



Zero Waste Sonoma

Meeting of the Board of Directors

**January 29, 2026
SPECIAL MEETING**

**Special Meeting will begin at 9:00 a.m.
Estimated Ending Time 10:30 a.m.**

Zero Waste Sonoma
195 Concourse Blvd. Ste. B
Santa Rosa, CA

PUBLIC COMMENT:

Public Comment may be submitted via recorded voice message or email.

Voice recorded public comment: To submit public comment via recorded message, please call 707-565-4432 by 5:00 pm Wednesday, January 28th. State your name and the item number(s) on which you wish to speak. The recordings will be limited to two minutes. These comments may be played or read at the appropriate time during the board meeting.

Email public comment: To submit an emailed public comment to the Board please email leslie.lukacs@sonoma-county.org and provide your name, the number(s) on which you wish to speak, and your comment. These comments will be emailed to all Board members and can be provided anytime leading up to and throughout the meeting.

COMMITMENT TO CIVILITY: The ZWS Board of Directors has a commitment to civility. To assure civility in its public meetings, the public is encouraged to engage in respectful dialog that supports freedom of speech and values diversity of opinion. Board Members, staff, and members of the public are expected to establish and maintain a cordial and respectful atmosphere during discussions; and foster meaningful dialogue free of personal attacks. Members of the public must also adhere to the speaking time limit. Any commenters in violation of civility standards will be disconnected.



Agenda

Item

1. Call to Order
2. Agenda Approval
3. Public Comments (items not on the agenda)

Consent (w/attachments)

None

Regular Calendar

4. Ratification of Emergency Organics Processing Capacity Agreements [Lukacs]
5. Boardmember Comments – NO ACTION
6. Next ZWS meeting: February 19, 2026
7. 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/Zero Waste Sonoma, members of the public desiring to speak on items that are within the jurisdiction of the Agency shall have an opportunity at the beginning and during each regular meeting of the Agency. 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 Zero Waste Sonoma Office at 2300 County Center Drive, Suite B100, Santa Rosa, (707) 565-3788, 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 on the internet at www.zerowastesonoma.gov



Agenda Item #: 4
Cost Center: Organics
Staff Contact: Lukacs
Agenda Date: 1/29/2026
Approved By: LL

ITEM: Ratification of Emergency Organics Processing Capacity Agreement and Authorization of Future Emergency Measures

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends that the Board ratify emergency actions taken by the Executive Director to secure alternative organics processing capacity and authorize the Executive Director to implement additional temporary measures and execute temporary organics processing agreements as necessary to maintain compliance, public health protections, and uninterrupted service delivery

II. BACKGROUND

On January 12, 2026, Zero Waste Sonoma was notified that Cold Creek Compost experienced unexpected mechanical failures affecting both of its grinders. As a result, Cold Creek requested that deliveries of organic material be reduced to no more than eight trucks per day through January 31, 2026, while replacement parts were sourced and repairs completed.

From January through October 2025, Cold Creek Compost received an average of seven trucks per day. However, in November and December 2025, deliveries increased to an average of 10 trucks per day and peaked at 16 trucks per day due to reduced acceptance capacity at the Redwood facility in Novato. This shift placed additional operational strain on Cold Creek's processing infrastructure, and Zero Waste Sonoma was forced to temporarily reduce deliveries to Cold Creek.

Recology initially proposed temporarily storing excess organic material at the transfer stations to manage the shortfall in processing capacity.

However, on January 20, 2026, Recology informed Zero Waste Sonoma that the Local Enforcement Agency issued a warning regarding potential enforcement action due to excessive accumulation of organic material at the transfer stations. The accumulation was impacting station operations, rising in temperature, starting the composting process, and exceeding permitted storage thresholds.

Given the immediate compliance risks and potential service disruption, staff initiated emergency organics delivery and processing agreements. On January 21, 2026, ZWS staff contacted and negotiated with four composting facilities to identify available processing capacity of organic materials and evaluated transportation logistics, hauling distances, and cost impacts. Based on operational feasibility, speed of implementation, and available capacity, staff selected two facilities and executed emergency organics processing agreements with Northern Recycling Operations and Waste Services, LLC's Pacific Organics Solutions on January 22, 2026. The financial impact of these agreements exceeds the Executive Director's standard signing authority and would normally require prior Board approval.

III. DISCUSSION

Staff is requesting Board ratification and approval of the two agreements executed by the Executive Director. The two agreements are included with this staff report. The Executive Director executed these agreements to address an unexpected disruption in organics processing capacity and to avoid more serious regulatory and operational consequences. Due to the urgent nature of the situation and immediate regulatory compliance risks and operational impacts at regional transfer stations, staff executed emergency delivery agreements exceeding the Executive Director's spending authority. The Cold Creek Compost disruption highlights increasing system vulnerability in organics processing facilities across the region. Staff will present a full accounting of the operational and financial impacts at the Special Meeting, including transportation cost increases and processing fee impacts.

Staff will also request Board direction on Staff's communication with Cold Creek Compost related to this disruption and seek authorization to execute additional temporary agreements and to make operational adjustments should further capacity disruptions occur.

IV. FUNDING IMPACT

Emergency hauling and processing agreements are expected to increase operating costs beyond adopted budget projections.

It was estimated that 17 additional truckloads need to be shipped out daily to haul the backlogged material. Each truck is approximately 22 tons, and Recology will be hauling 6 days per week. This equates to 2,244 tons of material being out-hauled.

Total per Week					
Processor	Hauling Rate/Ton	Gate Rate/Ton	Total Cost/Ton	Tons	Total Cost
Cold Creek Compost	\$32.90	\$53.83	\$86.73	2,244	\$190,538
Northern Recycling	\$27.42	\$90.00	\$117.42	1,584	\$185,993
Pacific Organics	\$29.83	\$71.90	\$101.73	660	\$83,642
Total Cost for Emergency Haul					\$269,635
Impact to Budget per week					\$79,097

V. ATTACHMENTS

Resolution
Executed Agreements

DATED: January 29, 2026

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY, ALSO KNOWN AS ZERO WASTE SONOMA (“ZWS”), RATIFYING THE EMERGENCY PROCESSING AGREEMENTS WITH NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC AND PACIFIC ORGANICS SOLUTIONS

WHEREAS, On January 12, 2026, Zero Waste Sonoma was notified that Cold Creek Compost experienced unexpected mechanical failures affecting both of its grinders and requested that deliveries of organic material be reduced to no more than eight trucks per day; and

WHEREAS, Recology initially proposed temporarily storing excess organic material at the transfer stations to manage the shortfall in processing capacity; and

WHEREAS, on January 20, 2026, Recology informed Zero Waste Sonoma that the Local Enforcement Agency issued a warning regarding potential enforcement action due to excessive accumulation of organic material at the transfer stations; and

WHEREAS, On January 21, 2026, ZWS staff contacted and negotiated with four composting facilities to identify available processing capacity of organic materials and evaluated transportation logistics, hauling distances, and cost impacts; and

WHEREAS, staff selected two facilities and executed emergency organics processing agreements with Northern Recycling Operations and Waste Services, LLC’s Pacific Organics Solutions on January 22, 2026; and

NOW, THEREFORE, BE IT RESOLVED that the ZWS Board hereby ratifies the agreements executed by the Executive Director with Northern Recycling Operations and Waste Services, LLC and Pacific Organics Solutions.

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: January 29, 2026

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

AGREEMENT FOR EMERGENCY ORGANIC MATERIAL PROCESSING SERVICES

between

**SONOMA COUNTY WASTE MANAGEMENT AGENCY
(also known as Zero Waste Sonoma)**

&

Northern Recycling Operations and Waste Services, LLC



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AGREEMENT FOR EMERGENCY ORGANIC MATERIALS PROCESSING SERVICES

This Agreement is made and entered into as of the 21st day of January, 2026 by and between the Sonoma County Waste Management Agency, a California Joint Powers Authority, hereinafter "SCWMA", and Northern Recycling Operations and Waste Services, LLC, hereinafter "Contractor".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- That SCWMA desires to engage Contractor to render processing services for Organic Materials generated from the SCWMA Member Agencies;
- That Contractor is qualified to provide such services to the SCWMA; and
- That SCWMA has elected to engage the services of Contractor upon the terms and conditions as hereinafter set forth.

ARTICLE 1. DEFINITIONS

For the purpose of this Processing Services Agreement, hereinafter referred to as "Agreement," the definitions contained in this Article shall apply unless otherwise specifically stated. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender shall include the feminine gender.

1.01 **Actions** means all actions including claims, demands, causes of action, suits, mediation, arbitration, hearings, investigations, inquiries and proceedings, whether legal, judicial, quasi-judicial, governmental or administrative in nature and whether threatened, brought, instituted or settled.

1.02 **Agreement** means this Agreement between the SCWMA and Contractor, including all exhibits, schedules and attachments (which are hereby incorporated in this Agreement by this reference), as this Agreement may be amended and supplemented.

1.03 **Alternative Daily Cover (ADC)** means cover material used at a Disposal Site, other than at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area at the end of each operating day to control blowing litter, fires, odor, scavenging, and vectors.

1.04 **Alternative Intermediate Cover (AIC)** means CalRecycle-approved materials other than soil used at a landfill on all surfaces of the fill where no additional Solid Waste will



be deposited within one hundred eighty (180) days. Generally, these materials must be processed so that they do not allow gaps in the face surface, which would provide breeding grounds for insects and vermin.

1.05 **Applicable Law** includes without limitation, AB 341, AB 876, AB 901, AB 939, AB 1594, AB 1826, SB 1016, SB 1383 and all amendments and related subsequent legislation, as well as all laws, statutes, ordinances, municipal, state, and federal authorities and all judgments, decrees, injunctions, writs and orders of any court, arbitrator or state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and all rules, regulations, orders, written interpretations, directives, licenses and permits of any state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government applicable to Contractor or its property or in respect of its operations.

1.06 **Assignment** means:

- a) A sale, exchange or other transfer of at least fifty-one percent (51%) of Contractor's assets dedicated to service under this Agreement to a third party;
- b) A sale, exchange or other transfer of outstanding common stock of Contractor to a third party, provided the sale, exchange or transfer results in a change of control of Contractor (with control being defined as ownership of more than forty-five percent (45%) of Contractor's voting securities);
- c) Any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, subcontracting or lease-back payments, or other transaction which results in a change of control of Contractor;
- d) Any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and
- e) Any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of control of Contractor.

1.07 **Beneficial Reuse Purposes** means use of material for beneficial reuse, which shall include, but not be limited to, the following: Alternative Daily Cover, Alternative Intermediate Cover, final cover foundation layer, liner operations layer, leachate and gas



collection system, construction fill, road base, wet weather operations pads and access roads, and soil amendments for erosion control and landscaping.

1.08 **Calendar Year** means a successive period of 12 months commencing on January 1 and ending on December 31.

1.09 **CalRecycle** means California's Department of Resources Recycling and Recovery, that administers and provides oversight for all of California's state-managed waste handling and recycling programs and any successor agency.

1.10 **Central Disposal Site** means the parcel containing the Sonoma County Landfill, operated by Republic Services and located on 500 Mecham Road.

1.11 **Collections Company** means the company contracted by each Member Agency for the collection of Organic Materials.

1.12 **Compostable Plastic** means a plastic designed to undergo a significant change in its chemical structure during its residency in a compost process such that the material has undergone biological degradation during composting to yield carbon dioxide, water, inorganic compounds and biomass at a rate consistent with other known compostable materials and leaves no visually distinguishable or toxic residues. Plastics that do not completely degrade during the compost process are not Compostable Plastics.

1.13 **Composting** is the biological decomposition of organic material under aerobic conditions in a self-limiting biological process performed at above 55 degrees Celsius for a period of at least 3-days. The composting process occurs when conditions are created in organic materials to balance and optimize air distribution, temperature control, nutrient availability, moisture content, and pH to encourage the increased natural decomposition rate of the material. The composting period is usually defined as the period of time necessary to reduce the compost pathogen concentrations to a level below the limits defined in CCR Title 14 Article 7 Section 17868.3 - Pathogen Reduction. The process and methodologies used to reduce the pathogen concentrations below the limits prescribed in CCR Title 14 Article 7 Section 17868.3 is generally referred to as the Process For Pathogen Reduction (PFRP) and defines the length of time and temperature necessary for an organic material to complete the compost process. After the PFRP is completed a compost product is produced and is typically (but not always) allowed to cure into a matured compost for later sale.

1.14 **Contamination** or **Contaminant** are materials that cannot be readily composted, or difficult to compost, at the Organic Materials Processing Facility, and include: human-made inert material contained within Organic Materials or Compost such as glass, metal, and plastic, concrete, hazardous materials such as batteries and electronic waste; certain natural materials



such as rock and soil; and certain organic materials which are difficult to process into Compost such as palm, cactus, and yucca.

1.15 **Contractor** means Northern Recycling Operations and Waste Services, a limited liability company organized and operating under the laws of the State of California.

1.16 **Direct Cost** means Contractor's reasonable costs incurred for materials testing, sorting, or cleaning. Direct Cost of labor and equipment use does not include profit, overhead or administrative expense.

1.17 **Disposal** means the management of solid waste through landfilling or transformation at permitted solid waste facilities.

1.18 **Diversion (Divert)** means to divert from Disposal or use anywhere at or on a landfill through source reduction, reuse, recycling, and composting.

1.19 **Effective Date** means the later date of execution by the SCWMA or Contractor on the execution page of this Agreement.

1.20 **Excessive Residual** is calculated as the number of Tons of Residual per quarter minus 10% of the total quarterly outbound Tonnage.

1.21 **Food Scraps** means meat, fish, dairy, fruit, vegetable and grain waste resulting from food production, preparation, cooking, storage, consumption or handling. Food Scraps excludes Compostable Plastics but includes food-soiled paper products which complexly degrade during the composting process. Food Scraps does not include Contaminants.

1.22 **Governmental Fees** are fees or taxes imposed upon Organic Materials Processing Facility by any governmental body or Regulatory Agency, other than those imposed upon the Organic Materials Processing Facility in connection with the repair, remediation, improvement, addition, or expansion of the Organic Materials Processing Facility.

1.23 **Green Waste** means vegetative matter resulting from normal yard and landscaping maintenance that is not more than 4 feet in its longest dimension or 12 inches in diameter, but excludes Contaminants such as palm, cactus and yucca. Examples of Green Waste are grass cuttings, weeds, leaves, weeds, pruning, and branches of acceptable size.

1.24 **Holidays** are defined as New Year's Day, Easter Sunday, 4th of July, Labor Day, Thanksgiving Day, and Christmas Day.

1.25 **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) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.(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 §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated there under 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 federal, state or local environmental laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

1.26 Liabilities mean all liabilities, including:

- a) Actions;
- b) Awards, judgments and damages, both:
 - i. actual damages, whether special and consequential, in contract or in tort, such as natural resource damages, damage for injury to or death of any Person; and damage to property; and
 - ii. punitive damages;
- c) Contribution or indemnity claimed by Persons other than the Parties; Injuries, losses, debts, liens, liabilities,
- d) Costs, such as response remediation and removal costs,
- e) Interest,
- f) Fines, charges, penalties, forfeitures and
- g) Expenses such as attorney's and expert witness fees, expenditures for investigation and remediation, and costs incurred in connection with defending against any of the foregoing or in enforcing Indemnities.

1.27 Material Change in Law. Any change in (or any new) Applicable Laws, applicable on or after the Effective Date, that applies to the Solid Waste industry (including, for the avoidance of doubt and without limitation, changes to the California Integrated Waste Management Act (CIWMA), changes to CalRecycle regulations, or changes to other Applicable Laws relating to any aspect of "Solid Waste handling," "Solid Waste disposal" or "Solid Waste facilities," as such terms are defined by CalRecycle). Material Change in Law shall not include any modifications to the Exhibits to this Agreement, as allowed under the terms of this Agreement.

1.28 Maximum Vehicle Turnaround Time means a monthly average of 30 minutes or less, measured from the time a vehicle enters either the Organic Materials Processing Facility



property and until it exits the Organic Materials Processing Facility property, including but not limited to gross and net weights, tipping and transportation throughout the facility.

1.29 **Member Agency/Agencies** means any one of the public entities which are signatories to the Joint Exercise of Powers Agreement of the Sonoma County Waste Management Agency (SCWMA).

1.30 **Monthly Report** is described in **Exhibit B**, Reporting to the SCWMA.

1.31 **Mixed Organic Materials** means loads of material delivered Contractor's Organic Materials Processing Facility, consisting of commingled Food Scraps and Green Waste, which have been separated by the residential generator and set out for Collection and Processing

1.32 **Organic Materials** means segregated Wood Waste, segregated Green Waste, Mixed Organic Materials, and Commercial Food Scraps.

1.33 **Organic Material Type** means segregated Wood Waste, segregated Green Waste, Mixed Organic Materials, and Commercial Food Scraps.

1.34 **Organic Materials Processing Facility** means Northern Recycling Operations and Waste Services at 820 Levitin Way, Napa, CA 94558, the facility that will Process and market the Organic Materials from the SCWMA.

1.35 **Overs** means pieces of composted material that are left "over" after the screening of finished Compost, and consists mainly of woody pieces of organic matter and film plastic. Overs may be mixed back in with the compost feedstock as a bulking agent and reprocessed to improve porosity and airflow in the incoming feedstock, used on top of the compost piles as a biofilter, sold to third parties as a mulch or biofuel or used in the landfill as ADC or erosion control, or disposed if the concentration of film plastic and other Physical Contaminants render it unfeasible for other uses. Typically, Overs range in size from 6-inches to 3/8" depending on screening and grinding operation utilized in the compost process and have a high concentration of film plastic within.

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

1.37 **Permits** means all federal, State, SCWMA, other local and any other governmental unit permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under Applicable Law to be obtained or maintained by any Person with respect to Services, as renewed or amended from time to time.



1.38 **Person(s)** includes an individual, firm, association, organization, partnership, corporation, trust, joint venture, the United States, the State, local governments and municipalities and special purpose districts and other entities.

1.39 **Processed OR Processing** means subjected to a process to transform Organic Materials into a Compost Product, a mulch product for land application (other than at a landfill), or for use as biofuel, anaerobic digestion or other conversion technologies (in accordance with CalRecycle regulations so that such materials are considered diverted and recycled), and includes removal of Residual. Process OR Processing further means the process conducted by the Organic Materials Processing Facility, as described in the facility's Report of Compost Site Information that is submitted to CalRecycle.

1.40 **Quarterly Report** is described in **Exhibit B**, Reporting to the SCWMA.

1.41 **Rate** means the amount established under Article 4, Contractor Compensation and **Exhibit A**, Organic Materials Rates, of this Agreement to be charged to the SCWMA by Contractor for Processing of Organic Materials.

1.42 **Regulatory Agency** means any federal, State or local governmental agency, including California Department of Transportation, California Department of Motor Vehicles, EDD, U.S. Immigration and Naturalization Services, California Air Resources Board, regional water quality management districts, California Department of Toxic Substances, CIWMB, the Local Enforcement Agency, federal and State Environmental Protection Agencies and other federal or State health and safety department, applicable to Services.

1.43 **Records** means all ledgers, book of account, invoices, vouchers, canceled checks, logs, correspondence and other records or documents of Contractor evidencing or relating to Rates, Tonnage of Organic Materials, satisfaction of Contractor's obligations under this Agreement and performance of the terms of this Agreement, damages payable under this Agreement and Contractor defaults as described and defined in Article 7.

1.44 **Residual** means all Solid Waste, Contaminants and other materials, excluding Overs and Organic Materials (other than trace amounts), removed from Organic Materials during, before, or after Composting. Residual may be landfilled or used as ADC or sent for other appropriate use, such as biofuel.

1.45 **SCWMA** means the Sonoma County Waste Management Agency.

1.46 **Solid Waste** means and includes all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes,



as defined in California Public Resources Code §40191 as that section may be amended from time to time. For the purposes of this Agreement, "Solid Waste" does not include Hazardous Substances, low-level radioactive waste, medical waste, or Organic Materials.

1.47 **Start Date** means January 1, 2026, the date on which Contractor will begin accepting Organic Material under the terms of this Agreement.

1.48 **Subcontractor** means any Person to which Contractor subcontracts any portion of the Services, whether pursuant to formal, written agreement or otherwise.

1.49 **Term** is defined in Article 2.01

1.50 **Ton (or Tonnage)** means a short Ton of 2,000 standard pounds where each pound contains 16 ounces.

1.51 **Transfer (or Transferring** or other variations thereof) means transferring of Organic Materials at a transfer station, from residential collection vehicles, commercial collection vehicles and self-haulers into Transport vehicles.

1.52 **Transfer Company** means the Person that SCWMA directs pursuant to the Operating Agreement to Transport Organic Materials from transfer stations to the Organic Materials Processing Facility.

1.53 **Transfer Vehicle** means a tractor and trailer designed to haul Organic Materials to the Organic Materials Processing Facility.

1.54 **Transport (or Transportation)** means the transportation of Organic Materials to the Organic Materials Processing Facility.

1.55 **Violation** means any notice, assessment or determination of non-compliance with Applicable law from any Regulatory Agency to Contractor, whether or not a fine or penalty is included, assessed, levied or attached.

1.56 **Wood Waste** means loads of material delivered to Contractor's Organic Materials Processing Facility consisting of wood materials (excluding unprocessed logs) which have no paint, varnish, finishes, glues, or treatments, and which have been separated by the generator and set out for Collection and Processing.

ARTICLE 2. TERMS AND CONDITIONS OF AGREEMENT



2.01 Term of Agreement. Said services shall commence on January 22, 2026 and shall continue for a period of 1 month. The term will be extended by automatic renewals of 1-month periods unless there is a 30-day written notice of termination by the SCWMA or Northern Recycling, LLC pursuant to Section 7.04 of this Agreement.

2.02 Authorization and Termination. This Agreement becomes effective when endorsed by both Parties in the space provided below.

ARTICLE 3. OBLIGATIONS OF CONTRACTOR

3.01 Scope of Processing Services. The services to be performed by Contractor under this Agreement shall be to accept, process, and market Organic Materials generated from the SCWMA's Member Agencies. The provisions of this Article are only applicable after the Start Date.

3.01.1 Starting on the Start Date, SCWMA Member Agencies shall deliver to the Organic Materials Composting Facility, and Contractor shall accept between 200 Tons and 264 Tons per day of Organic Materials until February 6, 2026. From February 7, 2026 until this Agreement is terminated, Contractor shall accept 100 Tons to 110 Tons per day of Organic Materials. The SCWMA Member Agencies are obligated to deliver (and Contractor shall receive) materials on days that the Organic Materials Processing Facility is operating (as described in Section 3.5, Days and Hours of Operations).

3.01.2 Contractor and SCWMA expressly agree that nothing in this Agreement guarantees to Contractor any minimum amount of such waste.

3.02 Processing Standards. The following processing standards shall be met by the Organic Materials Processing Facility, at a minimum:

3.02.1 Pre-processing activities shall include, but not be limited to, the inspection for and removal of Contamination.

3.02.2 Processing shall be accomplished by the use of recognized processing methods, which have been demonstrated to be able to consistently produce stable, mature Compost Products or end products.

3.02.3 Post-Composting Processing activities shall include screening to remove plastics and other Contaminants from the Compost Product or end product.

3.02.4 100% of the Organic Materials accepted at the facility, not including Contamination, including third-party and Self-Haul material, shall be Processed and marketed



for use as compost, mulch, or soil amendment. Residuals may be disposed, used as ADC, erosion control or sent to other appropriate uses as defined by the Contractor. Overs may be mixed back in with the compost feedstock as a bulking agent and reprocessed to improve porosity and airflow in the incoming feedstock, used on top of the compost piles as a biofilter, sold to third parties as a mulch or biofuel or used in the landfill as ADC or erosion control, or disposed if the concentration of film plastic and other Physical Contaminants render it unfeasible for other uses.

3.02.5 Contractor is responsible for processing organic waste into a marketable product and transporting and marketing of all end products at the risk, expense and profit or loss of the Contractor, subject to **Exhibit A**.

3.02.6 Compost products for marketing shall conform with the Compost Quality Specifications and at a minimum should be CDFA-approved. If multiple product lines are provided, Contractor shall comply with the Compost Quality Specification for each product line, in alignment with the proposed and projected quantities of each product line to be produced. These estimates may be adjusted upon Contractor's request and the approval of the SCWMA.

3.03 Contractor shall provide adequate signage for flow of traffic and posted Rates, if public self-haul materials are to be accepted at Organic Materials Processing Facility.

3.04 Permits and Compliance. Contractor will comply with all Permits, including any mitigation measures related to the operation and maintenance of the Organic Materials Processing Facility. Contractor is solely responsible for paying any fines or penalties imposed for noncompliance with or violation of Permits or failure to obtain Permits, unless caused by SCWMA's or a third party's breach, negligence, or violation of applicable law. Under no circumstances shall any provision of this Agreement obligate Contractor to violate any of its Permits.

3.04.1 Contractor shall site, own, and operate the Organic Materials Processing Facility that is permitted by CalRecycle and maintain this designation throughout the term of the Agreement. Contractor is not required to own the site, but ownership status of the site shall not affect Contractor's ability to perform its obligations under this Agreement. The Organic Materials Processing Facility Permit must include the ability to accept mixed organic materials. Contractor must notify SCWMA before accepting any shipments if there is any change in such status.

3.04.2 Compliance with all Applicable Laws and Regulations. Contractor and SCWMA shall comply with all Federal, State, and/or Local Regulations in the performance of this Agreement. These laws may include but are not limited to: CalRecycle Facility Permit, Water Board Permit, Air District Permit, Land Use Permit, Emergency Management and Contingency Plan, and State and Local Fire Code. The Contractor shall comply with Federal and



State regulatory standards for compost operation, pollutant concentrations, pathogen reduction, monitoring, recordkeeping, and reporting.

3.04.3 Notification of Violations. Contractor shall provide copies of any notices of violation that it receives (or that any Subcontractor receives and that are provided to Contractor) from any Regulatory Agency during the term of this Agreement related to the operation of the Organic Materials Processing Facility or the performance of the Services. Contractor shall provide SCWMA copies within three (3) business days of receiving them.

3.04.4 Site shall at all times be accessible to enforcement and inspection personnel from regulatory and enforcement agencies.

3.05 Days and Hours of Operation. Contractor will operate the Organic Materials Processing Facility for the receipt of SCWMA's Organic Materials between the hours of 5:00 am – 4:00 pm, Monday – Friday, and 6:00 am – 4:00 pm Saturday. Organic Materials Processing Facility will be closed on Holidays.

3.06 Traffic Control and Direction. Contractor will direct on-site traffic to appropriate unloading areas and provide a safe working environment. Contractor will provide necessary signs and personnel to assist drivers to proper unloading areas. Contractor will operate the Organic Materials Processing Facility so that the conditions of the Maximum Vehicle Turnaround are met and the SCWMA's Transfer Company or Collections Company(ies) vehicles are processed, unloaded and exit without delay from the facility no longer than 30 minutes from arrival at the Contractor's scales. Contractor will not exceed this time by more than 5 times per month. The calculation of the times will be based on time stamp tickets at the scale house.

3.07 Scale Operation.

3.07.1 Maintenance and Operation. Contractor will maintain or provide for State-certified scales that link to a centralized computer recording and billing system and that account for tracking of the inbound and outbound times, date of receipt, documentation of Rate charged, Organic Material Type, origin of material, and invoice number. Contractor will operate scales during Organic Materials Processing Facility receiving hours established in Section 3.5. Contractor will provide the SCWMA with access to weighing report promptly upon SCWMA's request, and no later than three (3) days following such request.

3.07.2 Scale house operators will inspect material in vehicles, weigh and record quantity and type, and enter into a computer system that will compile information into various reports.



3.07.3 Vehicle Tare Weights. When Transfer Company or Collections Company(ies) place new vehicles into service, Contractor or scale operator will promptly weigh the new vehicle and determine its unloaded ("tare") weight(s). Contractor or scale operator will record tare weight, hauler name, and vehicle identification number. Within 10 calendar days of weighing, Contractor will provide the SCWMA and Transfer Company or Collections Company(ies) with a report listing vehicle tare weight information. Contractor will have the right to request re-determination of tare weights of vehicles twice each Calendar Year. If there is reasonable suspicion or evidence that tare weights are not accurate, Transfer Company or Collections Company(ies) may request re-determination of tare weights, in which case Contractor will promptly re-determine tare weights for requested vehicles up to 4 times per Calendar Year. Contractor may update tare weights (at its own initiative) more frequently.

3.07.4 Testing. Contractor or scale operator will test and calibrate all scales in accordance with Applicable Law, but at least every 12 months. Upon SCWMA request, Contractor will promptly provide the SCWMA with copies of test results. Contractor or scale operator will further test and calibrate any or all scales within 5 calendar days of SCWMA direction. If test results indicate that the scale or scales complied with Applicable Law, the SCWMA will reimburse Contractor or scale operator the Direct Costs of the tests. If the test results indicate that the scale or scales did not comply with Applicable Law, Contractor or scale operator will bear the entire costs thereof and Contractor or scale operator will at its own cost adjust and correct, consistent with the results of that test, all weight measurements recorded and Organic Materials Rates calculated, charged and paid, as the case may be, from the date of SCWMA's direction.

3.07.5 Weighing Standards and Procedures. Contractor will use the scale house(s) to weigh vehicles and charge Organic Materials Rates. Contractor will charge the SCWMA based on the Tonnage of SCWMA's Transfer Company or Collections Company(ies) deliveries to the Organic Materials Processing Facility and the Rate as set in **Exhibit A** and adjusted under the terms of this Agreement. Contractor or scale operator will weigh and record inbound weights of all Transfer Company's or Collections Company(ies)'s vehicles when the vehicles arrive at the Organic Materials Processing Facility and weigh and record outbound weights of vehicles for which Contractor or scale operator does not maintain tare weight information. Contractor or scale operator will provide each driver with a receipt showing the date, time, and quantity of SCWMA's Plants and Organic Materials that the vehicle delivered to the Organic Materials Processing Facility.

3.07.6 Records and Reporting. Contractor will maintain scale records and reports that provide information including date of receipt; inbound time; origin, destination and weight of inbound and outbound loads; inbound and outbound weights of vehicles; and vehicle identification number.



3.07.6.1 Contractor will provide the SCWMA with a detailed Monthly Report as described and exemplified in **Exhibit B**, Reporting to the SCWMA.

3.07.7 Safety. The Contractor will conduct operations of Organic Materials Processing Facility in a safe manner, in accordance with Applicable Law and insurance requirements provided in Article 5, Indemnity and Insurance.

3.08 Contamination and Load Rejection. Contractor shall describe a protocol, including a Contamination threshold, surcharge, and methodology for identifying reject-able loads at the scale house. Such Contamination monitoring should be accompanied with detailed recordkeeping that is maintained at all times on site.

3.08.1 Any load containing in excess of 1% by weight Contamination threshold shall be classified as Solid Waste and loaded onto the Transfer Company or Collections Company(ies)'s vehicles for backhaul to the Central Disposal Site at no cost to Contractor.

3.08.2 For loads that exceed the 1% by weight Contamination threshold as determined by visual inspection, but which are salvageable by sorting Contamination out of the load, the SCWMA can choose to have the Contractor sort contamination from the load so that it falls below the established contamination threshold. For loads that are sorted to remove excessive Contamination, the SCWMA will reimburse Contractor on a time and materials basis for the Direct Cost of handling of the excessive Contamination (e.g., sorting, transportation and disposal); the Contractor shall retain auditable records of these direct costs for applicable loads of Contamination. It is understood that Contamination removed by Contractor will not be processed over a sort line or mechanical screens and will include some de minimus amounts of Organic Materials that cannot be efficiently separated from Contamination.

3.09 Right to Enter Facility and Observe Operations. The SCWMA and its designated representative(s) may enter, observe and inspect the Organic Materials Processing Facility at any time during operations; conduct studies or surveys of the Organic Materials Processing Facility; and meet with the manager(s) or his or her representatives at any time; provided that the SCWMA and its representatives comply with Contractor's reasonable safety and security rules and will not interfere with the work of the Contractor or its subcontractors. However, if the Organic Materials Processing Facility manager or other management personnel are not present at the Organic Materials Processing Facility when the SCWMA or its designated representative(s) visit without prior announcement, Contractor may limit the visit of the SCWMA or its designated representative to the public areas of the facility. In that event, Contractor will arrange for SCWMA or its designated representative(s) to return for a full site visit of the entire Organic Materials Processing Facility within 24 hours of the SCWMA's initial visit. Upon SCWMA direction, Contractor will make personnel available to accompany SCWMA employees on inspections. Contractor will ensure that its employees cooperate with the SCWMA and respond to the SCWMA's reasonable inquiries.



ARTICLE 4. CONTRACTOR COMPENSATION

4.01 General. The Contractor will perform all of its obligations, responsibilities and duties under this Agreement, including paying costs associated with obtaining and complying with all Permits operating the Organic Materials Processing Facility in full compliance with Applicable Laws.

4.02 Processing Rate; Annual Rate Adjustments. The Contractor will be compensated on a per Ton basis for Materials delivered by the Transfer Company or Collections Company(ies) and accepted by Contractor for Processing. **Exhibit A**, Rates, provides the initial Rates by Organic Material Type. Such rates shall be increased annually as set forth in **Exhibit A**.

4.03 Invoicing. On or before the 15th of each month, Contractor will invoice the SCWMA in amounts equal to the applicable Rates listed in **Exhibit A** for the prior month's Organic Materials delivered to the Organic Materials Processing Facility. Invoices will be in a form satisfactory to SCWMA. All undisputed amounts shall be payable by SCWMA within 60 calendar days of receipt of the invoice. For example, for processing provided in July, Contractor will invoice SCWMA on or before August 15 and payment will be due and payable by SCWMA on or before October 15. Contractor may deliver to SCWMA a notice of late payment for a given monthly invoice 50 calendar days after the date of generation of the invoice. Contractor's invoices shall be deemed delinquent if not paid within ten (10) calendar days of the date of the notice of late payment. Thereafter, the delinquent invoice shall bear interest on the unpaid balance at a rate not to exceed one and one-third percent (11/3%) per month.

ARTICLE 5. INDEMNITY AND INSURANCE

5.01 Indemnification. Contractor shall defend, with counsel reasonably acceptable to SCWMA, indemnify and hold harmless, to the fullest extent allowed by law, SCWMA, its Member Agencies, its officers, officials, employees, volunteers, agents and assignees (collectively, "Indemnitees"), from and against any and all loss, liability, penalties, forfeitures, claims, demands, actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties) (collectively, "Loss") arising or resulting from:

5.01.1 the operation of Contractor, its agents, employees, and/or Subcontractors, in exercising the privileges granted to it by this Agreement;



5.01.2 the failure of Contractor, its agents, employees, and/or Subcontractors to comply in all respects with the provisions and requirements of this Agreement, applicable laws, ordinances and regulations, and/or applicable permits and licenses;

5.01.3 the acts of Contractor, its agents, employees, and/or Subcontractors in performing services under this Agreement for which strict liability is imposed by law. The foregoing indemnity shall apply regardless of whether such Loss is also caused in part by any of the Indemnitees' negligence;

5.01.4 The Loss indemnifiable under the foregoing indemnity may include, but is not limited to, Loss arising out of or resulting from the following:

5.01.4.1 Personal injury (including, but not limited to, bodily injury, emotional injury or distress, sickness, or disease) or death to persons, including, but not limited to, any employees or agents of Contractor, SCWMA, or any Subcontractor, or damage to property of anyone, caused or alleged to be caused in whole or in part by any negligent act or omission of Contractor, or anyone directly or indirectly employed by Contractor, or anyone for whose acts Contractor may be liable;

5.01.4.2 Penalties threatened, sought, or imposed on or against SCWMA by reason of the violation by Contractor of any law, order, citation, rule, regulation, standard, ordinance, or statute;

5.01.4.3 Alleged infringement of any intellectual property rights which may be brought arising out of Contractor's work;

5.01.4.4 Claims and liens for labor performed or materials used or furnished to be used on the job by Contractor, including all incidental or consequential damages from such claims or liens;

5.01.4.5 Contractor's failure to fulfill any of the covenants set forth in the Agreement;

5.01.4.6 Failure of Contractor to comply with the provisions of the Agreement relating to insurance; and,

5.01.4.7 Any violation or infraction by Contractor of any law, order, citation, rule, regulation, standard, ordinance, or statute in any way relating to the occupational, health, or safety of employees.

5.01.4.8 The indemnities set forth in this Article shall not be limited by the insurance requirements set forth in the Agreement.



5.01.4.9 Contractor's indemnification of Indemnitees will not include indemnification for Loss which arises as the result of an Indemnitee's breach of this Agreement, or the negligence or misconduct of Indemnitees.

5.01.5 Environmental Indemnity. Contractor shall indemnify, defend with counsel reasonably acceptable to Contractor and the SCWMA, and hold harmless, at Contractor's sole cost and expense, the SCWMA, its Member Agencies, officers, officials, employees, volunteers and agents, and the SCWMA's Board (collectively, "Environmental Indemnitees") from and against any and all claims, damages, injuries, costs (including and 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 reasonable attorneys' and expert witness fees, expenditures for investigation and remediation) and costs of any kind whatsoever ("Losses"), paid, imposed upon, incurred, or suffered by or asserted against any of the Environmental Indemnitees by any lawsuit brought or threatened, settlement reached, or government hearing, investigation, inquiry, proceeding, or order relating to, or arising from, directly or indirectly, Contractor's alleged failure or actual failure to comply with the environmental laws and regulations. This indemnification will not extend to environmental claims to the extent they are caused by the sole or joint or contributory negligence or intentional misconduct or omission of Contractor or the SCWMA, and each of their officers, employees or agents. This provision is in addition to all other provisions in this Agreement and is intended to survive the end of the term of this Agreement.

5.02 Contractor's obligation to defend, hold harmless, and indemnify shall not be excused because of Contractor's inability to evaluate liability or because Contractor evaluates liability and determines that Contractor is not liable to the claimant. Contractor shall respond within thirty (30) days to the tender of a claim for defense and indemnity by SCWMA, unless this time has been extended by SCWMA.

5.03 If Contractor fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, SCWMA may retain so much of the money due Contractor by virtue of this Agreement as shall reasonably be considered necessary by SCWMA, to cover all anticipated costs of the claim until final disposition has been made on the claim or suit for damages, or until Contractor accepts or rejects the tender of defense, whichever occurs first.

5.04 With respect to third party claims against Contractor indemnifiable under this Article, Contractor waives any and all rights of any type to express or implied indemnity against the Indemnitees.



5.05 Hazardous Substances Indemnification. Contractor shall indemnify, defend with counsel reasonably acceptable to the SCWMA, and hold harmless the Indemnitees from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, hazardous materials response, remediation and removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorneys' fees for the adverse party and expenses (including but not limited to attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against SCWMA or its officers, officials, employees, agents, assigns, or successors (collectively, "Claims") arising from or attributable to any repair, clean-up or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste released, threatened to be released, or spilled by Contractor under this Agreement, or disposed of by Contractor under this Agreement at any facility owned by Contractor or any of its affiliates. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code section 25364, to defend, hold harmless and indemnify the SCWMA from liability.

5.05.1 SCWMA shall fully cooperate with in defending such alleged violations, and Contractor shall not be responsible for additional payments to SCWMA for SCWMA cost or expense related to cooperating with Contractor in this capacity.

5.06 Consideration. It is specifically understood and agreed that the consideration inuring to Contractor for the execution of this Agreement consists of the promises, payments, covenants, rights and responsibilities contained in this Agreement.

5.07 Obligation. The execution of this Agreement by Contractor shall obligate Contractor to comply with the foregoing indemnification provisions; however, the collateral obligation of providing insurance shall also be fully complied with as set forth in Section 5.11 below.

5.08 Subcontractors. The Contractor shall require all subcontractors to enter into an Agreement containing the provisions set forth in Article 5 in its entirety and in the preceding subsection in which Agreement the subcontractor fully indemnifies the SCWMA in accordance with this Agreement.

5.09 Exception. Contractor's obligation to indemnify, hold harmless and defend SCWMA, its officers and employees shall not extend to any loss, liability, penalty, plain, damage, action or suit arising or resulting from acts or omissions constituting a breach of this Agreement, willful misconduct or negligence on the part of the SCWMA its officers or employees.



5.10 Contractor Compliance. Contractor will comply with all requirements of Contractor's insurers and the insurance policies required under Section 5.11 below. Carrying insurance will not relieve Contractor from any obligations under this Agreement. Nothing in this Agreement may be construed as limiting in any way the extent to which the Contractor may be held responsible for payments of damages to Persons or property resulting from Contractor's or any Subcontractors' performance of Services.

5.11 Insurance. Contractor shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Contractor shall furnish SCWMA with certificates of insurance evidencing the required coverage.

5.11.1 Workers' Compensation Insurance. Workers' compensation insurance with statutory limits as required by the Labor Code of the State of California and employers' liability insurance with limits of not less than \$1,000,000 per accident.

5.11.2 General Liability Insurance. Commercial general liability insurance covering bodily injury and property damage using an occurrence policy form, in an amount of One Million Dollars (\$1,000,000.00) combined single limit for each occurrence. Said commercial general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy:

- a) The SCWMA, and its Member Agencies, officers, and employees, is named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- b) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.
- c) The insurance provided herein is primary coverage to the Sonoma County Waste Management Agency with respect to any insurance or self-insurance programs maintained by the SCWMA.
- d) This policy shall not be cancelled without first giving thirty {30} days prior written notice to the SCWMA, except that ten (10) days' notice shall be given for cancellation due to non-payment of premium.

5.11.3 Automobile Insurance. Automobile liability insurance covering bodily injury and property damage in an amount of than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles. Said policy shall be endorsed with the following language: This policy shall



not be cancelled without first giving thirty (30) days prior written notice to the SCWMA, except that ten (10) days' notice shall be given for cancellation due to non-payment of premium.

5.12 Pollution Liability Insurance. Contractor shall purchase and maintain in force for the duration of the Agreement term insurance for pollution legal liability applicable to bodily injury; property damage, cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims; all in connection with any loss arising from the transporter's activity under this Agreement. Coverage shall be maintained in an amount of at least \$1,000,000 per loss, with an annual aggregate of at least \$2,000,000 for claims arising within the SCWMA. If coverage is written on a claims-made basis, the Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Agreement, and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of three years beginning from the time that work under this Agreement is completed. Said policy shall be endorsed with the following language:

This policy shall not be cancelled without first giving thirty (30) days prior written notice to SCWMA, except that ten (10) days' notice shall be given for cancellation due to non-payment of premium.

ARTICLE 6. ASSIGNMENT

6.01 No Assignment of this Agreement or any right occurring under this Agreement shall be made in whole or in part by Contractor without the express written consent of the SCWMA.

6.01.1 The SCWMA shall have full discretion to approve or deny, with or without cause, any proposed or actual assignment by Contractor.

6.01.2 Any assignment of this Agreement made by Contractor without the express written consent of the SCWMA shall be null and void and shall be grounds for the SCWMA to declare a default of this Agreement and immediately terminate this Agreement by giving written notice to Contractor, and upon the date of such notice this Agreement shall be deemed immediately terminated, and upon such termination all liability of the SCWMA under this Agreement to Contractor shall cease, and the SCWMA shall be free to negotiate with other contractors, Contractor, or any other person or company for the services which are the subject of this Agreement. In the event of any assignment, the assignee shall fully assume all the liabilities of Contractor.

6.01.3 In the event that the SCWMA agrees to an assignment of this Agreement to a qualified service provider, Contractor shall make payment to the SCWMA in a reasonable



amount to be determined by the SCWMA for reimbursement of direct costs to SCWMA associated with the right to any such assignment

6.01.4 Payment will be made within thirty (30) days of SCWMA consent to assignment, and if full payment is not made then any such assignment shall be null and void.

6.01.5 The use of a Subcontractor to perform services under this Agreement shall not constitute delegation of Contractor's duties, provided that Contractor has received prior written authorization from the SCWMA to subcontract such services and the SCWMA has approved the Subcontractor who will perform such services.

ARTICLE 7. DEFAULT AND TERMINATION

7.01 Default and Remedies. Each of the following shall constitute a default under this Agreement (a "Default"):

7.01.1 Fraud or deceit.

7.01.2 Failure to maintain insurance coverage described herein.

7.01.3 Contractor violation of orders or filings of a regulatory body having a material impact on Contractor's ability to perform its obligations as required by this Agreement.

7.01.4 Loss of Contractor's "Organic Materials Processing Facility" Permit.

7.01.5 Failure to perform Services as required by this Agreement for two (2) consecutive days or more or for any seven (7) days in a period of 30 days.

7.01.6 Failure to make reasonable efforts to divert and Process Organic Materials as required in Article 3 of this Agreement.

7.01.7 Failure of Contractor to provide reports and/or records as provided for in this Agreement.

7.01.8 Any act or omission by Contractor which violates the terms of this Agreement.

7.01.9 Any false or misleading representation of Contractor.

7.01.10 Filing of a voluntary petition for debt relief.



7.01.11 Bankruptcy of Contractor.

7.01.12 Contractor's failure to provide assurance of performance.

7.02 Contractor shall be given 30 days from notification by the SCWMA to cure any of the foregoing Defaults arising under this Agreement, except that, if such Default is not capable of being cured within 30 days, then (a) upon prior notice by Contractor that it is invoking this provision, the cure period shall be extended for an additional 30 days, provided that Contractor diligently pursues cure, and (b) if before the end of such additional 30-day period, Contractor submits to SCWMA a plan of cure acceptable to SCWMA in its sole discretion, then the cure period shall be as set forth in such plan of cure, provided that Contractor diligently pursues such cure.

7.03 In the event of Contractor's failure to cure said Default within the aforementioned cure period, the SCWMA may, at its option, immediately terminate this Agreement upon written notice to Contractor. This right of termination is in addition to any other rights of the SCWMA and the SCWMA's termination of this Agreement shall not constitute an election of remedies. Instead, it shall be in addition to any and all other legal and equitable rights and remedies the SCWMA may have.

7.04 In addition to the foregoing, SCWMA may terminate this Agreement without cause upon 30 days notice to Contractor.

ARTICLE 8. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

8.01 Legal Status. Contractor is a corporation or LLC organized and operating under the laws of the State of California.

8.02 Authorization. Contractor represents and warrants that it has the authority to enter into and perform its obligations under this Agreement. The Contractor has taken all actions required by law to authorize the execution of this Agreement. The person signing this Agreement on behalf of Contractor has authority to do so.

8.03 Agreement Will Not Cause Breach. To the best of Contractor's and SCWMA's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement, nor the performance of this Agreement: (i) conflicts with, violates, or results in a breach of any applicable law; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency, or other governmental authority, or any agreement or instrument to which Contractor or SCWMA is a party or by which Contractor or SCWMA or any of its properties or assets are bound, or constitutes a default thereunder.



8.04 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 materially adversely affect the performance by Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of Contractor or any surety guaranteeing Contractor's performance under this Agreement, which has not been waived by the SCWMA in writing.

8.05 Ability to Perform. Contractor possesses the business, professional and technical expertise to manage, handle, treat, store, process, and recycle Organic Materials, and will possess the equipment, plant, materials, supplies, and employee resources required to perform this Agreement.

ARTICLE 9. GENERAL PROVISIONS

9.01 Entire Agreement. This Agreement represents the full and entire Agreement between the SCWMA and Contractor with respect to the matters covered herein.

9.02 Force Majeure. Neither party shall be in default under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, fires, and volcanic eruptions, strikes, lockouts and other labor disturbances or other catastrophic events which are beyond the reasonable control of Contractor. 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; provided, however, that labor unrest or job action directed at a third party over whom Contractor has no control, shall excuse performance.

9.03 A party claiming excuse under this Section must (i) have taken reasonable precautions to avoid being affected by the cause, and (ii) notify the other party in writing within 5 days after the occurrence of the event specifying the nature of the event, the expected length of time that the party expects to be prevented from performing, and the steps which the party intends to take to restore its ability to perform.

9.04 Notice Procedures. All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes, or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below, e-mailed to the e-mail address below, or faxed to the fax



number below, or sent via certified mail or Federal Express, or deposited in the United States mail, first class postage prepaid, addressed as follows:

SCWMA: **SONOMA COUNTY WASTE MANAGEMENT AGENCY**
Attention: Leslie Lukacs, Executive Director
2300 County Center Drive, Suite B-240
Santa Rosa, CA 95403

CONTRACTOR: **NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC.**
Attention: Greg Kelley
PO Box 239
Napa, CA 94559

9.05 The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

9.06 Notice shall be deemed given on the day it is personally delivered or e-mailed, or, if mailed, three calendar days from the date it is deposited in the mail.

9.07 Independent Contractor. Contractor is an independent contractor and not an officer, agent, servant or employee of the SCWMA. Contractor is solely responsible for the acts and omissions of its officers, agents, employees and subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between the SCWMA and Contractor. Neither Contractor nor its officers, employees, agents or subcontractors shall obtain any rights to retirement or other benefits which are accrued by SCWMA employees.

9.08 Severability. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Agreement or any part thereof is, for any reason, held to be illegal, such decision shall not affect the validity of the remaining portions of this Agreement or any part thereof.

9.09 Waiver or Modification. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

9.10 Forum Selection. Contractor and the SCWMA stipulate and agree that any litigation relating to the enforcement or interpretation of this Agreement, arising out of Contractor's performance, or relating in any way to the work, shall be brought to California State Courts in Sonoma County.

9.11 Third Party Beneficiaries. Contractor acknowledges and declares that separately the Cities of Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol,



Sonoma, Windsor, and the County of Sonoma are and will be Third Party beneficiaries of this Agreement, included without limitation.

9.12 Court Costs and Attorney Fees. In the event legal action is instituted by either party to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees and actual costs in connection with such action.

9.13 Counterparts and Facsimile Signatures. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document. For purposes of this Agreement, each of the signatories hereto agrees that a facsimile copy of the signature page of the person executing this Agreement shall be effective as an original signature and legally binding and effective as an execution counterpart thereof.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____
Leslie Lukacs, SCWMA Executive Director

Date: _____

Reviewed as to form:

Ethan Walsh, Agency Counsel

NORTHERN RECYCLING OPERATIONS AND WASTE SERVICES, LLC.

By: _____
Greg Kelley, General Manager

Date: _____



EXHIBIT A: RATES

- a) **Rates.** Contractor will be compensated \$90.00 per Ton for Organic Materials delivered to the Organic Materials Processing Facility.
- b) **Annual Rate Adjustments.** The Rates outlined above are for the period January 22, 2026 through June 30th, 2026. Such rates will be adjusted annually as shown below, effective July 1 of each year of the term, including extensions.

Commencing July 1, 2026 and thereafter on each July 1, this Agreement is in effect, including any extension years, the rates stated above shall be increased by the percentage change in the annual average of the Consumer Price Index All Urban Consumers - San Francisco, Oakland, San Jose California Id: CUUSA422SAO (CPI) between the base year, which shall be the prior preceding twelve (12) months from January 1 through December 31, and the preceding year ending December 31, provided that an annual increase shall not exceed 4% or be lower than 2.5% of the then applicable rate. In the event that the calculated percentage change exceeds 4% of the then applicable rate, the increase for that year shall be set at 4%. In the event that the calculated percentage change is lower than 2.5% of the then applicable rate, the increase for that year shall be set at 2.5%.

For the purposes of this calculation, CPI shall mean All Urban Consumers Index (CPI-U), All Items, for the San Francisco-Oakland-San Jose, CA, Base Period 1982 -1984 = 100, not seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics (or its successor).

- c) **Adjustment Due to Change in Law.** Should any new or increased governmental fees, taxes or other charges result in increased costs to Contractor, there will be an appropriate increase in the Rates paid by SCWMA hereunder, such that Contractor will fully recover such increased costs. SCWMA shall be notified in writing at least 30 days prior to any imposition of new or increased governmental fees.



EXHIBIT B: REPORTING TO THE SCWMA

Monthly Reporting

The amount of material shall be reported monthly, under the following categories:

- Incoming Tons by Member Agency and type of material delivered (by sector and Organic Waste Material Category); and
- Outgoing Tons by jurisdiction of origin, destination, and end-use (Residual, ADC, AIC, other Beneficial Reuse, or marketed).

In all cases, the reported figures must match those reported to the County, the State, and any permitting or regulatory bodies.

Incoming and outgoing Tons shall be measured by certified scales which meet the criteria set forth in Section 3.07. The SCWMA can request detailed Scales Reports to support this monthly data.

Contractor may resubmit reports within 3 work days of written notification from the Agency if corrections or modifications are needed.

Quarterly Report

In addition to the required Monthly Report data, which should be provided in the Quarterly Report by month, the Quarterly Report shall include a calculation of the 10% Residual Rate and any Excess Residual per the calculation methodology set forth in Section 3.02 and Article 2.

Report Structure

Reports shall be provided in electronic format, and data tables shall be provided in Microsoft Excel-compatible format.

AGREEMENT FOR EMERGENCY ORGANIC MATERIAL PROCESSING SERVICES

between

**SONOMA COUNTY WASTE MANAGEMENT AGENCY
(also known as Zero Waste Sonoma)**

&

**Pacific Recycling Solutions, Inc. DBA Pacific Organics
Solutions**



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AGREEMENT FOR EMERGENCY ORGANIC MATERIALS PROCESSING SERVICES

This Agreement is made and entered into as of the 22nd day of January, 2026 by and between the Sonoma County Waste Management Agency, a California Joint Powers Authority, hereinafter "SCWMA", and Pacific Organics Solutions, hereinafter "Contractor".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- That SCWMA desires to engage Contractor to render processing services for Organic Materials generated from the SCWMA Member Agencies;
- That Contractor is qualified to provide such services to the SCWMA; and
- That SCWMA has elected to engage the services of Contractor upon the terms and conditions as hereinafter set forth.

ARTICLE 1. DEFINITIONS

For the purpose of this Processing Services Agreement, hereinafter referred to as "Agreement," the definitions contained in this Article shall apply unless otherwise specifically stated. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender shall include the feminine gender.

1.01 **Actions** means all actions including claims, demands, causes of action, suits, mediation, arbitration, hearings, investigations, inquiries and proceedings, whether legal, judicial, quasi-judicial, governmental or administrative in nature and whether threatened, brought, instituted or settled.

1.02 **Agreement** means this Agreement between the SCWMA and Contractor, including all exhibits, schedules and attachments (which are hereby incorporated in this Agreement by this reference), as this Agreement may be amended and supplemented.

1.03 **Alternative Daily Cover (ADC)** means cover material used at a Disposal Site, other than at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area at the end of each operating day to control blowing litter, fires, odor, scavenging, and vectors.

1.04 **Alternative Intermediate Cover (AIC)** means CalRecycle-approved materials other than soil used at a landfill on all surfaces of the fill where no additional Solid Waste will be deposited within one hundred eighty (180) days. Generally, these materials must be



processed so that they do not allow gaps in the face surface, which would provide breeding grounds for insects and vermin.

1.05 **Applicable Law** includes without limitation, AB 341, AB 876, AB 901, AB 939, AB 1594, AB 1826, SB 1016, SB 1383 and all amendments and related subsequent legislation, as well as all laws, statutes, ordinances, municipal, state, and federal authorities and all judgments, decrees, injunctions, writs and orders of any court, arbitrator or state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and all rules, regulations, orders, written interpretations, directives, licenses and permits of any state or local government, any political subdivision thereof, any department, agency, authority or bureau of any of the foregoing, or any other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government applicable to Contractor or its property or in respect of its operations.

1.06 **Assignment** means:

- a) A sale, exchange or other transfer of at least fifty-one percent (51%) of Contractor's assets dedicated to service under this Agreement to a third party;
- b) A sale, exchange or other transfer of outstanding common stock of Contractor to a third party, provided the sale, exchange or transfer results in a change of control of Contractor (with control being defined as ownership of more than forty-five percent (45%) of Contractor's voting securities);
- c) Any dissolution, reorganization, consolidation, merger, re-capitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, subcontracting or lease-back payments, or other transaction which results in a change of control of Contractor;
- d) Any assignment by operation of law, including insolvency or bankruptcy, making assignment for the benefit of creditors, writ of attachment for an execution being levied against this Agreement, appointment of a receiver taking possession of Contractor's property, or transfer occurring in the event of a probate proceeding; and
- e) Any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of control of Contractor.

1.07 **Beneficial Reuse Purposes** means use of material for beneficial reuse, which shall include, but not be limited to, the following: Alternative Daily Cover, Alternative Intermediate Cover, final cover foundation layer, liner operations layer, leachate and gas



collection system, construction fill, road base, wet weather operations pads and access roads, and soil amendments for erosion control and landscaping.

1.08 **Calendar Year** means a successive period of 12 months commencing on January 1 and ending on December 31.

1.09 **CalRecycle** means California's Department of Resources Recycling and Recovery, that administers and provides oversight for all of California's state-managed waste handling and recycling programs and any successor agency.

1.10 **Central Disposal Site** means the parcel containing the Sonoma County Landfill, operated by Republic Services and located on 500 Mecham Road.

1.11 **Collections Company** means the company contracted by each Member Agency for the collection of Organic Materials.

1.12 **Compostable Plastic** means a plastic designed to undergo a significant change in its chemical structure during its residency in a compost process such that the material has undergone biological degradation during composting to yield carbon dioxide, water, inorganic compounds and biomass at a rate consistent with other known compostable materials and leaves no visually distinguishable or toxic residues. Plastics that do not completely degrade during the compost process are not Compostable Plastics.

1.13 **Composting** is the biological decomposition of organic material under aerobic conditions in a self-limiting biological process performed at above 55 degrees Celsius for a period of at least 3-days. The composting process occurs when conditions are created in organic materials to balance and optimize air distribution, temperature control, nutrient availability, moisture content, and pH to encourage the increased natural decomposition rate of the material. The composting period is usually defined as the period of time necessary to reduce the compost pathogen concentrations to a level below the limits defined in CCR Title 14 Article 7 Section 17868.3 - Pathogen Reduction. The process and methodologies used to reduce the pathogen concentrations below the limits prescribed in CCR Title 14 Article 7 Section 17868.3 is generally referred to as the Process For Pathogen Reduction (PFRP) and defines the length of time and temperature necessary for an organic material to complete the compost process. After the PFRP is completed a compost product is produced and is typically (but not always) allowed to cure into a matured compost for later sale.

1.14 **Contamination or Contaminant** are materials that cannot be readily composted, or difficult to compost, at the Organic Materials Processing Facility, and include: human-made inert material contained within Organic Materials or Compost such as glass, metal, and plastic, concrete, hazardous materials such as batteries and electronic waste; certain natural materials



such as rock and soil; and certain organic materials which are difficult to process into Compost such as palm, cactus, and yucca.

1.15 **Contractor** means Pacific Recycling Solutions, Inc. DBA as Pacific Organics Solutions, a corporation organized and operating under the laws of the State of California.

1.16 **Direct Cost** means Contractor's reasonable costs incurred for materials testing, sorting, or cleaning. Direct Cost of labor and equipment use does not include profit, overhead or administrative expense.

1.17 **Disposal** means the management of solid waste through landfilling or transformation at permitted solid waste facilities.

1.18 **Diversion (Divert)** means to divert from Disposal or use anywhere at or on a landfill through source reduction, reuse, recycling, and composting.

1.19 **Effective Date** means the later date of execution by the SCWMA or Contractor on the execution page of this Agreement.

1.20 **Excessive Residual** is calculated as the number of Tons of Residual per quarter minus 10% of the total quarterly outbound Tonnage.

1.21 **Food Scraps** means meat, fish, dairy, fruit, vegetable and grain waste resulting from food production, preparation, cooking, storage, consumption or handling. Food Scraps excludes Compostable Plastics but includes food-soiled paper products which complexly degrade during the composting process. Food Scraps does not include Contaminants.

1.22 **Governmental Fees** are fees or taxes imposed upon Organic Materials Processing Facility by any governmental body or Regulatory Agency, other than those imposed upon the Organic Materials Processing Facility in connection with the repair, remediation, improvement, addition, or expansion of the Organic Materials Processing Facility.

1.23 **Green Waste** means vegetative matter resulting from normal yard and landscaping maintenance that is not more than 4 feet in its longest dimension or 12 inches in diameter, but excludes Contaminants such as palm, cactus and yucca. Examples of Green Waste are grass cuttings, weeds, leaves, weeds, pruning, and branches of acceptable size.

1.24 **Holidays** are defined as New Year's Day, Easter Sunday, 4th of July, Labor Day, Thanksgiving Day, and Christmas Day.

1.25 **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) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.(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 §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any amendments, rules or regulations promulgated there under 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 federal, state or local environmental laws currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

1.26 Liabilities mean all liabilities, including:

- a) Actions;
- b) Awards, judgments and damages, both:
 - i. actual damages, whether special and consequential, in contract or in tort, such as natural resource damages, damage for injury to or death of any Person; and damage to property; and
 - ii. punitive damages;
- c) Contribution or indemnity claimed by Persons other than the Parties; Injuries, losses, debts, liens, liabilities,
- d) Costs, such as response remediation and removal costs,
- e) Interest,
- f) Fines, charges, penalties, forfeitures and
- g) Expenses such as attorney's and expert witness fees, expenditures for investigation and remediation, and costs incurred in connection with defending against any of the foregoing or in enforcing Indemnities.

1.27 Material Change in Law. Any change in (or any new) Applicable Laws, applicable on or after the Effective Date, that applies to the Solid Waste industry (including, for the avoidance of doubt and without limitation, changes to the California Integrated Waste Management Act (CIWMA), changes to CalRecycle regulations, or changes to other Applicable Laws relating to any aspect of "Solid Waste handling," "Solid Waste disposal" or "Solid Waste facilities," as such terms are defined by CalRecycle). Material Change in Law shall not include any modifications to the Exhibits to this Agreement, as allowed under the terms of this Agreement.

1.28 Maximum Vehicle Turnaround Time means a monthly average of 30 minutes or less, measured from the time a vehicle enters either the Organic Materials Processing Facility



property and until it exits the Organic Materials Processing Facility property, including but not limited to gross and net weights, tipping and transportation throughout the facility.

1.29 **Member Agency/Agencies** means any one of the public entities which are signatories to the Joint Exercise of Powers Agreement of the Sonoma County Waste Management Agency (SCWMA).

1.30 **Monthly Report** is described in **Exhibit B**, Reporting to the SCWMA.

1.31 **Mixed Organic Materials** means loads of material delivered Contractor's Organic Materials Processing Facility, consisting of commingled Food Scraps and Green Waste, which have been separated by the residential generator and set out for Collection and Processing

1.32 **Organic Materials** means segregated Wood Waste, segregated Green Waste, Mixed Organic Materials, and Commercial Food Scraps.

1.33 **Organic Material Type** means segregated Wood Waste, segregated Green Waste, Mixed Organic Materials, and Commercial Food Scraps.

1.34 **Organic Materials Processing Facility** means Pacific Organics Solutions at 3515 Taylor Dr, Ukiah, CA 95482, the facility that will Process and market the Organic Materials from the SCWMA.

1.35 **Overs** means pieces of composted material that are left "over" after the screening of finished Compost, and consists mainly of woody pieces of organic matter and film plastic. Overs may be mixed back in with the compost feedstock as a bulking agent and reprocessed to improve porosity and airflow in the incoming feedstock, used on top of the compost piles as a biofilter, sold to third parties as a mulch or biofuel or used in the landfill as ADC or erosion control, or disposed if the concentration of film plastic and other Physical Contaminants render it unfeasible for other uses. Typically, Overs range in size from 6-inches to 3/8" depending on screening and grinding operation utilized in the compost process and have a high concentration of film plastic within.

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

1.37 **Permits** means all federal, State, SCWMA, other local and any other governmental unit permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under Applicable Law to be obtained or maintained by any Person with respect to Services, as renewed or amended from time to time.



1.38 **Person(s)** includes an individual, firm, association, organization, partnership, corporation, trust, joint venture, the United States, the State, local governments and municipalities and special purpose districts and other entities.

1.39 **Processed OR Processing** means subjected to a process to transform Organic Materials into a Compost Product, a mulch product for land application (other than at a landfill), or for use as biofuel, anaerobic digestion or other conversion technologies (in accordance with CalRecycle regulations so that such materials are considered diverted and recycled), and includes removal of Residual. Process OR Processing further means the process conducted by the Organic Materials Processing Facility, as described in the facility's Report of Compost Site Information that is submitted to CalRecycle.

1.40 **Quarterly Report** is described in **Exhibit B**, Reporting to the SCWMA.

1.41 **Rate** means the amount established under Article 4, Contractor Compensation and **Exhibit A**, Organic Materials Rates, of this Agreement to be charged to the SCWMA by Contractor for Processing of Organic Materials.

1.42 **Regulatory Agency** means any federal, State or local governmental agency, including California Department of Transportation, California Department of Motor Vehicles, EDD, U.S. Immigration and Naturalization Services, California Air Resources Board, regional water quality management districts, California Department of Toxic Substances, CIWMB, the Local Enforcement Agency, federal and State Environmental Protection Agencies and other federal or State health and safety department, applicable to Services.

1.43 **Records** means all ledgers, book of account, invoices, vouchers, canceled checks, logs, correspondence and other records or documents of Contractor evidencing or relating to Rates, Tonnage of Organic Materials, satisfaction of Contractor's obligations under this Agreement and performance of the terms of this Agreement, damages payable under this Agreement and Contractor defaults as described and defined in Article 7.

1.44 **Residual** means all Solid Waste, Contaminants and other materials, excluding Overs and Organic Materials (other than trace amounts), removed from Organic Materials during, before, or after Composting. Residual may be landfilled or used as ADC or sent for other appropriate use, such as biofuel.

1.45 **SCWMA** means the Sonoma County Waste Management Agency.

1.46 **Solid Waste** means and includes all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, ashes, industrial wastes, demolition and construction wastes, discarded home and industrial appliances, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes,



as defined in California Public Resources Code §40191 as that section may be amended from time to time. For the purposes of this Agreement, "Solid Waste" does not include Hazardous Substances, low-level radioactive waste, medical waste, or Organic Materials.

1.47 **Start Date** means January 22, 2026, the date on which Contractor will begin accepting Organic Material under the terms of this Agreement.

1.48 **Subcontractor** means any Person to which Contractor subcontracts any portion of the Services, whether pursuant to formal, written agreement or otherwise.

1.49 **Term** is defined in Article 2.1.50

1.50 **Ton (or Tonnage)** means a short Ton of 2,000 standard pounds where each pound contains 16 ounces.

1.51 **Transfer (or Transferring** or other variations thereof) means transferring of Organic Materials at a transfer station, from residential collection vehicles, commercial collection vehicles and self-haulers into Transport vehicles.

1.52 **Transfer Company** means the Person that SCWMA directs pursuant to the Operating Agreement to Transport Organic Materials from transfer stations to the Organic Materials Processing Facility.

1.53 **Transfer Vehicle** means a tractor and trailer designed to haul Organic Materials to the Organic Materials Processing Facility.

1.54 **Transport (or Transportation)** means the transportation of Organic Materials to the Organic Materials Processing Facility.

1.55 **Violation** means any notice, assessment or determination of non-compliance with Applicable law from any Regulatory Agency to Contractor, whether or not a fine or penalty is included, assessed, levied or attached.

1.56 **Wood Waste** means loads of material delivered to Contractor's Organic Materials Processing Facility consisting of wood materials (excluding unprocessed logs) which have no paint, varnish, finishes, glues, or treatments, and which have been separated by the generator and set out for Collection and Processing.

ARTICLE 2. TERMS AND CONDITIONS OF AGREEMENT



2.01 Term of Agreement. Said services shall commence on January 22, 2026 and shall continue for a period of 1 month. The term may be extended by 1-month periods by mutual written agreement of the parties (email being sufficient). . Either party may terminate this Agreement at any time for convenience by providing at least seven (7) days' written notice to the other party.

2.02 Authorization and Termination. This Agreement becomes effective when endorsed by both Parties in the space provided below.

ARTICLE 3. OBLIGATIONS OF CONTRACTOR

3.01 Scope of Processing Services. The services to be performed by Contractor under this Agreement shall be to accept, process, and market Organic Materials generated from the SCWMA's Member Agencies. The provisions of this Article are only applicable after the Start Date.

3.01.1 Starting on the Start Date until this Agreement is terminated, SCWMA Member Agencies shall deliver to the Organic Materials Composting Facility, and Contractor shall accept between 100 Tons to 110 Tons per day of Organic Materials. The SCWMA Member Agencies are obligated to deliver (and Contractor shall receive) materials on days that the Organic Materials Processing Facility is operating (as described in Section 3.05, Days and Hours of Operations).

3.01.2 Contractor and SCWMA expressly agree that nothing in this Agreement guarantees to Contractor any minimum amount of such waste.

3.02 Processing Standards. The following processing standards shall be met by the Organic Materials Processing Facility, at a minimum:

3.02.1 Pre-processing activities shall include, but not be limited to, the inspection for and removal of Contamination.

3.02.2 Processing shall be accomplished by the use of recognized processing methods, which have been demonstrated to be able to consistently produce stable, mature Compost Products or end products.

3.02.3 Post-Composting Processing activities shall include screening to remove plastics and other Contaminants from the Compost Product or end product.

3.02.4 100% of the Organic Materials accepted at the facility, not including Contamination, including third-party and Self-Haul material, shall be Processed and marketed



for use as compost, mulch, or soil amendment. Residuals may be disposed, used as ADC, erosion control or sent to other appropriate uses as defined by the Contractor. Overs may be mixed back in with the compost feedstock as a bulking agent and reprocessed to improve porosity and airflow in the incoming feedstock, used on top of the compost piles as a biofilter, sold to third parties as a mulch or biofuel or used in the landfill as ADC or erosion control, or disposed if the concentration of film plastic and other Physical Contaminants render it unfeasible for other uses.

3.02.5 Contractor is responsible for processing organic waste into a marketable product and transporting and marketing of all end products at the risk, expense and profit or loss of the Contractor, subject to **Exhibit A**.

3.02.6 Compost products for marketing shall conform with the Compost Quality Specifications and at a minimum should be CDFA-approved. If multiple product lines are provided, Contractor shall comply with the Compost Quality Specification for each product line, in alignment with the proposed and projected quantities of each product line to be produced. These estimates may be adjusted upon Contractor's request and the approval of the SCWMA.

3.03 Contractor shall provide adequate signage for flow of traffic and posted Rates, if public self-haul materials are to be accepted at Organic Materials Processing Facility.

3.04 Permits and Compliance. Contractor will comply with all Permits, including any mitigation measures related to the operation and maintenance of the Organic Materials Processing Facility. Contractor is solely responsible for paying any fines or penalties imposed for noncompliance with or violation of Permits or failure to obtain Permits, unless caused by SCWMA's or a third party's breach, negligence, or violation of applicable law. Under no circumstances shall any provision of this Agreement obligate Contractor to violate any of its Permits.

3.04.1 Contractor shall site, own, and operate the Organic Materials Processing Facility that is permitted by CalRecycle and maintain this designation throughout the term of the Agreement. Contractor is not required to own the site, but ownership status of the site shall not affect Contractor's ability to perform its obligations under this Agreement. The Organic Materials Processing Facility Permit must include the ability to accept mixed organic materials. Contractor must notify SCWMA before accepting any shipments if there is any change in such status.

3.04.2 Compliance with all Applicable Laws and Regulations. Contractor and SCWMA shall comply with all Federal, State, and/or Local Regulations in the performance of this Agreement. These laws may include but are not limited to: CalRecycle Facility Permit, Water Board Permit, Air District Permit, Land Use Permit, Emergency Management and Contingency Plan, and State and Local Fire Code. The Contractor shall comply with Federal and



State regulatory standards for compost operation, pollutant concentrations, pathogen reduction, monitoring, recordkeeping, and reporting.

3.04.3 Notification of Violations. Contractor shall provide copies of any notices of violation that it receives (or that any Subcontractor receives and that are provided to Contractor) from any Regulatory Agency during the term of this Agreement related to the operation of the Organic Materials Processing Facility or the performance of the Services. Contractor shall provide SCWMA copies within three (3) business days of receiving them.

3.04.4 Site shall at all times be accessible to enforcement and inspection personnel from regulatory and enforcement agencies.

3.05 Days and Hours of Operation. Contractor will operate the Organic Materials Processing Facility for the receipt of SCWMA's Organic Materials between the hours of 6:00 am – 3:00 pm, Monday – Friday. Organic Materials Processing Facility will be closed on Holidays.

3.06 Traffic Control and Direction. Contractor will direct on-site traffic to appropriate unloading areas and provide a safe working environment. Contractor will provide necessary signs and personnel to assist drivers to proper unloading areas. Contractor will operate the Organic Materials Processing Facility so that the conditions of the Maximum Vehicle Turnaround are met and the SCWMA's Transfer Company or Collections Company(ies) vehicles are processed, unloaded and exit without delay from the facility no longer than 30 minutes from arrival at the Contractor's scales. Contractor will not exceed this time by more than 5 times per month. The calculation of the times will be based on time stamp tickets at the scale house.

3.07 Scale Operation.

3.07.1 Maintenance and Operation. Contractor will maintain or provide for State-certified scales that link to a centralized computer recording and billing system and that account for tracking of the inbound and outbound times, date of receipt, documentation of Rate charged, Organic Material Type, origin of material, and invoice number. Contractor will operate scales during Organic Materials Processing Facility receiving hours established in Section 3.5. Contractor will provide the SCWMA with access to weighing report promptly upon SCWMA's request, and no later than three (3) days following such request.

3.07.2 Scale house operators will inspect material in vehicles, weigh and record quantity and type, and enter into a computer system that will compile information into various reports.

3.07.3 Vehicle Tare Weights. When Transfer Company or Collections Company(ies) place new vehicles into service, Contractor or scale operator will promptly weigh



the new vehicle and determine its unloaded ("tare") weight(s). Contractor or scale operator will record tare weight, hauler name, and vehicle identification number. Within 10 calendar days of weighing, Contractor will provide the SCWMA and Transfer Company or Collections Company(ies) with a report listing vehicle tare weight information. Contractor will have the right to request re-determination of tare weights of vehicles twice each Calendar Year. If there is reasonable suspicion or evidence that tare weights are not accurate, Transfer Company or Collections Company(ies) may request re-determination of tare weights, in which case Contractor will promptly re-determine tare weights for requested vehicles up to 4 times per Calendar Year. Contractor may update tare weights (at its own initiative) more frequently.

3.07.4 Testing. Contractor or scale operator will test and calibrate all scales in accordance with Applicable Law, but at least every 12 months. Upon SCWMA request, Contractor will promptly provide the SCWMA with copies of test results. Contractor or scale operator will further test and calibrate any or all scales within 5 calendar days of SCWMA direction. If test results indicate that the scale or scales complied with Applicable Law, the SCWMA will reimburse Contractor or scale operator the Direct Costs of the tests. If the test results indicate that the scale or scales did not comply with Applicable Law, Contractor or scale operator will bear the entire costs thereof and Contractor or scale operator will at its own cost adjust and correct, consistent with the results of that test, all weight measurements recorded and Organic Materials Rates calculated, charged and paid, as the case may be, from the date of SCWMA's direction.

3.07.5 Weighing Standards and Procedures. Contractor will use the scale house(s) to weigh vehicles and charge Organic Materials Rates. Contractor will charge the SCWMA based on the Tonnage of SCWMA's Transfer Company or Collections Company(ies) deliveries to the Organic Materials Processing Facility and the Rate as set in **Exhibit A** and adjusted under the terms of this Agreement. Contractor or scale operator will weigh and record inbound weights of all Transfer Company's or Collections Company(ies)'s vehicles when the vehicles arrive at the Organic Materials Processing Facility and weigh and record outbound weights of vehicles for which Contractor or scale operator does not maintain tare weight information. Contractor or scale operator will provide each driver with a receipt showing the date, time, and quantity of SCWMA's Plants and Organic Materials that the vehicle delivered to the Organic Materials Processing Facility.

3.07.6 Records and Reporting. Contractor will maintain scale records and reports that provide information including date of receipt; inbound time; origin, destination and weight of inbound and outbound loads; inbound and outbound weights of vehicles; and vehicle identification number.

3.07.6.1 Contractor will provide the SCWMA with a detailed Monthly Report as described and exemplified in **Exhibit B**, Reporting to the SCWMA.



3.07.7 Safety. The Contractor will conduct operations of Organic Materials Processing Facility in a safe manner, in accordance with Applicable Law and insurance requirements provided in Article 5, Indemnity and Insurance.

3.08 Contamination and Load Rejection. Contractor shall describe a protocol, including a Contamination threshold, surcharge, and methodology for identifying reject-able loads at the scale house. Such Contamination monitoring should be accompanied with detailed recordkeeping that is maintained at all times on site.

3.08.1 Any load containing in excess of 1% by weight Contamination threshold shall be classified as Solid Waste and loaded onto the Transfer Company or Collections Company(ies)'s vehicles for backhaul to the Central Disposal Site at no cost to Contractor. In addition, SCWMA will reimburse contractor \$200 per load for reloading the material.

3.08.2 For loads that exceed the 1% by weight Contamination threshold as determined by visual inspection, but which are salvageable by sorting Contamination out of the load, SCWMA and POS may, by mutual agreement, choose to have the Contractor sort contamination from the load so that it falls below the established contamination threshold. For loads that are sorted to remove excessive Contamination, the SCWMA will reimburse Contractor on a time and materials basis for the Direct Cost of handling of the excessive Contamination (e.g., sorting, transportation and disposal); at a rate of of \$85.00 per hour, with a minimum charge of \$200 per load. The Contractor shall retain auditable records of these direct costs for applicable loads of Contamination. It is understood that Contamination removed by Contractor will not be processed over a sort line or mechanical screens and will include some de minimus amounts of Organic Materials that cannot be efficiently separated from Contamination.

3.09 Right to Enter Facility and Observe Operations. The SCWMA and its designated representative(s) may enter, observe and inspect the Organic Materials Processing Facility at any time during operations; conduct studies or surveys of the Organic Materials Processing Facility; and meet with the manager(s) or his or her representatives at any time; provided that the SCWMA and its representatives comply with Contractor's reasonable safety and security rules and will not interfere with the work of the Contractor or its subcontractors. However, if the Organic Materials Processing Facility manager or other management personnel are not present at the Organic Materials Processing Facility when the SCWMA or its designated representative(s) visit without prior announcement, Contractor may limit the visit of the SCWMA or its designated representative to the public areas of the facility. In that event, Contractor will arrange for SCWMA or its designated representative(s) to return for a full site visit of the entire Organic Materials Processing Facility within 24 hours of the SCWMA's initial visit. Upon SCWMA direction, Contractor will make personnel available to accompany SCWMA employees on inspections. Contractor will ensure that its employees cooperate with the SCWMA and respond to the SCWMA's reasonable inquiries.



ARTICLE 4. CONTRACTOR COMPENSATION

4.01 General. The Contractor will perform all of its obligations, responsibilities and duties under this Agreement, including paying costs associated with obtaining and complying with all Permits operating the Organic Materials Processing Facility in full compliance with Applicable Laws.

4.02 Processing Rate; Annual Rate Adjustments. The Contractor will be compensated on a per Ton basis for Materials delivered by the Transfer Company or Collections Company(ies) and accepted by Contractor for Processing. **Exhibit A**, Rates, provides the initial Rates by Organic Material Type. Such rates shall be increased annually as set forth in **Exhibit A**.

4.03 Invoicing. On or before the 15th of each month, Contractor will invoice the SCWMA in amounts equal to the applicable Rates listed in **Exhibit A** for the prior month's Organic Materials delivered to the Organic Materials Processing Facility. Invoices will be in a form satisfactory to SCWMA. All undisputed amounts shall be payable by SCWMA within 60 calendar days of receipt of the invoice. For example, for processing provided in July, Contractor will invoice SCWMA on or before August 15 and payment will be due and payable by SCWMA on or before October 15. Contractor may deliver to SCWMA a notice of late payment for a given monthly invoice 50 calendar days after the date of generation of the invoice. Contractor's invoices shall be deemed delinquent if not paid within ten (10) calendar days of the date of the notice of late payment. Thereafter, the delinquent invoice shall bear interest on the unpaid balance at a rate not to exceed one and one-third percent (11/3%) per month.

ARTICLE 5. INDEMNITY AND INSURANCE

5.01 Indemnification. Contractor shall defend, with counsel reasonably acceptable to SCWMA, indemnify and hold harmless, to the fullest extent allowed by law, SCWMA, its Member Agencies, its officers, officials, employees, volunteers, agents and assignees (collectively, "Indemnitees"), from and against any and all loss, liability, penalties, forfeitures, claims, demands, actions, proceedings or suits, in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties) (collectively, "Loss") arising or resulting from:

5.01.1 the operation of Contractor, its agents, employees, and/or Subcontractors, in exercising the privileges granted to it by this Agreement;

5.01.2 the failure of Contractor, its agents, employees, and/or Subcontractors to comply in all respects with the provisions and requirements of this Agreement, applicable laws, ordinances and regulations, and/or applicable permits and licenses;



5.01.3 the acts of Contractor, its agents, employees, and/or Subcontractors in performing services under this Agreement for which strict liability is imposed by law. The foregoing indemnity shall apply regardless of whether such Loss is also caused in part by any of the Indemnitees' negligence;

5.01.4 The Loss indemnifiable under the foregoing indemnity may include, but is not limited to, Loss arising out of or resulting from the following:

5.01.4.1 Personal injury (including, but not limited to, bodily injury, emotional injury or distress, sickness, or disease) or death to persons, including, but not limited to, any employees or agents of Contractor, SCWMA, or any Subcontractor, or damage to property of anyone, caused or alleged to be caused in whole or in part by any negligent act or omission of Contractor, or anyone directly or indirectly employed by Contractor, or anyone for whose acts Contractor may be liable;

5.01.4.2 Penalties threatened, sought, or imposed on or against SCWMA by reason of the violation by Contractor of any law, order, citation, rule, regulation, standard, ordinance, or statute;

5.01.4.3 Alleged infringement of any intellectual property rights which may be brought arising out of Contractor's work;

5.01.4.4 Claims and liens for labor performed or materials used or furnished to be used on the job by Contractor, including all incidental or consequential damages from such claims or liens;

5.01.4.5 Contractor's failure to fulfill any of the covenants set forth in the Agreement;

5.01.4.6 Failure of Contractor to comply with the provisions of the Agreement relating to insurance; and,

5.01.4.7 Any violation or infraction by Contractor of any law, order, citation, rule, regulation, standard, ordinance, or statute in any way relating to the occupational, health, or safety of employees.

5.01.4.8 The indemnities set forth in this Article shall not be limited by the insurance requirements set forth in the Agreement.



5.01.4.9 Contractor's indemnification of Indemnitees will not include indemnification for Loss which arises as the result of an Indemnitee's breach of this Agreement, or the negligence or misconduct of Indemnitees.

5.01.5 Environmental Indemnity. Contractor shall indemnify, defend with counsel reasonably acceptable to Contractor and the SCWMA, and hold harmless, at Contractor's sole cost and expense, the SCWMA, its Member Agencies, officers, officials, employees, volunteers and agents, and the SCWMA's Board (collectively, "Environmental Indemnitees") from and against any and all claims, damages, injuries, costs (including and 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 reasonable attorneys' and expert witness fees, expenditures for investigation and remediation) and costs of any kind whatsoever ("Losses"), paid, imposed upon, incurred, or suffered by or asserted against any of the Environmental Indemnitees by any lawsuit brought or threatened, settlement reached, or government hearing, investigation, inquiry, proceeding, or order relating to, or arising from, directly or indirectly, Contractor's alleged failure or actual failure to comply with the environmental laws and regulations. This indemnification will not extend to environmental claims to the extent they are caused by the sole or joint or contributory negligence or intentional misconduct or omission of Contractor or the SCWMA, and each of their officers, employees or agents. This provision is in addition to all other provisions in this Agreement and is intended to survive the end of the term of this Agreement.

5.02 Contractor's obligation to defend, hold harmless, and indemnify shall not be excused because of Contractor's inability to evaluate liability or because Contractor evaluates liability and determines that Contractor is not liable to the claimant. Contractor shall respond within thirty (30) days to the tender of a claim for defense and indemnity by SCWMA, unless this time has been extended by SCWMA.

5.03 If Contractor fails to accept or reject a tender of defense and indemnity within thirty (30) days, in addition to any other remedy authorized by law, SCWMA may retain so much of the money due Contractor by virtue of this Agreement as shall reasonably be considered necessary by SCWMA, to cover all anticipated costs of the claim until final disposition has been made on the claim or suit for damages, or until Contractor accepts or rejects the tender of defense, whichever occurs first.

5.04 With respect to third party claims against Contractor indemnifiable under this Article, Contractor waives any and all rights of any type to express or implied indemnity against the Indemnitees.

5.05 Hazardous Substances Indemnification. Contractor shall indemnify, defend with counsel reasonably acceptable to the SCWMA, and hold harmless the Indemnitees from and



against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, hazardous materials response, remediation and removal costs, losses, demands, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorneys' fees for the adverse party and expenses (including but not limited to attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against SCWMA or its officers, officials, employees, agents, assigns, or successors (collectively, "Claims") arising from or attributable to any repair, clean-up or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste released, threatened to be released, or spilled by Contractor under this Agreement, or disposed of by Contractor under this Agreement at any facility owned by Contractor or any of its affiliates. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(c) and California Health and Safety Code section 25364, to defend, hold harmless and indemnify the SCWMA from liability.

5.05.1 SCWMA shall fully cooperate with in defending such alleged violations, and Contractor shall not be responsible for additional payments to SCWMA for SCWMA cost or expense related to cooperating with Contractor in this capacity.

5.06 Consideration. It is specifically understood and agreed that the consideration inuring to Contractor for the execution of this Agreement consists of the promises, payments, covenants, rights and responsibilities contained in this Agreement.

5.07 Obligation. The execution of this Agreement by Contractor shall obligate Contractor to comply with the foregoing indemnification provisions; however, the collateral obligation of providing insurance shall also be fully complied with as set forth in Section 5.11 below.

5.08 Subcontractors. The Contractor shall require all subcontractors to enter into an Agreement containing the provisions set forth in Article 5 in its entirety and in the preceding subsection in which Agreement the subcontractor fully indemnifies the SCWMA in accordance with this Agreement.

5.09 Exception. Contractor's obligation to indemnify, hold harmless and defend SCWMA, its officers and employees shall not extend to any loss, liability, penalty, plain, damage, action or suit arising or resulting from acts or omissions constituting a breach of this Agreement, willful misconduct or negligence on the part of the SCWMA its officers or employees.



5.10 Contractor Compliance. Contractor will comply with all requirements of Contractor's insurers and the insurance policies required under Section 5.11 below. Carrying insurance will not relieve Contractor from any obligations under this Agreement. Nothing in this Agreement may be construed as limiting in any way the extent to which the Contractor may be held responsible for payments of damages to Persons or property resulting from Contractor's or any Subcontractors' performance of Services.

5.11 Insurance. Contractor shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Contractor shall furnish SCWMA with certificates of insurance evidencing the required coverage.

5.11.1 Workers' Compensation Insurance. Workers' compensation insurance with statutory limits as required by the Labor Code of the State of California and employers' liability insurance with limits of not less than \$1,000,000 per accident.

5.11.2 General Liability Insurance. Commercial general liability insurance covering bodily injury and property damage using an occurrence policy form, in an amount of One Million Dollars (\$1,000,000.00) combined single limit for each occurrence. Said commercial general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy:

- a) The SCWMA, and its Member Agencies, officers, and employees, is named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- b) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.
- c) The insurance provided herein is primary coverage to the Sonoma County Waste Management Agency with respect to any insurance or self-insurance programs maintained by the SCWMA.
- d) This policy shall not be cancelled without first giving thirty (30) days prior written notice to the SCWMA, except that ten (10) days' notice shall be given for cancellation due to non-payment of premium.

5.11.3 Automobile Insurance. Automobile liability insurance covering bodily injury and property damage in an amount of than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles. Said policy shall be endorsed with the following language: This policy shall



not be cancelled without first giving thirty (30) days prior written notice to the SCWMA, except that ten (10) days' notice shall be given for cancellation due to non-payment of premium.

5.12 Pollution Liability Insurance. Contractor shall purchase and maintain in force for the duration of the Agreement term insurance for pollution legal liability applicable to bodily injury; property damage, cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims; all in connection with any loss arising from the transporter's activity under this Agreement. Coverage shall be maintained in an amount of at least \$1,000,000 per loss, with an annual aggregate of at least \$2,000,000 for claims arising within the SCWMA. If coverage is written on a claims-made basis, the Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this Agreement, and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of three years beginning from the time that work under this Agreement is completed. Said policy shall be endorsed with the following language:

This policy shall not be cancelled without first giving thirty (30) days prior written notice to SCWMA, except that ten (10) days' notice shall be given for cancellation due to non-payment of premium.

ARTICLE 6. ASSIGNMENT

6.01 No Assignment of this Agreement or any right occurring under this Agreement shall be made in whole or in part by Contractor without the express written consent of the SCWMA.

6.01.1 The SCWMA shall have full discretion to approve or deny, with or without cause, any proposed or actual assignment by Contractor.

6.01.2 Any assignment of this Agreement made by Contractor without the express written consent of the SCWMA shall be null and void and shall be grounds for the SCWMA to declare a default of this Agreement and immediately terminate this Agreement by giving written notice to Contractor, and upon the date of such notice this Agreement shall be deemed immediately terminated, and upon such termination all liability of the SCWMA under this Agreement to Contractor shall cease, and the SCWMA shall be free to negotiate with other contractors, Contractor, or any other person or company for the services which are the subject of this Agreement. In the event of any assignment, the assignee shall fully assume all the liabilities of Contractor.

6.01.3 In the event that the SCWMA agrees to an assignment of this Agreement to a qualified service provider, Contractor shall make payment to the SCWMA in a reasonable



amount to be determined by the SCWMA for reimbursement of direct costs to SCWMA associated with the right to any such assignment

6.01.4 Payment will be made within thirty (30) days of SCWMA consent to assignment, and if full payment is not made then any such assignment shall be null and void.

6.01.5 The use of a Subcontractor to perform services under this Agreement shall not constitute delegation of Contractor's duties, provided that Contractor has received prior written authorization from the SCWMA to subcontract such services and the SCWMA has approved the Subcontractor who will perform such services.

ARTICLE 7. DEFAULT AND TERMINATION

7.01 Default and Remedies. Each of the following shall constitute a default under this Agreement (a "Default"):

7.01.1 Fraud or deceit.

7.01.2 Failure to maintain insurance coverage described herein.

7.01.3 Contractor violation of orders or filings of a regulatory body having a material impact on Contractor's ability to perform its obligations as required by this Agreement.

7.01.4 Loss of Contractor's "Organic Materials Processing Facility" Permit.

7.01.5 Failure to perform Services as required by this Agreement for two (2) consecutive days or more or for any seven (7) days in a period of 30 days.

7.01.6 Failure to make reasonable efforts to divert and Process Organic Materials as required in Article 3 of this Agreement.

7.01.7 Failure of Contractor to provide reports and/or records as provided for in this Agreement.

7.01.8 Any act or omission by Contractor which violates the terms of this Agreement.

7.01.9 Any false or misleading representation of Contractor.

7.01.10 Filing of a voluntary petition for debt relief.



7.01.11 Bankruptcy of Contractor.

7.01.12 Contractor's failure to provide assurance of performance.

7.02 Contractor shall be given 30 days from notification by the SCWMA to cure any of the foregoing Defaults arising under this Agreement, except that, if such Default is not capable of being cured within 30 days, then (a) upon prior notice by Contractor that it is invoking this provision, the cure period shall be extended for an additional 30 days, provided that Contractor diligently pursues cure, and (b) if before the end of such additional 30-day period, Contractor submits to SCWMA a plan of cure acceptable to SCWMA in its sole discretion, then the cure period shall be as set forth in such plan of cure, provided that Contractor diligently pursues such cure.

7.03 In the event of Contractor's failure to cure said Default within the aforementioned cure period, the SCWMA may, at its option, immediately terminate this Agreement upon written notice to Contractor. This right of termination is in addition to any other rights of the SCWMA and the SCWMA's termination of this Agreement shall not constitute an election of remedies. Instead, it shall be in addition to any and all other legal and equitable rights and remedies the SCWMA may have.

ARTICLE 8. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES

8.01 Legal Status. Contractor is a corporation or LLC organized and operating under the laws of the State of California.

8.02 Authorization. Contractor represents and warrants that it has the authority to enter into and perform its obligations under this Agreement. The Contractor has taken all actions required by law to authorize the execution of this Agreement. The person signing this Agreement on behalf of Contractor has authority to do so.

8.03 Agreement Will Not Cause Breach. To the best of Contractor's and SCWMA's knowledge, after reasonable investigation, neither the execution or delivery of this Agreement, nor the performance of this Agreement: (i) conflicts with, violates, or results in a breach of any applicable law; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, order or decree of any court, administrative agency, or other governmental authority, or any agreement or instrument to which Contractor or SCWMA is a party or by which Contractor or SCWMA or any of its properties or assets are bound, or constitutes a default thereunder.

8.04 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 materially adversely affect the performance by Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of Contractor or any surety guaranteeing Contractor's performance under this Agreement, which has not been waived by the SCWMA in writing.

8.05 Ability to Perform. Contractor possesses the business, professional and technical expertise to manage, handle, treat, store, process, and recycle Organic Materials, and will possess the equipment, plant, materials, supplies, and employee resources required to perform this Agreement.

ARTICLE 9. GENERAL PROVISIONS

9.01 Entire Agreement. This Agreement represents the full and entire Agreement between the SCWMA and Contractor with respect to the matters covered herein.

9.02 Force Majeure. Neither party shall be in default under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for it to perform its obligations due to any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, fires, and volcanic eruptions, strikes, lockouts and other labor disturbances or other catastrophic events which are beyond the reasonable control of Contractor. 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; provided, however, that labor unrest or job action directed at a third party over whom Contractor has no control, shall excuse performance.

9.03 A party claiming excuse under this Section must (i) have taken reasonable precautions to avoid being affected by the cause, and (ii) notify the other party in writing within 5 days after the occurrence of the event specifying the nature of the event, the expected length of time that the party expects to be prevented from performing, and the steps which the party intends to take to restore its ability to perform.

9.04 Notice Procedures. All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes, or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below, e-mailed to the e-mail address below, or faxed to the fax number below, or sent via certified mail or Federal Express, or deposited in the United States mail, first class postage prepaid, addressed as follows:



SCWMA: SONOMA COUNTY WASTE MANAGEMENT AGENCY

Attention: Leslie Lukacs, Executive Director
2300 County Center Drive, Suite B-240
Santa Rosa, CA 95403

**CONTRACTOR: PACIFIC RECYCLING SOLUTIONS DBA PACIFIC ORGANICS
SOLUTIONS**

Attention: Bruce McCracken
3201 Taylor Drive
Ukiah, CA 95482

9.05 The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

9.06 Notice shall be deemed given on the day it is personally delivered or e-mailed, or, if mailed, three calendar days from the date it is deposited in the mail.

9.07 Independent Contractor. Contractor is an independent contractor and not an officer, agent, servant or employee of the SCWMA. Contractor is solely responsible for the acts and omissions of its officers, agents, employees and subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between the SCWMA and Contractor. Neither Contractor nor its officers, employees, agents or subcontractors shall obtain any rights to retirement or other benefits which are accrued by SCWMA employees.

9.08 Severability. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this Agreement or any part thereof is, for any reason, held to be illegal, such decision shall not affect the validity of the remaining portions of this Agreement or any part thereof.

9.09 Waiver or Modification. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

9.10 Forum Selection. Contractor and the SCWMA stipulate and agree that any litigation relating to the enforcement or interpretation of this Agreement, arising out of Contractor's performance, or relating in any way to the work, shall be brought to California State Courts in Sonoma County.

9.11 Third Party Beneficiaries. Contractor acknowledges and declares that separately the Cities of Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol,



Sonoma, Windsor, and the County of Sonoma are and will be Third Party beneficiaries of this Agreement, included without limitation.

9.12 Court Costs and Attorney Fees. In the event legal action is instituted by either party to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees and actual costs in connection with such action.

9.13 Counterparts and Facsimile Signatures. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall be deemed a single document. For purposes of this Agreement, each of the signatories hereto agrees that a facsimile copy of the signature page of the person executing this Agreement shall be effective as an original signature and legally binding and effective as an execution counterpart thereof.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____
Leslie Lukacs, SCWMA Executive Director

Date: _____

Reviewed as to form:

Ethan Walsh, Agency Counsel

PACIFIC ORGANICS SOLUTIONS

By: _____
Mark Gingrich, Division Vice President

Date: _____



EXHIBIT A: RATES

- a) **Rates.** Contractor will be compensated \$96.90 per Ton for Organic Materials delivered to the Organic Materials Processing Facility.
- b) **Annual Rate Adjustments.** The Rates outlined above are for the period January 22, 2026 through December 31, 2026. Such rates will be adjusted annually as shown below, effective July 1 of each year of the term, including extensions.

Commencing July 1, 2027 and thereafter on each July 1, this Agreement is in effect, including any extension years, the rates stated above shall be increased by the percentage change in the annual average of the Consumer Price Index All Urban Consumers - San Francisco, Oakland, San Jose California Id: CUUSA422SAO (CPI) between the base year, which shall be the prior preceding twelve (12) months from January 1 through December 31, and the preceding year ending December 31, provided that an annual increase shall not exceed 4% or be lower than 2.5% of the then applicable rate. In the event that the calculated percentage change exceeds 4% of the then applicable rate, the increase for that year shall be set at 4%. In the event that the calculated percentage change is lower than 2.5% of the then applicable rate, the increase for that year shall be set at 2.5%.

For the purposes of this calculation, CPI shall mean All Urban Consumers Index (CPI-U), All Items, for the San Francisco-Oakland-San Jose, CA, Base Period 1982 -1984 = 100, not seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics (or its successor).

- c) **Adjustment Due to Change in Law.** Should any new or increased governmental fees, taxes or other charges result in increased costs to Contractor, there will be an appropriate increase in the Rates paid by SCWMA hereunder, such that Contractor will fully recover such increased costs. SCWMA shall be notified in writing at least 30 days prior to any imposition of new or increased governmental fees.



EXHIBIT B: REPORTING TO THE SCWMA

Monthly Reporting

The amount of material shall be reported monthly, under the following categories:

- Incoming Tons by Member Agency and type of material delivered (by sector and Organic Waste Material Category); and

In all cases, the reported figures must match those reported to the County, the State, and any permitting or regulatory bodies.

Incoming and outgoing Tons shall be measured by certified scales which meet the criteria set forth in Section 3.07. The SCWMA can request detailed Scales Reports to support this monthly data.

Contractor may resubmit reports within 3 work days of written notification from the Agency if corrections or modifications are needed.

Report Structure

Reports shall be provided in electronic format, and data tables shall be provided in Microsoft Excel-compatible format.