3) A fine not exceeding \$600.00 for an event of 401 to 600 persons.
- (4) A fine not exceeding \$1,000 for an event of 601 or more persons.
- (5) The special events permit listing the number of persons expected to attend the special event shall be the basis upon which fines are assessed pursuant to this section.

11. Severability.

The provisions of this chapter are declared to be severable and if any provision, sentence, clause, section or part of this chapter is held illegal, invalid, unconstitutional or inapplicable to any person or

circumstances, such illegality, invalidity or unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this chapter or their application to persons and circumstances.

12. No conflict with Federal or State law.

Nothing in this chapter shall be interpreted or applied so as to create any requirement, power or duty in conflict with any Federal or State law.

13. Preemption.

The provisions of this chapter shall be null and void on the day that California Statewide legislation or Federal legislation goes into effect, incorporating either the same or substantially similar provisions as are contained in this chapter, or in the event that a pertinent California State or Federal administrative agency issues and promulgates regulations, preempting such action by the City. The City shall determine by ordinance whether or not identical or substantially similar statewide legislation has been enacted for the purposes of triggering the provisions of this section.

Dated: December 19, 2018

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY
RECOGNIZING PATRICK CARTER FOR TWELVE YEARS OF SERVICE

WHEREAS, Assembly Bill 939 passed by the California State Legislation in 1989; and

WHEREAS, the County of Sonoma and the municipalities of Sonoma County agreed to comply with the requirements of AB 939 by forming the Sonoma County Waste Management Agency (SCWMA) as a regional joint powers authority, and

WHEREAS, Patrick Carter has been an exemplary employee of the SCWMA since starting out as a Waste Management Specialist in October 2006, and

WHEREAS, Patrick Carter has faithfully served as Executive Director of the SCWMA since April 2016, and

WHEREAS, Patrick recognized and upheld the mission of the SCWMA, which is to educate and assist the residents of Sonoma County in their efforts to reduce, reuse and recycle materials in the waste stream, and

WHEREAS, Patrick brought to his job a wealth of knowledge of waste management technologies, and

WHEREAS, Patrick shepherded us through the renewal of the SCWMA's Joint Powers Agreement, and

WHEREAS, Patrick successfully navigated us through the selection of a new compost facility partner, which will bring composting back to our county, and

WHEREAS, Patrick maintained constant and consistent awareness of industry trends and pertinent legislation, and proactively furthered the mission of the SCWMA and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sonoma County Waste Management Agency hereby recognizes and commends Patrick Carter on twelve years of conscientious and enthusiastic service to the Sonoma County Waste Management Agency, and

BE IT FURTHER RESOLVED that the Board of Directors wishes to express their deepest thanks to Patrick for his contributions to the SCWMA, and wishes him the very best in his future career

MEMBERS:

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

AYES: -- NOES: -- ABSENT: -- ABSTAIN: --

SO ORDERED

The within instrument is a correct copy
of the original on file with this office.

ATTEST: DATE: December 19, 2018

Clerk of the Sonoma County Waste Management Agency
Agency of the State of California in and for the
County of Sonoma



Agenda Item #: 7
Cost Center: Organics
Staff Contact: Klassen
Agenda Date: 12/19/18
Approved By:

ITEM: Discussion and Possible Action on Organics Transport RFP

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the Board award Recology Sonoma Marin the Agreement for Compostable Material Transport Services from February 12, 2019 through December 31, 2021, with up to two annual extensions upon mutual agreement.

II. BACKGROUND

The SCWMA has arrangements for both the hauling and disposal of wood waste and green waste delivered to the County-owned transfer stations (delivery of those materials to the transfer stations is covered by individual franchise agreements). The Agency entered into an agreement with the Ratto Group for transport of compostable materials on September 17, 2014. This agreement allowed for the transport of materials from the County-owned transfer stations to out-of-county compost facilities. On November 15, 2017 the Board approved the Assignment and Assumption Agreement for Compostable Materials Transport Services by Recology Sonoma Marin. This agreement will expire on February 11, 2019.

On August 15, 2018 the Board approved the Scope of Work for the Organic Material Transport Services Request for Proposals (RFP) and directed staff to release the RFP. On September 25, 2018 the SCWMA published a Request for Proposals for Compostable Material Transport Services. The RFP was due on November 2, 2018. The RFP was sent to ten proposers and published on our website.

III. DISCUSSION

Only one proposal was received through this RFP process; that proposal was from Recology Sonoma Marin. Recology's proposal was evaluated by SCWMA staff and was determined to have met all requirements Recology is proposing to perform this work with their existing equipment with a commitment to purchase two new tractors and four trailers to replace existing older equipment. Despite having only received one response to the RFP, staff believes Recology has the experience and resources necessary to perform the work required through this agreement. We believe the rates proposed are reasonable.

Subsequent to the proposal deadline staff was contacted by a potential bidder who declined to bid because his interpretation for the equipment requirements was the need to purchase all new "water tight" trailers. "Water tight" transfer trailers are not easy to procure and often have a manufacturing lead time of 6 months to a year. Therefore, our RFP process which began in September, theoretically did not allow enough time for potential bidders to adequately purchase equipment and be fully operational by the February 2019 start date, so they declined to bid.

The vehicle specifications in the *current* contract are identical to the draft contract included with the RFP, therefore staff feels confident that intent of the specification allows for the existing equipment to continue to be used. Staff does not feel the intent was to require procurement of all new equipment given the short terms of the contract making it fiscally infeasible to amortize such a significant capital expenditure.

IV. FUNDING IMPACT

Hauling rates from the various transfer station have remained unchanged since the original agreement in 2014. Republic and Recology are currently in discussion to move commercial composting back to the Central Landfill. If this move occurs, transportation costs will have an estimated \$160,000 decrease. We are currently budgeting at the status quo distribution of green waste to the transfer stations, until the negotiations can be completed. The current budget for transportation and processing of organic material this fiscal year is \$4,758,920. Tonnage amounts have been relatively flat over the past three years. We are projecting a .5% increase in tonnage, for a total of 77,813. With this tonnage rate, total hauling and processing costs will be \$4,990,000. This year's budget already includes a draw from the reserve fund to cover anticipated shortfalls related to the hiring of a new organics staff member. It is too early in the fiscal year to determine if the anticipated draw will be sufficient to cover the increased costs. We will report back in the third quarter. SCWMA is anticipating an organics tip fee increase in April to cover increased costs for personnel and transport for Fiscal Year 19/20.

	Central	Annapolis		Guerneville	Sonoma	Healdsburg	
	Redwood	Redwood	Cold Creek	Redwood	Redwood	Cold Creek	Redwood
<i>Current Rates</i>	7.42	14.6	22.16	14.6	14.6	22.16	14.6
<i>New Rates</i>	14.39	61.2	60.51	25.36	14.56	27.2	21.98
<i>Per ton Increase</i>	6.97	46.6	38.35	10.76	(0.04)	5.04	7.38

V. ATTACHMENTS

Recology Sonoma Marin RFP
Organics Hauling Services Contract
Resolution

AGREEMENT FOR COMPOSTABLE MATERIALS TRANSPORT SERVICES

This agreement ("Agreement"), dated as of December 19, 2018 ("Effective Date") is by and between the Sonoma County Waste Management Agency, (hereinafter "SCWMA"), and Recology Sonoma Marin (hereinafter "Contractor").

RECITALS

This Agreement is entered into on the basis of the followings facts, understandings, and intentions of the parties:

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (Public Resources Code Section 40000, et seq.; hereinafter the "Act") established a Solid Waste management process which requires cities and other local jurisdictions to implement source reduction, reuse, and recycling as integrated waste management practices; and

WHEREAS, the Act authorizes and requires local agencies to make adequate provision for Solid Waste handling within their jurisdictions; and

WHEREAS, pursuant to Section 40059 of the Public Resources Code, SCWMA is authorized to enter into an exclusive or non-exclusive agreement for the collection and disposal of Compostable Materials; and

WHEREAS, the SCWMA desires to enter into an exclusive agreement with Contractor for the collection and disposal of Compostable Materials at a Compost Facility(ies) permitted by the California Department of Resources Recycling and Recovery; and

WHEREAS, Contractor represents that it is duly qualified and experienced in the Transportation of Compostable Materials; and

WHEREAS, in the judgment of the Board of Directors of SCWMA, it is necessary and desirable to employ the services of Contractor to perform necessary transportation of compostable materials; and,

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

1 Definitions

For purposes of this Agreement, unless a different meaning is clearly required, the following words and phrases shall have the following meanings respectively ascribed to them by this Section and shall be capitalized throughout this Agreement. When not inconsistent with the context, words and phrases used in the present tense include the future, and words and phrases used in the singular number include the plural number.

"Act" means the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded, and replaced from time to time.

"Adjustment Date" means July 1st of each year, commencing July 1, 2019.

"SCWMA" means the Sonoma County Waste Management Agency, a joint powers authority.

“SCWMA Contract Manager” means the SCWMA’s Executive Director or their designee. The Contract Manager may designate certain individuals or agents of the SCWMA as the SCWMA Contract Manager for specific issues, projects, or requirements. In the event of a dispute between a designee and Contractor, the Contract Manager’s determination shall be final.

“Applicable Law” means all Federal, State, and local laws, regulations, rules, orders, judgments, degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, Processing, and Disposal of Solid Waste that are in force on the Effective Date and as they may be enacted, issued or amended during the Term of this Agreement, including but not limited to the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code).

“Central Landfill Site” means the landfill facility operated by Republic Services on behalf of the County of Sonoma at 550 Mecham Road, Petaluma, California.

“Collection” (or variation thereof) means the act of collecting Compostable Materials from the Central Landfill Site and the Transfer Stations. Collection does not include sorting, grinding, or loading of Compostable Materials prior to the deposit of Compostable Materials into Contractor’s transport vehicle.

“Composting” or **“Compost”** means “compost” as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40116 and regulations promulgated thereunder.

“Compostable Materials” means any organic material that when accumulated will become active compost as defined by the California Code of Regulations, Title 14, Division 7, Chapter 3.1, Section 17852.

“Contaminants” means those chemicals, waste, or other materials that render normally Compostable Materials unusable or cause them to lose their market value.

“Contractor” means The Ratto Group of Companies, Inc. and its officers, directors, employees, agents, companies, and Subcontractors.

“Contractor’s Proposal” means the proposal submitted by Contractor and received on _____ by the SCWMA in response to the SCWMA’s RFP, which are included as Exhibit E and are incorporated by reference. Should any conflict arise between the Contractor’s Proposal and this Agreement, the Agreement shall control.

“CPI Factor” means the increase, if any, in the San Francisco/Oakland/San Jose All Urban Consumer Price Index (“CPI”) during the preceding year. The CPI Factor shall be determined pursuant to a ratio, the denominator of which is the CPI for the last calendar month immediately preceding the prior Adjustment Date and the numerator of which is the CPI for the calendar month immediately preceding the then current Adjustment Date, except that for purposes of the first Adjustment Date, the denominator shall be the CPI for the last calendar month immediately preceding the Commencement Date and the numerator of which is the CPI for the calendar month immediately preceding the first Adjustment Date.

“Disposal” or **“Dispose”** (or variation thereof) means the final disposition of Compostable Materials at a Disposal Site.

“Disposal Site” means a facility for ultimate Disposal of Compostable Materials. The facility must have a current solid waste facility permit from the California Department of Resources Recycling and Recovery for accepting and processing Compostable Materials. The SCWMA-approved Disposal Site(s) are listed in Exhibit C. The SCWMA may, at its discretion, amend the list of approved Disposal Site(s) at its sole and absolute discretion by written notice to Contractor.

“Effective Date” means December 19, 2018.

“Federal” means belonging to or pertaining to the national general government of the United States; or founded on or organized under the constitution of the United States.

“Fuel Factor” means the percentage change, if any, in the average value of the Bureau of Labor Statistics’ index titled “PPI Commodity Data for Fuels and Related Products and Power – No. 2 Diesel Fuel, Not Seasonally Adjusted” (Series ID: WPU057303) over the most recent 6-month period, as compared to the preceding 6-month period. The 6-month periods over which the average is calculated shall be June-November and December-May. For example, if the average value of the above index were 265.0 for June 2019-November 2019 and 273.0 for December 2019-May 2020, then the Fuel Factor adjustment for July 1, 2020 would be +3.0%. As an exception to the foregoing, the Fuel Factor adjustment for July 1, 2019 shall be calculated by comparing the average value of the index over the February 2019-May 2019 period to the average value over the July 2018-October 2018 period.”

“Fuel Component Fee” means the component of the Contractor service fees representing the fuel costs associated with the transport of Compostable Materials as set forth in Exhibit B.

“Hazardous Substance” means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) CERCLA; (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25110 et seq., 25281, and 25316; (vi) the Clean Air Act, 42 USC §7401 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other Applicable Law currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

“Hazardous Waste” means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117 or in the future amendments to or recodifications of such statutes or identified and listed as Hazardous Waste by the U.S. Environmental Protection Agency (EPA), pursuant to the Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

“Liquidated Damages” means the amounts due by Contractor for failure to meet specific quantifiable standards of performance as described in Section 12.

“Owner” means the person holding legal title to the land or building.

“Party” or **“Parties”** refers to the SCWMA and Contractor, individually or together.

“Processing” (or variation thereof) means to prepare, treat, or convert through some special method.

“RFP” means the SCWMA’s Request for Proposals for Compostable Materials Transport Services, dated August 10, 2014, and any addenda thereto, which is attached hereto as Exhibit D and incorporated by reference. Should any conflict arise between the RFP and this Agreement, the Agreement shall control. Should any conflict arise between Contractor’s Proposal and the RFP, the RFP shall control.

“Solid Waste” means “solid waste” as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated thereunder.

“State” means the State of California.

“Subcontractor” means a party who has entered into a contract, express or implied, with the Contractor for the performance of an act that is necessary for the Contractor’s fulfillment of its obligations under this Agreement.

“Term” means the Term of this Agreement, including extension periods if granted, as provided for in Section 5.1

“Transfer Station” means a permitted facility owned by the County of Sonoma utilized to temporarily store, separate, recover, convert or otherwise process Compostable Materials, and to load Compostable Materials into transfer vehicles for Transport to the Disposal Site or an Approved Processing Site. The Transfer Stations are located at Annapolis Transfer State: 33549 Annapolis Road; Guerneville Transfer Station: 13450 Pocket Drive; Healdsburg Transfer Station: 166 Alexander Valley Road; Sonoma Transfer Station: 4376 Stage Gulch Road.

“Transport Component Fee” means the component of the Contractor service fees for labor and equipment, as set forth in Exhibit B.

“Transportation” (or variation thereof) means the act of transporting or state of being transported.

2 Representations and Warranties of the Contractor.

2.1 Corporate Authority. Contractor has the authority to enter this Agreement and perform its obligations under this Agreement. The Board of Directors of Contractor (or the shareholders, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of Contractor represents and warrants that they have authority to do so. This Agreement constitutes the legal, valid, and binding obligation of the Contractor.

2.2 No Litigation. To the best of Contractor's knowledge after reasonable investigation, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality decided, pending or threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would:

- (a) Materially, adversely affect the performance by Contractor of its obligations hereunder;
- (b) Adversely affect the validity or enforceability of this Agreement; or
- (c) Have a material adverse effect on the financial condition of Contractor, or any surety or entity guaranteeing Contractor's performance under this Agreement.

2.3 Ability to Perform. Contractor possesses the business, professional, and technical expertise to provide the services described in this Agreement. Contractor possesses the equipment, facility(ies), and employee resources required to perform its obligations under this Agreement.

2.4 Licenses; Permits. Contractor represents and warrants to SCWMA that Contractor has all licenses, permits, and approvals of whatsoever nature which are legally required for Contractor to provide the services described in this Agreement. Contractor represents and warrants to SCWMA that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Contractor to perform this Agreement.

2.5 Voluntary Use of Designated Facilities. The Contractor, without constraint and as a free-market business decision in accepting this Agreement, agrees to use the SCWMA-approved Disposal Site(s) for the purposes of Disposing of all Compostable Materials. Such decision by Contractor in no way constitutes a restraint of trade.

3 Scope of Services.

3.1 Contractor’s Specified Services: Compostable Materials Collection and Transportation. This Agreement is entered into for the purpose of Collecting Compostable Materials from County of

Sonoma Transfer Stations and the Central Landfill Site, if necessary, and Transporting such materials to the SCWMA-approved Disposal Site(s). Contractor shall perform services as defined in Exhibit A, Scope of Services.

The SCWMA shall not compensate the Contractor for any increased Transportation and Disposal costs associated with the use of Disposal Site(s) different from the Disposal Site(s) approved or designated as a potential future Disposal Site as of the Effective Date except in the event that an authorized Disposal Site is not available due to reasons beyond the control of Contractor in which event Contractor will notify the SCWMA of such closure and Contractor will deliver Compostable Materials to a lawful disposal site and will be reimbursed its reasonable costs therefor.

The Contractor shall not commence work until receiving a Notice to Proceed.

3.2 Cooperation with SCWMA. Contractor shall cooperate with SCWMA and SCWMA staff in the performance of all work hereunder.

3.3 Performance Standard. Contractor shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Contractor's profession. If SCWMA determines that any of Contractor's work is not in accordance with such level of competency and standard of care, SCWMA, in its sole discretion, shall have the right to do any or all of the following: (a) require Contractor to meet with SCWMA to review the quality of the work and resolve matters of concern; (b) require Contractor to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Section 6; or (d) pursue any and all other remedies at law or in equity.

3.4 Assigned Personnel.

a. Contractor shall assign only competent personnel to perform work hereunder. In the event that at any time SCWMA, in its sole discretion, desires the removal of any person or persons assigned by Contractor to perform work hereunder, Contractor shall remove such person or persons immediately upon receiving written notice from SCWMA.

b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by SCWMA to be key personnel whose services are a material inducement to SCWMA to enter into this Agreement, and without whose services SCWMA would not have entered into this Agreement. Contractor shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of SCWMA.

c. In the event that any of Contractor's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Contractor's control, Contractor shall be responsible for timely provision of adequately qualified replacements.

3.5 Subcontracting. Contractor shall not engage any subcontractors for collection, transportation, or processing, of Compostable Materials without the prior written consent of the SCWMA's Contract Manager. As of the Effective Date of this Agreement, the SCWMA has approved Contractor's use of the Subcontractors listed in Exhibit A. Contractor's use of Subcontractor(s) does not in any way limit the Contractor's obligations under this Agreement. The SCWMA reserves the right to require Contractor to replace a Subcontractor in the event of a regulatory or criminal judgment against a Subcontractor and a legal judgment against a Subcontractor that is related to performance under this Agreement.

3.6 Ownership of Compostable Materials. Contractor assumes ownership of Compostable materials upon receipt. Contractor must deliver Compostable Materials to an SCWMA-approved Disposal Site. Once Compostable Materials are deposited by Contractor at a Disposal Site, such materials shall become the property of the Owner or operator of the facility.

3.7 Rejected Materials. Contractor shall be responsible for the removal of all loads of Compostable materials rejected by the receiving compost facility. SCWMA shall not be responsible for the cost of removal and/or disposal for loads rejected due to excessive amounts of Contaminants, as determined by the receiving compost facility.

4 Payment.

4.1 Contractor shall be paid for services rendered in accordance with tasks detailed in Section 3.1 above and in Exhibit A and B, upon monthly submission of progress reports, verified claims and invoices. The per ton payment amounts are defined by Schedule 1. Payments shall be made in the proportion of work completed based upon progress reports to total services to be performed. In the event there is a discrepancy between the outbound material, from the Transfer Stations or the Central Compost Site, and the inbound materials at the Disposal Site, payment shall be based upon the weight as determined at the scales from Transfer Stations or the Central Compost Site.

4.2 Monthly progress reports shall be submitted by Contractor and shall identify the source and tonnage of Compostable Materials Transported, the facility to which the Compostable Materials were transported, and the amount due to Contractor for the services performed.

4.3 Extra or Changed Work. Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes which do not increase or decrease the amount paid under the Agreement, and which do not significantly change the scope of work or significantly lengthen time schedules may be executed by the SCWMA's Executive Director in a form approved by SCWMA Counsel. All other extra or changed work must be authorized in writing by the SCWMA Board of Directors.

4.4 CPI Adjustments to Transport Component Fees. The transport fee for compostable materials shall be adjusted annually on the Adjustment Date by the CPI Factor, provided, however, that in no case shall such adjustment exceed three percent (3%) in any one-year period.

4.5 Adjustments to Fuel Component Fees. The Fuel Component Fee shall be adjusted bi-annually (effective January 1 and July 1 each year this agreement is effective) by the Fuel Factor.

4.6 Payment of Tipping Fees at Disposal Facility. The SCWMA shall pay all tipping fees due, including all governmental fees, for delivery of compostable materials by Contractor to each Disposal Facility. SCWMA shall indemnify and hold Contractor harmless from any and all liability to each Disposal facility for tipping fees, government fees. The SCWMA shall enter into such agreements with each Disposal facility as may be reasonably necessary to facilitate the performance of this Agreement.

5 Term of Agreement.

5.1 The term of this Agreement shall be from Effective Date to December 31, 2021 unless terminated earlier in accordance with the provisions of Section 6 below. This Agreement may be extended up to two additional years upon mutual agreement between the SCWMA and Contractor.

6 Termination.

6.1 Termination for Cause. Notwithstanding any other provision of this Agreement, should Contractor fail to perform any of its obligations hereunder, within the time and in the manner herein provided,

or otherwise violate any of the terms of this Agreement, SCWMA may immediately terminate this Agreement by giving Contractor written notice of such termination, stating the reason for termination.

6.2 Delivery of Work Product and Final Payment Upon Termination. In the event of termination, Contractor, within 14 days following the date of termination, shall deliver to SCWMA all product final progress report and shall submit to SCWMA an invoice for services rendered up to the date of termination.

7 Collection Standards

7.1 Care of Property. Contractor shall not damage private, public or SCWMA-owned property. Contractor shall ensure that its employees: (i) do not cross landscaped areas; (ii) do not climb or jump over hedges and fences; and, (iii) check for obstructions or impediments including, but not limited to, lighting, plumbing, wiring, or signage prior to operating Transportation equipment. SCWMA shall refer complaints about property damage to Contractor. Contractor shall repair all damage to private or publicly-owned property caused by its employees.

7.2 Minimization of Spills. Contractor shall use due care to prevent Compostable Materials, vehicle oil, and vehicle fuel from being spilled or scattered during the Collection or Transportation process. If any materials are spilled or scattered during Collection or Transportation, the Contractor shall promptly clean-up all spilled and scattered materials. Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure, hot load (combustion of material in the truck), accidental damage to a vehicle, or unless approved by the SCWMA Contract Manager.

7.3 Minimization of Contamination. Contractor shall use due care to prevent Compostable Materials from being contaminated by Contaminants during the Collection or Transportation process.

8 Vehicle Specifications.

8.1 All vehicles used by Contractor in providing Transportation services shall be registered with the California Department of Motor Vehicles. All such vehicles shall have watertight bodies designed to prevent leakage, spillage or overflow. All such vehicles shall comply with U.S. Environmental Protection Agency (EPA) noise emission regulations and other applicable noise control regulations. Any vehicle that does not comply with noise level requirements shall be prohibited from performing services under this Agreement.

8.2 As required by law, Contractor shall comply with State and Federal regulations including, but not limited to: (i) the California Air Resources Board Heavy Duty Engine Standards, contained in CCR Title 13, Section 2020 et seq; and, (ii) the Federal Environmental Protection Agency's Highway Diesel Fuel Sulfur regulations (Section 209(b) of the Clean Air Act, as amended, 42 U.S.C. 7543(b)). In addition, Contractor shall comply with all applicable Northern Sonoma County Air Pollution Control District (NSCAPCD), Bay Area Air Quality Management District (BAAQMD), State, and Federal regulations related to emissions controls. If Contractor needs to convert, retrofit, or replace its vehicles to be in full compliance with local, State and Federal clean air requirements in effect on the Effective Date of the Agreement, the costs for such changes shall be the sole responsibility of the Contractor.

8.3 Vehicle Identification. Contractor's name, local telephone number, and a unique vehicle identification number for each vehicle shall be prominently displayed on all vehicles, in letters and numbers that are a minimum of four (4) inches high. Contractor shall not place the SCWMA's logo on its vehicles nor shall Contractor paint their vehicles in a way that, in the reasonable judgment of the SCWMA's Contract Manager, would cause the public to mistake Contractor's vehicles with those that the SCWMA uses.

8.4 Operation. Vehicles shall be operated in compliance with the State Vehicle Code, and all applicable safety and local ordinances. Contractor shall not load vehicles in excess of the manufacturer's recommendations or limitations imposed by State or local weight restrictions for vehicles and roads.

8.5 Contractor agrees to acquire two additional tractors and four additional walking floor trailers to replace older equipment by December 31, 2019.

9 Record Keeping and Reporting.

9.1 Records Maintenance. Contractor shall maintain accurate and complete accounting records containing the underlying financial and operating data relating to and showing the basis for computation of all costs associated with providing services. The accounting records shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied. Contractor shall maintain all records and data for the Term of this Agreement plus four (4) years after its expiration or earlier termination.

9.2 CERCLA Defense Records. The SCWMA views its ability to defend itself against CERCLA and related litigation as a matter of great importance. For this reason, the SCWMA regards its ability to prove where Compostable Materials are taken for Disposal, as well as where it was not taken, to be matters of concern. Contractor shall maintain, retain and preserve records which can establish where Compostable Material Collected was Disposed (and therefore establish where it was not). Contractor shall provide these records to the SCWMA Contract Manager at the expiration or early termination of this Agreement, in an organized and indexed manner rather than destroying or disposing of them.

9.3 Inspection of Records. The SCWMA, its auditors and other agents, shall have the right, during regular business hours, and with twenty-four (24) hours written notice identifying the information desired and the types of records that may contain that information, to conduct on-site inspections of accounting systems, payroll tax reports, specific documents or records required by this Agreement, or any other similar records or reports of the Contractor and all companies conducting operations addressed in this Agreement, that the SCWMA shall deem, at its sole discretion, necessary to evaluate the Contractor's performance provided for in this Agreement.

10 Indemnification.

10.1 GENERAL INDEMNIFICATION. Contractor shall indemnify, defend with counsel acceptable to the SCWMA, protect and hold harmless the SCWMA and each of its officers, officials, employees, volunteers, and agents (collectively, indemnitees) from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, costs, (including without limit any and all response, remediation and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including without limit attorneys' expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity), (collectively, "Damages") of any kind whatsoever paid, incurred or suffered by, or asserted against, indemnitees arising from or attributable to the acts or omissions of Contractor whether or not negligent or otherwise culpable, in connection with or related to the performance of this Agreement, including without limit damages arising from or attributable to any Collection, Processing, or Transportation of Solid Waste under this Agreement to the greatest extent permitted by law. Notwithstanding the foregoing, however, Contractor shall not be required to indemnify the SCWMA for the costs for any claims arising from the Disposal of Hazardous Substances or Hazardous Waste at the Disposal Site(s), including, but not limited to, claims arising under CERCLA unless the claim is a direct result of Contractor's actions or negligence. This indemnity afforded indemnitees, shall only be limited to exclude coverage for intentional wrongful acts and negligence of indemnitees, and as provided below. The foregoing indemnity is intended to operate as an Agreement pursuant to Section 42 USC §9607(e) of CERCLA and California Health and Safety Code §25364, to defend, protect, hold harmless, and indemnify SCWMA from liability.

If Contractor should subcontract any portion of the work to be performed under this Agreement, Contractor shall require each subcontractor to indemnify, hold harmless, and defend the indemnitees in accordance with the terms of

the preceding paragraph.

This provision is in addition to all other provisions in this Agreement and is intended to survive the expiration or earlier termination of this Agreement. Nothing in this paragraph shall prevent SCWMA from seeking indemnification or contribution from persons or entities other than indemnitees, for any liabilities incurred by SCWMA or the indemnitees.

10.2 INDEMNIFICATION RELATED TO PERSONNEL. Contractor shall defend, hold harmless, and indemnify the SCWMA and each of its officers, officials, employees, volunteers, and agents, for all loss, damages, liability, claims, suits, costs or expenses whatsoever, including reasonable attorneys' fees, regardless of the merits or outcome of any such claim or suit arising from or in any manner related to the SCWMA's lawful and reasonable request to remove or reassign any employee pursuant to Section 3.4. This Section 10.2 shall survive the termination or expiration of this Agreement.

SCWMA shall defend, hold harmless, and indemnify the Contractor and each of its officers for all claims, suits, costs or expenses including reasonable attorneys' fees, regardless of the merits or outcome of any such claim or suit, arising from compensation, pension, or other benefit due an employee by the SCWMA solely as a direct result of his or her prior employment with the SCWMA.

11 INSURANCE

11.1 Minimum Scope of Insurance. Coverage shall be at least as broad as:

11.1.1 The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, or its equivalent, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability.

11.1.2 Insurance Services Office form number CA 0001, or its equivalent covering Automobile Liability, code 1 "any auto", and endorsement CA 0025.

11.1.3 Workers' Compensation insurance as required by the State Labor Code and Employers Liability insurance.

11.1.4 Either: Employee Blanket Fidelity Bond; or, Commercial Crime Insurance which shall be at least as broad as the most current version of Insurance Service Office (ISO) Crime and Fidelity Form CR 00 20, or its equivalent.

11.1.5 Pollution Legal Liability insurance.

11.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than:

11.2.1 Commercial General Liability: \$10,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.

11.2.2 Automobile Liability: \$10,000,000 combined single limit per accident for bodily injury and property damage.

11.2.3 Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State Labor Code and Employers Liability limits of \$1,000,000 per accident.

11.2.4 Pollution Legal Liability: \$5,000,000 for bodily injury, property damage, and remediation of contaminated site.

11.3 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the SCWMA. At the option of the SCWMA, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the SCWMA, its officials and employees; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses. The approval of deductibles or self-insured retentions will not be unreasonably withheld.

11.4 Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

11.4.1 Commercial General Liability, Commercial Auto Liability and Pollution Legal Liability coverages:

- (a) The SCWMA and each of its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased or used by the Contractor; and automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the SCWMA, its officials, employees, or volunteers. The automobile liability is endorsed to contain MCA-90 coverage.
- (b) The Contractor's insurance coverage shall be primary insurance as respects the SCWMA, its officials, employees, and volunteers. Any insurance or self-insurance maintained by the SCWMA, its officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- (c) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the SCWMA, its officials, employees, or volunteers.
- (d) Coverage shall state that the Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

11.4.2 Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the SCWMA, its officers, employees, and volunteers for losses arising from work performed by the Contractor for the SCWMA.

11.4.3 All Coverages. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either Party, reduced in coverage or in limits except after thirty (30) calendar days' prior written notice by certified mail, return receipt requested, has been given to the SCWMA.

11.5 Acceptability of Insurers. The insurance policies required by this Section 11 shall be issued by an insurance company or companies authorized to do business in the State and with a rating in the most recent edition of Best's Insurance Reports of size category VII or larger and a rating classification of A- or better; or authorized by the SCWMA's Risk Manager.

11.6 Verification of Coverage. Contractor shall furnish Contractor's insurance agent a copy of these specifications, and direct the agent to provide the SCWMA with certificates of insurance with original endorsements affecting coverage required by this clause. Issuance of documentation indicates the Contractor's insurance complies with these provisions. The certificates and endorsements for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the SCWMA before work commences. Upon request of SCWMA, Contractor shall

immediately provide SCWMA with access to a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

11.7 Required Endorsements.

11.7.1 The Workers' Compensation policy shall contain an endorsement in substantially the following form:

"Thirty calendar days' prior written notice shall be given to the Sonoma County Waste Management Agency in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Executive Director
Sonoma County Waste Management Agency
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403

11.7.2 The Commercial General Liability, Commercial Auto Liability and Pollution Legal Liability insurance policies shall contain endorsements in substantially the following form:

1. "Thirty calendar days' prior written notice shall be given to the Sonoma County Waste Management Agency in the event of cancellation, reduction in coverage, or non-renewal of this policy. Such notice shall be sent to:

Executive Director
Sonoma County Waste Management Agency
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403

2. "The Sonoma County Waste Management Agency, its officers, employees, and agents, and Republic Services of Sonoma County and its officers, employees and agents are additional insureds on this policy." The SCWMA requires form CG2010 1185.

3. "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the Sonoma County Waste Management Agency, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

4. "Inclusion of the Sonoma County Waste Management Agency as an insured shall not affect the SCWMA's rights as respects any claim, demand, suit or judgment brought or recovered against the Contractor. This policy shall protect Contractor and the SCWMA in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the Contractor's liability as set forth in the policy beyond the amount shown or to which the Contractor would have been liable if only one Party had been named as an insured."

11.8 Delivery of Proof of Coverage. Simultaneously with the execution of this Agreement, Contractor shall furnish the SCWMA certificates of each policy of insurance required hereunder, in form and substance satisfactory to SCWMA. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements. If the SCWMA Contract Manager requests, copies of each policy, together with all endorsements, shall also be promptly delivered to SCWMA Contract Manager.

Renewal certificates will be furnished periodically to SCWMA Contract Manager to demonstrate maintenance of the required coverages throughout the Term.

11.9 Other Insurance Requirements

11.9.1 If Contractor should subcontract any portion of the services to be performed under this Agreement, Contractor shall require each subcontractor to provide insurance protection in favor of SCWMA and each of its officers, officials, employees, agents and volunteers in accordance with the terms of Section 11, except that any required certificates and applicable endorsements shall be on file with Contractor and SCWMA prior to the commencement of any services by the subcontractor.

11.9.2 If at any time during the life of the Agreement or any extension, Contractor or any of its subcontractors fail to maintain any required insurance in full force and effect, Contractor shall be in breach of the Agreement until notice is received by SCWMA that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to SCWMA. Any failure to maintain the required insurance shall be sufficient cause for SCWMA to terminate this Agreement. No action taken by SCWMA pursuant to this section shall in any way relieve Contractor of its responsibilities under this Agreement.

If Contractor fails to procure and maintain any insurance required by this Agreement, the SCWMA may take out and maintain, at the Contractor's expense, such insurance as it may deem proper and deduct the cost thereof from any monies due the Contractor.

11.9.3 The Commercial General Liability, Commercial Auto Liability and Pollution Legal Liability insurance policies shall be written on an occurrence form. If Contractor is unable to purchase Pollution Legal Liability insurance on an occurrence form and must purchase such insurance on a claims made form:

1. The "Retro Date" must be shown, and must be before the effective date of the Agreement or the commencement of work by Contractor or prior to the date of the contract start date.
2. The policy shall be endorsed to provide not less than a 5-year discovery period. This requirement shall survive expiration or termination of the Agreement.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the effective date of the Agreement, Contractor must purchase "extended reporting" coverage for a minimum of 5 years following the expiration or termination of the Agreement.
4. A copy of the claims reporting requirements must be submitted to City for review.
5. These requirements shall survive expiration or termination of this Agreement.

11.10 **PERFORMANCE BOND.** On or before the Effective Date of this Agreement, Contractor shall file with the SCWMA a bond, payable to the SCWMA, securing the Contractor's faithful performance of its obligations under this Agreement and such bond shall be renewed annually if necessary so that the performance bond is maintained at all times during the Term. The principal sum of the bond shall be five hundred thousand dollars (\$500,000). The bond shall be executed by a corporation authorized to issue surety bonds in the State, with a financial condition and record of service satisfactory to the SCWMA.

12 Liquidated Damages

12.1 **General.** The Parties find that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by SCWMA as a result of a breach by Contractor of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) damage may result to the public which is denied Compost hauling services or denied quality or reliable service; (ii) such breaches cause inconvenience, public nuisance, health and safety risks, deprivation of the benefits of the Agreement, which are incapable of measurement

in precise monetary terms; (iii) the monetary loss resulting from denial of services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

12.2 Service Performance Standards; Liquidated Damages for Failure to Meet Standards. The Parties further acknowledge that consistent, reliable Compostable Materials Collection and Transportation service is of utmost importance to SCWMA and that SCWMA has considered and relied on Contractor's representations as to its quality of service commitment in awarding the Agreement to it. The Parties recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Contractor fails to achieve the performance standards, or fails to submit required documents in a timely manner, SCWMA and its members will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages which SCWMA will suffer. Therefore, without prejudice to SCWMA's right to treat such non-performance as an event of default under this Section, the Parties agree that the Liquidated Damages amounts established below represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the Effective Date of this Agreement, including the relationship of the sums to the range of harm to SCWMA that reasonably could be anticipated and that proof of actual damages would be costly or impractical.

Contractor agrees to pay (as Liquidated Damages and not as a penalty) the following amounts:

Liquidated Damages	
Item	Amount
A. Failure to submit monthly report to SCWMA in accordance with Article 4.2	\$100 per calendar day of delay
B. Failure to notify SCWMA in writing of any regulatory violation, order or similar notice that could impact Contractor's ability to collect and transport Compostable Materials or potentially affect SCWMA's liability.	\$300 per calendar day of delay
C. Failure to maintain proper covers on transport vehicles	\$500 per occurrence
D. Failure to deliver material to the locations as instructed by SCWMA staff	\$100 per occurrence

SCWMA may determine the occurrence of events giving rise to Liquidated Damages through the observation of its own employees or representatives or investigation of third parties.

Before assessing Liquidated Damages for Items A and B in the Liquidated Damages Table above, SCWMA Contract Manager shall give Contractor notice of its intention to do so and a reasonable opportunity to cure, not more than ten calendar days (the "LD Notice"). No Liquidated Damages will be imposed if Contractor cures within the time allowed by the LD Notice. SCWMA may impose Liquidated Damages on Contractor and Contractor will not have the right to cure in the event that Contractor is subject to the imposition of Liquidated Damages hereunder for the same failure to perform more than once in any twelve month period. The LD Notice will include a brief description of the incident(s) and non-performance. The SCWMA Contract Manager may review (and make copies at its own expense) all information in the possession of Contractor relating to incident(s) and non-performance. SCWMA Contract Manager may, within ten (10) calendar days after issuing the notice, request a meeting with Contractor. SCWMA Contract Manager may present evidence of non-performance in writing and through testimony of its employees and others relevant to the incident(s) and non-performance. SCWMA Contract Manager will provide Contractor with a written explanation of his or her determination on each incident(s) and non-performance prior to authorizing the assessment of Liquidated Damages under this Section 12.4. The decision of SCWMA Contract Manager shall be final and Contractor shall not be subject to, or required to exhaust, any further administrative remedies.

Liquidated damages for Item C in the Liquidated Damages Table above shall be imposed by SCWMA on Contractor for

each occurrence. Contractor shall not have a period of time in which to cure Liquidated Damages related to Item C. Contractor shall have the right to appeal the assessment of Liquidated Damages to the SCWMA Executive Director. The decision of the SCWMA Executive Director shall be final and Contractor shall not be subject to, or required to exhaust, any further administrative remedies.

12.3 Timing of Payment. Contractor shall pay any Liquidated Damages assessed by SCWMA within ten (10) calendar days of the date the Liquidated Damages are assessed. If they are not paid within the 10-day period, the Contractor shall pay the SCWMA the Liquidated Damage payment due plus interest compounded daily, where interest shall be calculated using the annual yield rate for the California Local SCWMA Investment Fund most-recently published by the State Treasurer's office. The SCWMA Contract Manager shall send written notice to the Contractor and the Contractor's performance bond company stating Contractor's failure to pay Liquidated Damages and the SCWMA's right to terminate the Agreement and proceed against the performance bond if payment is not received within ninety (90) days of the date Liquidated Damages were assessed.

If the Liquidated Damages payment is thirty (30) days past due, the Contractor shall pay the SCWMA double the Liquidated Damages payment due plus interest compounded daily, where interest shall be calculated as described above. If the Liquidated Damages payment is sixty (60) days or more past due, the SCWMA Contract Manager shall notice the Contractor and the Contractor's performance bond company of the City's intent to terminate the Agreement and proceed against the performance bond if Liquidated Damages are not paid within ninety (90) days of the date of assessment. If the Liquidated Damages payment is ninety (90) days or more past due and the SCWMA provided Contractor with 30-day advance written notice of its intent to terminate the Agreement for failure to pay Liquidated Damages, the SCWMA may terminate the Agreement, in which case the SCWMA may proceed against the performance bond required by the Agreement.

13 Additional Covenants of Contractor.

13.1 Standard of Care. SCWMA has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by SCWMA shall not operate as a waiver or release.

13.2 Compliance with Law. Contractor shall at all times, at its sole cost, comply with all Applicable Laws, permits and licenses of the United States, the State and local agencies, and with all applicable regulations promulgated by Federal, State, regional or local administrative and regulatory agencies, now in force and as they may be enacted, issued or amended during the Term.

13.3 Status of Contractor. The parties intend that Contractor, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Contractor is not to be considered an agent or employee of SCWMA and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits provided to SCWMA staff. In the event SCWMA exercises its right to terminate this Agreement pursuant to Section 6, above, Contractor expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

13.4 Taxes. Contractor agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Contractor agrees to indemnify and hold SCWMA harmless from any liability which it may incur to the United States or to the State of California as a consequence of Contractor's failure to pay, when due, all such taxes and obligations. In case SCWMA is audited for compliance regarding any withholding or other applicable taxes. Contractor agrees to furnish SCWMA with proof of payment of taxes on these earnings.

13.5 Nondiscrimination. Contractor shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

13.6 AIDS Discrimination. Contractor agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

13.7 Ownership And Disclosure Of Work Product. All reports, original drawings, graphics, plans, studies, and other data or documents ("documents"), in whatever form or format, assembled or prepared by Contractor or Contractor's subcontractors, consultants, and other agents in connection with this Agreement shall be the property of SCWMA. SCWMA shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Contractor shall promptly deliver to SCWMA all such documents which have not already been provided to SCWMA in such form or format as SCWMA deems appropriate. Such documents shall be and will remain the property of SCWMA without restriction or limitation. Contractor may retain copies of the above described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of SCWMA.

14 Miscellaneous Provisions.

14.1 Demand for Assurance. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding fifteen (15) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Section 14.1 limits SCWMA's right to terminate this Agreement pursuant to Section 6.

14.2 Excuse from Performance. The Parties shall be excused from performing their respective obligations hereunder if they are prevented from so performing by reason of floods, earthquakes, other acts of nature, war, civil insurrection, riots, acts of any government (including judicial action), and other similar catastrophic events which are beyond the control of and not the fault of the Party claiming excuse from performance hereunder. Labor unrest, including but not limited to strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor is not an excuse from performance and Contractor shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events.

The Party claiming excuse from performance shall, within two (2) Business Days after such Party has notice of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Section.

If either Party validly exercises its rights under this Section, the Parties hereby waive any claim against each other for any damages sustained thereby.

The partial or complete interruption or discontinuance of Contractor's services caused by one or more of the events described in this Section shall not constitute a default by Contractor under this Agreement. Notwithstanding the foregoing, however, if Contractor is excused from performing its obligations hereunder for any of the causes listed in this Section for a period of thirty (30) calendar days or more, the SCWMA shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) calendar days notice to Contractor unless Contractor has demonstrated, by the thirtieth (30th) calendar day, to the satisfaction of the SCWMA that the Contractor will resume services no later than the sixtieth (60th) day following the date service was interrupted or discontinued by Contractor.

14.3 Assignment and Delegation. Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

14.4 Method and Place of Giving Notice, Submitting Bills and Making Payments. All notices, bills, and payments shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

SCWMA: Sonoma County Waste Management Agency
Attention: Executive Director
2300 County Center Drive, Suite B 100
Santa Rosa, CA 95403
Phone: (707) 565-3687

Contractor:	<u>Bills/Payments:</u>	<u>Notices:</u>
	Recology Sonoma Marin	Recology Inc.
	Attention: General Manager	Attention: Legal Department
	3400 Standish Avenue	50 California Street, 24 th Floor
	Santa Rosa, CA 95407	San Francisco, CA 94111

When a notice, bill or payment is given by a generally recognized overnight courier service, the notice, bill or payment shall be deemed received on the next business day. When a copy of a notice, bill or payment is sent by facsimile, the notice bill or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, bill or payment is promptly deposited in the U.S. mail, (2) the sender has a written confirmation of the facsimile transmission, and (3) the facsimile is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

14.5 No Waiver of Breach. The waiver by SCWMA of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

14.6 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Contractor and SCWMA acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Contractor and SCWMA acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

14.7 Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

14.8 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in the forum nearest to the city of Santa Rosa, in the County of Sonoma.

14.9 Entire Agreement. This Agreement, including the Exhibits, represents the full and entire Agreement between the Parties relating to the matters covered herein.

14.10 Amendment. This Agreement may not be modified or amended in any respect except in writing signed by the Parties.

14.11 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

14.12 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

14.13 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

14.14 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SCWMA: SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____
Chair

CONTRACTOR: RECOLOGY SONOMA MARIN

By: _____

Name: _____

Title: _____

APPROVED AS TO SUBSTANCE BY
AND CERTIFICATES OF INSURANCE
ON FILE WITH:

By: _____
Interim Executive Director, SCWMA

APPROVED AS TO FORM FOR SCWMA:

By: _____
SCWMA Counsel

Exhibit A

Scope of Services

The services to be performed under the Agreement may include the following tasks and any modifications mutually agreed to.

Coordination with Transfer Station Staff – Contractor shall, in coordination with Republic Services of Sonoma County or their designee, and without assistance from SCWMA staff, determine the frequency of collection and amount of equipment necessary to transport the organic materials from designated transfer stations. Inability to transport materials or delays causing Republic Services permit violations are grounds for agreement termination.

Inspection of Transported Materials – Contamination of organic material is problematic for organic material processing facilities, especially large metal pieces which can damage processing machinery. Contractor shall observe material (including listening for metallic contaminants) loading, to the extent possible, at a safe distance, make note of any obvious contaminants, and notify receiving facilities of contaminants. Contractor shall notify Republic Services staff immediately of any hazardous materials observed in the load of the transport vehicle.

Maintenance of Vehicles – Contractor shall maintain its vehicles such that vehicles do not cause pollution or release of hazardous substances. In the event of an accidental release of vehicle fluids or hazardous materials, Contractor shall immediately take steps to remedy the situation. Contractor's vehicle operators shall be trained in the use of and vehicles shall be equipped with spill clean-up kits. Contractor must demonstrate proper emergency response protocols.

Compliance with Law – Contractor must comply with all Federal, State, and Local laws regarding the transport of materials. Contractor shall ensure vehicles are adequately covered to minimize the accidental release of transported material.

Invoicing – Contractor shall invoice SCWMA staff on a monthly basis, no later than the 10th of each month for the prior month's material transported. Invoices shall clearly indicate the tonnage of material transported from each transfer station to each receiving facility. Receiving facility weight tags shall be submitted as proof of transport for each load of material transported.

Routing of Material – Contractor acknowledges that SCWMA staff has made commitments to organic material processing facilities, which SCWMA will provide to Contractor. Contractor shall communicate as soon as possible if there is an event which prevents Contractor from delivering the material to SCWMA designated locations. Furthermore, in the event that SCWMA makes changes to the location of material delivery, Contractor shall comply with SCWMA's change request within 48 hours of the request.

Cost Per Ton Per Mile – As detailed in the primary selection criteria, Contractor shall provide a cost per ton per mile basis for determining the transportation costs of previously unidentified organic material processing facilities.

EXHIBIT B

SCHEDULE OF PAYMENT TERMS

Please see Exhibit B-1 – Cost Matrix attached hereto.

As requested in the RFP, Recology has provided a cost per ton per mile for the unidentified organic material processing facility. This cost would be:

- \$0.40/ton/mile, with a \$225 minimum charge per haul.
- The per ton per mile charge includes a fuel component of \$0.051.

Exhibit B-1 Cost Matrix

Hauling of Compostable Materials

Initial Per Ton Hauling Cost

Total Fee/Ton	Redwood Landfill		Cold Creek Compost		Laguna Waste Water Treatment Plant	
Transfer Station	Distance (miles)	Cost/Ton (\$)	Distance (miles)	Cost/Ton (\$)	Distance (miles)	Cost/Ton (\$)
Annapolis	172.2	\$ 61.20	170.0	\$ 60.51	136.0	\$ 49.91
Guerneville	79.2	\$ 25.36	153.6	\$ 43.47	34.0	\$ 14.36
Healdsburg	84.2	\$ 21.98	111.8	\$ 27.20	52.0	\$ 15.90
Sonoma	33.0	\$ 14.56	199.8	\$ 57.43	46.0	\$ 17.90
Central	32.0	\$ 14.39	170.0	\$ 48.46	12.0	\$ 9.45

Cost/Ton/Mile for other sites

\$	0.40
\$	0.40
\$	0.40
\$	0.40
\$	0.40

Note: Minimum \$225 charge per haul

\$0.40 cost includes fuel component of \$0.051

Fuel Component	Redwood Landfill		Cold Creek Compost		Laguna Waste Water Treatment Plant	
Transfer Station	Distance (miles)	Cost/Ton (\$)	Distance (miles)	Cost/Ton (\$)	Distance (miles)	Cost/Ton (\$)
Annapolis	172.2	\$ 8.82	170.0	\$ 8.70	136.0	\$ 6.96
Guerneville	79.2	\$ 4.06	153.6	\$ 7.86	34.0	\$ 1.74
Healdsburg	84.2	\$ 4.31	111.8	\$ 5.72	52.0	\$ 2.66
Sonoma	33.0	\$ 1.69	199.8	\$ 10.23	46.0	\$ 2.36
Central	32.0	\$ 1.64	170.0	\$ 8.70	12.0	\$ 0.61

Labor and Equipment Component	Redwood Landfill		Cold Creek Compost		Laguna Waste Water Treatment Plant	
Transfer Station	Distance (miles)	Cost/Ton (\$)	Distance (miles)	Cost/Ton (\$)	Distance (miles)	Cost/Ton (\$)
Annapolis	172.2	\$ 52.38	170.0	\$ 51.81	136.0	\$ 42.94
Guerneville	79.2	\$ 21.30	153.6	\$ 35.60	34.0	\$ 12.61
Healdsburg	84.2	\$ 17.67	111.8	\$ 21.47	52.0	\$ 13.24
Sonoma	33.0	\$ 12.87	199.8	\$ 47.20	46.0	\$ 15.55
Central	32.0	\$ 12.75	170.0	\$ 39.75	12.0	\$ 8.83

EXHIBIT C

LIST OF APPROVED DISPOSAL SITES

Approved Sites:

Redwood Landfill compost facility
8950 Redwood Highway
Novato, CA 94945

Cold Creek Compost
6000 E. Side Potter Valley Road
Ukiah, CA 95482

Potential Future Site:

Renewable Sonoma (location is approximate, +/- ½ mile)
Llano Road and Meadow Lane
Santa Rosa, CA 95407

RESOLUTION NO.: 2018-

DATED: December 19, 2018

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("SCWMA") AUTHORIZING THE CHAIR TO SIGN THE AGREEMENT WITH RECOLOGY SONOMA MARIN FOR THE COMPOSTABLE MATERIALS TRANSPORT SERVICES.

WHEREAS, Contractor represents that it is duly qualified and experienced in compostable materials transport services; and

WHEREAS, in the judgement of the SCWMA Board of Directors, it is necessary and desirable to employ the services of Contractor for hauling of organics material collected at all transfer stations in Sonoma County.

NOW, THEREFORE, BE IT RESOLVED that Board of Directors of the SCWMA hereby authorizes the Chair to execute a three year contract with Recology Sonoma Marin for Compostable Materials Transport Services.

MEMBERS:

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

AYES: -- NOES: -- ABSENT: -- ABSTAIN: --

SO ORDERED

The within instrument is a correct copy
of the original on file with this office.

ATTEST: DATE: December 19, 2018

Clerk of the Sonoma County Waste Management Agency
Agency of the State of California in and for the
County of Sonoma



Agenda Item #: **8**
Cost Center: **HHW**
Staff Contact: **Scott**
Agenda Date: **12/19/18**
Approved By:

ITEM: Second Amendment to E-Waste Handling Agreement with Recology Sonoma Marin

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the Board authorize and execute the Second Amendment to the Agreement for E-Waste Handling Services.

II. BACKGROUND

Historically, the SCWMA has managed the county's e-waste program through the use of two separate contracts. Public e-waste drop-off areas are located at all five transfer stations with Recology Sonoma Marin (Recology) providing internal transportation of the material in roll-off containers from each transfer station to the e-waste consolidation area located at Central Disposal Site. Once there, Recology staff sorts, packages, and loads the e-waste onto a trailer. An e-waste recycler, now Onsite Electronics, arranges for the pick-up of the trailer and recycles the material.

Recology acquired the e-waste responsibilities in November, 2017, when they entered into an assignment and assumption agreement with SCWMA and The Ratto Group. The agreement was extended one year with an expiration date of February 11, 2019. Since contract execution, Recology has indicated that they are no longer interested in providing e-waste handling services (sorting, packaging, loading) but would be open to providing internal transportation from the drop-off sites to the e-waste consolidation area.

SCWMA issued an E-Waste Transportation and Recycling Services RFP in March, 2018. Despite filing Chapter 11 Bankruptcy in April 2018, ECS Refining was the top scoring e-waste recycler due to their high payments and a dependable track record. In June 2018, SCWMA executed two agreements, one with ECS Refining and another with Onsite Electronics, the second highest scoring recycler. Shortly after, ECS Refining closed their doors permanently, allowing the backup agreement with Onsite Electronics to become effective July 2018 and resume e-waste transportation and recycling services. As part of this agreement, Onsite will take over e-waste sorting, packaging, and loading services in February 2019 by sending staff, supplies, and trucks to our e-waste consolidation area which has moved to the Sonoma Transfer Station.

III. DISCUSSION

Recology provided a quote to continue use of their roll-offs and to provide internal transportation between the transfer stations. Recology is considered to be the sole source option for this contract based on equipment, access, existing contracts, and responses to the E-Waste Transportation and Recycling Services RFP.

The proposed amendments affect the term of the agreement, a new pricing structure, and a revised scope of work. The old pricing structure was based on quantity of material sorted and sent to the recycler, whereas the new structure is based on round-trip transportation of e-waste to the consolidation area. The scope of work has been amended to remove sorting, packaging, and loading of sorted material responsibilities, which will be performed by Onsite Electronics under their existing contract. Staff suggests extending the term of the agreement to expire on December 31, 2021.

Similarly, the new agreement with Onsite, coupled with the global plastic recycling crisis, means that fewer items are now accepted through the program. Items like vacuums, fans, small kitchen appliances, etc. had been collected as “household scrap” previously but are no longer accepted in the e-waste drop-off program. Only true e-waste items that meet the State’s definition and list of examples are acceptable items now. This will reduce the amount of internal transportation required, however, the changes are too recent to establish a trend.

IV. FUNDING IMPACT

Based on a conservative estimate of internal transportation required, staff expects to spend approximately \$50,000 per year on the proposed amendment. Using this calculation, this service will cost an additional \$19,000 this fiscal year. It is too early in the fiscal year to determine the full impact to the program. We will report back in the third quarter.

In previous years with The Ratto Group, total expenditures were \$62,000 per year and included internal transportation, sorting, packaging, and loading packaged materials onto the recycler’s truck.

SCWMA’s e-waste program used to be a revenue-generating program of approximately \$75,000 per year. With the new contractors, processes and declining recycling market, we anticipate an annual cost of approximately \$50,000 per year for the whole program. Despite losing revenue to operate the e-waste program, Staff believes the service is critical to offer as e-waste recycling options are dwindling statewide. If the Board is not interested in proceeding with this contract, SCWMA sponsored monthly events would be the only guaranteed option left in Sonoma County for residents.

V. ATTACHMENTS

Second Amendment to E-Waste Handling Agreement

Exhibit A – Scope of Work for Electronic Waste Handling Services at Sonoma County Disposal Sites Second Amendment

**SECOND AMENDMENT TO AGREEMENT FOR E-WASTE HANDLING SERVICES AT SONOMA
COUNTY DISPOSAL SITES**

This Second Amendment to Agreement for E-Waste Handling Services ("Second Amendment") is made as of the 19th day of December, 2018, by the Sonoma County Waste Management Agency ("Agency") and Recology Sonoma Marin ("Contractor").

RECITALS

- A. Agency and The Ratto Group of Companies, Inc. ("TRG") entered into that certain Agreement for E-Waste Handling Services (the "Agreement") dated November 18, 2015; and
- B. Agency and TRG entered into a First Amendment of the Agreement for E-Waste Handling Services ("First Amendment") on November 16, 2016 to extend the term of the Agreement to February 11, 2018; and
- C. Agency, TRG and Contractor entered into an Assignment and Assumption Agreement ("Assignment") on November 15, 2017 in which Contractor accepted the Agreement as amended by the First Amendment; and
- D. The Assignment extended the term of the Agreement to February 11, 2019; and
- E. The parties wish to amend and extend the Agreement as set forth herein.

AMENDMENT

1. Amendment to Section 2. Section 2 of the Agreement is hereby amended in its entirety to read as follows:

"2. Compensation. Contractor shall be paid per Haul upon monthly submission of bill of lading (BOLs) and invoices. A haul ("Haul") shall be defined as the transfer of a roll-off bin containing E-waste from Annapolis, Central, Guerneville, Healdsburg, and Sonoma Transfer Stations to the E-waste consolidation area at the Sonoma Transfer Station, or such other location as may be designated in accordance with Section 8(ii) of Exhibit A, once a roll-off bin is at least 2/3 full or if the contents require transportation to comply with regulatory requirements or the terms of Contractor's agreement with Republic, whichever comes first.

Payment shall be calculated as follows for delivery of E-waste to the Sonoma Transfer Station E-waste consolidation area:

2.1 Truck and labor component. Truck and labor component shall encompass all transportation and labor expenses (i.e. truck, driver, admin, etc.) associated with services as set forth herein. The initial components (as of February 12, 2019) shall be as follows:

- a. From Annapolis Transfer Station: \$688.00
- b. From Central Transfer Station: \$281.25
- c. From Guerneville Transfer Station: \$406.25
- d. From Healdsburg Transfer Station: \$375.00
- e. From Sonoma Transfer Station: \$156.25

Each truck and labor component shall thereafter be adjusted each January 1 based on the change in the Consumer Price Index ("CPI"), All Urban Consumers, San Francisco-Oakland-Hayward (Series ID: CUURS49BSA0), provided that in no case shall such adjustment exceed three percent (3%) in any one-year period. CPI shall be determined pursuant to a ratio, the denominator of which is the CPI for the last calendar month immediately preceding the prior adjustment date, and the numerator of which is the CPI for the calendar month immediately preceding the then current adjustment date, except for purposes of the first adjustment date, the denominator shall be the CPI for the last calendar month immediately preceding the commencement date and the numerator of which is the CPI for the calendar month immediately preceding the first adjustment date.

2.2 Fuel component. The fuel component shall initially (as of February 12, 2019) be calculated based on \$3.973 per gallon, and shall thereafter be recalculated bi-annually (January 1 and July 1 each year this agreement is effective) based on California No 2 Diesel Ultra Low Sulfur (0-15 ppm) Retail Prices (dollars per gallon) for November and May, respectively, in each case using an average of six miles per gallon and the travel mileage indicated below.

2.3 Travel mileage. Travel mileage shall include round trip and shall be set as follows:

- a. From Annapolis Transfer Station: 173
- b. From Central Transfer Station: 39
- c. From Guerneville Transfer Station: 92
- d. From Healdsburg Transfer Station: 92
- e. From Sonoma Transfer Station: 0.5

2.4 Starting rate per haul. Payment shall be calculated as the sum of the truck and labor component and the fuel component, each adjusted as provided above. Prices per haul shall start (as of February 12, 2019) as follows:

- a. From Annapolis Transfer Station: \$802.55
- b. From Central Transfer Station: \$307.07
- c. From Guerneville Transfer Station: \$467.17
- d. From Healdsburg Transfer Station: \$435.92
- e. From Sonoma Transfer Station: \$162.21"

2. Amendment to Section 3. Section 3 of the Agreement is hereby amended in its entirety to read as follows:

“3. Term of Agreement. The term of this Agreement shall commence on the Effective Date and terminate on December 31, 2021, unless terminated earlier in accordance with the provisions of Article 4 below or Exhibit A, and provided that Contractor may terminate this Agreement without cause upon ninety (90) days prior written notice to Agency.

3. Amendment to Exhibit A. Exhibit A of the Agreement is hereby amended in its entirety to read as attached.

4. No Other Changes. Except as amended by this Second Amendment, all other terms and conditions in the Agreement shall remain unchanged and shall continue on in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Agreement for E-Waste Handling Services on the day and year first above written.

AGENCY:

CONTRACTOR:

SONOMA COUNTY WASTE MANAGEMENT
AGENCY

RECOLOGY SONOMA MARIN

By: _____
Susan Klassen, Interim Executive Director

By: _____
Michael J. Sangiacomo, President & CEO

Date: _____ Date: _____

APPROVED AS TO FORM:

By: _____
Ethan Walsh, Agency Counsel

Exhibit A
Scope of Work for
Electronic Waste Handling Services
at Sonoma County Disposal Sites Second Amendment

Agency and Contractor agree to the following terms and conditions regarding the tasks to be performed for Electronic Waste handling at Sonoma County Disposal Sites.

Electronic Waste (E-waste) Collection Responsibilities

1. Contractor shall accept E-waste from the public delivered to Sonoma County Disposal Sites.
2. Contractor shall provide waterproof and leak-proof roll-off bins and containerize E-waste in such bins. Should damages to a bin occur during transport or by the third-party processor, Contractor shall have 30 days to repair the bin.
3. Contractor shall label each bin with a Universal Waste accumulation label detailing:
 - a. Accumulation start date (day roll-off was dropped off)
 - b. Accumulation location (transfer station where material was collected)
 - c. Material type (To be identified as: "Universal Waste – Electronic Device(s)/Universal Waste CRT(s)/Universal Waste-CRT Glass")
4. Contractor shall transport E-waste from transfer stations (Annapolis, Central, Guerneville, Healdsburg, and Sonoma) to the Sonoma Transfer Station E-waste consolidation area. If the Sonoma Transfer Station E-waste consolidation area ceases to be available, Contractor shall transport E-waste from the transfer stations to such other E-waste processing site as may be agreed by Republic and Agency, at rates to be agreed by Agency and Contractor. If Agency and Contractor are unable to agree on such rates, then either party may terminate this Agreement upon thirty (30) days' prior written notice to the other.
5. Contractor shall Haul material to the E-waste consolidation area once a roll-off bin is at least 2/3 full or if the contents require transportation to comply with regulatory requirements or the terms of Contractor's agreement with Republic, whichever comes first.
6. Contractor shall assure that E-waste and roll-offs do not disrupt other functions at the disposal sites.
7. Contractor shall make every effort to assure that E-waste remains unbroken and off the ground in the public drop-off area and during transport. Should E-waste or a CRT be inadvertently broken prior to transport, Contractor is to immediately sweep up the

material or CRT glass and treat it as universal waste. Broken E-waste shall not be disposed of as garbage.

8. Contractor shall provide twenty (20) bins, with two (2) bins intended for each transfer station. Should the Agency's recycling contractor be unable to process E-waste in a timely manner, then Contractor may:

(i) if Contractor deems it reasonably necessary to ensure adequate E-waste storage capacity at the transfer stations, provide additional roll-off bins, in which case Agency shall pay Contractor's standard rental rate for such bins (\$121.00 per 50 CY roll-off bin per month); and/or

(ii) if Contractor deems it reasonably necessary to prevent a regulatory or contractual violation, deliver E-waste to the Central Landfill for temporary storage, or to an alternate processor to be designated by Agency (or, if Agency fails to designate such a processor within five (5) business days of Contractor's request, by Contractor). In such event, Agency shall pay the alternate processor for the cost of processing, and pay Contractor a mutually agreed transport fee (or, in the case of transport to the Central Landfill, the transport fee in accordance with this Agreement).

9. Contractor shall make the Agency aware of any issues with the E-waste collection locations or with the recycling contractor.

10. Contractor shall provide appropriate shipping documentation to Agency's recycling contractor. Contractor is to use appropriate shipping documentation between disposal sites. Copies of Bills of Lading shall be provided to Agency's recycling contractor.

Appropriate shipping documents for each roll-off shall include a minimum of:

- a. Date of shipment
- b. Site shipping from
- c. Site shipping to
- e. Bin contents (To be identified as: "Universal Waste – Electronic Device(s)/ Universal Waste CRT(s)/Universal Waste-CRT Glass")

11. Monthly reports shall be emailed to the Agency's contract manager by the 7th day of the following month. Reports shall include each shipping document from the prior month. Payment will be withheld until documentation is provided.

12. Contractor shall provide all necessary equipment for employees to perform their duties in a responsible and safe manner.

RESOLUTION NO.: 2018-

DATED: December 19, 2018

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("SCWMA") AUTHORIZING THE CHAIR TO SIGN THE SECOND AMENDMENT TO THE AGREEMENT WITH RECOLOGY SONOMA MARIN FOR THE E-WASTE HANDLING SERVICES.

WHEREAS, the SCWMA and The Ratto Group entered into a certain agreement for E-Waste Handling Services on November 18, 2015, as amended by a First Amendment dated November 16, 2016; and

WHEREAS, the SCWMA, The Ratto Group, and Recology Sonoma Marin entered into an assignment and assumption agreement on November 15, 2017; and

WHEREAS, the term of the aforementioned assignment will expire on February 11, 2019 unless amended by the SCWMA; and

WHEREAS, the SCWMA desires to extend the term of this agreement to December 31, 2021;

NOW, THEREFORE, BE IT RESOLVED that Board of Directors of the SCWMA approves of this Second Amendment to this Agreement with Recology Sonoma Marin, extending the term of the agreement to December 31, 2021.

BE IT FURTHER RESOLVED that the SCWMA hereby authorizes the SCWMA Chair of the Board to execute the Second Amendment to this Agreement with Recology Sonoma Marin.

MEMBERS:

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

AYES: -- NOES: -- ABSENT: -- ABSTAIN: --

SO ORDERED

The within instrument is a correct copy
of the original on file with this office.

ATTEST: DATE: December 19, 2018

Clerk of the Sonoma County Waste Management Agency
Agency of the State of California in and for the
County of Sonoma



Agenda Item #: **9**
Cost Center: **HHW**
Staff Contact: **Scott**
Agenda Date: **12/19/18**
Approved By:

ITEM: **DISCUSSION AND DIRECTION ON CLEAN HARBORS HHW CONTRACT EXTENSION**

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the Board direct staff to negotiate a contract extension with Clean Harbors Environmental Services for household hazardous waste (HHW) operations.

II. BACKGROUND

The management of HHW generated in Sonoma County is a core function of the SCWMA. In March of 2014, the SCWMA released a request for proposals for Operations of Household Hazardous Waste Programs and entered into an agreement with Clean Harbors Environmental Services on May 21, 2014. That agreement was extended on November 16, 2016 with a termination date of June 30, 2019.

Current programs operated by Clean Harbors include the Household Toxics Facility for residents, Very Small Quantity Generating businesses, Community Toxic Collection Events, and the Toxic Rover Pickup Service.

III. DISCUSSION

With the termination date approaching, staff is seeking Board input on two options moving forward. Option 1: Direct staff to negotiate a contract extension with Clean Harbors Environmental Services for HHW operations. Option 2: Direct staff to draft and release a request for proposals for current HHW operations.

SCWMA plans to open a North County HHW facility within the next few years. With an expected drastic change in operations, SCWMA will have to release a request for proposals to cover operations at the new facility.

Staff believes the best course of action would be to extend the contract with Clean Harbors Environmental Services and release a request for proposals in a few years that would cover operations of the new facility as well as current HHW operations.

Staff has been very satisfied with the services provided by Clean Harbors over the course of the existing contract.

IV. FUNDING IMPACT

SCWMA has a FY 18/19 budget of \$1,050,000 for HHW operations services with Clean Harbors.

V. ATTACHMENTS

None