



## Meeting of the Board of Directors

June 20, 2018  
SPECIAL MEETING  
Begins at 8:30 a.m.

*Doubletree Hotel  
Vineyard Room  
1 Doubletree Dr.  
Rohnert Park, CA 94928*

Meeting Agenda and Documents

## **SONOMA COUNTY WASTE MANAGEMENT AGENCY**

### **Meeting of the Board of Directors**

June 20, 2018

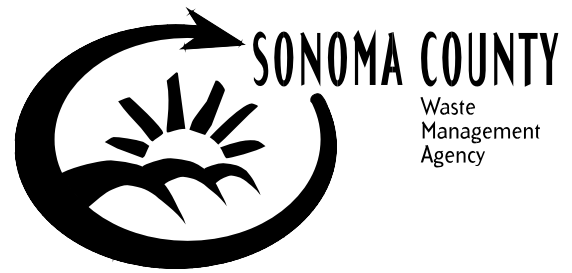
SPECIAL MEETING

Begins 8:30 a.m.

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*Note: This packet is 188 pages total*



## SONOMA COUNTY WASTE MANAGEMENT AGENCY

### Meeting of the Board of Directors

June 20, 2018  
**SPECIAL MEETING**

**Regular Session begins at 8:30 a.m.**  
Estimated Ending Time 11:30 a.m.

*Please note different meeting location:*

**Doubletree Hotel  
Vineyard Room  
1 Doubletree Dr.  
Rohnert Park. CA 94928**

### Agenda

#### Item

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

#### Consent (w/attachments)

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

## **Regular Calendar**

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

Recommended Action: No action is necessary.

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

Recommended Action: Staff recommends the Board execute the Agreement with ECS Refining, Inc for E-Waste Handling, Transportation and Recycling from the execution date through June 30, 2021, with the opportunity for two annual extensions.

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

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

Recommended Action: Staff recommends the Board take the following actions: 1) enter into a disposal agreement with Waste Management/Redwood Landfill for a term of three years, 2) enter into a disposal agreement with Cold Creek Compost for a term of three years, 3) enter into a disposal agreement with Napa Recycling for a term of three years, 4) direct staff to schedule a public hearing on the proposals received through the SCWMA's Organic Material Processing Services RFP for long term organic material processing for the August 15, 2018 SCWMA meeting.

8. Boardmember Comments

9. Staff Comments

10. Next SCWMA meeting: July 18, 2018

11. Adjourn

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

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

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

report and subsequent Boardmember questions on that Agenda item and before Boardmembers propose a motion to vote on any item.

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

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



Date: April 23, 2018

To: SCWMA Board Members

From: Patrick Carter, SCWMA Executive Director

**Executive Summary Report for the SCWMA Board Meeting of April 18, 2018**

**Item 4, Consent:** Items 4.1 Minutes of the February 21, 2018 Regular Meeting, 4.2 March, April, and May 2018 Outreach Calendar, 4.3 Donation of SCWMA Van to Sonoma County Food Runners, and 4.4 Resolution of the SCWMA Election of Chair, Vice Chair, and Chair Pro Tempore were approved.

**Item 5, Discussion and Possible Action on FY 2018/19 Draft SCWMA Budget:** The Draft Budget, which was based on the direction given by the Board at the February 2018 Meeting's Work Plan, was presented. The draft budget maintained the SCWMA's core programs, added a fourth Waste Management Specialist to assist with organics programs, included a battery education and disposal program, and continued development of a northern county HHW disposal facility. Most of the proposed deficit in the budget was due to the uncertainty of disposal costs for organics in the upcoming fiscal year; if rate increases are necessary they can coincide with Republic's annual April 1 price adjustments. Changes to the Reserves Policy were also suggested to reflect the consolidation of multiple funds. Staff was given direction to include the Final Budget on consent at the May 16, 2018 SCWMA Board Meeting.

**Staff Comments:** The 2018 Recycle Guide is available, and Janel Perry, SCWMA Clerk, was introduced.



**To:** Sonoma County Waste Management Agency Board Members  
**From:** Patrick Carter, Executive Director  
**Subject:** June 20, 2018 Board Meeting Agenda Notes

## Consent Calendar

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

- 4.1 **Minutes of the April 18, 2018 Regular Meeting:** regular acceptance.
- 4.2 **May, June, and July 2018 Outreach Calendar:** This item provides an update on outreach events since the last meeting and upcoming outreach events. No action is required.
- 4.3 **North County HHW Facility Update:** The SCWMA's contractor, Sweetser & Associates, Inc., has completed the initial feasibility analysis of a north county HHW facility, including estimated one-time and ongoing costs. The report is presented as information for the Board, and staff is directing its consultant to continue the process for site identification. **This item is informational, no action is requested.**
- 4.4 **FY 2017/18 Third Quarter Financial Report:** This item describes the revenue received and expenses incurred through the third quarter of FY 2017/18. **Staff recommends approving the FY 2017/18 Third Quarter Financial Report on the Consent Calendar.**
- 4.5 **SCWMA FY 2018/19 Final Budget Approval:** The SCWMA FY 2018/19 Final Budget is included for Board approval. The item was discussed at the April 18, 2018 Board meeting, and the Board directed staff to place the budget on the Consent Calendar for this meeting. **Staff recommends the Board approve the FY 18-19 Sonoma County Waste Management Agency Final Budget as presented at the April 18, 2018 SCWMA meeting. Supermajority Vote required.**
- 4.6 **Updated Reserve Policy:** Consolidation of several funds in the SCWMA FY 2018/19 Final budget necessitate revision to the SCWMA Reserve Policy. The 2018 Revised Reserve Policy reflects the consolidation of funds and sets new fund balance goals in the new fund structure. **Staff recommends approval of the 2018 Reserve Policy.**
- 4.7 **Budget Appropriation Adjustment:** The FY 2018/19 Final Budget did not include all of the appropriations necessary to complete the Organics Processing Services RFP process. **Staff recommends increasing the budgetary appropriations for contract services in the Organics Reserve by \$54,975 and the staff services account by \$25,000. As this item is an amendment to the budget, it requires a super-majority vote (8/10) for approval.**

## Regular Calendar

5. **Presentation of the SCWMA Rebranding Progress by the Engine is Red:** The Engine is Red will present to the Board the rebranding efforts to date. **This item is informational, and allows for Board feedback and direction to staff. No action is requested at this time.**
6. **Consideration of an Agreement with ECS Refining, Inc. for E-Waste Handling, Transportation and Recycling Services:** Staff conducted an RFP process to select a new E-Waste Handling, Transportation, and Recycling contractor to recycle the E-waste collected at the County-owned transfer stations. Through this process, staff determined ECS Refining of Stockton, CA ranked the highest of the six proposals received and offered revenue to continue to make this program self-sufficient. However, ECS Refining notified the

SCWMA that it had declared bankruptcy during the proposal review stage. After consultation with SCWMA Counsel and ECS Refining, staff believes it is still in the SCWMA's best interest to award the agreement to ECS Refining, but also proposes a backup agreement with the second highest ranked proposal team, Onsite Recycling of Stockton, CA in the event that ECS Refining defaults on its obligations through this agreement. **Staff recommends the Board execute the Agreement with ECS Refining, Inc. for E-Waste Handling, Transportation and Recycling from the execution date through June 30, 2021, with the opportunity for two annual extensions. Staff also recommends the Board execute an Agreement with Onsite Electronics for E-Waste Handling, Transportation and Recycling from an effective date to be determined through June 30, 2021 with the opportunity for two annual extensions.**

7. **Discussion and Possible Action on the Organic Material Processing Services RFP Evaluation:** This item includes information and action related to the SCWMA's Organic Material Processing Services RFP results. The proposal evaluation team has reviewed each proposal, conducted interviews with selected proposers, and come to a unanimous decision to recommend the SCWMA engage with Renewable Sonoma to develop long term, in-county organics processing capacity. As many there are many steps necessary before that solution could be implemented, the evaluation team and staff recommend the SCWMA enter into short term (three years with potential extensions) agreements with Redwood Landfill and Cold Creek Compost to accept Sonoma County generated organics in the interim. As this is the first time the Board and the public has had a chance to review staff's recommendations and the proposals, staff recommends the Board take action on the short term capacity at this meeting and hold a public hearing at the August 15, 2018 SCWMA Board meeting regarding staff's recommendation to proceed with Renewable Sonoma. **Staff recommends the Board take the following actions: 1) enter into a disposal agreement with Waste Management/Redwood Landfill for a term of three years, 2) enter into a disposal agreement with Cold Creek Compost for a term of three years, 3) direct staff to schedule a public hearing on the proposals received through the SCWMA's Organic Material Processing Services RFP for long term organic material processing for the August 15, 2018 SCWMA meeting.**





## Minutes of the April 18, 2018 Meeting

The Sonoma County Waste Management Agency met on April 18, 2018, at the City of Santa Rosa Council Chambers, 100 Santa Rosa Avenue, Santa Rosa, California.

### Board Members Present:

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

### Staff Present:

Executive Director/Acting Clerk: Patrick Carter  
Counsel: Ethan Walsh  
Staff: Thora Collard, Janel Perry

#### 1. Call to Order Regular Meeting

Regular meeting was called to order at 8:31 a.m.

#### 2. Agenda Approval

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

None

#### 4. Consent (w/attachments)

- 4.1 Minutes of the February 21, 2018 Regular Meeting
- 4.2 March, April and May 2018 Outreach Calendar
- 4.3 Donation of SCWMA Van to Sonoma County Food Runners
- 4.4 Resolution of the SCWMA Election of Chair, Vice Chair and Chair Pro Tempore

### Public Comments:

None.

**The motion for approval of items on consent calendar was made by Don Schwartz, City of Rohnert Park, and seconded by Susan Harvey, City of Cotati.**

### Vote Count:

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

AYES -10- NOES -0- ABSENT -0- ABSTAIN -0-  
**Motion passed.**

### **Regular Calendar**

#### **5. Discussion and Possible Action on FY 2018/19 Draft SCWMA Budget**

Thora Collard, SCWMA staff, presented to the proposed FY 2018/19 Draft SCWMA Budget.

#### **Board Discussion**

Mr. Schwartz asked about the HHW reserve fund balance policy.

Mr. Carter responded as to the rational for the emergency reserve amounts.

Mr. Mikus commented it was a percentage calculation for operating costs during any emergency.

Mr. Schwartz asked about the status of the North county HHW

Mr. Carter responded that a contractor was completing a report shortly.

Mr. Schwartz asked about Organics recruitment timeline.

Mr. Carter responded that we anticipate a recruitment to happen soon for a start date in the beginning of the new fiscal year.

Mr. St John asked about the Waste Management Specialist I and the need for the position given the new hauler and their outreach efforts.

Mr. Carter responded that the current staffing levels are not sufficient to meet our SCWMA's goals. There will be a need for oversight and reporting for our state reports. Mr. Carter gave the example that he is currently managing the outhaul agreements for organics thinks it would be a better use of his time to assign these tasks to a new staff member.

Ms. Harvey commented that the SCWMA needs to establish ordinances and policies to drive us to meet the diversion goals. She recognized the need for more staff to focus on policy change and ordinances.

Ms. Gorin agrees this is a great discussion, but the budget is not the appropriate area for diversion discussion. Recommended we create a future agenda item to focus our discussion on goals, diversion and "What does the new hauler mean for us?"

Ms. Fudge stated there is still lots to do. Windsor is moving backwards in terms of diversion.

Mr. Mikus commented that he looks at the position as more of a Program Management position with the opportunity for more complex programs, multiple sites, and more stakeholders. He sees this as a very important new position. He agrees that a diversion agenda item discussion is important and needed.

## **Public Comments**

None.

## **Board Discussion**

Board agreed the final budget could be placed on consent for the next meeting.

### **6. Board Member Comments**

Mr. Schwartz asked about the safe medicine disposal ordinance status.

Mr. Carter responded that there was a meeting last week to develop the ordinance language and schedule the presentation to the Board of Supervisors. The presentation is slated for a summer presentation.

Mr. Schwartz asked that the small cities be considered with the language regarding staffing issues for special collection events.

Mr. Carter responded that those concerns were relayed.

Mr. St. John reported that they are in the processes of a rate increase, 4.2%, that will take effect July 1. Recology has improved significantly the trash and rodent problems in Petaluma. He asked about any updates for streamlining the flow at Central.

Mr. Carter responded that SCWMA staff does not have the authority to make changes to flow at Central, which is the County's responsibility. Staff did receive responses in our E-waste RFP for improvement options.

Ms. Harvey requested a presentation regarding Safe Medicine Disposal when the ordinance is finalized.

### **7. Staff Comments**

Mr. Carter commented about the new Recycle Guide that has been published (and copy provided to all board members).

Mr. Carter introduced our new Senior Office Assistant, Janel Perry.

### **8. Next SCWMA meeting: May 16, 2018**

### **9. Adjournment:**

The meeting adjourned at 9:11 a.m.

Submitted by: Janel Perry



Agenda Item #: **4.2**  
 Agenda Date: **6/20/2018**

## ITEM: May, June and July 2018 Outreach Calendar

### May 2018 Outreach Events

May 1	4 PM – 8 PM	Community Toxic Collection – Guerneville
May 2	5 PM – 8:30 PM	Wednesday Downtown Market – Santa Rosa
May 4	11 AM – 7 PM	E-Waste Event – Healdsburg
May 4	5 PM - 8 PM	Annual 5 de Mayo Family Celebration – Sonoma
May 5	3 PM - 9 PM	Roseland 13th Annual Cinco de Mayo Festival – Santa Rosa
May 6	12 PM - 7 PM	Cinco de Mayo Sonoma Plaza – Sonoma
May 5-6	9 AM – 5 PM	E-Waste Event – Healdsburg
May 8	4 PM – 8 PM	Community Toxic Collection – Larkfield
May 9	9 AM – 10 AM	Graton Labor Center presentation – Graton
May 10	8 AM – 5 PM	Sonoma County's Zero Waste Symposium
May 10	8 AM – 12 PM	Parent Info Coffee Presentation 2018 – Santa Rosa
May 12	11 AM – 1 PM	UCCE Compost Workshop – Cotati
May 12	11 AM – 1 PM	Healdsburg Farmers Market – Healdsburg
May 15	4 PM – 8 PM	Community Toxic Collection – Cotati
May 16	5 PM – 8:30 PM	Wednesday Downtown Market – Santa Rosa
May 17	8 AM – 9 AM	Healdsburg Labor Center presentation – Healdsburg
May 17	9:10 AM – 10:15 AM	Fulton Labor Center presentation – Fulton
May 19	9 AM – 2:30 PM	Luther Burbank Rose Parade Festival – Santa Rosa
May 22	4 PM – 8 PM	Community Toxic Collection – Boyes Hot Springs
May 23	5 PM – 8:30 PM	Wednesday Downtown Market – Santa Rosa
May 29	4 PM – 8 PM	Community Toxic Collection – Oakmont
May 30	5 PM – 8:30 PM	Water Expo During the Wednesday Night Market – Santa Rosa

### June 2018 Outreach Events

June 1	5 PM – 8:00 PM	Rohnert Park Farmers Market
June 2	11 AM – 5:00 PM	Andy's Unity Park Dedication Community Celebration – Santa Rosa
June 5	4 PM – 8 PM	Community Toxic Collection – Healdsburg
June 6	5 PM – 8:30 PM	Wednesday Downtown Market – Santa Rosa
June 8	11 AM – 7 PM	E-Waste Event – Santa Rosa
June 9-10	9 AM – 5 PM	E-Waste Event – Santa Rosa
June 12	4 PM – 8 PM	Community Toxic Collection – Bodega Bay
June 14	9:10 AM – 10:15 AM	Healdsburg Labor Center presentation – Healdsburg
June 14	9:10 AM – 10:15 AM	Fulton Labor Center presentation – Fulton
June 15	11 AM – 1 PM	Occidental Bohemian Farmers Market – Occidental
June 17	11 AM – 1 PM	Kenwood Farmers Market – Kenwood
June 19	4 PM – 8 PM	Community Toxic Collection – Santa Rosa, West
June 20	9 AM – 10 AM	Graton Labor Center presentation – Graton
June 20-24	10 AM – 10 PM	Sonoma Marin Fair - Petaluma
June 21	11 AM – 1 PM	Cotati Farmers Market – Cotati
June 26	4 PM – 8 PM	Community Toxic Collection – Rohnert Park

### **July 2018 Outreach Events**

July 3	4 PM – 8 PM	Community Toxic Collection – Santa Rosa, East
July 10	4 PM – 8 PM	Community Toxic Collection – Glen Ellen
July 13	11 AM – 7 PM	E-Waste Event – Petaluma
July 14-15	9 AM – 5 PM	E-Waste Event – Petaluma
July 15	10:30 AM – 6 PM	La Gueliaquetza Event – Santa Rosa
July 17	4 PM – 8 PM	Community Toxic Collection – Cloverdale
July 19	9:10 AM – 10:15 AM	Healdsburg Labor Center presentation – Healdsburg
July 19	9:10 AM – 10:15 AM	Fulton Labor Center presentation – Fulton
July 24	4 PM – 8 PM	Community Toxic Collection – Larkfield
July 27-29	9 AM – 5 PM	Propane Exchange Event – Sonoma Raceway
July 31	4 PM – 8 PM	Community Toxic Collection – Sebastopol



Agenda Item #: **4.3**  
Cost Center: **HHW**  
Staff Contact: **Scott**  
Agenda Date: **6/20/2018**  
Approved By:

## **ITEM: Acceptance of HHW Program Expansion Analysis by Sweetser & Associates, Inc.**

### **I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION**

This transmittal is for informational purposes only. No action is requested of the Board.

### **II. BACKGROUND**

Over the last several years, SCWMA staff and the Board have expressed concern that the northern portion of Sonoma County has less access to household hazardous waste (HHW) programs. In an effort to address this, the SCWMA entered into an agreement with Sweetser & Associates, Inc. on August 18, 2017 to perform an expansion analysis of the HHW program.

### **III. DISCUSSION**

The report by Sweetser & Associates, Inc. confirmed that the northern part of the county is underserved by current HHW programs; specifically, the Santa Rosa, Healdsburg, and Cloverdale-Geyserville areas. Sweetser & Associates, Inc. suggests adding a second permanent HHW facility which could become the main HHW facility in the county and take more items than the existing facility. Resource intensive Community Toxic Collections could also be reduced in frequency, allowing residents along the Highway 101 corridor to utilize a new permanent facility and offsetting some of the costs of the new facility.

Design and construction costs for an HHW facility can range significantly depending upon cost of land, utility access, facility features, and ancillary activities. Retrofitting of an existing facility or new construction is expected to cost anywhere from \$500,000 to \$5.3 Million, not including land purchase or lease. Similarly, using the existing pricing structure, the operations of a new facility could cost the SCWMA an extra \$350,000-\$600,000 annually in disposal and staffing costs. The next steps in the process will include site assessments and a more detailed cost study.

### **IV. FUNDING IMPACT**

The agreement has a budget of \$24,000. To date, \$4,710 or 20% of the budget has been spent.

### **V. ATTACHMENTS**

Sonoma County Waste Management Agency Household Hazardous Waste Program – Program Expansion Analysis by Sweetser & Associates, Inc.

# Sonoma County Waste Management Agency Household Hazardous Waste Program Program Expansion Analysis



Submitted by

Sweetser & Associates, Inc.

May 2018

The Sonoma County Waste Management Agency authorized preparation of this review by

Larry Sweetser  
Sweetser & Associates  
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Sonoma County Waste Management Agency  
Household Hazardous Waste Program



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## 1. EXECUTIVE SUMMARY

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The Sonoma County Waste Management Agency (SCWMA) sponsors the household hazardous waste (HHW) program for Sonoma County residents and small businesses. As program sponsor, SCWMA is responsible for contracting the operations and providing oversight.

Sweetser & Associates, Inc. prepared this report to the current program for management of Household Hazardous Waste (HHW) and examine the facility features, siting criteria, design concepts, and estimated costs a potential additional HHW facility.

Key incentives to consider in investigating establishing an additional HHW facility would be the impact on the existing Household Toxics Facility (HTF) participation and costs, evaluate the role of future Community Toxics Collection (CTC) events held though the County.

This research indicated that the participation of jurisdictions surrounding the HTF utilize the facility more than more distant. This obvious fact is verified by analysis of the existing data. This analysis also indicates how much the northeastern area of the county is underserved by the HTF. Reliance on CTCs to serve the more distant residents is helpful by providing the opportunity for safe disposal although areas with the most CTCs increase the area's household participation a small percentage. This is likely influenced by the available of 49 CTCs per year at rotating locations while the HTF is available about 149 days per year.

Expanding the HHW program with an additional HHW facility will provide more opportunities for residents to safely dispose of their accumulated HHW. The cost to establish an additional facility could be offset some by reducing the number of CTCs in that area and decreasing the overall number of CTCs. There are also some existing operational efficiencies that would not need to be proportionally increased such as contractor admin and overhead, agency oversight, and advertising.

Considerations on facility siting criteria and facility design features are presented along with an estimated range of increased costs and potential funding options are presented.

This report provides the validation on HHW program usage and offers guidance on the measures needed to expand the Sonoma HHW Program to include an additional facility.

## 2. SONOMA HOUSEHOLD HAZARDOUS WASTE PROGRAM OVERVIEW

### 2.1. Program Options and Availability

Sonoma County has one of the most robust household hazardous waste programs in California and offers residents and small businesses many opportunities for safe disposal of hazardous wastes including:

- A permanent Household Toxics Facility (HTF) located at the Central Disposal Site
- Community Toxics Collections held throughout Sonoma County nearly weekly and provide the opportunity for residents in areas more distant from the HTF to more conveniently dispose of their HHW at locations closer to them.
- Toxics Rover Pick Up Service one day per week serving different county areas
- Business toxic disposal at the Household Toxics Facility
- In addition, there are options throughout the county for curbside and drop-off locations for used motor oil and filters, lamps, electronics, household batteries, lead-acid batteries, mercury thermostats, household sharps and pharmaceuticals, treated wood waste, and architectural paint. Many of these are sponsored by the Sonoma County Waste Management Agency.

The chart below provides the program availability is outlined below.

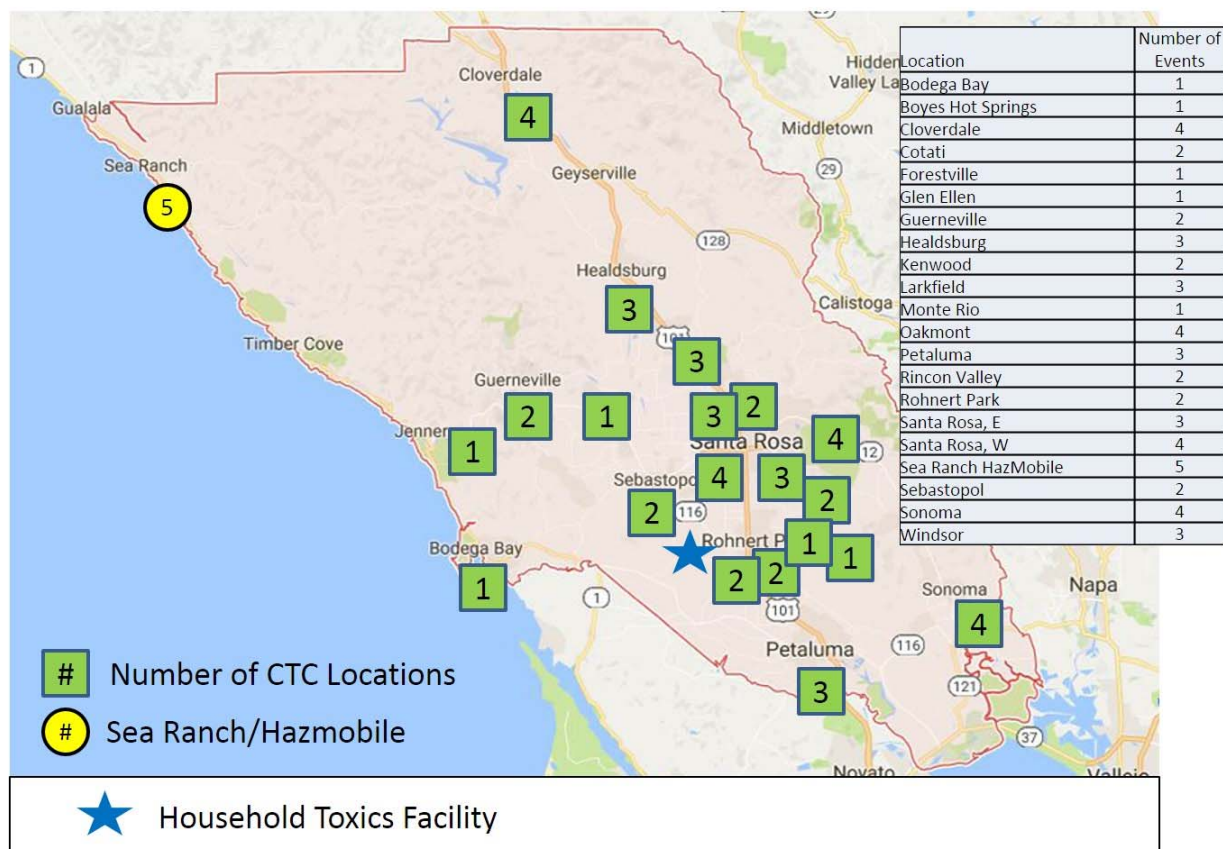
Table 2-1 Household Hazardous Waste Program Availability							
Program	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Sun.
Household Toxics Facility (7 hours/day)				•	•	•	
Community Toxics Collections (4 hours/day)		•					
Toxics Rover Pick Up Service (on call)			•				
Business toxic disposal (5 hours/day)		•	•				
Other HHW collection	Various locations and wastes						

Residents and businesses can readily receive information on all of these programs at the SCWMA website at <http://www.recyclenow.org/>

The Community Toxics Collection (CTC) events are held throughout the county to provide local collection options in various areas of the county. The locations of the 2018 CTCs are depicted in the map in Figure 2-1 along with the location of the HTF.

Figure 2-1 Community Toxics Collection Locations 2018

# Community Toxics Collection Participation



## 2.2. Program Staffing

The Sonoma County HHW activities are overseen by the Sonoma County Waste Management Agency and are conducted by a private hazardous waste contractor, currently Clean Harbors, who provides program staff to receive, package, and arrange disposal of the collected HHW. There is an average of seven full-time equivalent staffs working the various programs. The program operating days are staggered to optimize staffing levels and encourage consistent staff assigned to the programs. The Community Toxics Collection events are held on the same day as the Business toxic disposal. Consistent staffing provides for more efficient operations in handling the unique activities.

Table 2-2 HHW Program Staffing	
Program	Staffing
Household Toxics Facility	7
Community Toxics Collections (per event)	3-4
Toxics Rover Pick Up Service	2
Business toxic disposal	7

### 2.3. Participation Analysis

A first step in consideration of a potential additional HHW Facility is to analyze the current participation. Most of the population is located in the southern and central Highway 101 corridor. Sonoma County has a varied population density throughout its 1,768 square miles. Grouping Sonoma County jurisdictions into regions will simplify analyzing HHW participation. A population density map by region is presented in Figure 2-2 with the location of the current Household Toxics Facility (HTF) is also identified. The participation for the HTF for the period July 1, 2016 through June 2, 2017 is mapped in Figure 2-3 which is the latest full year period that addresses were available. The majority of the Figure 2-3 participant dots located outside Sonoma County are more a limitation of the mapping program interpreting the data set than actual participants using the program. Obviously, residents closer to the HTF tend to use the current facility more frequently.

Figure 2-2 Sonoma County Population Density Map

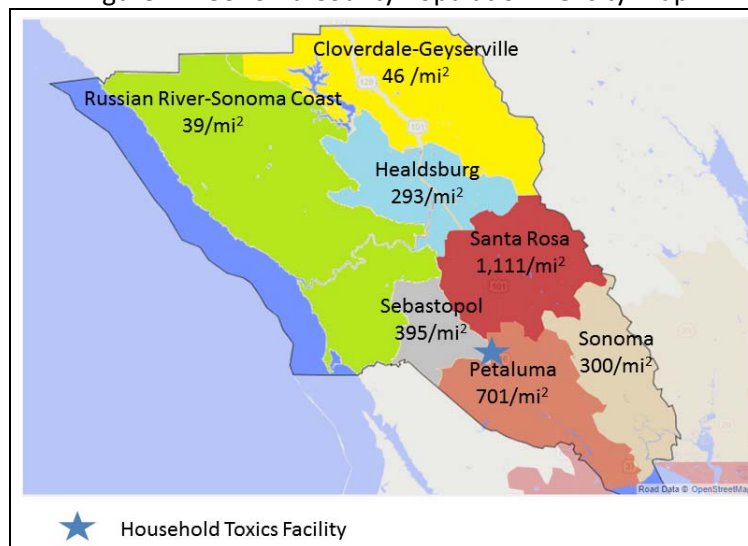


Figure 2-3 Sonoma County HTF 2016-2017 Participation

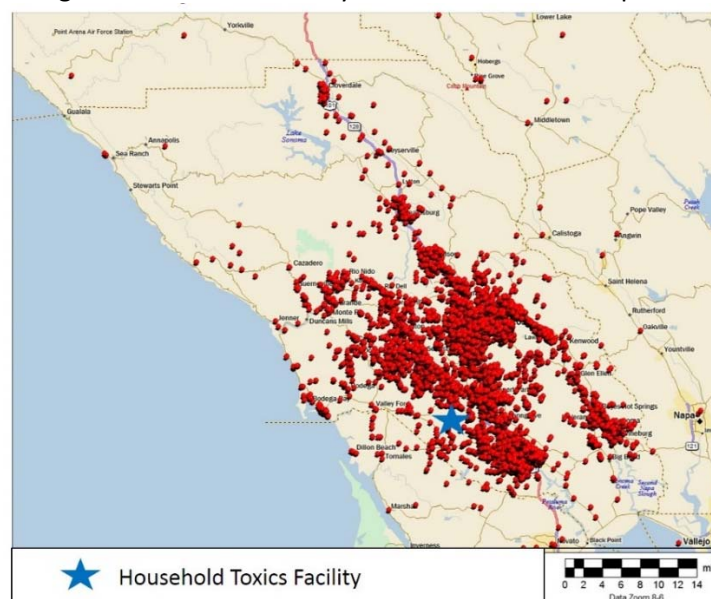
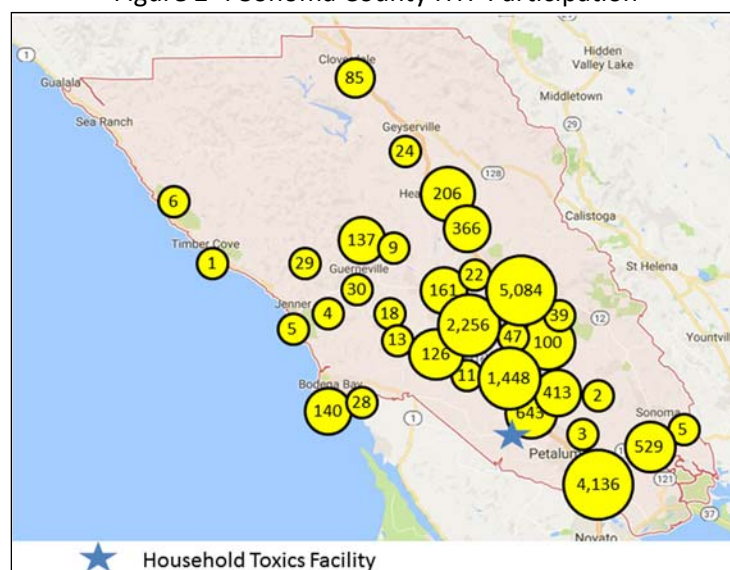


Figure 2-4 indicates the number of HTF participants by jurisdiction.

Figure 2-4 Sonoma County HTF Participation



The detailed participation at the HTF and the CTCs are presented in the table below. Since HHW is delivered to an HHW program by a household, it is more appropriate to calculate participation based upon the household participation. The table below indicates the participation by community for the HTF and CTC and the percentage participation are calculated by dividing households and the number of people using the HTF. The table also indicates approximate distance from the HTF.

Table 2-2 Sonoma County HHW Program Participation 2016-2017

Community	HTF	CTC	Population	Households	HTF+CTC %	Distance
Bloomfield	11		345	139	8%	10
Bodega Bay	140	24	1,077	552	30%	22
Boyes Hot Springs	2		6,656	2,402	0%	24
Camp Meeker	18		425	179	10%	22
Cazadero	29	9	354	171	22%	36
Cloverdale	85	118	8,618	3,352	6%	44
Cotati	643	2	7,265	3,080	21%	5
Duncan Mills	4	1	175	73	7%	30
El Verano	3	2	4,123	1,460	0.3%	22
Forestville	161	32	3,293	1,474	13%	18
Freestone	13		50	12	108% (a)	17
Fulton	22		541	199	11%	18
Geyserville	24	6	862	302	10%	35
Glen Ellen	100	11	784	382	29%	21
Graton	47	1	1,707	701	7%	7
Guerneville	137	48	4,534	2,397	8%	26



Healdsburg	206	89	11,254	4,630	6%	27
Jenner	5	1	136	83	7%	34
Kenwood	39	14	1,028	483	11%	22
Monte Rio	30	11	1,152	595	7%	26
Occidental	126	3	1,115	554	23%	21
Penngrove	413	6	2,522	1,063	39%	6
Petaluma	4,136	51	57,941	22,534	19%	9
Rio Nido	9	5	522	284	5%	26
Rohnert Park	1,448	16	40,971	16,693	9%	6
Santa Rosa	5,084	574	167,815	66,576	8%	12
Sea Ranch	6		1,305	713	1%	65
Sebastopol	2,256	32	7,379	3,390	67%	10
Sonoma	534	102	10,648	5,220	12%	22
Timber Cove	1		164	88	1%	47
Valley Ford	28		147	58	48%	13
Windsor	366	119	26,801	9,249	5%	6
Other/Unknown	47					
Total	16,173	1,277	371,709	149,076	12%	

(a) The 108% participation likely indicate multiple trips by same person.

Using the regions identified in Figure 2-2, the HTF household participation percentages are listed in the chart below and presented in the map below. The combined participation at the HTF and CTCs is 12% of the household participation per year. This participation rate is on par with the higher participation HHW programs in California. Most California HHW participation to a facility is usually within 5-10 miles in urban areas and 10-20 miles in rural areas.

Table 2-3 Sonoma County HHW Program Participation by Region

Community	HTF Usage	CTC Usage	Number CTCs	Households	HTF Percent Participation	CTC Percent Participation	HTF+CTC Percent Participation
Cloverdale-Geyersville	109	124	6	3,654	3%	3.4%	6%
Healdsburg	572	208	6	13,879	4%	1.5%	6%
Petaluma	6,643	77	7	44,830	15%	0.2%	15%
Russian River	420	99	14	5,193	8%	1.9%	10%
Santa Rosa	5,353	621	12	69,433	8%	0.9%	9%
Sebastopol	2,393	35	1	4,083	59%	0.9%	59%
Sonoma	636	113	3	8,004	8%	1.4%	9%
Total	16,126	1,277	49	149,076	11%	0.9%	12%

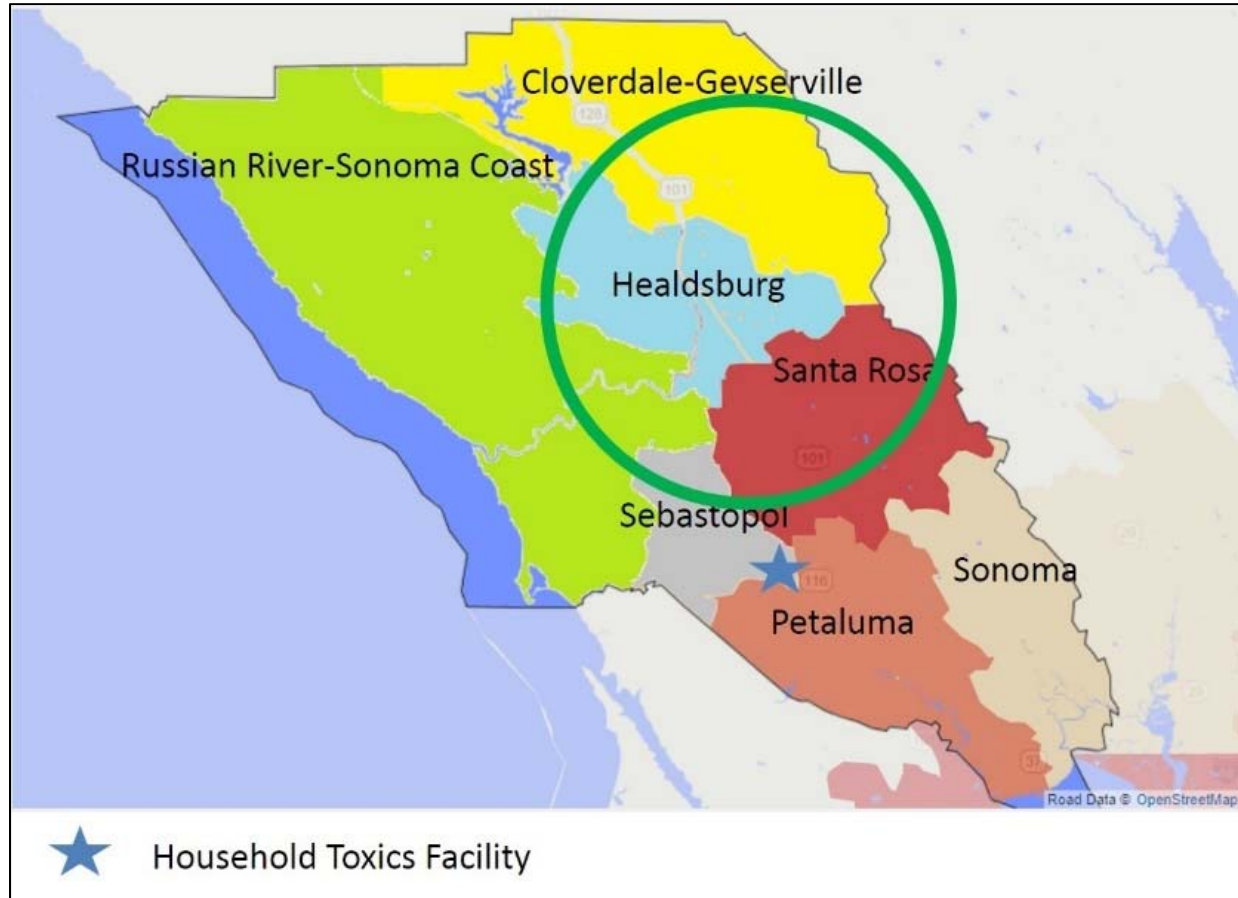
One factor that might influence the CTC participation is that the HTF is open to all residents three days per week and seven hours per day and about 149 days per year. The CTC is open four hours per week and rotates around the county one day per week with about 49 events per year. Households in the

Cloverdale-Geyserville region have the highest CTC usage at 3% and also use the HTF at 3% of region households.

#### 2.4. Target Area

After reviewing the participation data in Table 2-3 with consideration for regional population, the area most underserved by the HTF is the Santa Rosa, Healdsburg, and Cloverdale-Geyserville area indicated in Figure 2-5.

Figure 2-5 Target Area for Siting HHW Facility



### 3. OPERATIONAL COST

Analyzing the current operational costs will assist with evaluating the potential impacts of program expansion. This analysis focuses on the HTF and CTC program metrics. It does not include an analysis of staffing costs since labor is documented as an aggregate cost for the entire program and not allocated per program.

#### 3.1. Current Overall Program Operational Cost

The current agreement establishes a fixed monthly rate for labor and other mobilization costs not to exceed \$497,888 annually. An agreement amendment in November 2016 allowed for an annual adjustment to the labor cost based upon the San Francisco/Oakland/San Jose All Urban Consumer Price Index. Labor costs and the expense for the bonds are billed at the same rate every month. This method equalizes this cost over the year but does not allow for analyzing the actual labor cost spent per HHW program each month or annually. All other expenses are variable costs each month and billed at the contracted rates. Variable costs include:

- HHW disposal costs
- Safety-Kleen Fee and miscellaneous costs

In addition, there are several credited expenses on each monthly invoice including:

- Paint managed under the Paint Stewardship Program
- Business Toxics Disposal (Very Small Generator (VSQG) waste), and
- Toxic Rover service

The fixed and variable costs for overall HHW program for the calendar year 2017 include:

<b>Table 3.1 Overall 2017 HHW Program Costs</b>		
<b>Fixed Costs</b>	<b>Annual</b>	<b>Monthly Average</b>
Labor	\$522,771.90	\$43,564.33
Bond	\$11,004.00	\$917.00
Subtotal	\$533,775.90	\$44,481.33
<b>Variable Costs</b>	<b>Annual</b>	<b>Monthly Average</b>
Shipments	\$537,964.92	\$44,830.41
Load Check see	\$3,150.00	\$262.50
Miscellaneous fees	\$11,732.69	\$977.72
Subtotal	\$552,847.61	\$46,070.63
<b>Variable Credits</b>	<b>Annual</b>	<b>Monthly Average</b>
VSQG Credit	(-\$29,067.98)	(-\$2,422.33)
Paint Credits	(-\$7,709.80)	(-\$642.48)
Rover Fee	(-\$525.00)	(-\$43.75)
Subtotal	(-\$37,302.78)	(-\$3,108.57)
<b>TOTAL</b>	<b>\$1,049,320.73</b>	<b>\$87,443.39</b>

The relative net weights, disposal costs, and participation for each program in calendar 2017 is listed in Table 3-2. The disposal costs in Table 3-2 are based upon the calculated costs of HHW collected in that month. Disposal costs in table 3-1 are the actual shipment costs. Not all waste collected is shipment in the same month and the shipment costs include the credits and other programs.

**Table 3-2 HHW Program Collected Wastes, Participants, and Calculated Disposal Costs:**

Program	Net Weight (pounds)	Disposal Cost	Participants
HTF	1,040,714	\$407,079	20,493
CTC	171,977	\$82,311	2,712
Toxic Rover	12,068	\$4,888	53
VSQG	44,556	\$31,499	241
Load Check	11,013	\$3,770	
Reuse	77,475		
Total	1,357,803	\$529,546	23,499
Load Check Pick-ups			22

### **3.2. Household Toxics Facility (HTF)**

The permanent Household Toxics Facility located at the Sonoma County Landfill and accepts HHW on Thursday Friday and Saturday. The table below tracks the amount of HHW collected and the associated costs if only HTF wastes are shipped. This calculated cost is different than the actual shipment costs presented earlier since those costs include all programs and the HTF collected wastes represented in the table below are not all shipped and invoiced.

**Table 3.3 HTF 2017 Collected Wastes:**

Month	Net Weight (pounds)	Waste Cost	Participation
Jan	54,287	\$19,718	1,314
Feb	70,994	\$27,463	1,258
Mar	92,795	\$28,328	1,844
Apr	87,463	\$36,143	1,559
May	95,687	\$20,960	1,451
Jun	112,032	\$50,813	1,709
Jul	60,808	\$25,583	1668
Aug	144,600	\$54,736	1,899
Sep	83,376	\$36,048	1,639
Oct	89,380	\$43,472	1,405
Nov	60,483	\$19,617	1,268
Dec	88,809	\$44,199	679
<b>Total</b>	<b>1,040,714</b>	<b>\$407,079</b>	<b>17,287</b>

### 3.3. Community Toxics Collection (CTC)

A summary of the CTC collections is in the table below with the waste costs calculated based upon the amount collected each month.

**Table 3.4 CTC 2017 Collected Wastes**

Month	Net Weight (pounds)	Waste Cost	Participants
Jan	7,134	\$2,990	101
Feb	9,545	\$4,505	182
Mar	5,421	\$3,116	103
Apr	16,781	\$8,473	260
May	16,646	\$8,806	294
Jun	7,539	\$5,428	173
Jul	9,639	\$4,636	162
Aug	7,996	\$3,162	138
Sep	9,671	\$7,258	173
Oct	7,797	\$3,675	136
Nov	46,054	\$19,429	605
Dec	27,754	\$10,832	385
Total	171,977	\$82,311	2,712

The October 10, 2017 and October 17, 2017 CTCs were cancelled due to fires.

Some of the CTCs held in a specific jurisdiction tend to attract a similar number of participants and collect a similar range of wastes as indicated in the table below.

**Table 3-5 2017 CTC Collections by Jurisdiction**

Jurisdiction	Date	Net Weight (pounds)	Disposal	Participants
Bodega Bay	6-Jun	2,193	\$1,026	30
Boyes Hot Spring	23-May	3,196	\$1,695	63
Cloverdale	24-Jan	1,872	\$961	24
Cloverdale	18-Apr	5,037	\$2,889	79
Cloverdale	11-Jul	3,191	\$1,557	58
Cloverdale	19-Nov	8,420	\$4,629	86
Cotati	5-Sep	60	\$63	2
Forestville	22-Aug	1,203	\$596	16
Glen Ellen	29-Aug	1,420	\$688	20
Guerneville	2-May	1,858	\$812	34
Guerneville	7-Nov	2,470	\$1,256	33
Guerneville	2-Dec	6,754	\$3,250	82
Healdsburg	31-Jan	2,466	\$1,099	35
Healdsburg	16-May	5,124	\$4,103	46
Healdsburg	26-Sep	4,269	\$4,391	39

<b>Jurisdiction</b>	<b>Date</b>	<b>Net Weight (pounds)</b>	<b>Disposal</b>	<b>Participants</b>
Kenwood	27-Jun	2416	\$1,154	44
Larkfield	14-Mar	1,777	\$1,039	38
Larkfield	30-May	4,100	\$1,705	60
Monte Rio	14-Feb	2,878	\$1,131	36
Oakmont	21-Feb	2,811	\$1,667	90
Oakmont	9-May	2,368	\$1,388	91
Oakmont	12-Sep	2,419	\$1,637	80
Oakmont	28-Nov	2,898	\$1,592	92
Petaluma	7-Mar	105	\$68	5
Petaluma	20-Jun	1,108	\$557	27
Petaluma	24-Oct	2,497	\$1,252	48
Rincon Valley	28-Feb	2,530	\$1,416	35
Rohnert Park	7-Feb	1,326	\$842	21
Rohnert Park	1-Aug	1,475	\$630	36
Santa Rosa NW	10-Jan	1,319	\$697	20
Santa Rosa, NW	28-Mar	2,266	\$1,683	43
Santa Rosa, SE	25-Apr	3,122	\$2,478	48
Santa Rosa, W	13-Jun	4,238	\$3,260	72
Santa Rosa, E	18-Jul	3,774	\$2,357	66
Santa Rosa, W	19-Sep	2,923	\$1,554	52
Santa Rosa, E	31-Oct	2,894	\$1,715	57
Santa Rosa	18-Nov	28,382	\$14,005	337
Santa Rosa, Finley Park	5-Dec	2,293	\$1,166	52
Sebastopol	21-Mar	1,273	\$687	17
Sebastopol	15-Aug	1,572	\$747	27
Sebastopol	12-Dec	3,622	\$1,798	53
Sonoma	17-Jan	1,477	\$741	22
Sonoma	11-Apr	3,675	\$1,334	53
Sonoma	25-Jul	2,674	\$1,255	38
Sonoma	3-Oct	2,406	\$1,006	31
Sonoma	3-Dec	15,085	\$6,670	198
Windsor	4-Apr	4,947	\$2,447	80
Windsor	8-Aug	2,326	\$1,131	39
Windsor	14-Nov	3,884	\$1,715	57
<b>Total</b>		<b>174,393</b>	<b>\$93,541</b>	<b>2712</b>

### 3.4. Comparison HTF and CTC Metrics

Comparing the primary metrics between the HTF and CTCs will assist with evaluating off-setting costs of another Facility and less CTC events.

**Table 3-6 HTF and CTC Metrics**

Program	Net Weight (pounds)	Disposal Cost	Participants	Cost/pound	Cost/Participant
HTF	1,040,714	\$407,079	20,493	\$0.39	\$19.86
CTC	171,977	\$71,080	2,712	\$0.41	\$26.21

The average cost per pound and cost per participant is less for the HTF than for CTCs. These costs only consider disposal cost per program. CTCs have significant travel, mobilizations, and de-mobilization costs. The HTF uses more staff than CTC and has additional costs for utilities, facility maintenance and repairs, and possible lease payments. Just considering disposal costs, more residents could be served, and more waste collected, by utilizing a facility rather than events with the same funds. A more detailed cost analysis of the other costs may change this comparison. Other HHW program sponsors have found that the costs per pound and cost per participants are typically less for permanent facilities than temporary events.

Using the 2017 calculated disposal cost for the CTCs and applying the HTF rates of cost/pound and cost/participant yields the following estimated increased participation and pounds.

**Table 3-7 Estimated Increase CTC Metrics**

Metric	Participation	Pounds
Disposal Cost	\$71,080.09	\$71,080
HTF Rates	\$19.86	\$0.39
Calculated	3,578	181,719
Actual	2,712	171,977
Increase (estimated)	32%	6%

Locating another HHW Facility in underserved areas will not eliminate the need for CTCs but could reduce, or eliminate, the frequency of CTC in the area of a new HHW facility. Given the size of Sonoma County and the dispersed population centers, there will still need to be CTCs scheduled but a reduced frequency of scheduling CTCs would be a reasonable action while increasing service and freeing up contractor staff time. One option is to schedule CTC in more rural areas while participants in the U.S. 101 corridor rely on the permanent HHW Facilities.

## 4. FACILITY SITING CONSIDERATIONS

Proper siting of the proposed HHW facility is critical to successful participation at the facility and can greatly impact the cost of developing the facility as well as the associated permits and approvals. If a facility is not conveniently located, residents will be less likely to use it. The facility location can also determine which permits might be needed for approval of the site. Site topography can also reduce construction costs such as if features are amenable for loading docks.

### 4.1. Siting Criteria

There are a number of key criteria applicable to siting an HHW facility. Many of these criteria are applicable to the facility location regardless of whether the facility is sited on a bare property or if an existing facility is retrofitted for the HHW Facility operations

Some of the key site characteristics when considering location for a new HHW facility include the following:

- Proximity to population centers, main thoroughfares, and other common customer destinations.
- Located in an area that the public is willing to drive to the facility.
- Convenient, paved customer access into the facility and safe egress to exit roads.
- Sufficient area for the storage and operational areas including customer queuing, property buffer zone, access and turning radii for deliveries and waste removal (depending upon site configuration, the typical site size for an HHW facility is between 3 to 4 acres).
- Room to expand the building if needed in the future.
- Site configuration allowing for loading docks for removal of wastes and delivery of supplies.
- Compatibility with existing land uses (e.g. solid waste facilities) and neighboring site land uses (industrial developments).
- Existing zoning compatibility likely commercial or industrial. Industrial zoned properties are preferred for HHW facilities, but this use may be competing with cannabis businesses.
- Property boundary at least 500 feet from hospitals schools, daycare facilities, and nursing homes.
- A buffer of 75 feet is needed from the property line for storage of ignitable and reactive hazardous wastes. Depending upon site design, this buffer zone may not need to be around the entire building. The common, minimum emergency access buffer is 20 feet around the building.
- Access to utilities including power, sewer, telephone, and water especially for fire suppression.
- Distance from emergency services.
- Location in a Disadvantage Community as listed in CalEnviroScreen (this could impact the local approval process, environmental review, and funding) With the exemption of the area bounded by Santa Rosa, Sebastopol, and Rohnert Park, the rest of Sonoma County scores low in terms of disproportionately burdened by multiple sources of pollution.

Ownership of the property by a public agency is preferable. Otherwise contractual arrangements will be needed with a private land owner that may require additional legal review. California requires that a government agency sponsor a household hazardous waste program and there be an agreement between the sponsoring agency and the property owner that acknowledges use of the site for hazardous waste management. That agreement is included with the proposed Permit-by-Rule application. Furthermore, construction costs of HHW collection facilities are frequently partially offset



by grants offered by CalRecycle; these grants require assurances that the grant payment will create a long term public benefit, which is more easily accomplished through public ownership of the HHW facility

#### **4.1. Facility Design Features**

Certain common facility features are present in an HHW facility including the following features:

- Sufficient queuing onsite to avoid impacting neighboring activities or traffic.
- Employee parking.
- Receiving area to remove HHW from incoming vehicles and preliminarily sort into appropriate classifications.
- Area for packaging wastes and storage until removal.
- Flammable area to bulk, if a chosen activity, and/or store flammable materials
- Office area and employee break room.
- Bathroom and locker area for employees with possible shower facilities.
- Reuse area with access for the public.
- Area for identification of unknowns.
- Loading dock to allow delivery of supplies and removal of wastes.
- Storage area for supplies.
- Area for solid waste and storage of recyclables especially cardboard.

Some of these areas may be designed as discrete rooms located in a portion of the facility.

An existing building can be retrofitted into an HHW facility. The above siting criteria and facility design features will still apply. The main HHW facility in Kern County utilized a preexisting building.

A properly sized facility is key to a smooth operating facility. Most facilities experience the need to expand the facility footprint after years of operation. Room for future expansion is an important consideration for site design.

The current Sonoma HHW building is about 300 feet by 100 feet (about 0.7 acres) with additional room for the receiving area and employee and visitor parking. The reuse area is also located separately. Depending upon the amounts and classification of materials stored, fire codes, building codes, and hazardous waste regulations require a minimum of 50 feet to 75 feet buffer zone from the storage of ignitable or reactive chemicals. Including sufficient area for the receiving area, parking, loading dock, and other features, the minimum property size needed is three to four acres.

#### **4.2. Permits and Approvals**

Numerous permits and approvals are needed for development of an HHW facility. In addition to the listed permits and approvals, there are a number of required construction and building permits that are not included in this discussion. Construction and building permits are highly dependent upon the site location, facility design features, and the jurisdiction where the facility will be located. Most permits and approvals must be submitted and approved prior to site operation and applications can be prepared by the SCWMA, consultant, or contractor. Some permits or approvals will require public notices and hearings. Many permits and approvals can be prepared and submitted concurrently. Site conditions will determine extent of some of the permits.

The key permits, approvals, safety plans, and estimated permit time periods, that may be required include:

**Table 4-1 HHW Facility Permits/Approval and Estimated Time Period**

Permit/Approval	Approving Agency	Estimated Time
CEQA Review	Local	6-8 months
Use Permit	Local	3-4 months
Hazardous Waste Identification Number	DTSC	1 month
Permit-by-Rule (PBR)	CUPA	3 months
Agreement with Property Owner	CUPA	2 months
Operations Plan including Material Exchange Quality Assurance Plan	Sponsor/Contractor	2 months
Notification of local hospital and emergency agencies	Sponsor/Contractor	2-4 months
Approval by local fire and air district if bulking of flammables will be conducted	Local Fire & Air	3-6 months
Hazardous Materials Business Plan	CUPA	1 month
Engineer Containment Statement	Professional Engineer	1 month
Hazardous Waste Tank Assessment	Professional Engineer	2 months
Universal Waste Handler Registration	DTSC	1 month
Local Government Proof of Designation for Covered Electronic Waste	CalRecycle	1 month
Home-Generated Sharps Consolidation Point	Medical Waste Local Enforcement Agency	1 month
Injury Illness Prevention Plan	Sponsor/Contractor	1 month
Air Compressor Permit	CalOSHA	3- 6 months
PaintCare Registration	PaintCare/Vendor	1 month
Spill Prevention Control and Countermeasure Plan	Sponsor/Contractor	1 month
Phase I Environmental Assessment (required within one year of start of operations)	Sponsor/Contractor	1 month
Household Hazardous Waste Element	SCWMA/CalRecycle	2 months
County Hazardous Waste Management Plan	Local	3-6 months

#### CEQA Review

The California Environmental Quality Act (CEQA) is the process for public disclosure and review of potential environmental impacts related to the proposed project.

#### Use Permit

A Use Permit authorizes use of the land for the proposed activities. The property zoning designation may approve use of the property with obtaining a Use Permit.

#### Hazardous Waste Identification Number

This is a unique, site-specific number assigned to the program sponsor at the specific site address. The Department of Toxic Substances Control issues this number and requires that the local government sponsor obtain the number even if that facility is operated by a private contractor. Typically, HHW programs are issued a number that starts with CAH to designate an HHW facility and indicates in the state system that the facility is exempt from hazardous waste taxes and state fees.

#### Permit-by-Rule (PBR)

This document identifies the HHW facility sponsor, operator, wastes accepted and not accepted, hours of operation, financial assurance for closure, facility description, and facility map. The local Certified Unified Program Agency (CUPA) must receive this PBR at least 45-days prior to the start of operations and their formal acknowledgement of the operations is required. A copy of the application is also submitted to the Department of Toxic Substances Control.

#### Agreement with Property Owner

An agreement with the property owner acknowledging the use of the property for the HHW facility is required as part of the Permit-by-Rule submittal package.

#### Operations Plan

An Operations Plan is required of all HHW facilities and identifies specific procedures of managing the HHW and includes copies of relevant permit documents.

#### Notification of local hospital and emergency agencies

Local hospitals and emergency agencies are required to be notified of the HHW facility.

#### Approval by local fire and air district

If bulking of flammables will be conducted at the HHW facility, the approval of the local fire and air district is required. HHW facilities have not been issued air permits but some are provided a set of conditions (e.g. maximum amount of HHW managed) for compliance in order to not apply for a permit.

#### Hazardous Materials Business Plan

Facilities handling hazardous materials and/or hazardous waste, over a minimum quantity, must submit a Hazardous Materials Business Plan to the local Certified Unified Program Agency annually. The plan identified the owner and operator of the facility, hazardous materials/waste inventory, financial assurance, emergency procedures, training program, and aboveground tank information is applicable.

#### Engineer Containment Statement

A written statement is required to be signed by an independent, qualified professional engineer, registered in California, indicating that the containment system is suitably designed

#### Hazardous Waste Tank Assessment

Aboveground storage tanks for hazardous wastes are required to have an assessment prepare by an independent professional engineer or apply for an exemption. The assessment is required to be renewed every five years and the exemption has a three-year renewal frequency

#### Universal Waste Handler Registration

Persons handling universal waste electronics are required to submit an online registration to the Department of Toxic Substances Control.

#### Local Government Proof of Designation for Covered Electronic Waste

Provides covered electronic waste collectors and recyclers to act on the jurisdiction's behalf to obtain payment from California and allows reduced record keeping.

#### Home-Generated Sharps Consolidation Point

Allows collection of home-generated sharps without obtaining a medical waste facility permit. Once collected these wastes are regulated as medical waste. The default storage time on-site is seven days but can be extended to 30 days or more if approved by the Local Medical Waste Management Agency.

#### Injury Illness Prevention Plan

This plan required by CalOSHA contains policy and procedures for ensuring employee safety.

#### Air compressor permit

If an air compressor is used on site, CalOSHA requires submittal and approval of a permit to operate a pressure vessel. The compressor is needed if pneumatic tools are used in the facility.

#### PaintCare registration

Participation in the California paint stewardship program for management of architectural paint at no supply or disposal costs requires that the sponsoring jurisdiction, or its contractor, receive registration from the approved paint stewardship organization. Currently, California only has one stewardship organization, PaintCare. This program can also provide payment to the HHW program for reuse of paint or bulking of paint.

#### Spill Prevention Control and Countermeasure Plan

Facilities with more than 1,320 gallons of petroleum products must prepare a Spill Prevention Control and Countermeasure Plan (SPCC) identifying the types and amounts of petroleum products on site, emergency measures, responsible personnel, and training. Recent changes to this requirement do not require the use of a professional engineer to prepare this plan.

#### Phase I Environmental Assessment

Within the first year of operations, a Phase I Environmental Assessment must be completed and evaluates for investigation for releases of hazardous waste at the HHW facility property. The property environmental assessment required for real estate transaction can suffice for the requirement.

#### Household Hazardous Waste Element

The Household Hazardous Waste Element is part of a jurisdiction's Integrated Waste Management Plan (AB 939) which specifies how a jurisdiction will manage HHW. This Element is commonly updated at the time of a jurisdiction's annual review due every August 1<sup>st</sup> and will not require much effort.

#### County Hazardous Waste Management Plan

In 1986, California approved a requirement for County Hazardous Waste Management Plans, also referred to as Tanner Plans, required each County to develop siting criteria for hazardous waste facilities, including household hazardous waste facilities (Health and Safety Code 25199). Sonoma County's plan can be reviewed for the approved criteria although a local land use decision could satisfy this requirement with notification to Department of Toxic Substances Control and other affected state agencies.

#### Other permit/approval considerations

Depending upon the site activities, other potential permit or approval consideration can include registration for management of treated wood waste, underground tank monitoring and permitting, and consideration within an industrial or municipal stormwater permit.

## 5. HHW FACILITY EXPANSION CONSIDERATIONS

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Developing an additional HHW facility involves a number of considerations including:

- Determining the type of expansion and service options.
- Staffing considerations
- Potential locations
- Facility cost estimate and funding (sections 6 and 7)

### 5.1. Expansion and Service Options

Expanding Sonoma County full HHW services can be accomplished by several options including constructing a new or retrofitted permanent building or placement of storage lockers.

A permanent structure provides a more organized management of collected HHW but at a higher initial construction cost. A facility utilizing storage lockers is a less initial expense to establish but has limited storage space.

Adding an additional facility is expected to reduce significantly the number of households from that host jurisdiction that use the existing HTF but will not eliminate their usage assuming the two facilities are open on different days. Overall household participation in the HHW program will likely slowly increase by adding an additional facility.

There are several options for consideration that can define the type of program expansion including:

- Determining the relationship of the new HHW facility to the current HTF
- The new site could add areas for acceptance of other materials including electronics, mattresses, carpet, recycling buyback.
- Determining staffing and operating hours

#### 5.1.1. Relationship of new HHW facility to current HTF

One of the first steps in establishing a new HHW facility is whether the new facility will be an auxiliary facility, equal infrastructure, or designation as the main facility. The current facility is very busy with frequent shipments. The addition of a new facility will alleviate some of the operational limitations at the current facility. Participation at the new facility is difficult to determine as is the shift of participants from the current HTF to the new facility. There have not been many California jurisdictions that have added additional HHW facilities in the same County.

One recent facility addition occurred in West Contra Costa County. West Contra Costa County opened a permanent HHW facility in 2000 in Richmond near the old landfill and is currently open four days per week. In June 2017, a satellite facility was opened in the City of El Cerrito about 8.5 miles away at a popular recycling center and is open one day per week. The El Cerrito participation increased over three times during the same period from the previous year with a 21% decrease in El Cerrito resident usage of the Richmond Facility.

A similar shift in participation would be expected by adding a new HHW facility in Sonoma. The host area participation would increase significantly with a decline in usage of the existing facility. Overall participation for the HHW program would increase.

#### *5.1.2. Additional Materials collection*

In addition to acceptance of HHW and small business wastes, a new facility could consider acceptance of additional types of materials for recycling including mattresses, carpet, electronics, beverage containers, and others. The City of Elk Grove in Sacramento County developed the Special Waste Collection Center that in addition to HHW, also accepts from residents: appliances, cardboard, metal, inert materials, yard waste, wood, Styrofoam, and miscellaneous recyclables. Information on Elk Grove's program can be found at:

[http://www.elkgrovecity.org/city\\_hall/departments\\_divisions/garbage\\_recycling/special\\_waste\\_collection\\_center/recycle\\_area/](http://www.elkgrovecity.org/city_hall/departments_divisions/garbage_recycling/special_waste_collection_center/recycle_area/)

Limiting acceptance at this location to HHW and only recyclable materials may not require a solid waste facility permit if there is limited residual, including putrescible materials, going to landfill. Control measures would need to be implemented to ensure the quality of accepted materials do not result in residuals that would require permitting as a solid waste facility.

#### *5.1.3. Staffing and Operating Day Considerations*

The current programs already provide HHW collection options five days per week (Tuesday through Saturday). Staffing at the HTF is three days per week for residential service with an additional two days for small business acceptance. The existing schedule could be modified to accommodate staff for a additional facility. Typically, additional facilities in a jurisdiction open on different days than the original facility.

There are several determining factors in calculating staffing levels including:

- A minimum of two staff is recommended to be present at HHW operations.
- Staff dedicated to the CTC program can be allocated to the new facility
- Some of the staffing at the current HTF may be reallocated to the new facility if the new facility is designated as the main facility.
- Adding additional operating days slowly is easier than reducing days of operation.
- The first and last days of a permanent facility schedule tend to be the busiest with days in between having a noticeable decrease. When additional days are added to the scheduled for a facility this trend continues. There is not much available information on the impact of additional days at facilities located in different area.

There are many different combinations of staffing to cover an additional facility. A few options are indicated in the table below.

Table 5-1 Household Hazardous Waste Program Availability Options							
Current Schedule							
Program	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Sun.
Household Toxics Facility				•	•	•	
Community Toxics Collections		•					
Toxics Rover Pick Up Service			•				
Business Toxic Disposal		•	•				
Option 1 – adding three days							
Program	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Sun.
Household Toxics Facility, Existing				•	•	•	
Household Toxics Facility, New	•	•	•				
Community Toxics, reduced events		•					
Toxics Rover Pick Up Service			•				
Business Toxic Disposal (one day/facility)		•	•				
Option 2 – adding two days							
Program	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Sun.
Household Toxics Facility, Existing				•	•	•	
Household Toxics Facility, New		•	•				
Community Toxics Collections		•					
Toxics Rover Pick Up Service			•				
Business Toxic Disposal		•	•				
Option 3 – adding two days with an additional weekend							
Program	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.	Sun.
Household Toxics Facility, Existing				•	•	•	
Household Toxics Facility, New	•						•
Community Toxics Collections			•				
Toxics Rover Pick Up Service			•				
Business Toxic Disposal		•	•				

Option 2 allows for the same five-day staffing levels at both facilities with additional staffing needed for the CTC and Rover services. Option 3 allows the opportunity for coverage on both weekend days. Sunday operation has been working successfully in Elk Grove. Sacramento County has three permanent facilities with at least one facility open every day of the week. Los Angeles also has HHW drop-off opportunities on Sundays. The Business Toxic Disposal date could be adjusted to have one day per facility or an additional day of operation could be added.

Further analysis is needed to determine the current level of staffing used for each program on each day and estimating expected staffing under the various options.

## 5.2. Potential Locations

After reviewing the participation data with consideration for regional population, the area most underserved by the HTF is the Santa Rosa, Healdsburg, and Cloverdale-Geyserville area. This area is along the north U.S. 101 corridor.

The location will need to meet the appropriate zoning for this type of industrial activity. Any selected location will need to undergo various local public hearings. The specific site will determine the extent of some of the permits needed to develop the facility.



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## **6. FACILITY COST ESTIMATES**

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Development and operation of an HHW facility imposes significant costs to the sponsoring agency. Facility costs are typically categorized as 1) facility design and construction, 2) permitting, and 3) operational costs.

Facility design and construction costs are the costs to identify a suitable location, purchase or lease the property, design the facility, and construct the facility including the building and construction permits.

Permitting costs are related to obtaining the permits post-construction to allow operation of the facility. Some of these permits or approvals can be prepared by the selected operational contractor.

Operational costs are the costs for ongoing operation of the HHW facility including staffing, supplies, and waste management expenses.

These categories of costs are often funded by different mechanisms.

### **6.1. Facility Design and Construction Costs**

Design and construction costs for an HHW facility can range significantly depending upon cost of land, utility access, facility features, and ancillary activities.

The construction cost for the state's newest HHW facility in Elk Grove (Sacramento County) was \$4.9 million dollars and incorporated some innovative design features. The cost to hire a firm to manage the project, develop the design drawings prepare bid documents, and provide construction administration services was \$414,000 for a total cost of about \$5.3 million dollars. This did not include the cost of the land.

Kern County purchased an existing warehouse and retrofit it for receipt and storage of HHW. The retrofit costs were about \$500,000.

One primary component to determine the facility design is to evaluate the current facility operation and determine which features function well and which need improvement. The assistance of an experienced Household Hazardous Waste design professional can greatly assist with facility design. Tours and discussions with other HHW Facility operators provide valuable input into adapting a design that will operate effectively for years.

Some recent design features that are being incorporated into new facilities include: in-ground scale for weighing wastes, improved ventilation, location of large volume waste handling areas in the receiving area, ergonomic equipment for managing full containers, and simplified secondary containment.

### **6.2. Permitting Costs**

Costs to obtain the permits and approvals, not including construction permits, are primarily related to environmental review and land use and the various hazardous waste facility permits as indicated in Table 4-1. Only a few California HHW facilities have had to prepare a full Environmental Impact Report.

Some agencies prepare the environmental review documents internally. A consultant could be retained to prepare the Initial Study, Mitigation Monitoring Plan, and a Mitigated Negative Declaration at an estimated cost to range from \$20,000 to \$40,000.

Most HHW facilities have been approved with a Mitigated Negative Declaration. Careful site selection is key to minimizing the cost of preparing the environmental review and associated mitigations needed, if any.

After the environmental review documents and any use permit is prepared, the other hazardous waste facility related permits can be prepared internally and/or with the use of an HHW consultant at an estimated cost of \$8,000 - 10,000.

### **6.3. Operational Costs**

Operational costs are directly related to the amount of time the facility is open for use except for the fixed costs related to land usage and some utilities that are fixed costs regardless of operating hours.

**Table 6-1 Estimated Annual Increased Operating Costs**

Category	Cost Range
Disposal Costs	\$200,000 to \$400,000
Staffing	\$150,000 to \$200,000
Total estimated increase	\$350,000 to \$600,000

These estimates do not include utilities, facility maintenance, SCWMA oversight costs.

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## 7. FUNDING OPTIONS

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How to fund the HHW program is a key consideration in determining the type of HHW program. Typically, HHW programs are funded by a fee on solid waste disposal for both construction and operation. Jurisdictions are looking for other options for funding HHW program beyond the solid waste fee since as landfill diversion efforts increase the amount of funding for the programs funded by the fee decreases.

Other potential options are available or a portion of the costs including:

- CalRecycle HHW grants
- Extended Producer Responsibility Program Fees
- Parcel Fee
- User Fees
- Municipal bonds
- Wastewater treatment plant funds
- Economic development funds
- Energy funding
- Other grant and loan opportunities

A key benefit of HHW programs is to reduce potential environmental liability and thus funding opportunities directed at pollution reduction might be applicable to HHW program funding.

Most likely a variety of financial mechanisms will be needed to develop this proposed facility.

### 7.1. CalRecycle HHW grants

CalRecycle annually offers grants to jurisdictions for facility construction and operation of HHW programs. Typically, the priority for the grants is new programs and facilities in underserved areas and for jurisdictions that have not received a grant in recent years. The grants are available annually and cover a two-year cycle. The Fiscal year 2018-2019 allocated funding is \$1.5 million dollars with \$500,000 for construction projects and \$1,000,000 for small projects for all selected recipients. The maximum amount available per grant is \$250,000. The maximum award amount is not enough to fund the entire cost of constructing a facility. A qualifying criterion is that the project must be “shovel ready” meaning that most major local permits are complete and the facility permitting, licensing and siting approval process must be well underway and be completed prior to the end of the grant term. The deadline for submittal of the 2018 grant cycle is March 8, 2018. The grants are competitive and several times CalRecycle has resorted to a lottery system to determine awardees.

### 7.2. Extended Producer Responsibility/Product Stewardship Program Fees

There have been a number of Extended Producer Responsibility/Product Stewardship program enacted in California with continued efforts to add more materials to the system. Current programs include: Architectural paint, rechargeable batteries, thermostats, and used oil. Some jurisdictions have adopted take-back program for home-generated sharps and home-generated pharmaceuticals. There are also non-hazardous waste program including mattresses and carpets as well as efforts to add minimum packaging standards paid by manufactures.

These Extended Producer Responsibility/Product Stewardship shift the financial cost and management burden from local governments to manufacturer.

### **7.3. Parcel Fees**

Parcel fees have been used in some communities to fully or partially fund their solid waste programs including HHW programs. Calaveras County is one that uses this option.

In 2014, Alameda County adopted a \$9.55 per year per residential unit parcel fee to provide additional funding for their HHW program rather than reliance on solid waste fees. This parcel fee provided additional funding of about five million dollars per year for increasing the hours at the current HHW program of four HHW facilities and added funding for twelve one-day events throughout the county.

### **7.4. User Fees**

Typically, HHW programs do not charge fees for residential users but there is no regulatory prohibition to assessing a fee. A few HHW programs assess a fee on larger loads of HHW delivered to the program. The funds raised by this assessment are not significant and require additional record keeping and may serve as a deterrent to using the facility.

Most programs that accept CESQG waste typically assess a fee to the business equal to the cost of waste disposal per pound or per gallon plus an administrative fee. The facility operating costs and labor are not always included in this business fee but can be an option. Reassessing this fee periodically, such as annually, is a reasonable measure. Assessing a fee on business usage is not a major deterrent since businesses are required to properly dispose of their accumulated hazardous wastes.

### **7.5. Municipal bonds**

Jurisdictions commonly issue bonds to finance infrastructure and capital projects. These bonds are commonly exempt from federal taxes. Two of the most common types of municipal bonds are general obligation bonds and revenue bonds.

General obligation bonds are issued by states, cities or counties and not secured by any assets. Instead, general obligation bonds are backed by the “full faith and credit” of the issuer, which has the power to tax residents to pay bondholders.

Revenue bonds are not backed by government’s taxing power but by revenues from a specific project or source, such as highway tolls or lease fees. Some revenue bonds are “non-recourse”, meaning that if the revenue stream dries up, the bondholders do not have a claim on the underlying revenue source.

There are some risks to using municipal bonds including increased debt to the jurisdiction and impacts to the issuing jurisdiction’s credit rating.

### **7.6. Wastewater treatment plant funds**

Several HHW programs are funded primarily by fees on wastewater treatment customers including Central Contra Costa Sanitary District in Martinez, Contra Costa County and Delta Diablo in Antioch, Contra Costa County. These agencies are responsible for operation of their community wastewater treatment programs as well as operation of their HHW Programs.

The federal National Pollutant Discharge Elimination System (NPDES) for treatment plants requires efforts to reduce mercury and pesticides from their effluent. These chemicals are commonly found in HHW including fluorescent lamps, mercury containing items, and pesticides. These wastes amount to 15% of HHW collected by the HTF, CTC, and Toxic Rover programs.

Wastewater treatment plan fees could be a partial funding source for an HHW program.

### **7.7. Economic development funds**

Economic development funds are available at the federal and state level for in infrastructure construction projects.

California has established the California Infrastructure and Economic Development Bank (IBank) CLEEN Center offers financing to public agencies and non-profit corporations to help achieve the State's greenhouse gas reduction goals and increase market confidence in green investing. Although HHW programs are not typically funded by this program, an HHW might qualify for this funding based upon reduction to greenhouse gas generation by reducing the CTC program and affiliated emissions and establishing an additional HHW facility closer to residents and reducing emissions due to the closer distance. Incorporating energy efficient systems into the facility design (e.g., skylights and solar power) might also qualify the development of the facility under this program.

Another funding avenue to review would be any state or local funds available for redevelopment of an existing structure into an HHW facility. These funds are commonly used for projects located in areas that suffer from adverse physical and economic conditions (blight). Kern County successfully retrofitted an existing warehouse into an HHW facility. The economic downturn from a few years ago may provide suitable locations that could be retrofitted into an HHW facility.

### **7.8. Energy funding**

The California Alternative Energy and Advanced Transportation Financing Authority is established to work collaboratively with public and private partners to provide innovative and effective financing solutions for California's industries, assisting in reducing the State's greenhouse gas emissions by increasing the development and deployment of renewable energy sources, energy efficiency, and advanced transportation and manufacturing technologies to reduce air pollution, conserve energy, and promote economic development and jobs. Energy efficient design of the proposed HHW program might qualify under this program.

There are some federal energy conservation and efficiency programs that can be investigate such as the Energy Efficiency and Conservation Block Grant Program from the Energy Department (<https://energy.gov/energy-economy/funding-financing>). The City of Elk Grove sought to use these funds for their HHW facility's proposed 26 kW Solar photovoltaic system.

### **7.9. Other grant and loan opportunities**

There are many other local environmental grants available that might provide limited funding for part of the HHW program. Websites listing some of these local programs are at:

- <https://www.insidephilanthropy.com/fundraising-bay-area-grants/>
- <http://rogersfoundation.org/grants/other-bay-area-funders/>
- <http://www.sfbayjv.org/funding-list.php>

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## 8. NEXT STEPS

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The decision to proceed with development of an additional HHW facility for Sonoma County will involve a series of additional measures including:

- Determine the scope of the facility regarding days of operation, hours, whether additional non-HHW wastes will be accepted at the site, and whether the new site will be the main facility.
- Refine the operating staff cost estimates to develop more accurate annual operating costs.
- Conduct search for suitable location and secure property.
- Evaluate current facility features and research other facility design features and issues.
- Develop expansion budget.
- Prepare conceptual facility design.
- Obtain budget approval.
- Secure financing.
- Prepare bid for project management and construction.
- Build Facility.
- Obtain permits and approvals.
- Retain hazardous waste contractor.
- Open facility.



Agenda Item #: **4.4**  
Cost Center: **All**  
Staff Contact: **Collard**  
Agenda Date: **6/20/2018**  
Approved By:

## **ITEM: SCWMA FY 2017/18 Third Quarter Financial Report**

### **I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION**

Staff recommends approving the FY 2017/18 Third Quarter Financial Report on the Consent Calendar.

### **II. BACKGROUND**

In accordance with the requirement in the joint powers agreement the Sonoma County Waste Management Agency (SCWMA) staff make quarterly reports to the Board of Directors of SCWMA operations and of all receipts to and disbursements from the SCWMA. This report covers the First through Third Quarters of FY 17-18 (July 1, 2017 - March 31, 2018).

### **III. DISCUSSION**

The Third Quarter Financial Report uses information from the County accounting system, Enterprise Financial System (EFS), for expenditures and revenues. The FY 2017/18 Third Quarter Financial Report contains the actual amounts spent or received to date at the end of the quarter, the projected revenues and expenses through the end of the fiscal year, the adjusted budget, and the amount remaining between the budget and the projections.

Revenues are expected to meet budget expectations in all account categories. Green Waste Fees are reflected through November 2017, December and January fees were transferred this month. SCWMA surcharge fees have been collected through February, and March was transferred this month.

With regard to expenditures the following accounts are of note:

- 51801 – Other Services is prior year expenditures. There was a miscommunication with the billing timeline for some grant related expenditures and they were incorrectly billed to us in the new fiscal year.
- 51803 – Contract Services for Yard Debris disposal is nearing budget. Staff will continue to monitor to account to ensure sufficient appropriations are allocated.

### **IV. ATTACHMENTS**

SCWMA FY 2017-18 Third Quarter Financial Report



## SCWMA - All Accounts

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
42358	State Other Funding	292,000.00	0.00	292,000.00	100.00%
42601	County of Sonoma	6,753,300.00	2,506,083.87	4,247,216.13	62.89%
44002	Interest on Pooled Cash	30,273.00	40,986.00	(10,713.00)	-35.39%
44050	Unrealized Gains and Losses	0.00	28,748.90	(28,748.90)	0.00%
46029	Donations/Contributions	264,500.00	174,549.12	89,950.88	34.01%
46200	PY Revenue - Miscellaneous	0.00	3,003.26	(3,003.26)	0.00%
47101	Transfers In - within a Fund	56,561.00	0.00	56,561.00	100.00%
<b>All Revenues</b>		<b>7,396,634.00</b>	<b>2,753,371.15</b>	<b>4,643,262.85</b>	<b>62.78%</b>
<b>All Expense/Expenditure Accts</b>					
51041	Insurance - Liability	12,000.00	10,152.06	1,847.94	15.40%
51201	Administration Services	862,384.00	244,483.58	617,900.42	71.65%
51205	Advertising/Marketing Svc	12,000.00	7,176.34	4,823.66	40.20%
51206	Accounting/Auditing Services	22,000.00	0.00	22,000.00	100.00%
51207	Client Accounting Services	15,214.00	6,809.47	8,404.53	55.24%
51212	Outside Counsel - Legal Advice	66,000.00	12,821.58	53,178.42	80.57%
51225	Training Services	3,000.00	1,397.00	1,603.00	53.43%
51249	Other Professional Services	194,937.00	63,868.31	131,068.69	67.24%
51401	Rents and Leases - Equipment	3,000.00	0.00	3,000.00	100.00%
51421	Rents and Leases - Bldg/Land	15,625.00	7,620.00	8,005.00	51.23%
51801	Other Services	0.00	14,629.52	(14,629.52)	0.00%
51803	Other Contract Services	6,281,600.00	3,904,019.72	2,377,580.28	37.85%
51901	Telecommunication Data Lines	5,837.00	2,608.64	3,228.36	55.31%
51902	Telecommunication Usage	1,100.00	641.48	458.52	41.68%
51904	ISD - Baseline Services	22,604.00	16,480.62	6,123.38	27.09%
51905	ISD - Improvement Projects	0.00	2,505.69	(2,505.69)	0.00%
51906	ISD - Supplemental Projects	3,000.00	0.00	3,000.00	100.00%
51909	Telecommunication Wireless Svc	1,800.00	2,784.29	(984.29)	-54.68%
51911	Mail Services	500.00	175.16	324.84	64.97%
51912	Records Services	0.00	26.40	(26.40)	0.00%
51916	County Services Chgs	90,180.00	0.00	90,180.00	100.00%
51922	County Car Expense	1,000.00	605.35	394.65	39.47%
51923	Unclaimable county car exp	0.00	26.86	(26.86)	0.00%
52091	Memberships/Certifications	10,600.00	13,430.00	(2,830.00)	-26.70%
52101	Other Supplies	1,000.00	0.00	1,000.00	100.00%
52111	Office Supplies	27,630.00	8,150.38	19,479.62	70.50%
52163	Professional Development	28,150.00	1,425.00	26,725.00	94.94%
57011	Transfers Out - within a Fund	56,561.00	0.00	56,561.00	100.00%
<b>All Expense/Expenditure Accts</b>		<b>7,737,722.00</b>	<b>4,321,837.45</b>	<b>3,415,884.55</b>	<b>44.15%</b>
All Expense/Expenditure Accts		7,737,722.00	4,321,837.45	3,415,884.55	
All Revenues		7,396,634.00	2,753,371.15	4,643,262.85	
Net Cost		341,088.00	1,568,466.30	(1,227,378.30)	

## SCWMA - Wood Waste 66110100

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
42601	County of Sonoma	240,000.00	109,804.47	130,195.53	54%
44002	Interest on Pooled Cash	305.00	1,472.57	(1,167.57)	-383%
44050	Unrealized Gains and Losses	-	982.40	(982.40)	0%
46200	PY Revenue - Miscellaneous	-	19.60	(19.60)	0%
<b>All Revenues</b>		<b>240,305.00</b>	<b>112,279.04</b>	<b>128,025.96</b>	<b>53%</b>
<b>All Expense/Expenditure Accts</b>					
51041	Insurance - Liability	600.00	507.60	92.40	15%
51201	Administration Services	12,481.00	6,542.05	5,938.95	48%
51206	Accounting/Auditing Services	500.00	-	500.00	100%
51207	Client Accounting Services	761.00	612.85	148.15	19%
51803	Other Contract Services	216,000.00	116,384.21	99,615.79	46%
51904	ISD - Baseline Services	3,989.00	2,750.32	1,238.68	31%
51916	County Services Chgs	4,509.00	-	4,509.00	100%
57011	Transfers Out - within a Fund	1,466.00	-	1,466.00	100%
<b>All Expense/Expenditure Accts</b>		<b>240,306.00</b>	<b>126,797.03</b>	<b>113,508.97</b>	<b>47%</b>
All Expense/Expenditure Accts		240,306.00	126,797.03	113,508.97	
All Revenues		240,305.00	112,279.04	128,025.96	
Net Cost		1.00	14,517.99	(14,516.99)	

## SCWMA - Yard Debris 66110200

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
42601	County of Sonoma	4,680,000.00	1,458,830.75	3,221,169.25	69%
44002	Interest on Pooled Cash	3,655.00	(1,327.61)	4,982.61	136%
44050	Unrealized Gains and Losses	-	517.86	(517.86)	0%
46200	PY Revenue - Miscellaneous	-	244.96	(244.96)	0%
<b>All Revenues</b>		<b>4,683,655.00</b>	<b>1,458,265.96</b>	<b>3,225,389.04</b>	<b>69%</b>
<b>All Expense/Expenditure Accts</b>					
51041	Insurance - Liability	960.00	812.16	147.84	15%
51201	Administration Services	126,730.00	20,056.78	106,673.22	84%
51206	Accounting/Auditing Services	6,000.00	-	6,000.00	100%
51207	Client Accounting Services	1,217.00	1,021.42	195.58	16%
51212	Outside Counsel - Legal Advice	5,000.00	110.50	4,889.50	98%
51803	Other Contract Services	4,527,000.00	2,990,015.33	1,536,984.67	34%
51901	Telecommunication Data Lines	1,469.00	978.24	490.76	33%
51904	ISD - Baseline Services	6,648.00	4,552.56	2,095.44	32%
51909	Telecommunication Wireless Svc	-	1,615.73	(1,615.73)	0%
51911	Mail Services	-	1.21	(1.21)	0%
51916	County Services Chgs	7,214.00	-	7,214.00	100%
52111	Office Supplies	1,000.00	-	1,000.00	100%
57011	Transfers Out - within a Fund	416.00	-	416.00	100%
<b>All Expense/Expenditure Accts</b>		<b>4,683,654.00</b>	<b>3,019,163.93</b>	<b>1,664,490.07</b>	<b>36%</b>
All Expense/Expenditure Accts		4,683,654.00	3,019,163.93	1,664,490.07	
All Revenues		4,683,655.00	1,458,265.96	3,225,389.04	
Net Cost		(1.00)	1,560,897.97	(1,560,898.97)	

## SCWMA - Organics Reserve 66110300

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
44002	Interest on Pooled Cash	11,051.00	18,763.81	(7,712.81)	-70%
44050	Unrealized Gains and Losses	-	12,255.96	(12,255.96)	0%
46200	PY Revenue - Miscellaneous	-	97.98	(97.98)	0%
47101	Transfers In - within a Fund	1,882.00	-	1,882.00	100%
<b>All Revenues</b>		<b>12,933.00</b>	<b>31,117.75</b>	<b>(18,184.75)</b>	<b>-141%</b>
<b>All Expense/Expenditure Accts</b>					
51201	Administration Services	66,883.00	28,374.53	38,508.47	58%
51206	Accounting/Auditing Services	2,500.00	-	2,500.00	100%
51212	Outside Counsel - Legal Advice	10,000.00	198.90	9,801.10	98%
51803	Other Contract Services	50,000.00	45,108.75	4,891.25	10%
52111	Office Supplies	1,000.00	-	1,000.00	100%
<b>All Expense/Expenditure Accts</b>		<b>130,383.00</b>	<b>73,682.18</b>	<b>56,700.82</b>	<b>43%</b>
All Expense/Expenditure Accts		130,383.00	73,682.18	56,700.82	
All Revenues		12,933.00	31,117.75	(18,184.75)	
Net Cost		117,450.00	42,564.43	74,885.57	

## SCWMA - HHW 66110400

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
42358	State Other Funding	150,000.00	-	150,000.00	100%
42601	County of Sonoma	1,356,642.00	693,711.99	662,930.01	49%
44002	Interest on Pooled Cash	3,606.00	5,942.18	(2,336.18)	-65%
44050	Unrealized Gains and Losses	-	4,947.48	(4,947.48)	0%
46029	Donations/Contributions	226,670.00	147,916.24	78,753.76	35%
46200	PY Revenue - Miscellaneous	-	2,452.11	(2,452.11)	0%
<b>All Revenues</b>		<b>1,736,918.00</b>	<b>854,970.00</b>	<b>881,948.00</b>	<b>51%</b>
<b>All Expense/Expenditure Accts</b>					
51041	Insurance - Liability	7,440.00	6,294.28	1,145.72	15%
51201	Administration Services	278,217.00	81,451.00	196,766.00	71%
51205	Advertising/Marketing Svc	12,000.00	6,801.34	5,198.66	43%
51206	Accounting/Auditing Services	7,500.00	-	7,500.00	100%
51207	Client Accounting Services	9,433.00	3,132.35	6,300.65	67%
51212	Outside Counsel - Legal Advice	10,000.00	1,097.43	8,902.57	89%
51225	Training Services	750.00	325.00	425.00	57%
51249	Other Professional Services	132,843.00	56,295.59	76,547.41	58%
51421	Rents and Leases - Bldg/Land	7,000.00	4,225.00	2,775.00	40%
51801	Other Services	-	14,493.74	(14,493.74)	0%
51803	Other Contract Services	1,171,000.00	642,559.96	528,440.04	45%
51901	Telecommunication Data Lines	1,920.00	-	1,920.00	100%
51902	Telecommunication Usage	200.00	18.27	181.73	91%
51904	ISD - Baseline Services	3,989.00	2,750.32	1,238.68	31%
51911	Mail Services	-	23.06	(23.06)	0%
51916	County Services Chgs	55,912.00	-	55,912.00	100%
52091	Memberships/Certifications	10,450.00	10,200.00	250.00	2%
52111	Office Supplies	1,000.00	1,294.35	(294.35)	-29%
57011	Transfers Out - within a Fund	27,265.00	-	27,265.00	100%
<b>All Expense/Expenditure Accts</b>		<b>1,736,919.00</b>	<b>830,961.69</b>	<b>905,957.31</b>	<b>52%</b>
All Expense/Expenditure Accts		1,736,919.00	830,961.69	905,957.31	
All Revenues		1,736,918.00	854,970.00	881,948.00	
Net Cost		1.00	(24,008.31)	24,009.31	

## SCWMA - HHW Facility Res. 66110500

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
44002	Interest on Pooled Cash	349.00	435.52	(86.52)	-24.79%
44050	Unrealized Gains and Losses	-	282.78	(282.78)	0.00%
<b>All Revenues</b>		<b>349.00</b>	<b>718.30</b>	<b>(369.30)</b>	<b>-105.82%</b>
All Expense/Expenditure Accts		-	-	-	
All Revenues		349.00	718.30	(369.30)	
Net Cost		(349.00)	(718.30)	369.30	

## SCWMA - HHW Operating Res. 66110600

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
44002	Interest on Pooled Cash	8,728.00	10,890.89	(2,162.89)	-24.78%
44050	Unrealized Gains and Losses	-	6,760.02	(6,760.02)	0.00%
<b>All Revenues</b>		<b>8,728.00</b>	<b>17,650.91</b>	<b>(8,922.91)</b>	<b>-102.23%</b>
<b>All Expense/Expenditure Accts</b>					
51201	Administration Services	10,950.00	-	10,950.00	100%
51803	Other Contract Services	25,000.00	-	25,000.00	100%
<b>All Expense/Expenditure Accts</b>		<b>35,950.00</b>	<b>-</b>	<b>35,950.00</b>	<b>100%</b>
All Expense/Expenditure Accts		35,950.00	-	35,950.00	
All Revenues		8,728.00	17,650.91	(8,922.91)	
Net Cost		27,222.00	(17,650.91)	44,872.91	

## SCWMA - Education 66110700

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
42358	State Other Funding	142,000.00	-	142,000.00	100.00%
42601	County of Sonoma	421,659.00	215,613.20	206,045.80	48.87%
44002	Interest on Pooled Cash	1,532.00	3,030.48	(1,498.48)	-97.81%
44050	Unrealized Gains and Losses	-	1,856.38	(1,856.38)	0.00%
46029	Donations/Contributions	33,465.00	23,574.42	9,890.58	29.55%
46200	PY Revenue - Miscellaneous	-	122.48	(122.48)	0.00%
<b>All Revenues</b>		<b>598,656.00</b>	<b>244,196.96</b>	<b>354,459.04</b>	<b>59.21%</b>
<b>All Expense/Expenditure Accts</b>					
51041	Insurance - Liability	1,800.00	1,522.81	277.19	15.40%
51201	Administration Services	283,432.00	96,597.34	186,834.66	65.92%
51205	Advertising/Marketing Svc	-	375.00	(375.00)	0.00%
51206	Accounting/Auditing Services	3,000.00	-	3,000.00	100.00%
51207	Client Accounting Services	2,282.00	1,361.90	920.10	40.32%
51212	Outside Counsel - Legal Advice	30,000.00	11,414.75	18,585.25	61.95%
51225	Training Services	2,250.00	1,072.00	1,178.00	52.36%
51249	Other Professional Services	62,094.00	7,572.72	54,521.28	87.80%
51401	Rents and Leases - Equipment	3,000.00	-	3,000.00	100.00%
51421	Rents and Leases - Bldg/Land	8,625.00	3,395.00	5,230.00	60.64%
51801	Other Services	-	135.78	(135.78)	0.00%
51803	Other Contract Services	102,600.00	57,601.66	44,998.34	43.86%
51901	Telecommunication Data Lines	2,448.00	1,630.40	817.60	33.40%
51902	Telecommunication Usage	900.00	623.21	276.79	30.75%
51904	ISD - Baseline Services	3,989.00	3,677.10	311.90	7.82%
51905	ISD - Improvement Projects	-	2,505.69	(2,505.69)	0.00%
51906	ISD - Supplemental Projects	3,000.00	-	3,000.00	100.00%
51909	Telecommunication Wireless Svc	1,800.00	1,168.56	631.44	35.08%
51911	Mail Services	500.00	150.89	349.11	69.82%
51912	Records Services	-	26.40	(26.40)	0.00%
51916	County Services Chgs	13,527.00	-	13,527.00	100.00%
51922	County Car Expense	1,000.00	605.35	394.65	39.47%
51923	Unclaimable county car exp	-	26.86	(26.86)	0.00%
52091	Memberships/Certifications	150.00	3,230.00	(3,080.00)	-2053.33%
52111	Office Supplies	24,630.00	6,856.03	17,773.97	72.16%
52163	Professional Development	28,150.00	1,425.00	26,725.00	94.94%
57011	Transfers Out - within a Fund	19,479.00	-	19,479.00	100.00%
<b>All Expense/Expenditure Accts</b>		<b>598,656.00</b>	<b>202,974.45</b>	<b>395,681.55</b>	<b>66.09%</b>
All Expense/Expenditure Accts		598,656.00	202,974.45	395,681.55	
All Revenues		598,656.00	244,196.96	354,459.04	
Net Cost		-	(41,222.51)	41,222.51	

## SCWMA - Planning 66110800

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
42601	County of Sonoma	54,999.00	28,123.46	26,875.54	48.87%
44002	Interest on Pooled Cash	102.00	259.62	(157.62)	-154.53%
44050	Unrealized Gains and Losses	-	205.13	(205.13)	0.00%
46029	Donations/Contributions	4,365.00	3,058.46	1,306.54	29.93%
46200	PY Revenue - Miscellaneous	-	17.15	(17.15)	0.00%
<b>All Revenues</b>		<b>59,466.00</b>	<b>31,663.82</b>	<b>27,802.18</b>	<b>46.75%</b>
<b>All Expense/Expenditure Accts</b>					
51041	Insurance - Liability	1,200.00	1,015.21	184.79	15.40%
51201	Administration Services	33,803.00	11,461.88	22,341.12	66.09%
51206	Accounting/Auditing Services	1,000.00	-	1,000.00	100.00%
51207	Client Accounting Services	1,521.00	680.95	840.05	55.23%
51212	Outside Counsel - Legal Advice	1,000.00	-	1,000.00	100.00%
51803	Other Contract Services	-	1,166.67	(1,166.67)	0.00%
51904	ISD - Baseline Services	3,989.00	2,750.32	1,238.68	31.05%
51916	County Services Chgs	9,018.00	-	9,018.00	100.00%
57011	Transfers Out - within a Fund	7,935.00	-	7,935.00	100.00%
<b>All Expense/Expenditure Accts</b>		<b>59,466.00</b>	<b>17,075.03</b>	<b>42,390.97</b>	<b>71.29%</b>
All Expense/Expenditure Accts		59,466.00	17,075.03	42,390.97	
All Revenues		59,466.00	31,663.82	27,802.18	
Net Cost		-	(14,588.79)	14,588.79	

## SCWMA - Contingency Fund 66110900

Account	Description	Revised Budget	Year to Date	Remaining Balance	% Remaining
<b>All Revenues</b>					
44002	Interest on Pooled Cash	945.00	1,518.54	(573.54)	-60.69%
44050	Unrealized Gains and Losses	-	940.89	(940.89)	0.00%
46200	PY Revenue - Miscellaneous	-	48.98	(48.98)	0.00%
47101	Transfers In - within a Fund	54,679.00	-	54,679.00	100.00%
<b>All Revenues</b>		<b>55,624.00</b>	<b>2,508.41</b>	<b>53,115.59</b>	<b>95.49%</b>
<b>All Expense/Expenditure Accts</b>					
51201	Administration Services	49,888.00	-	49,888.00	100.00%
51206	Accounting/Auditing Services	1,500.00	-	1,500.00	100.00%
51212	Outside Counsel - Legal Advice	10,000.00	-	10,000.00	100.00%
51803	Other Contract Services	190,000.00	51,183.14	138,816.86	73.06%
52101	Other Supplies	1,000.00	-	1,000.00	100.00%
<b>All Expense/Expenditure Accts</b>		<b>252,388.00</b>	<b>51,183.14</b>	<b>201,204.86</b>	<b>79.72%</b>
All Expense/Expenditure Accts		252,388.00	51,183.14	201,204.86	
All Revenues		55,624.00	2,508.41	53,115.59	
Net Cost		196,764.00	48,674.73	148,089.27	





Agenda Item #: **4.5**  
Cost Center: **All**  
Staff Contact: **Collard**  
Agenda Date: **6/20/2018**  
Approved By:

## **ITEM: Discussion and Possible Action on the 2018/19 SCWMA Final Budget**

### **I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION**

Staff recommends the Board approve the FY 2018/19 Sonoma County Waste Management Agency Final Budget as presented at the April 18, 2018 SCWMA meeting.

### **II. BACKGROUND**

The approval of the Work Plan outlining contractor and staff costs for individual programs and planned projects is the first step in the budget development process. Direction was given to staff regarding that document by the Board at the February 21, 2018 SCWMA meeting.

The preparation of the SCWMA's annual budget then begins with direction and approval by the Board of a Draft Budget, establishing funding guidelines and other parameters necessary to integrate the SCWMA's annual budget with the County's budget, accounting and audit process. The last step is the approval, with a required supermajority vote, of the Final Budget prepared and presented by staff. The Final Budget takes any comments, questions or directions resulting from the presentation of the Draft Budget into consideration.

### **III. DISCUSSION**

Information for this discussion can be found in the Explanation and Details and History sections of the FY 2018/19 Final Budget.

The FY 2018/19 Final Budget is the same as the FY 2018/19 Draft Budget in maintaining the core SCWMA programs at similar levels. Tipping fees are projected to stay level, resulting in flat revenue stream. Expenditures are being increased with potentially significantly higher disposal fees associated with organic materials.

As proposed in the Draft Budget, this Final Budget consolidates the Wood and Yard Waste Funds into a new Organics Fund, the Education and Planning Funds into an Education and Outreach Fund, and the reserve accounts into two, Organics Reserve and Contingency Fund. The Reserves Policy has been updated and will be considered as a separate item in this agenda packet.

Notable differences from the previous year's budget include the allocation of an additional Waste Management Specialist to specialize in Organics compliance and outreach, continue the research of potential new model ordinances, establish a battery disposal pilot program, internship program, and continued development of a North County HHW facility. These projects have

increased costs in both of the aforementioned reserve funds, but staff notes that event with the additional costs, the new consolidated Contingency Fund is above the funding goal established in the proposed Reserve Policy.

### **Explanation of Notable Differences Between FY 2017/18 and FY 2018/19**

#### **Revenues**

Revenue for the FY 2018/19 Budget is relatively flat.

#### **Expenditures**

##### **Administration Services**

The SCWMA is expected to be fully staffed in FY 2018/19, including the addition of an Organics Waste Management Specialist I, and an internship program. All of these factors contribute to the increased cost in this account.

##### **Legal Services and Outside Counsel-Legal Advice**

Staff has allocated funds for this activity to more closely match the level of effort expected for the use of SCWMA Counsel's time.

##### **Contract Services**

This account recognizes Contingency Fund projects (residual website and rebranding and continued Northern County HHW Site Feasibility). The composting fees from agreements with providers is slated to increase by \$3-5 per ton, resulting in a net cost to organics of \$302,667. Staff proposes the Board allow the temporary drawdown of organics reserves (which are well above Reserve Policy minimums) and raise tipping fees in April 1, 2019 in line with the Republic's fee adjustment. Short and long term agreements for organic materials are expected to be in place at that point, and staff will have a greater amount of certainty on longer term costs.

##### **County Services**

County staff and SCWMA staff are in the process of analyzing the allocation methods for overhead being charged to the SCWMA. The budget reflects a decrease due to an incorrect fee allocation in last year's budget.

#### **Conclusion**

This budget reflects the direction given to staff in the FY 2018/19 Work Plan and reflects the level of effort required to implement SCWMA programs. Between all funds, staff estimates a net cost of this budget (reduction of fund balances) in the amount of \$464,165 for the Fiscal Year. \$80,000 of the fund balance reduction is due to the finalization of the rebranding and the development for an additional HHW facility. As all of the Reserve funds remain above Reserve Fund goals, staff believes it is a sensible budget which reflects the direction given to staff during the Work Plan discussion at the February 21, 2018 Meeting.

## **IV. ATTACHMENTS**

Explanations and Details  
History and Fund Balances  
Resolution

FY 18-19 FINAL BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Summary

	Actual FY 15-16	Actual FY 16-17	Estimated FY 17-18	Budgeted FY 17-18	Requested FY 18-19	Difference	% Change
<b>REVENUES</b>							
42358 State Other Funding	483,739	309,299	292,000	292,000	<b>315,443</b>	23,443	7%
42601 County of Sonoma	6,470,513	6,003,162	6,647,300	6,753,300	<b>6,718,229</b>	(35,071)	-1%
44002 Interest on Pooled Cash	38,523	68,805	51,596	30,273	<b>45,706</b>	15,433	34%
44050 Unrealized Gains and Losses	(7,340)	(37,744)	25,500	0		0	0%
46029 Donations/Contributions	604,954	355,547	264,500	264,500	<b>321,369</b>	56,869	18%
46050 Cancelled/Stale Dated Warrants	286					0	0%
46200 Revenue Appl PY Misc Revenue	1,663	9,016	2,599			0	0%
<b>SUBTOTAL</b>	<b>7,592,339</b>	<b>6,708,085</b>	<b>7,283,495</b>	<b>7,340,073</b>	<b>7,400,747</b>	60,674	1%
47101 Transfers In - Within a Fund	670,915	96,938	56,561	56,561	<b>0</b>	(56,561)	0%
<b>SUBTOTAL</b>	<b>670,915</b>	<b>96,938</b>	<b>56,561</b>	<b>56,561</b>	<b>0</b>	<b>(56,561)</b>	<b>0%</b>
<b>TOTAL REVENUES</b>	<b>8,263,254</b>	<b>6,805,023</b>	<b>7,340,056</b>	<b>7,396,634</b>	<b>7,400,747</b>	<b>4,113</b>	<b>0%</b>
<b>EXPENDITURES</b>							
51041 Insurance - Liability	10,333	10,623	11,382	12,000	<b>12,000</b>	0	0%
51201 Administration Services	500,529	503,265	744,216	862,384	<b>954,730</b>	92,346	10%
51205 Advertising/Marketing Svc	7,384	11,461	12,000	12,000	<b>13,000</b>	1,000	8%
51206 Accounting/Auditing Services	22,000	17,350	22,000	22,000	<b>22,000</b>	0	0%
51207 Client Accounting Services	23,139	21,881	20,236	15,214	<b>15,215</b>	1	0%
51211 Legal Services	600,899	39,158	0	0	<b>0</b>	0	0%
51212 Outside Counsel-Legal Advice	0	53,838	32,500	66,000	<b>32,000</b>	(34,000)	-106%
51225 Training Services	295	195	1,750	3,000	<b>0</b>	(3,000)	0%
51249 Other Professional Services	409,387	245,993	194,937	194,937	<b>198,312</b>	3,375	2%
51401 Rents and Leases - Equipment	1,992	2,177	0	3,000	<b>3,000</b>	0	0%
51421 Rents and Leases - Bldg/Land	8,001	10,539	15,625	15,625	<b>17,250</b>	1,625	9%
51801 Other Services	21,501	19,920	50,000	0	<b>30,000</b>	30,000	0%
51803 Other Contract Services	4,300,552	5,550,088	6,116,100	6,281,600	<b>6,386,520</b>	104,920	2%
51901 Telecommunication Data Lines	4,321	4,041	6,217	5,837	<b>6,668</b>	831	12%
51902 Telecommunication Usage	881	948	1,000	1,100	<b>1,160</b>	60	5%
51904 ISD - Baseline Services	19,659	21,707	25,472	22,604	<b>29,593</b>	6,989	24%
51905 ISD - Improvement Projects	514						
51906 ISD - Supplemental Projects	2,472	7,210	0	3,000	<b>1,000</b>	(2,000)	-200%
51907 ISD - Device Modernization	9,795						
51909 Telecommunication Wireless Svc	1,574	1,717	1,800	1,800	<b>2,046</b>	246	12%
51911 Mail Services	1,971	1,624	740	500	<b>850</b>	350	41%
51912 Records Services	22	22					
51915 ISD - Reprographics Services	1,052						
51916 County Services	8,158	11,212	63,932	90,180	<b>70,300</b>	(19,880)	-28%
51922 County Car Expense	1,888	577	700	1,000	<b>1,000</b>	0	0%
51923 Unclaimable County Car Expense	60	40	0				
52091 Memberships/Certifications	10,350	10,350	13,680	10,600	<b>13,600</b>	3,000	22%
52101 Other Supplies	0			1,000			
52111 Office Supplies	9,772	24,529	18,700	27,630	<b>29,670</b>	2,040	7%
52162 Special Departmental Expense	25,582						
52163 Professional Development	0	100	5,000	28,150	<b>25,000</b>	(3,150)	-13%
53610 Other Charges	266,934						
<b>SUBTOTAL</b>	<b>6,271,017</b>	<b>6,570,566</b>	<b>7,357,986</b>	<b>7,681,161</b>	<b>7,864,914</b>	<b>183,753</b>	<b>2%</b>
57011 Transfers Out - Within a Fund	670,915	96,938	62,411	56,561	<b>0</b>	(56,561)	-100%
57015 Transfers Out - All Others	0	0	0	0	<b>0</b>	0	0%
<b>SUBTOTAL</b>	<b>670,915</b>	<b>96,938</b>	<b>62,411</b>	<b>56,561</b>	<b>0</b>	<b>(56,561)</b>	<b>-100%</b>
<b>TOTAL EXPENDITURES</b>	<b>6,941,932</b>	<b>6,667,504</b>	<b>7,420,397</b>	<b>7,737,722</b>	<b>7,864,914</b>	<b>(164,080)</b>	<b>-2%</b>
<b>NET COST</b>	<b>(1,321,322)</b>	<b>(137,520)</b>	<b>80,341</b>	<b>341,088</b>	<b>464,167</b>	<b>(168,193)</b>	<b>-36%</b>
ROUNDING ERROR	2				2		
<b>FUND BALANCE</b>							
Beginning Fund Balance	6,374,738	7,566,030	7,703,550		<b>7,624,209</b>		
Ending Fund Balance	7,566,030	7,703,550	7,784,209		<b>7,456,016</b>		

FY 18-19 FINAL BUDGET							
SONOMA COUNTY WASTE MANAGEMENT AGENCY							
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY							
Organics (formerly Wood and Yard Waste)							
	Actual FY 15-16	Actual FY 16-17	Estimated FY 17-18	Budgeted FY 17-18	Requested FY 18-19	Difference	% Change
<b>REVENUES</b>							
42601 County of Sonoma	5,088,199	4,145,506	4,814,000	4,920,000	<b>4,860,000</b>	(60,000)	-1%
44002 Interest on Pooled Cash	(1,223)	3,672	5,096	3,960	<b>6,421</b>	2,461	38%
44050 Unrealized Gains and Losses	(2,142)	(2,351)	(3,500)	0	<b>0</b>	0	0%
46029 Donations/Contributions	(28,303)			0	<b>0</b>	0	0%
46200 PY Revenue - Miscellaneous	323,927	6,422		0	<b>0</b>	0	0%
<b>SUBTOTAL</b>	<b>5,380,458</b>	<b>4,153,249</b>	<b>4,815,596</b>	<b>4,923,960</b>	<b>4,866,421</b>	<b>(57,539)</b>	<b>-1%</b>
47101 OT-Within Enterprise	0	0	0	0	<b>0</b>	0	0%
<b>SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>TOTAL REVENUES</b>	<b>5,380,458</b>	<b>4,153,249</b>	<b>4,815,596</b>	<b>4,923,960</b>	<b>4,866,421</b>	<b>(57,539)</b>	<b>-1%</b>
<b>EXPENDITURES</b>							
51041 Insurance - Liability	620	2,549	2,549	1,560	<b>1,560</b>	0	0%
51201 Administration Services	83,202	80,613	135,649	139,211	<b>141,441</b>	2,230	2%
51206 Accounting/Auditing Services	6,500	5,400	6,500	6,500	<b>6,500</b>	0	0%
51207 Client Accounting Services	6,016	5,252	7,000	1,978	<b>1,978</b>	0	0%
51211 Legal Services	1,617			0	<b>0</b>	0	0%
51212 Outside Counsel-Legal Advice	0	1,462	2,000	5,000	<b>5,000</b>	0	0%
51803 Other Contract Services	4,524,683	4,395,593	4,627,500	4,743,000	<b>4,985,320</b>	242,320	5%
51901 Telecommunication Data Lines	956	1,399	1,849	1,469	<b>2,100</b>	631	30%
51904 ISD - Baseline Services	9,056	10,130	13,505	10,637	<b>13,800</b>	3,163	23%
51911 Mail Services	104	111	200	0	<b>250</b>	250	100%
51915 ISD - Reprographics Services	58			0	<b>0</b>	0	0%
51916 County Services	2,799	2,121	4,771	11,723	<b>9,139</b>	(2,584)	-28%
51922 County Car Expense	1,888			0	<b>0</b>	0	0%
52111 Office Supplies	43	1,868	2,000	1,000	<b>2,000</b>	1,000	50%
52162 Special Departmental Expense	22,267			0	<b>0</b>	0	0%
<b>SUBTOTAL</b>	<b>4,665,349</b>	<b>4,506,498</b>	<b>4,803,523</b>	<b>4,922,078</b>	<b>5,169,088</b>	<b>247,010</b>	<b>5%</b>
57011 Transfers Out - Within a Fund	91,275	7,732	7,732	1,882	<b>0</b>	(1,882)	0%
57015 Transfers Out - All Others	0	0	0	0	<b>0</b>	0	0%
<b>SUBTOTAL</b>	<b>91,275</b>	<b>7,732</b>	<b>7,732</b>	<b>1,882</b>	<b>0</b>	<b>(1,882)</b>	<b>0%</b>
<b>TOTAL EXPENDITURES</b>	<b>4,756,624</b>	<b>4,514,230</b>	<b>4,811,255</b>	<b>4,923,960</b>	<b>5,169,088</b>	<b>245,128</b>	<b>5%</b>
<b>NET COST</b>	<b>(623,833)</b>	<b>360,981</b>	<b>(4,341)</b>	<b>0</b>	<b>302,667</b>	<b>302,667</b>	<b>100%</b>
<b>FUND BALANCE</b>							
Beginning Fund Balance	1,017,878	1,640,754	1,279,773		<b>1,284,115</b>	775,363	(206,085)
Ending Fund Balance	1,640,754	1,279,773	1,284,115		<b>981,448</b>		

FY 18-19 FINAL BUDGET							
SONOMA COUNTY WASTE MANAGEMENT AGENCY							
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY							
Household Hazardous Waste 78104							
	Actual FY 15-16	Actual FY 16-17	Estimated FY 17-18	Budgeted FY 17-18	Requested FY 18-19	Difference	% Change
<b>REVENUES</b>							
42358 State Other Funding	154,353	156,470	150,000	150,000	<b>173,443</b>	23,443	14%
42601 County of Sonoma	1,079,359	1,448,971	1,356,642	1,356,642	<b>1,412,254</b>	55,612	4%
44002 Interest on Pooled Cash	8,611	8,980	7,000	3,606	<b>5,162</b>	1,556	30%
44050 Unrealized Gains and Losses	(1,525)	(6,471)	5,500	0	0	0	0%
46029 Donations/Contributions	294,979	315,369	226,670	226,670	<b>280,141</b>	53,471	19%
46050 Cancelled/Stale Dated Warrants	286			0	0	0	0%
46200 Revenue Appl PY Misc Revenue	(257,527)	2,476	2,452	0	0	0	0%
<b>SUBTOTAL</b>	<b>1,278,534</b>	<b>1,925,796</b>	<b>1,748,264</b>	<b>1,736,918</b>	<b>1,871,000</b>	<b>134,082</b>	<b>7%</b>
47101 Transfers In - Within a Fund	0	0	0	0	<b>0</b>	0	
<b>SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL REVENUES</b>	<b>1,278,534</b>	<b>1,925,796</b>	<b>1,748,264</b>	<b>1,736,918</b>	<b>1,871,000</b>	<b>134,082</b>	<b>7%</b>
<b>EXPENDITURES</b>							
51041 Insurance - Liability	5,683	4,886	6,294	7,440	<b>7,440</b>	0	0%
51201 Administration Services	162,545	154,716	221,747	278,217	<b>382,530</b>	104,313	27%
51205 Advertising/Marketing Svc	7,384	11,461	12,000	12,000	<b>13,000</b>	1,000	8%
51206 Accounting/Auditing Services	7,500	6,100	7,500	7,500	<b>7,500</b>	0	0%
51207 Client Accounting Services	10,413	10,065	9,433	9,433	<b>9,433</b>	0	0%
51211 Legal Services	588	43	0	0	<b>0</b>	0	0%
51212 Outside Counsel - Legal Advice	0	1,140	3,000	10,000	<b>5,000</b>	(5,000)	-100%
51225 Training Services	0		750	750	<b>0</b>	(750)	
51249 Other Professional Services	142,642	146,215	132,843	132,843	<b>131,286</b>	(1,557)	-1%
51421 Rents and Leases - Bldg/Land	5,300	3,625	7,000	7,000	<b>9,000</b>	2,000	22%
51801 Other Services	8,079	4,589		0	0	0	
51803 Other Contract Services	1,000,007	1,067,582	1,171,000	1,171,000	<b>1,263,000</b>	92,000	7%
51901 Telecommunication Data Lines	1,262	311	1,920	1,920	<b>2,000</b>	80	4%
51902 Telecommunication Usage	146	103	100	200	<b>200</b>	0	0%
51904 ISD - Baseline Services	3,405	3,799	3,989	3,989	<b>4,332</b>	343	8%
51907 ISD - Device Modernization Pro	1,200			0	0	0	
51911 Mail Services	4	104	40	0	<b>100</b>	100	100%
51915 ISD - Reprographics Services	44			0	0	0	
51916 County Services	2,008	2,900	43,586	55,912	<b>43,586</b>	(12,326)	-28%
52091 Memberships/Certifications	10,200	10,200	10,450	10,450	<b>10,450</b>	0	0%
52111 Office Supplies	80	3,639	1,500	1,000	<b>3,000</b>	2,000	67%
52162 Special Departmental Expense	0	100		0	0	0	
<b>SUBTOTAL</b>	<b>1,368,490</b>	<b>1,431,579</b>	<b>1,633,153</b>	<b>1,709,654</b>	<b>1,891,857</b>	<b>182,203</b>	<b>10%</b>
57011 Transfers Out - Within a Fund	471,938	77,325	27,265	27,265	<b>0</b>	(27,265)	
57015 Transfers Out - All Others	0	0	0	0	<b>0</b>	0	
<b>SUBTOTAL</b>	<b>471,938</b>	<b>77,325</b>	<b>27,265</b>	<b>27,265</b>	<b>0</b>	<b>(27,265)</b>	<b>-65%</b>
<b>TOTAL EXPENDITURES</b>	<b>1,840,428</b>	<b>1,508,904</b>	<b>1,660,418</b>	<b>1,736,919</b>	<b>1,891,857</b>	<b>154,938</b>	<b>8%</b>
<b>NET COST</b>							
	561,894	(416,891)	(87,846)	1	20,857		
<b>FUND BALANCE</b>							
Beginning Fund Balance	1,094,794	527,597	944,489		<b>1,032,335</b>	FB Goal 283,779	Difference (727,700)
Ending Fund Balance	527,597	944,489	1,032,335		<b>1,011,478</b>		

FY 18-19 FINAL BUDGET							
SONOMA COUNTY WASTE MANAGEMENT AGENCY							
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY							
Education & Outreach (formerly Education and Planning)							
	Actual FY 15-16	Actual FY 16-17	Estimated FY 17-18	Budgeted FY 17-18	Requested FY 18-19	Difference	% Change
<b>REVENUES</b>							
42358 State Other Funding	329,387	152,829	142,000	142,000	142,000	0	0%
42601 County of Sonoma	302,955	408,684	476,658	476,658	445,975	(30,683)	-7%
44002 Interest on Pooled Cash	4,393	4,350	4,500	1,634	2,379	745	31%
44050 Unrealized Gains and Losses	(1,183)	(2,570)	2,500			0	
46029 Donations/Contributions	36,778	40,178	37,830	37,830	41,228	3,398	8%
46200 Revenue Appl PY Misc Revenue	(64,736)	119			0		
<b>SUBTOTAL</b>	607,594	603,590	663,488	658,122	631,582	(26,540)	-4%
47101 Transfers In - Within a Fund	0		0	0	0	0	
<b>SUBTOTAL</b>	0	0	0	0	0	0	
<b>TOTAL REVENUES</b>	607,594	603,590	663,488	658,122	631,582	(26,540)	-4%
<b>EXPENDITURES</b>							
51041 Insurance - Liability	4,030	3,187	2,538	3,000	3,000	0	0%
51201 Administration Services	212,754	236,979	294,465	317,235	347,688	30,453	9%
51205 Advertising/Marketing Svc	0					0	0%
51206 Accounting/Auditing Services	4,000	2,850	4,000	4,000	4,000	0	0%
51207 Client Accounting Services	6,710	6,564	3,803	3,803	3,804	1	0%
51211 Legal Services	24,928					0	0%
51212 Outside Counsel - Legal Advice	0	25,162	20,000	31,000	15,000	(16,000)	-107%
51225 Training Services	295	195	1,000	2,250	0	(2,250)	
51249 Other Professional Services	266,745	99,777	62,094	62,094	67,026	4,932	7%
51401 Rents and Leases - Equipment	1,992	2,177	0	3,000	3,000	0	0%
51421 Rents and Leases - Bldg/Land	2,701	6,914	8,625	8,625	8,250	(375)	-5%
51801 Other Services	0	1,779				0	0%
51803 Other Contract Services	25,388	36,380	102,600	102,600	88,200	(14,400)	-16%
51901 Telecommunication Data Lines	2,103	2,332	2,448	2,448	2,568	120	5%
51902 Telecommunication Usage	735	845	900	900	960	60	6%
51904 ISD - Baseline Services	7,198	7,779	7,978	7,978	11,461	3,483	30%
51905 ISD - Improvement Projects	514					0	0%
51906 ISD - Supplemental Projects	2,472	7,210		3,000	1,000	(2,000)	-200%
51907 ISD - Device Modernization	3,114					0	0%
51909 Telecommunication Wireless Svc	1,574	1,717	1,800	1,800	2,046	246	12%
51911 Mail Services	1,838	1,371	500	500	500	0	0%
51912 Records Services	22	22				0	0%
51915 ISD - Reprographics Services	951					0	0%
51916 County Services	2,820	2,922	15,575	22,545	17,575	(4,970)	-28%
51919 EFS Charges	0					0	0%
51922 County Car Expense	0	577	700	1,000	1,000	0	0%
51923 Unclaimable County Car Expense	0	40				0	
52091 Memberships/Certifications	150	150	3,230	150	3,150	3,000	95%
52111 Office Supplies	9,562	19,021	15,000	24,630	22,670	(1,960)	-9%
52163 Professional Development	0		5,000	28,150	25,000	(3,150)	-13%
<b>SUBTOTAL</b>	582,594	465,951	552,256	630,708	627,898	(2,810)	0%
57011 Transfers Out - Within a Fund	107,702	11,881	27,414	27,414		(27,414)	
<b>SUBTOTAL</b>	107,702	11,881	27,414	27,414	0	(27,414)	
<b>TOTAL EXPENDITURES</b>	690,296	477,832	579,670	658,122	627,898	(30,224)	-5%
<b>NET COST</b>	82,702	(125,757)	(83,818)	0	(3,684)	(3,684)	
<b>FUND BALANCE</b>							
Beginning Fund Balance	350,812	266,216	391,973		475,791	94,185	(385,290)
Ending Fund Balance	266,216	391,973	475,791		479,475		

FY 18-19 FINAL BUDGET SONOMA COUNTY WASTE MANAGEMENT AGENCY REVENUE, EXPENDITURE AND FUND BALANCE HISTORY							
Organics Reserve 78103							
	Actual FY 15-16	Actual FY 16-17	Estimated FY 17-18	Budgeted FY 17-18	Requested FY 18-19	Difference	% Change
<b>REVENUES</b>							
44002 Interest on Pooled Cash	15,724	31,437	20,000	11,051	<b>14,679</b>	3,628	25%
44050 Unrealized Gains and Losses	(1,524)	(16,385)	13,000			0	0%
46029 Donations/Contributions	300,000					0	0%
46200 Revenue Appl PY Misc Revenue	0		98			0	0%
<b>SUBTOTAL</b>	314,200	15,052	33,098	11,051	<b>14,679</b>	3,628	25%
47101 Transfers In - Within a Fund	91,275	7,732	1,882	1,882		(1,882)	
<b>SUBTOTAL</b>	91,275	7,732	1,882	1,882	<b>0</b>	(1,882)	
<b>TOTAL REVENUES</b>	405,475	22,784	34,980	12,933	<b>14,679</b>	1,746	12%
<b>EXPENDITURES</b>							
51201 Administration Services	742	6,794	66,883	66,883	<b>45,723</b>	(21,160)	-46%
51206 Accounting/Auditing Services	2,500	2,000	2,500	2,500	<b>2,500</b>	0	0%
51211 Legal Services	0	39,115				0	
51212 Outside Counsel - Legal Advice	571,502	3,278	5,000	10,000	<b>5,000</b>	(5,000)	-100%
51801 Other Services	10,249	13,551	50,000	50,000	<b>30,000</b>	(20,000)	-67%
51803 Other Contract Services	(1,246,459)	50,533					
51911 Mail Services	25	38					
51916 County Services	0	2,208					
52111 Office Supplies	86			1,000	<b>1,000</b>	0	0%
52162 Special Departmental Expense	3,315						
52163 Professional Development	0						
53610 Other Charges	266,934						
<b>SUBTOTAL</b>	(391,106)	117,516	124,383	130,383	<b>84,223</b>	(46,160)	-55%
57011 Transfers Out - Within a Fund	0					0	0%
<b>SUBTOTAL</b>	0	0	0	0	<b>0</b>	0	0%
<b>TOTAL EXPENDITURES</b>	(391,106)	117,516	124,383	130,383	<b>84,223</b>	(46,160)	-55%
<b>NET COST</b>	(796,582)	94,733	89,403	117,450	<b>69,544</b>	(47,906)	-71%
<b>FUND BALANCE</b>							
Beginning Fund Balance	2,442,138	3,119,910	3,025,177		<b>2,935,774</b>	1,292,272	(1,573,958)
Ending Fund Balance	3,119,910	3,025,177	2,935,774		<b>2,866,230</b>		

FY 18-19 FINAL BUDGET							
SONOMA COUNTY WASTE MANAGEMENT AGENCY							
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY							
Contingency Reserve (Formerly HHW Facility, HHW Operating and Contingency Fund Reserves)							
	Actual FY 15-16	Actual FY 16-17	Estimated FY 17-18	Budgeted FY 17-18	Requested FY 18-19	Difference	% Change
<b>REVENUES</b>							
44002 Interest on Pooled Cash	11,019	20,366	15,000	10,022	17,065	7,043	41%
44050 Unrealized Gains and Losses	(966)	(9,967)	8,000				
46029 Donations/Contributions	1,501						
46200 Revenue Appl PY Misc Revenue			49				
<b>SUBTOTAL</b>	11,553	10,399	23,049	10,022	17,065	7,043	41%
47101 Transfers In - Within a Fund	579,640	89,206	54,679	54,679	0	(54,679)	0%
<b>SUBTOTAL</b>	579,640	89,206	54,679	54,679	0	(54,679)	0%
<b>TOTAL REVENUES</b>	591,193	99,605	77,728	64,701	17,065	(47,636)	-279%
<b>EXPENDITURES</b>							
51201 Administration Services	41,287	24,164	25,472	60,838	37,348	(23,490)	-63%
51206 Accounting/Auditing Services	1,500	1,000	1,500	1,500	1,500	0	0%
51211 Legal Services							
51212 Outside Counsel - Legal Advice	2,265	22,796	2,500	10,000	2,000	(8,000)	-400%
51801 Other Services	3,173						
51803 Other Contract Services	(3,066)		215,000	215,000	50,000	(165,000)	-330%
51915 ISD - Reprographics Services							
51916 County Services	531	1,061					
52111 Office Supplies			200	1,000	1,000	0	0%
<b>SUBTOTAL</b>	45,690	49,021	244,672	288,338	91,848	(196,490)	-214%
57011 Transfers Out - Within a Fund							
57015 Transfers Out - All Others							
<b>SUBTOTAL</b>	0	0	0	0	0	0	0%
<b>TOTAL EXPENDITURES</b>	45,690	49,021	244,672	288,338	91,848	(196,490)	264%
<b>NET COST</b>	(545,503)	(50,585)	166,944	223,637	74,783	(148,854)	249%
<b>FUND BALANCE</b>							
Beginning Fund Balance	1,469,116	2,011,553	2,063,138		1,896,194	761,185	(1,060,226)
Ending Fund Balance	2,011,553	2,063,138	1,896,194		1,821,411		



**SONOMA COUNTY WASTE MANAGEMENT AGENCY**

**FY 18-19 Final Budget Summary**

		Organics 78102	H H W 78104	Education & Outreach 78107	Organics Reserve 78103	Contin. Reserve 78109	Total All Divisions
<b>REVENUES</b>							
42358	State Other Funding	-	173,443	142,000	-	-	315,443
42601	County of Sonoma	4,860,000	1,412,254	445,975	-	-	7,026,029
44002	Interest on Pooled Cash	6,421	5,162	2,379	14,679	17,065	45,705
46029	Donations/Contributions	-	280,141	41,228	-	-	321,369
47101	Transfers In - within a Fund	-	-	-	-	-	-
<b>TOTAL REVENUES</b>		<b>5,174,221</b>	<b>1,871,000</b>	<b>631,582</b>	<b>14,679</b>	<b>17,065</b>	<b>7,708,546</b>
check totals:		5,174,221	1,871,000	631,582	14,679	17,065	7,708,546
<b>EXPENDITURES</b>							
<b>SERVICES AND SUPPLIES</b>							
51041	Insurance - Liability	1,560	7,440	3,000	-	-	12,000
51201	Administration Services	141,441	382,530	347,688	45,723	37,348	954,730
51205	Advertising/Marketing Svc	-	13,000	-	-	-	13,000
51206	Accounting/Auditing Services	6,500	7,500	4,000	2,500	1,500	22,000
51207	Client Accounting Services	1,978	9,433	3,804	-	-	15,214
51211	Legal Services	5,000	5,000	15,000	5,000	2,000	32,000
51213	Engineer Services	-	-	-	-	-	-
51225	Training Services	-	-	-	-	-	-
51249	Other Professional Services	-	131,286	67,026	-	-	198,311
51401	Rents and Leases - Equipment	-	-	3,000	-	-	3,000
51421	Rents and Leases - Bldg/Land	-	9,000	8,250	-	-	17,250
51803	Other Contract Services	4,985,320	1,263,000	88,200	30,000	50,000	6,416,520
51901	Telecommunication Data Lines	2,100	2,000	2,568	-	-	6,668
51902	Telecommunication Usage	-	200	960	-	-	1,160
51904	ISD - Baseline Services	13,800	4,332	11,461	-	-	29,592
51906	ISD - Supplemental Projects	-	-	1,000	-	-	1,000
51909	Telecom Wireless Svc	-	-	2,046	-	-	2,046
51911	Mail Services	250	100	500	-	-	850
51915	ISD - Reprographics Services	-	-	-	-	-	-
51916	County Services	9,139	43,586	17,575	-	-	70,300
51919	EFS Charges	-	-	-	-	-	-
51922	County Car Expense	-	-	1,000	-	-	1,000
52091	Memberships/Certifications	-	10,450	3,150	-	-	13,600
52111	Office Supplies	2,000	3,000	22,670	1,000	1,000	29,670
52162	Special Departmental Expense	-	-	-	-	-	-
52163	Professional Development	-	-	25,000	-	-	25,000
SUBTOTAL		5,169,088	1,891,856	627,896	84,223	91,848	7,864,911
<b>OTHER CHARGES</b>							
57011	Transfers Out - within a Fund	-	-	-	-	-	-
57015	Transfers Out - All Others	-	-	-	-	-	-
SUBTOTAL		-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>		<b>5,169,088</b>	<b>1,891,856</b>	<b>627,896</b>	<b>84,223</b>	<b>91,848</b>	<b>7,864,911</b>
<b>NET COST</b>							
		302,667	20,856	(3,686)	69,544	74,783	464,165

# SONOMA COUNTY WASTE MANAGEMENT AGENCY

## FY 18-19 FINAL BUDGET EXPLANATIONS AND DETAILS

### *Organics*

#### REVENUES

##### 42601 – County of Sonoma

Revenues from fees collected at County-owned disposal sites for yard debris and wood waste outhaul are dedicated toward the operations of the Organics fund.

Organics Waste Tonnage from All Transfer Stations	81,000
<u>Disposal Fee</u>	<u>\$60.00</u>
Total Revenue FY 18-19	\$4,860,000

#### EXPENDITURES - SERVICES AND SUPPLIES

##### 51041 – Insurance – Liability

Insurance costs are estimated annual premium costs for public official errors and omissions coverage of \$2 million and general liability/non-owner automobile liability with a \$2 million limit. The Organics Fund portion of the premium for FY 18-19 is 13% of the total premium cost to SCWMA.

Annual premium \$12,000 X 13% = \$1,560

##### 51201 – Administration Services

This account reflects the cost of SCWMA staff. While there is an additional Waste Management Specialist in this Fund through the proposed budget, the Department Analyst, and Executive Director positions' allocation to this account is reduced compared to previous budgets.

Budgeted FY 17-18	\$139,211
<u>Requested FY 18-19</u>	<u>\$141,441</u>
Difference (2%)	\$2,230

##### 51206 – Accounting/Auditing Services

This expense of \$6,500 reflects an allocated portion of the estimated \$22,000 cost of the annual audit.

##### 51207 – Client Accounting Services

The estimated charge for accounting services provided by the County Auditor-Controller's staff is \$15,214 for this fiscal year. The fund allocation is based on the level of effort necessary to provide services for this fund relative to the other SCWMA funds. The Organics Fund allocation is \$1,978.

##### 51803 – Other Contract Services

An estimated 81,000 tons of wood waste will be collected, transported, and hauled to out-of-county compost facilities in FY 18-19, at a cost of \$4,985,320.

##### 51904 – ISD Baseline Services

This account covers the cost of computer maintenance, network access, and the website. The estimated SCWMA cost for FY 18-19 is \$29,592. The Organics Fund will be charged \$13,800.

##### 51916 – County Services

This reflects the amount charged to this fund for County support services, primarily use of County staff outside of Transportation and Public Works Department.

# SONOMA COUNTY WASTE MANAGEMENT AGENCY

## FY 18-19 FINAL BUDGET EXPLANATIONS AND DETAILS

### *Household Hazardous Waste*

#### REVENUES

##### 42358 – State Other Funding

SCWMA is expected to continue to receive grants from funds collected and distributed by CalRecycle. These funds are restricted to reimbursement of costs related to the proper management of used motor oil. For FY 18-19, the Oil Payment Plan revenue is expected to be \$148,443. We also received the grant for refillable propane tanks, Refuel Your Fun, \$25,000.

##### 42601 – County of Sonoma

Republic Services collects a disposal fee of \$4.85/ton on behalf of the SCWMA for the Household Hazardous Waste and Education and Outreach programs. Republic submits the funding to the County, who passes the funding through to the SCWMA. The estimated of garbage, yard debris, and wood waste tonnage for FY 18-19 is 383,140, an increase of 5,140 ton from last year.

Total Tipping Fee Revenue Budgeted FY 17-18	\$1,833,300
Total Tipping Fee Revenue Requested FY 18-19	<u>\$1,858,229</u>
Difference (1.34%)	\$24,929

HHW Fund Tipping Fee Allocation (76%) is \$1,412,254

##### 46029 – Donations/Contributions

The City of Petaluma has an agreement to pay for their SCWMA services directly. The tonnage is based on the actual quantities. The rate is \$4.85/ton, which is the same rate being collected on all the solid waste coming to the County System. E-waste revenue sharing is the result of a state operated program that subsidizes collectors and recyclers who in turn share with the agencies of record. SCWMA currently has contracts with ECS Refining, Inc. and Conservation Corps North Bay.

Description	FY 17-18 Budget	FY 18-19 Requested
Petaluma Surcharge Fee payment	\$112,763	\$130,554
E-waste revenue sharing payment	\$110,000	\$140,587
Battery Collections (HHW Facility)	<u>\$9,000</u>	<u>\$9,000</u>
Donations/Reimbursements Total	\$231,763	\$280,141

#### EXPENDITURES - SERVICES AND SUPPLIES

##### 51041 – Insurance – Liability

Insurance costs are estimated annual premium costs for public official errors and omissions coverage of \$2 million and general liability/non-owner automobile liability with a \$2 million limit. The HHW Fund portion of the premium for FY 18-19 is 62% of the total premium cost to SCWMA.

Annual premium \$12,000 X 62% = \$7,440

# SONOMA COUNTY WASTE MANAGEMENT AGENCY

## FY 18-19 FINAL BUDGET EXPLANATIONS AND DETAILS

### *Household Hazardous Waste (cont.)*

#### 51201 – Administration Services

This account reflects the cost of SCWMA staff. The increased staff time compared to the previous fiscal year reflects the redistribution of staff time for the Department Analyst and Executive Director throughout the other Funds.

Budgeted FY 17-18	\$278,217
Requested FY 18-19	<u>\$382,530</u>
Difference (38%)	\$104,313

#### 51205 – Advertising/Marketing Svs

Staff is continuing to advertise the E-waste events sponsored by SCWMA. The budgeted \$13,000 will be used to reach residents through local media informing them of upcoming opportunities for E-waste collection.

#### 51206 – Accounting/Auditing Services

This expense of \$7,500 reflects an allocated portion of the estimated \$22,000 cost of the annual audit.

#### 51207 – Client Accounting Services

The estimated charge for accounting services provided by the County Auditor-Controller's staff is \$15,214 for this fiscal year. The fund allocation is based on the level of effort necessary to provide services for this fund relative to the other SCWMA Funds. The HHW Fund allocation is \$9,433.

#### 51249 – Other Professional Services

Professional Services reflects the administration of the various household hazardous waste and used oil grant funds awarded SCWMA designated for program implementation. Aside from reimbursement for staff time associated with these grants, the grant funds will be used to fund Board approved contractors, supplies, and equipment to continue implementing grant programs.

#### 51421 – Rents and Leases – Bldg/Land

This account includes \$9,000 to rent locations for Community Toxics Collection events.

#### 51803 – Other Contract Services

This account reflects contract services costs for the major programs operation of the HHW facility, Community Toxics Collections, and the Toxic Rover. Also included are the contractor costs related to E-waste collection and payments to Mendocino County for use of their Haz-Mobile service.

Description	FY 17-18 Budget	FY 18-19 Requested
HHW Collection Program	\$1,050,000	\$1,050,000
E-waste Collection	\$65,000	\$70,000
HHW Facility Maintenance	\$40,000	\$40,000
Out-of-County Hazardous Waste	\$16,000	\$18,000
Refuel Your Fun Program Contractor		\$25,000
Special CTCs		<u>\$7,500</u>
Total	\$1,171,000	\$1,263,000

# SONOMA COUNTY WASTE MANAGEMENT AGENCY

## FY 18-19 FINAL BUDGET EXPLANATIONS AND DETAILS

### *Household Hazardous Waste (cont.)*

#### 51904 – ISD Baseline Services

This account covers the cost of computer maintenance, network access, and the website. The estimated SCWMA cost for FY 18-19 is \$29,592. The HHW Fund will be charged \$4,332

#### 51916 – County Services

This reflects the amount charged to this fund for County support services, primarily use of County staff outside of Transportation and Public Works Department.

#### 52091 – Memberships/Certifications

There are three memberships this fiscal year, California Product Stewardship Council (CPSC), the Product Stewardship Institute (PSI), and the North American Hazardous Materials Management Association. These organizations promote extended producer responsibility and hazardous material collection best practices. The requested amount is \$10,450 for this fiscal year.

# SONOMA COUNTY WASTE MANAGEMENT AGENCY

## FY 18-19 FINAL BUDGET EXPLANATIONS AND DETAILS

### *Education & Outreach*

#### REVENUES

##### 42358 – State Other Funding

SCWMA expects to continue to receive grant funds from CalRecycle for beverage container recycling (City/County Payment Program). These funds will be used for the mandatory commercial recycling education program and for the purchase of additional recycling containers to assist beverage container recycling.

##### 42601 – County of Sonoma

Republic Services collects a disposal fee of \$4.85/ton on behalf of the SCWMA for the Household Hazardous Waste, Education and Planning programs. Republic submits the funding to the County, who passes the funding through to the SCWMA. The estimated of garbage, greenwaste, and wood waste tonnage for FY 18-19 is 383,140, an increase of 5,140 ton from last year.

Total Tipping Fee Revenue Budgeted FY 17-18	\$1,833,300
<u>Total Tipping Fee Revenue Requested FY 18-19</u>	<u>\$1,858,229</u>
Difference (1.34%)	\$24,929

Education and Outreach Fund Tipping Fee Allocation (25%) is \$445,975

##### 46029 – Donations/Contributions

The City of Petaluma has an agreement to pay for their SCWMA services directly. The tonnage is based on the actual quantities disposed monthly. The rate is \$4.85/ton, which is the same rate being collected on all the solid waste coming to the County System. Petaluma Surcharge Fee Payment is \$41,228.

#### EXPENDITURES - SERVICES AND SUPPLIES

##### 51041 – Insurance – Liability

Insurance costs are estimated annual premium costs for public official errors and omissions coverage of \$2 million and general liability/non-owner automobile liability with a \$2 million limit. The Organics Fund portion of the premium for FY 18-19 is 25% of the total premium cost to SCWMA.

Annual premium \$12,000 X 25% = \$3,000

##### 51201 – Administration Services

This account reflects the cost of SCWMA staff.

Budgeted FY 17-18	\$283,432
<u>Requested FY 18-19</u>	<u>\$347,688</u>
Difference (23%)	\$64,256

##### 51206 – Accounting/Auditing Services

This expense of \$4,000 reflects an allocated portion of the estimated \$22,000 cost of the annual audit.

# SONOMA COUNTY WASTE MANAGEMENT AGENCY

## FY 18-19 FINAL BUDGET EXPLANATIONS AND DETAILS

### *Education & Outreach (cont.)*

#### 51207 – Client Accounting Services

The estimated charge for accounting services provided by the County Auditor-Controller's staff is \$15,214 for this fiscal year. The fund allocation is based on the level of effort necessary to provide services for this fund relative to the other SCWMA Funds. The Organics Fund allocation is \$3,804

#### 51249 – Other Professional Services

Professional Services reflects expenditures made with regard to the CalRecycle City/County Payment Program (Beverage Container grant).

#### 51401 – Rents and Leases – Equipment

The office copy machine is now paid off. We have recently done some repairs to give it some longevity, but it is nearing the end of its useful life. It may be necessary to enter into a new lease during this fiscal year.

#### 51421 – Rents and Leases – Bldg/Land

This expense covers both site fees at public events such as the Fairs, Farmer's Markets, and Chamber of Commerce events to deliver the SCWMA's message to the public. Included is the rental of a storage space that holds the equipment and displays used at these events.

#### 51803 – Other Contract Services

This account covers the cost of the SCWMA's education program contracts as listed below:

Description	FY 17-18 Budget	FY 18-19 Requested
Recycling Guide Translation and Printing	\$16,900	\$11,900
Spanish Language Outreach	\$25,000	\$30,000
Temporary Staffing	\$2,700	\$1,000
Website Hosting	\$0	\$660
Backyard Composting	\$28,000	\$17,380
Professional Assistance	\$20,000	\$20,000
Total	\$92,600	\$88,200

#### 51904 – ISD Baseline Services

This account covers the cost of computer maintenance, network access, and the website. The estimated SCWMA cost for FY 18-19 is \$29,592. The Education and Outreach Fund will be charged \$11,461.

#### 51906 – ISD Supplemental Projects

Reserved for any special ISD related projects.

#### 51916 – County Services

This reflects the amount charged to this fund for County support services, primarily use of County staff outside of Transportation and Public Works Department.

#### 520191 – Memberships/Certifications

These are expenses related to membership in organizations assisting educational outreach options. \$150 is requested to maintain the GoLocal membership and \$3,000 for the Californians Against Waste Foundation.

# SONOMA COUNTY WASTE MANAGEMENT AGENCY

## FY 18-19 FINAL BUDGET EXPLANATIONS AND DETAILS

### *Organics Reserve*

#### REVENUES

##### 44002 – Interest on Pooled Cash

The Organics Reserve is expected to accrue \$14,679 in interest during FY 18-19.

#### EXPENDITURES - SERVICES AND SUPPLIES

##### 51201 – Administration Services

This account reflects the cost of SCWMA staff.

Budgeted FY 17-18	\$66,883
<u>Requested FY 18-19</u>	<u>\$45,723</u>
Difference (32%)	\$21,160

##### 51206 – Accounting/Auditing Services

This expense of \$2,500 reflects an allocated portion of the estimated \$22,000 cost of the annual audit.

##### 51803 – Other Contract Services

\$30,000 has been allocated for consultant assistance with the Organics Capacity RFP.



# SONOMA COUNTY WASTE MANAGEMENT AGENCY

## FY 18-19 FINAL BUDGET EXPLANATIONS AND DETAILS

### *Contingency Reserve*

#### REVENUES

44002 – Interest on Pooled Cash

The Contingency Reserve is expected to accrue \$17,065 in interest during FY 18-19.

#### EXPENDITURES - SERVICES AND SUPPLIES

51201 – Administration Services

This account reflects the cost of SCWMA staff.

Budgeted FY 17-18	\$49,888
<u>Requested FY 18-19</u>	<u>\$37,348</u>
Difference (25%)	\$12,540

51206 – Accounting/Auditing Services

This expense of \$1,500 reflects an allocated portion of the estimated \$22,000 cost of the annual audit.

51803 – Other Contract Services

This reflects the consultant cost required to assist in the establishment of a new HHW facility.

Resolution No.: 2018-

Dated: June 20, 2018

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("SCWMA")  
ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2018-19.

WHEREAS, SCWMA Board of Directors gave direction to SCWMA's Executive Director to prepare and present an annual budget; and

WHEREAS, an annual budget has been prepared and presented to SCWMA Board of Directors;

NOW, THEREFORE, BE IT RESOLVED that the SCWMA's Annual Budget for the period July 1, 2018 to June 30, 2019, attached hereto as FY 18-19 SCWMA Final Budget is hereby adopted.

BE IT FURTHER RESOLVED that the Clerk shall deliver a certified copy of this resolution to the Sonoma County Auditor-Controller.

MEMBERS:

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

AYES: -0-      NOES: -0-      ABSENT: -0-      ABSTAIN: -0-

SO ORDERED

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

ATTEST:                      DATE: June 20, 2018

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



Agenda Item #: **4.6**  
Cost Center: **All**  
Staff Contact: **Collard**  
Agenda Date: **6/20/2018**  
Approved By:

## **ITEM: Updated Reserve Policy**

### **I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION**

Staff recommends approval of the 2018 Reserve Policy.

### **II. BACKGROUND**

At the April 18<sup>th</sup> meeting, staff recommended the consolidation of the Wood and Yard Waste Funds into a new Organics Fund, the consolidation of the Education and Planning Funds into an Education and Outreach Fund, and the consolidation of the reserve accounts into two, Organics Reserve and Contingency Fund. With the consolidation of the reserve funds, the Reserve Policy needs to be revised.

### **III. DISCUSSION**

The recommended Reserve policy sets the Organics Reserve Fund at 25% of the operational expenses of the Organics Fund. Any funds remaining in the Organics Fund at the close of the fiscal year are to be transferred to the Organics Reserve Fund excluding 15% of operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) to remain in the Fund for cash flow purposes for the succeeding fiscal year.

The Contingency Reserve Fund is established to cover the costs of unpredictable expenditures (such as natural disasters and emergencies), and one-time projects (such as special studies, facility closures, and capital purchases). The Contingency Fund has three subsections. Household Hazardous Waste (HHW) Facility Closure (\$67,000), HHW Facility Operating Reserve (\$600,000), and Operating Contingency Reserve (25% of operational expenses for Education and Outreach cost center).

### **IV. ATTACHMENTS**

2018 Revised Reserve Policy  
Reserve Policy  
Resolution

## **SONOMA COUNTY WASTE MANAGEMENT AGENCY**

### ***2018 REVISED RESERVE POLICY***

#### **I. Purpose**

To define parameters for the collection, treatment and distribution of reserve funds resulting from the operations of the Sonoma County Waste Management Agency (SCWMA).

#### **II. Policy**

The SCWMA shall maintain two reserve funds, Organics Reserve Fund and the Contingency Reserve Fund. The Contingency Reserve Fund will have three subcategories for collection, HHW Facility Closure, HHW Operating Reserves and an Operating Contingency Fund.

#### **Organics Reserve Fund**

##### **Treatment**

The fund goal for the Organics Reserve Fund is 25% of the operational expenses of the Organics Fund. Any funds remaining in the Organics Fund at the close of the fiscal year are to be transferred to the Organics Reserve Fund excluding a small (15% or less) percentage of operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) to remain in the Fund for cash flow purposes for the succeeding fiscal year.

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

##### **Distribution**

The funds accumulated in the Organics Reserve will only be for use in conjunction with the organics program, which includes Board-approved projects in the Organics Fund as well as the Organics Reserve.

#### **Contingency Reserve Fund**

The Contingency Reserve Fund is established to cover the costs of unpredictable expenditures (such as natural disasters and emergencies), and one-time projects (such as special studies, facility closures, and capital purchases). The Contingency Fund has three subsections.

##### ***1. Household Hazardous Waste (HHW) Facility Closure***

##### **Collection**

This reserve is mandated by the permit-by-rule for treatment of hazardous waste collected at the HHW facility, which is owned by the County of Sonoma and occupied and operated by the SCWMA. The SCWMA is the permit holder of Permit No: 00-7161 issued by the Certified Unified Program Agency (Sonoma County Department of Emergency Services) and is responsible for establishing and maintaining a closure fund. The permit-by-rule states that “holder may establish the amount contained in the closure fund”.

Since these reserves are mandated by permit, collection and transfer of these funds will take precedence over any contributions to the HHW Facility Reserve.

#### **Treatment**

The fund goal shall be reviewed every five years with a comparison of similar facilities located in California and adjusted accordingly. As of FY 2018-19, this reserve goal is \$67,000. Should regulatory or legislative changes occur between review periods, the fund goal should be adjusted at the next appropriate budget development and approval process.

The HHW Closure Reserve does not include deconstruction of the building. These estimated costs were not included as part of the HHW Closure Fund because the building could potentially have other beneficial uses for the County or any other owner of the property. However, it is recognized the HHW Facility Reserve Funds would be adequate for deconstruction if required

The interest earned on the reserve funds will remain with the Contingency Reserve Fund.

#### **Distribution**

The only distribution will be when the facility is vacated by the SCWMA at which time SCWMA will relinquish the permit for HHW operations at this site.

## ***2. HHW Facility Operating Reserve***

#### **Collection**

Any funds remaining in the HHW cost center at the close of the fiscal year are to be transferred to the Contingency Reserve excluding a small (15% or less) percentage of operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) to remain in the cost center for cash flow purposes for the succeeding fiscal year.

#### **Treatment**

The reserve fund goal is \$600,000. The interest earned on the reserve funds will remain with the reserve.

#### **Distribution**

Distribution from this reserve will happen whenever the disposal costs exceed the budgeted appropriation, such as an emergency requiring additional disposal of toxics. The vehicle for distribution

will be Board approval through an appropriation transfer resolution, which will then be forwarded to the Sonoma County Auditor/Controller's Office for processing.

### **3. Operating Contingency Reserve**

#### **Collection**

Any funds remaining in the Education and Outreach cost center at the close of the fiscal year shall be transferred to the Contingency Reserve Fund excluding a small (15% or less) percentage of operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) to remain in the cost centers for cash flow purposes for the succeeding fiscal year.

The funds collected and/or transferred into the Contingency Reserve are to be used for support of the Education and Outreach cost center in the event that projects beyond those approved in the Work Plan are necessary for the diversionary efforts of SCWMA.

#### **Treatment**

The fund goal is 25% of the operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) of the Education and Outreach cost center.

The interest earned on the reserve funds will remain with the reserve.

#### **Distribution**

Distribution of funds from the Contingency Reserve is at the discretion of the Board of Directors. Specific projects/expenditures are to be considered by the Board for potential funding from the reserve. Precedence of projects will be given to any that stem from regulations or legislation.

The Executive Director has spending authority, provided by Resolution 2014-30- adopted by the Board of Directors on November 19, 2014, not to exceed \$25,000. This purchasing authority shall apply to the reserve funds.

The JPA Agreement sets the approval parameter for a Super-Majority vote (8 of 10 members) for items pertaining to:

1. Approval or amendment of the Agency Budget;
2. Incurrence of debt from public or private lending or financing sources in an amount of \$250,000 or more;
3. Authorization of expenditures of \$250,000 or more to a single source within a single fiscal year;
4. Any increase in fees or imposition of any new fees.

A unanimous vote is required for the Agency to acquire any interest in real property with a value of \$250,000 or more.

The vehicle for distribution will be Board approval through an appropriation transfer resolution, which will then be forwarded to the Sonoma County Auditor/Controller's Office for processing. The appropriation transfer is to be accompanied by a project budget that will include the appropriate accounts for efficient processing, payment and auditing.

DRAFT

## **SONOMA COUNTY WASTE MANAGEMENT AGENCY RESERVE POLICY**

### **I. Purpose**

To define parameters for the collection, treatment and distribution of reserve funds resulting from the operations of the Sonoma County Waste Management Agency (SCWMA).

### **II. Policy**

#### **Organics Reserve**

##### **Collection**

As stated in Section 11 of the "Agreement Between The Cities Of Sonoma County And Sonoma County For A Joint Powers Agency To Deal With Waste Management Issues" (JPA Agreement)

"Agency shall separately account for all costs of handling and disposing yard waste and wood waste so that the costs of each are known."

##### **Treatment**

There is no stated fund goal for this reserve due to the parameter contained in the JPA agreement. Any funds remaining in the Wood Waste and Yard Waste cost centers at the close of the fiscal year are to be transferred to the Organics Reserve excluding a small (15% or less ) percentage of operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) to remain in the cost center for cash flow purposes for the succeeding fiscal year.

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

##### **Distribution**

The language in the JPA Agreement restricts the funds accumulated in the Organics Reserve for use only in conjunction with the organics program, which includes Board approved projects in the Wood Waste, Yard Waste cost centers as well as the Organics Reserve.

#### **Household Hazardous Waste (HHW) Closure Reserve**

##### **Collection**

This reserve is mandated by the permit-by-rule for treatment of hazardous waste collected at the HHW facility, which is owned by the County of Sonoma and occupied and operated by the SCWMA. The SCWMA is the permit holder of Permit No: 00-7161 issued by the Certified Unified Program Agency (Sonoma County Department of Emergency Services) and is responsible for establishing and maintaining a closure fund. The permit-by-rule states that "holder may establish the amount contained in the closure fund".



Since these reserves are mandated by permit, collection and transfer of these funds will take precedence over any contributions to the HHW Facility Reserve.

#### Treatment

The fund goal shall be reviewed every five years with a comparison of similar facilities located in California and adjusted accordingly. Should regulatory or legislative changes occur between review periods, the fund goal should be adjusted at the next appropriate budget development and approval process.

The HHW Closure Reserve does not include deconstruction of the building. These estimated costs were not included as part of the HHW Closure Fund because the building could potentially have other beneficial uses for the County or any other owner of the property. However, it is recognized the HHW Facility Reserve Funds would be adequate for deconstruction if required

Once the fund goal is achieved, there will be no further transfers from the HHW cost center into the reserve. The interest earned on the reserve funds will remain with the reserve.

#### Distribution

The only distribution will be when the facility is vacated by the SCWMA at which time SCWMA will relinquish the permit for HHW operations at this site.

#### HHW Facility Reserve

##### Collection

Any funds remaining in the HHW cost center at the close of the fiscal year are to be transferred to the HHW Facility Reserve excluding a small (15% or less ) percentage of operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) to remain in the cost center for cash flow purposes for the succeeding fiscal year.

##### Treatment

The reserve fund goal is either 33% of the budgeted annual HHW program operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) or \$600,000, whichever is greater. The interest earned on the reserve funds will remain with the reserve.

##### Distribution

Distribution from this reserve will happen whenever the disposal costs exceed the budgeted appropriation, such as an emergency requiring additional disposal of toxics. The vehicle for distribution will be Board approval through an appropriation transfer resolution, which will then be forwarded to the Sonoma County Auditor/Controller's Office for processing.

In the event, there are funds collected greater than the stated fund goal, a transfer to the Contingency Reserve can be made with the same Board approved appropriation transfer process. This type of transfer would allow the excess reserve funds to be used for specific projects other than the operation of the HHW facility.

## Contingency Reserve

### Collection

Any funds remaining in the Education and Planning cost centers at the close of the fiscal year can be transferred to the Contingency Reserve excluding a small (10% or less ) percentage of operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) to remain in the cost centers for cash flow purposes for the succeeding fiscal year.

The funds collected and/or transferred into the Contingency Reserve are to be used for support of the Education and Planning cost centers in the event that projects beyond those approved in the Work Plan are necessary for the diversionary efforts of SCWMA.

### Treatment

The fund goal is 25% of the operational expenses (insurance liability, office expense, County services, contract services, administration costs, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) of the two cost centers.

The interest earned on the reserve funds will remain with the reserve.

### Distribution

Distribution of funds from the Contingency Reserve is at the discretion of the Board of Directors. Specific projects/expenditures are to be considered by the Board for potential funding from the reserve. Precedence of projects will be given to any that stem from regulations or legislation.

The Executive Director has spending authority, provided by the Purchasing Policy adopted by the Board of Directors in 1995, not to exceed \$5,000. This purchasing authority shall apply to the reserve funds.

The JPA Agreement sets the approval parameter for a unanimous vote to be \$50,000 or a major program change. These parameters are in effect for the reserve fund usage. For larger and more complex projects, staff will present details concerning the project, along with a project specific budget, which will include the impact on the remaining reserve, for Board review.

The vehicle for distribution will be Board approval through an appropriation transfer resolution, which will then be forwarded to the Sonoma County Auditor/Controller's Office for processing. The appropriation transfer is to be accompanied by a project budget that will include the appropriate sub-objects for efficient processing, payment and auditing.

Resolution No.: 2018-

Dated: June 20, 2018

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

WHEREAS the FY 2018-19 SCWMA Final Budget consolidates four reserve funds into two reserve funds;

WHEREAS the SCWMA Reserve fund previously approved at the August 17, 2011 SCWMA Board of Directors meeting is incompatible with the new allocation of funds and therefore needed revision and approval by the SCWMA Board of Directors.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sonoma County Waste Management Agency does hereby adopt the 2018 Reserve Policy dated May 16, 2018.

MEMBERS:

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

AYES: -0-      NOES: -0-      ABSENT: -0-      ABSTAIN: -0-

SO ORDERED

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

ATTEST:                      DATE: June 20, 2018

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



Agenda Item #: **4.7**  
Cost Center: **Organics Reserve**  
Staff Contact: **Collard**  
Agenda Date: **6/20/18**  
Approved By:

## **ITEM: Contract Services Budget Appropriation**

### **I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION**

Staff recommends increasing the budgetary appropriations for contract services in the Organics Reserve by \$54,975 and administrative services by \$25,000. As this item is an amendment to the budget, it requires a super-majority (8/10) vote for approval.

### **II. BACKGROUND**

The SCWMA entered into an agreement with the firm R3 Consulting Group on February 28, 2017 for Organics Capacity RFP Assistance in the amount of \$148,500. The FY 2017-18 Final Budget contained \$50,000 for Other Contract Services, which was insufficient for the amount of funding needed to fully fund this project.

Staff has been working on the review of the Organics RFP. In order to thoroughly review all submissions, staff recommends the additional allocation of \$25,000 to cover staff time devoted to this project.

### **III. DISCUSSION**

Approval of this budget adjustment does not change the agreement amount with R3 Consulting Group, just the budget appropriations for funding the Organics Processing Services RFP process.

### **IV. FUNDING IMPACT**

R3 was reimbursed for \$43,525 if the contract in the prior fiscal year. The FY 2017-18 SCWMA Budget only included appropriations in the Organics Reserve Fund for \$50,000, this amount is insufficient to cover the costs of the outstanding R3 Consulting Group contract. Staff requests increased appropriations of \$54,975 to fund the remaining contract balance.

Staff is requesting an additional \$25,000 in staff time to complete the Organics RFP review process. The increased cost to the Organics Reserve will be create a reduction in administrative costs to one of the other cost centers.

The current fund balance for the Organics Reserve is \$2,956,131, and is above the necessary fund balance goals set in the current and proposed SCWMA Reserve Policy.

### **V. ATTACHMENTS**

Resolution

Resolution No.: 2018-

Dated: June 20, 2018

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("SCWMA")  
ADOPTING ADJUSTMENTS TO THE FY 2017/18 ANNUAL BUDGET FOR CONTRACT SERVICES

WHEREAS, the SCWMA approved the Sonoma County Waste Management Agency Fiscal Year 2017/18 Budget by unanimous vote on May 17, 2017; and

WHEREAS, staff recommends adjusting the Fiscal Year 2017-18 Budget for Contract Services in the amount of \$54,975 to cover the contract amount for the consulting firm R3 for work on the Organics RFP; and

WHEREAS, staff recommends adjusting the Fiscal Year 2017-18 Budget for Administrative Services in the amount of \$25,000 to cover the increased staff time needed for the review of the Organics RFP.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sonoma County Waste Management Agency does hereby approve the adjustment to the Fiscal Year 2017-18 Budget.

MEMBERS:

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

AYES: -0-      NOES:    -0-      ABSENT: -0-      ABSTAIN: -0-

SO ORDERED

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

ATTEST:                      DATE: JUNE 20, 2018

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



Agenda Item #: 5  
Cost Center: Contingency  
Staff Contact: Thigpen  
Agenda Date: 6/20/2018  
Approved By:

## **ITEM: Discussion and Status Update on SCWMA Brand and Website Redesign**

### **I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION**

This item is informational, and allows for Board feedback and direction to staff. No action is requested at this time.

### **II. BACKGROUND**

At the December 20, 2017 SCWMA Board meeting, the Board approved an agreement with The Engine is Red to provide both rebranding and website/database redesign services. At the January 17, 2018 SCWMA Board meeting, the Board approved formation of a three-member subcommittee made up of Board members to provide input in the rebrand and website redesign process prior to conclusion of design work and presentation to the Board.

### **III. DISCUSSION**

Tasks covered by the Brand Evaluation and Design Services Statement of Work included evaluating SCWMA's current name, logo design, creating a style guide for consistent use of logo and materials, as well as templates for collateral materials and key message development.

Tasks covered by the Website Design and Implementation Statement of Work included incorporating the name developed in the Brand Evaluation process, and developing a highly functional website by incorporating current technologies for security, database, robust content, ease of content management, and ADA compliance.

The Engine is Red has completed the evaluation and naming stages, community focus groups, and input from staff, the board subcommittee and stakeholders. The Engine has begun work on logo development and will move into database design and implementation in coming weeks.

### **IV. FUNDING IMPACT**

There are no additional funding impacts expected as a result of this item. In September, 2017, the Board approved the use of \$150,000 in the FY 2017/18 Budget from the Contingency Reserve fund for this project. To date, SCWMA has used \$33,100 of the funds approved for brand evaluation and website redesign.



Agenda Item #: 6  
Cost Center: HHW  
Staff Contact: Carter/Scott  
Agenda Date: 6/20/2018  
Approved By:

## **ITEM: Consideration of an Agreement with ECS Refining, Inc for E-Waste Handling, Transportation and Recycling Services**

### **I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION**

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

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

### **II. BACKGROUND**

The SCWMA currently has a contract with ECS Refining to provide e-waste transportation and recycling services. The original term of this Agreement was from June 1, 2012 to February 11, 2017. There have been two amendments to this Agreement. The First Amendment, approved by the Agency Board on January 18, 2017, extended the term to February 11, 2018 and adjusted the payment structure. The Second Amendment, approved by the Agency Board on December 20, 2017, extended the term to the current date of June 30, 2018. The current Agreement does not include an option to extend.

On February 21, 2018, the Board directed staff to distribute a Request for Proposals (RFP) for an E-waste Transportation and Recycling Services Contract and to return to this meeting with a recommendation for a selected E-waste Contractor. The RFP also included the option to acquire E-waste handling responsibilities once the E-Waste Handling Agreement with Recology expires on February 11, 2019.

### **III. DISCUSSION**

On March 9, 2018, SCWMA issued an RFP for E-Waste Transportation and Recycling Services. Six proposals were received by the deadline of April 6, 2018. Proposers included California Electronic Asset Recovery (CEAR) of Mather, CA; ECS Refining of Stockton, CA; E-Recycling of California of Hayward, CA; Onsite Electronics Recycling of Stockton, CA; Cal Micro Recycling of Ontario, CA; and Electronic Recyclers International (ERI) of Fresno, CA.

The proposals were reviewed and evaluated by Patrick Carter, SCWMA Executive Director; Courtney Scott, SCWMA HHW program manager; and John Simms, Recology Operations Supervisor. Of the six proposals, ECS Refining was the highest ranking Proposer and Onsite Electronics had the second highest rank. A table listing all of the Proposers and their ranking is

included in this staff report as the Request for Proposals Comparison attachment.

Shortly after scoring the proposals, ECS Refining informed SCWMA that it had filed Chapter 11 Bankruptcy in an effort to restructure their debts to their investors. ECS Refining has assured SCWMA that it is still willing and able to uphold their proposal. After a month of careful consideration and consulting with attorneys, staff still recommends ECS Refining be awarded the contract due to the high commodity payments offered and dependable track record. As a precaution, staff suggests signing a backup contract with Onsite Electronics that would become effective if ECS Refining is unable to uphold their agreement.

Separately, the current E-Waste Handling Contractor, Recology, has indicated that they are no longer interested in providing e-waste handling services once the agreement expires on February 11, 2019. These services include E-waste sorting, packaging, truck loading, and scheduling pick-ups. Both ECS Refining and Onsite Electronics have agreed to take over these responsibilities beginning on February 12, 2019.

#### **IV. FUNDING IMPACT**

Senate Bill 20 and Senate Bill 50 attach a fee to purchases of computers and televisions, and provide funds to approved recyclers who then provide a portion of that money to official E-waste collectors. Under the Recycling Act, the SCWMA does not pay the Approved Recycler for recycling services; rather the Approved Recycler pays the SCWMA for the electronic waste they receive covered under this program.

Under the current agreement, ECS Refining is paying SCWMA \$0.27/lb. for cathode ray tubes (CRTs), \$0.18/lb. for rear projection CRTs, \$0.20/lb. for flatscreens, and \$0.15/lb. for personal computers (PCs). ECS Refining is also currently charging \$0.08/lb. for mixed universal waste electronic devices (UWED), \$39.99 for shrinkwrap, and \$49.99 per pick-up.

Under the new agreement, ECS Refining would pay SCWMA \$0.28/lb. for CRTs, \$0.24/lb. for rear projection CRTs, \$0.27/lb. for flatscreens, and \$0.18/lb. for PCs. ECS Refining would begin charging SCWMA \$0.03/lb. for UWED and \$550 per pick-up. Shrinkwrap will be given at no extra cost.

Onsite Electronics has offered to pay SCWMA \$0.19/lb. for all covered electronic waste (CEW), and \$0.12/lb. for PCs. Onsite Electronics would charge SCWMA \$0.10/lb. for UWED, \$65 for shrink wrap, and \$550 per pick-up.

For FY 18-19, SCWMA budgeted \$140,000 in revenue from e-waste recycling and anticipates revenue could increase by up to 6%.

#### **V. ATTACHMENTS**

Request for Proposals Comparison

ECS-SCWMA E-Waste Handling, Transportation and Recycling Services Resolution 2018

ECS-SCWMA Agreement for E-Waste Handling, Transportation and Recycling Services 2018

ECS-SCWMA EXHIBIT A – Scope of Services

ECS-SCWMA EXHIBIT B – Materials Accepted

Onsite-SCWMA E-Waste Handling, Transportation and Recycling Services Resolution 2018

Onsite-SCWMA Agreement for E-Waste Handling, Transportation and Recycling Services 2018

Onsite-SCWMA EXHIBIT A – Scope of Services



## SCWMA E-waste Transportation and Recycling Services

### Request for Proposals Comparison

Primary Selection Criteria	%	Cal Micro	CEAR	E-Recycling of CA.	ECS	ERI	Onsite
Ability to perform services as specified within the RFP. Contractor's proposal demonstrates that the firm possesses the qualifications (CEWID#), and experience to provide the required services listed in the RFP.	25%	13	18	19	23	17	22
Description of services offered: Meeting all requirements in RFP	20%	19	16	18	16	19	16
Cost (direct and indirect)/Payment	20%	13	5	20	17	4	15
Handling of materials: final destination/market	20%	14	11	13	17	17	18
Environmental Certifications	10%	8	9	8	10	8	10
References: History of providing similar services to comparable entities with a high level of customer service. (Quality of work)	5%	5	5	5	5	5	5
	100	72	64	83	88	70	86

## **AGREEMENT FOR E-WASTE HANDLING, TRANSPORTATION AND RECYCLING SERVICES**

This agreement ("Agreement"), dated as of June 20, 2018 ("Effective Date") is by and between the Sonoma County Waste Management Agency, (hereinafter "SCWMA"), and ECS Refining, Inc., (hereinafter "Contractor").

### **R E C I T A L S**

WHEREAS, Contractor represents that it is duly qualified and experienced in Electronic Waste ("E-Waste") transportation, recycling and related services; and

WHEREAS, in the judgment of the Board of Directors of SCWMA, it is necessary and desirable to employ the services of Contractor for transporting and recycling E-Waste collected at Sonoma County solid waste disposal facilities.

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

### **A G R E E M E N T**

#### **1. Scope of Services.**

1.1 Contractor's Specified Services. This Agreement is entered into for the purpose of establishing a contract for E-Waste Transportation and Recycling Services. Contractor shall perform services as defined in Exhibit "A", Scope of Services.

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

1.3 Performance Standard. Contractor shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Contractor's profession. If SCWMA determines that any of Contractor's work is not in accordance with such level of competency and standard of care, SCWMA, in its sole discretion, shall have the right to do any or all of the following: (a) require Contractor to meet with SCWMA to review the quality of the work and resolve matters of concern; (b) require Contractor to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 4; or (d) pursue any and all other remedies at law or in equity.

Throughout the term of this agreement, including any extensions, Contractor shall:

a) Be 1) an Approved Recycler with the State of California Department of Resources Recovery and Recycling (CalRecycle) and maintain this designation throughout the term of the contract or 2) registered with the CalRecycle as an authorized E-waste Collector and partner with an Approved Recycler with the State of CalRecycle and both the Collector and the Approved Recycler must maintain this designation throughout the term of the contract. Loss of Approved Recycler and Collector designation shall be considered a breach of the contract.

b) Comply with all Federal, State, and/or Local Regulations.

c) Not allow any characteristically hazardous material accepted to be sent to solid waste (non-hazardous waste) landfills or incinerators for disposal or energy recovery, either directly or through intermediaries.

d) Ensure that all materials that test as characteristic hazardous waste under California Law remain within the United States until the waste has been processed to the point at which it can be considered a commodity ready for use in a new product. This requirement applies to all characteristic materials, including those with exemptions, such as circuit boards.

e) Ensure integrity of the entire recycling chain, including downstream intermediaries and recovery operations such as smelters, the Contractor shall not utilize a company that is not in complete compliance with all applicable National, Regional and/or Local environmental and health and safety regulations.

f) Include copies of all notices of violations, administrative orders, or other enforcement actions taken by any regulatory agencies during the past three years and within 30 days of any new violation during the term of this Agreement for Contractor and each of the proposed subcontractors. Also, provide copies of any letters of recommendation or other awards of recognition.

g) Make all of its facilities and related documentation available to the SCWMA for onsite and paper audits by SCWMA or designated 3<sup>rd</sup> party auditor. Additionally, Contractor must arrange for all contractors/vendors involved in the downstream recycling process, regardless of location, to make their facilities and documentation available for onsite and paper audits by SCWMA or designated 3<sup>rd</sup> party auditor.

h) Provide a downstream chain-of-custody-and-disposition report of all waste collected within ninety (90) days of the collection date. The downstream report shall include both hazardous and non-hazardous components, including but limited to, Identity of vendor(s) who purchase final recovered materials,

and a description of each material's final reuse or disposition by volume and composition.

i) Provide Agency staff with a list of Contractor's "Down-Stream Vendors", identified by material processed, and shall provide written notification to Agency of any change to the list. Contractor shall provide thirty (30) days notice to Agency of any change to the list that is initiated by Contractor and seven (7) days notice of any change not initiated by Contractor.

#### 1.4 Assigned Personnel.

- a. Contractor shall assign only competent personnel to perform work hereunder. In the event that at any time SCWMA, in its sole discretion, desires the removal of any person or persons assigned by Contractor to perform work hereunder, Contractor shall remove such person or persons immediately upon receiving written notice from SCWMA.
- b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by SCWMA to be key personnel whose services are a material inducement to SCWMA to enter into this Agreement, and without whose services SCWMA would not have entered into this Agreement. Contractor shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of SCWMA.
- c. In the event that any of Contractor's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Contractor's control, Contractor shall be responsible for timely provision of adequately qualified replacements.

2. Payment. Contractor shall pay SCWMA in accordance with Exhibit A which sets out the payment terms. Payments shall further be in accordance with SB20, as defined in Chapter 8.5, of Part 3 of Division 30 of the California Public Resources Code, commencing with Section 42460, and Article 10.3, of Chapter 6.5 of Division 20 of the California Health and Safety Code, commencing with Section 25214.9, and Title 14 of the California Code of Regulation, Division 7, Chapter 8.2, commencing with Section 18660.5. Should the State change the collector and/or recycler payment system, Contractor and Agency shall renegotiate the payment. Additionally, if at any point during the term of this Agreement, the State of California enacts legislation or the Department of Resources Recycling and Recovery (CalRecycle), or any other State

agency adopts regulations providing for reimbursement of the costs of managing universal waste electronic devices or consumer electronic waste devices, however they are labeled, Contractor shall immediately pay SCWMA the full rate set forth by the legislation or regulation for each device, excluding any amount allocated for recycling or disposal. Weight will be determined by Contractor weighing each pallet and container upon receipt. Contractor shall weigh each individual pallet, basket and gaylord to determine its tare weight, and the tare weight shall be subtracted from the total shipping weight to determine the net weight for which the SCWMA's payment shall be based. Contractor shall pay Agency within sixty (60) days of shipment in accordance with CCR Title 14 Section 18660.13.

3. Term of Agreement. The term of this Agreement shall be from July 1, 2018 to June 30, 2021, with up to two annual extensions upon written mutual agreement, which extensions may be authorized on behalf of the SCWMA by the SCWMA Executive Director, unless terminated earlier in accordance with the provisions of Article 4 below.

4. Termination.

4.1 Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, SCWMA shall have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days written notice to Contractor.

4.2 Termination for Cause. Notwithstanding any other provision of this Agreement, should Contractor fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, SCWMA may immediately terminate this Agreement by giving Contractor written notice of such termination, stating the reason for termination.

4.3 Delivery of Work Product and Final Payment Upon Termination.

In the event of termination, Contractor, within 14 days following the date of termination, shall deliver to SCWMA all materials and work product subject to Section 9.9 and shall submit to SCWMA payment up to the date of termination.

5. Indemnification. Contractor agrees to accept all responsibility for loss or damage to any person or entity, including but not limited to SCWMA, and to defend, indemnify, hold harmless, reimburse and release SCWMA, its officers, agents, and employees, from and against any and all actions, claims, damages, disabilities, liabilities and expense including, but not limited to, attorneys' fees and the cost of litigation incurred in the defense of claims as to which this indemnity applies or incurred in an

action by SCWMA to enforce the indemnity provisions herein, whether arising from personal injury, property damage or economic loss of any type, that may be asserted by any person or entity arising out of or in connection with the performance of Contractor hereunder, but, to the extent required by law, excluding liability due to the sole negligence or willful misconduct of SCWMA. If there is a possible obligation to indemnify, Contractor's duty to defend with legal counsel acceptable to SCWMA, exists regardless of whether it is ultimately determined that there is not a duty to indemnify. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor or its agents.

6. Insurance. With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described below:

6.1 Workers' Compensation Insurance. Workers' compensation insurance with statutory limits as required by the Labor Code of the State of California. Said policy shall be endorsed with the following specific language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days' prior written notice to the SCWMA.

6.2 General Liability Insurance. Commercial general liability insurance covering bodily injury and property damage using an occurrence policy form, in an amount no less than Five Million Dollars (\$5,000,000.00) 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, its Board of Directors and staff, 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 SCWMA with respect to any insurance or self-insurance programs maintained by the SCWMA.

- d. This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

6.3 Automobile Insurance. Automobile liability insurance covering bodily injury and property damage in an amount no less 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 or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

6.4 Professional Liability Insurance. Professional liability insurance for all activities of Contractor arising out of or in connection with this Agreement in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said policy shall be endorsed with the following specific language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

6.5 Pollution Legal Liability. Pollution legal liability insurance for all activities of Contractor arising out of or in connection with this Agreement in an amount no less than Five Million Dollars (\$5,000,000) combined single limit for each occurrence. Said policy shall be endorsed with the following specific language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

6.6 Documentation. The following documentation shall be submitted to the SCWMA:

- a. Properly executed Certificates of Insurance clearly evidencing all coverages, limits, and endorsements required above. Said Certificates shall be submitted prior to the execution of this Agreement. Contractor agrees to maintain current Certificates of Insurance evidencing the above-required coverages, limits, and endorsements on file with the SCWMA for the duration of this Agreement.
- b. Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted within thirty (30) days of execution of this Agreement.

- c. Upon SCWMA's written request, certified copies of the insurance policies. Said policy copies shall be submitted within thirty (30) days of SCWMA's request.

6.7 Policy Obligations. Contractor's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

6.8 Material Breach. If Contractor, for any reason, fails to maintain insurance coverage which is required pursuant to this Agreement, the same shall be deemed a material breach of this Agreement. SCWMA, in its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, SCWMA may purchase such required insurance coverage, and without further notice to Contractor, SCWMA may deduct from sums due to Contractor any premium costs advanced by SCWMA for such insurance. These remedies shall be in addition to any other remedies available to SCWMA.

7. Prosecution of Work. The execution of this Agreement shall constitute Contractor's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Contractor's performance of this Agreement shall be extended by a number of days equal to the number of days Contractor has been delayed.

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

9. Representations of Contractor.

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



9.1.1 Change in Information. Contractor shall notify SCWMA thirty (30) days prior to any change to the information provided pursuant to Contractor's Scope of Services, that is initiated by Contractor, or within seven (7) days of Contractor becoming aware of a change to the information provided pursuant to Contractor's Scope of Services that was not initiated by Contractor.

9.2 Status of Contractor. The parties intend that Contractor, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Contractor is not to be considered an agent or employee of SCWMA and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits provided to SCWMA staff. In the event SCWMA exercises its right to terminate this Agreement pursuant to Article 4, above, Contractor expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

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

9.4 Records Maintenance. Contractor shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to SCWMA for inspection at any reasonable time. Contractor shall maintain such records for a period of four (4) years following completion of work hereunder.

9.5 Conflict of Interest. Contractor covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Contractor further covenants that in the performance of this Agreement no person having any such interests shall be employed by Contractor. In addition, if requested to do so by SCWMA, Contractor shall complete and file and shall require any other person doing work under Contractor and this Agreement to complete and file a "Statement of Economic Interest" with SCWMA disclosing Contractor's or such other person's financial interests.

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

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

9.8 Assignment Of Rights. Contractor assigns to SCWMA all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Contractor in connection with this Agreement. Contractor agrees to take such actions as are necessary to protect the rights assigned to SCWMA in this Agreement, and to refrain from taking any action which would impair those rights. Contractor's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as SCWMA may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of SCWMA. Contractor shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of SCWMA.

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

10. Demand for Assurance. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be

impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article 10 limits SCWMA's right to terminate this Agreement pursuant to Article 4.

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

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

SCWMA: Sonoma County Waste Management Agency  
Attention: Courtney Scott  
2300 County Center Drive, Suite B-100  
Santa Rosa, CA 95403  
Phone: (707) 565-3632

CONTRACTOR: ECS Refining, Inc  
Attention: Jon Walker  
Address: 2222 S. Sinclair Ave  
City, State Zip: Stockton, CA 95215  
Phone: 408-200-7049

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

be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

### 13. Miscellaneous Provisions.

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

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

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

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

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

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

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

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

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

SCWMA: SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: \_\_\_\_\_  
Chair

CONTRACTOR:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

By: \_\_\_\_\_  
Executive Director, SCWMA

APPROVED AS TO FORM FOR SCWMA:

By: \_\_\_\_\_  
SCWMA Counsel

## EXHIBIT A

### SCOPE OF SERVICES

1. Tasks. The services to be performed under the Agreement include the following tasks:

A. Materials Accepted. See Exhibit B, Materials Accepted.

B. Materials Provided. Contractor will provide 53' trailers for transport. Gaylords, baskets, pallets, and shrink wrap are provided at no extra cost.

Contractor may be required to coordinate the use of roll-off containers for public e-waste drop-off collection at the five transfer stations in Sonoma County beginning February 12, 2019.

C. Sorting and Packing. Sorting and packing will take place at the central e-waste consolidation point which is located at either the Central Disposal Site or at the Sonoma Transfer Station. Contractor will work with SCWMA's E-waste handling contractor on sorting and packing requirements. The E-waste handling contractor will sort and package E-waste to Contractor's specifications for the duration of the E-Waste Handling Contract expiring on February 11, 2019.

Material will be separated into the following categories: Cathode ray tube (CRT) devices, flat screen devices and laptops (non-CRT CEW), rear projection (RP) TV devices, miscellaneous universal waste electronic devices (UWED), household appliance mixed material, and personal computers (PCs). Additional revenue may be available for further separation of material including cell phones, hard drives, and cords.

Beginning on February 12, 2019, Contractor will perform all sorting and packing duties. Contractor may hire a subcontractor to perform these tasks. Contractor shall sort and pack e-waste on a regular basis to ensure e-waste piles and containers to not disrupt other functions at the disposal sites. Contractor shall ensure no more than ten (10) roll-off containers of unsorted e-waste remain at any transfer station at any one point in time.

D. Truck Loading. SCWMA's E-Waste handling contractor will load Contractor's trucks for the duration of the E-Waste Handling Contract expiring on February 11, 2019. Contractor shall work with SCWMA's E-waste handling contractor to ensure 53' trailers will be loaded single or double-stacked within category requirements.

Beginning February 12, 2019, Contractor will perform all truck loading duties. Contractor may hire a subcontractor to perform this task.

E. Transportation. Contractor shall pick up e-waste from the central e-waste consolidation point which is located at either the Central Disposal Site or at the Sonoma Transfer Station. Contractor will arrange for trucks to pick up e-waste that is loaded and sorted onto Contractor's 53' trailer.

Contractor may be required to coordinate transportation of e-waste from the surrounding transfer stations to the central e-waste consolidation point beginning February 12, 2019.

F. Scheduling. SCWMA's e-waste handling contractor shall schedule pickups with Contractor for material located at the central e-waste consolidation point. Contractor shall pick up e-waste

within 72 hours of request. SCWMA and the e-waste handling contractor may utilize Contractor's scheduling portal as needed.

Beginning February 12, 2019, Contractor will acquire scheduling responsibilities.

- G. Paperwork. Contractor shall provide a copy of the bill of lading, transfer receipt, settlement, receiving acknowledgement, and a certificate of recycling for each shipment. SCWMA will provide a CEW log and a signed transfer receipt for each shipment.

Contractor shall provide downstream chain-of-custody reports within seven (7) business days of any changes. Contractor shall provide SCWMA with two annual reports of all material provided by SCWMA to Contractor. The first report shall be for a calendar year period (January 1-December 31) and shall be provided by January 15<sup>th</sup> of every year. The second report shall be for a fiscal year period (July 1-June 30) and shall be provided by July 15<sup>th</sup> of every year. If the due date falls on a weekend or holiday, reports shall be submitted by the Friday prior to the due date.

2. Cost. The services to be performed under the Agreement include the following costs and payments.

A. Payments to SCWMA:

- i. \$0.28 per pound for CRT devices
- ii. \$0.27 per pound for non-CRT CEW
- iii. \$0.24 per pound for RP CRTs
- iv. \$0.18 per pound for PCs

B. Costs to SCWMA:

- i. \$0.03 per pound for miscellaneous UWED
- ii. \$0.03 per pound for household appliance mixed material (no large appliances)
- iii. \$550.00 for trailer exchange

C. Contractor Labor:

- i. \$55.00 per hour per person

**EXHIBIT B**

**MATERIALS ACCEPTED**

<b><u>ECS MATERIAL TAKE LIST</u></b> <b><u>NON CONFORMING LIST</u></b>	<b><u>UOM</u></b>	<b><u>PAY</u></b> <b><u>CHARGE</u></b>	<b><u>DESCRIPTION/COMMON NAME</u></b>
-	-	(-)denotes Charge item	-
		<b>SEE RFP</b>	
UW CRT DEVICE CA	LBS		MONITOR, TELEVISION -CALIFORNIA
UW CRT DEVICE RPTG CA	LBS		REAR PROJECTION TELEVISION -CALIFORNIA
UW FS DEVICE CA	LBS		FLATSCREEN -LCD, LED, PLASMA -CALIFORNIA
UW CRT DEV RP MIX CA	LBS		MONITOR/REAR PROJECTION MIX-CALIFORNIA
UW LAPTOPS CA	LBS		LAPTOP -CALIFORNIA
UW CRT DEVICE NON CA	LBS	-\$0.30	MONITOR, TV -NON CALIFORNIA
UW CRT DEVICE RPTV NON CA	LBS	-\$0.35	REAR PROJECTION TV -NON CALIFORNIA
UW FS DEVICE NON CA	LBS	-\$0.35	FLATSCREEN -LCD, LED, PLASMA -NON CALIFORNIA
UW LAPTOPS NON CA	LBS	-\$0.25	LAPTOP -NON CALIFORNIA
<b>UWED DLP DEVICE SEPERATED</b>	LBS	-\$0.10	DLP REAR PROJECTION/UNIVERSAL WASTE
<b>UWED DLP MIXED DEVICE</b>	LBS	-\$0.15	DLP REAR PROJECTION/UNIVERSAL WASTE
UWED PRINT COPY FAX	LBS		PRINTERS, COPIERS, FAX, KEYBOARDS
UWED MIXED	LBS		PC, PRINTERS, ELECTRONIC DEVICES, MIXED
MISC HH APPLNCS SCRAP	LBS		HOUSEHOLD- HAIR DRYER, LAMP, VACUUM ETC.
UWED PC	LBS		COMPUTER TOWER
UWED SERVER	LBS		COMPUTER DEVICE
UWED SERVER RACK PTL	LBS		COMPUTER TOWER MISSING PARTS
UWED SERVER RACK FULL	LBS		COMPUTER SERVER DEVICES IN RACK
UWED SERVER STRIPPED	LBS		COMPUTER SERVER DEVICE MISSING PARTS
ROUTERS	LBS		ROUTERS
UWED CELL PH PAG GPS W/BAT	LBS		CELL PHONES WITH BATTERY
UWED CELL PH PAG GPS W/O BAT	LBS		CELL PHONES WITHOUT BATTERY
<b>PRECIOUS METAL MATERIALS</b>		<b>Not To Exceed</b>	
CERAMIC PROCESSOR WITH GOLD PINS AND COVER	LBS		CERAMIC PROCESSOR WITH GOLD PINS AND COVER
CERAMIC PROCESSOR W/O GOLD PINS AND COVER	LBS		CERAMIC PROCESSOR W/O GOLD PINS AND COVER
PENTIUM PRO PROCESSOR	LBS		PENTIUM PRO PROCESSOR
PENTIUM GREEN PROCESSOR CHIP	LBS		PENTIUM GREEN PROCESSOR CHIP
SLOT PROCESSOR	LBS		SLOT PROCESSOR
SLOT PROCESSOR W/PLASTIC & HEAT SINKS	LBS		SLOT PROCESSOR W/PLASTIC & HEAT SINKS
MMX BLACK PROCESSOR SHIPS	LBS		MMX BLACK PROCESSOR SHIPS
CERAMIC CHIP NO GOLD SHOWING	LBS		CERAMIC CHIP NO GOLD SHOWING



PLASTIC ICS	LBS	PLASTIC ICS
PENTIUM 4 WITH PINS	LBS	PENTIUM 4 WITH PINS
PENTIUM 4 WITHOUT PINS	LBS	PENTIUM 4 WITHOUT PINS
PROCESSOR CHIPS	LBS	PROCESSOR CHIPS MIX
MEMORY MODULES	LBS	MEMORY MODULES
DRAM MEMORY MODULES WITH GOLD FINGERS	LBS	DRAM MEMORY MODULES WITH GOLD F
DRAM MEMORY MODULES WITHOUT GOLD FINGERS	LBS	DRAM MEMORY MODULES WITHOUT GC
MOTHERBOARDS	LBS	MOTHERBOARD MIX
CIRCUIT BOARDS SEPERATED	LBS	CIRCUIT BOARDS SEPERATED
PCBL LG	LBS	LOW GRADE BOARDS
P3 AND OLDER CIRCUIT BOARDS	LBS	P3 AND OLDER CIRCUIT BOARDS
P4 AND NEWER GREEN PC BOARDS	LBS	P4 AND NEWER GREEN PC BOARDS
P4 AND NEWER COLORFUL PC BOARDS	LBS	P4 AND NEWER COLORFUL PC BOARDS
PCBL HG	LBS	HIGH GRADE BOARDS
COMPUTER EDGE CARDS	LBS	COMPUTER EDGE CARDS
RISER BOARDS	LBS	RISER BOARDS
HARD DRIVE BOARDS	LBS	HARD DRIVE BOARDS
TELECOM BOARDS/SERVER CARDS	LBS	TELECOM BOARDS/SERVER CARDS
HIGH GRADE CIRCUIT BOARDS	LBS	HIGH GRADE CIRCUIT BOARDS
BACK PLANES	LBS	BACK PLANES
POWER SUPPLY BOARDS	LBS	POWER SUPPLY BOARDS
DIGITAL TELEVISION BOARDS	LBS	DIGITAL TELEVISION BOARDS
CRT MONITOR AND TELEVISION BOARDS	LBS	CRT MONITOR AND TELEVISION BOARDS
PAGER BOARDS	LBS	PAGER BOARDS
CELL PHONE BOARDS	LBS	CELL PHONE BOARDS
UWED HARD DRIVE WITH BOARDS	LBS	HARD DRIVE WITH BOARDS
UWED HARD DRIVE WITHOUT BOARDS	LBS	UWED HARD DRIVE WITHOUT BOARDS
UWED HARD DRIVE BOARDS ONLY	LBS	UWED HARD DRIVE BOARDS ONLY
<b>OTHER COMPUTER TOWER PARTS</b>		
UWED POWER SUPPLY COMPUTER	LBS	POWER SUPPLY
UWED COPPER PS	LBS	COMPUTER POWER SUPPLY
UWED CD/FLOPPY	LBS	FLOPPY, CD/DVD DRIVES, & ZIP DRIVES
ALUMINUM HEATSINK	LBS	ALUMINUM/COPPER HEAT SINKSs
PC FANS	LBS	PC FANS
UWED ADAPTORS	LBS	UWED ADAPTORS
RIBBON CABLE	LBS	RIBBON CABLE
COMPUTER PLASTIC-READY TO SHED/SHREDDED	LBS	COMPUTER PLASTIC-READY TO SHED
<b>OTHER COMMODITIES/ITEMS</b>		
SCRAP METAL MIXED	LBS	MIXED METALS
UWED ALUMINUM	LBS	ALUMINUM SCRAP
UWED STAINLESS STEEL	LBS	STAINLESS STEEL SCRAP

PLASTIC SCRAP	LBS	PLASTIC SCRAP
UWED PLASTIC	LBS	UWED PLASTIC
COPPER MISC.	LBS	COPPER MIXED
UWED CU POWER CORDS	LBS	COPPER POWER CORDS
UWED COPPER CABLE MIXED	LBS	MIXED CABLES AND CORDS
COMPUTER CABLES HG	LBS	MIXED CABLES AND CORDS HIGH GRADE
UPS SYSTEMS	LBS	BACK UP POWER SUPPLY UNITS

NON- CONFORMING ITEMS (DO NOT SEND)		CHARGE	REASON/COMMENTS
WOOD SPEAKERS	EA	-\$25.00	Must be dismantled
CARDBOARD	LBS	-\$25.00	Must be Sorted out of lot
AIR CONDITIONERS	EA	-\$25.00	Contains a Compressor with Freon/sump Oil
BATTERIES (batteries in units OK)	LOT	-\$25.00	Flammable/Explosive
CLOTHING /FABRICS	LOT	-\$25.00	Not Recyclable, Donate or Landfill
FIRE EXTINGUISHERS	EA	-\$25.00	Pressurized
FURNITURE	EA	-\$25.00	Not Recyclable, Landfill
LUGGAGE	EA	-\$25.00	Not Recyclable, Landfill
PROPANE CANISTERS	EA	-\$25.00	Flammable/Explosive
SMOKE ALARMS	EA	-\$25.00	Radioactive
WATER COOLERS	EA	-\$25.00	Contains a Compressor with Freon/sump Oil
XMAS TREES	EA	-\$25.00	Not Recyclable, Landfill
XMASLIGHTS	LBS	-\$0.20	Not Recyclable, Landfill
PAPER SHREDDERS	EA	-\$25.00	Must be dismantled
SPACE HEATERS	EA	-\$25.00	Must be dismantled
TRREADMILLS/EXERCISE EQUIPMENT	EA	-\$25.00	Must be dismantled
GARBAGE DISPOSALS	EA	-\$25.00	Must be dismantled
ELECTRONIC BLANKETS	EA	-\$25.00	Must be dismantled
GLASS/CERAMIC TABLE LIGHTS	EA	-\$25.00	Must be dismantled
GASOLINE POWER EQUIPMNET	EA	-\$100.00	Must be dismantled, remove oil, tires and batteries
MAJOR APPLIANCES	EA	-\$100.00	Must be dismantled, remove Freon and disposed
AMMUNITION (LIVE OR SPENT)	LOT	-\$100.00	Flammable/Explosive
WOOD PIANO/ORGAN	EA	-\$100.00	Must be dismantled

Dated: June 20, 2018

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY (SCWMA)  
AUTHORIZING AN AGREEMENT WITH ECS REFINING ("CONTRACTOR") FOR ELECTRONIC WASTE  
(E-WASTE) HANDLING, TRANSPORTATION AND RECYCLING SERVICES

WHEREAS, Contractor represents that it is duly qualified and experienced in  
Electronic Waste ("E-Waste") handling, transportation, recycling and related services; and

WHEREAS, in the judgment of the Board of Directors of Agency, it is necessary and  
desirable to employ the services of Contractor for handling, transporting and recycling E-  
Waste collected at all transfer stations in Sonoma County.

NOW, THEREFORE, BE IT RESOLVED that the Sonoma County Waste  
Management Agency hereby authorizes the SCWMA's Chairperson of the Board to execute  
a three-year Agreement with ECS Refining for E-Waste Handling, Transportation and  
Recycling Services.

MEMBERS:

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

AYES: -0-      NOES: -0-      ABSENT: -0-      ABSTAIN: -0-

SO ORDERED

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

ATTEST:                      DATE: June 20, 2018

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

## **AGREEMENT FOR E-WASTE HANDLING, TRANSPORTATION AND RECYCLING SERVICES**

This agreement ("Agreement") is by and between the Sonoma County Waste Management Agency, (hereinafter "SCWMA"), and Onsite Electronics Recycling, LLC, a (hereinafter "Contractor"). The Effective date shall be the date upon which the Executive Director issues a written notice to proceed to Contractor.

### **R E C I T A L S**

WHEREAS, Contractor represents that it is duly qualified and experienced in Electronic Waste ("E-Waste") transportation, recycling and related services; and

WHEREAS, in the judgment of the Board of Directors of SCWMA, it is necessary and desirable to employ the services of Contractor for transporting and recycling E-Waste collected at Sonoma County solid waste disposal facilities.

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

### **A G R E E M E N T**

#### **1. Scope of Services.**

1.1 Contractor's Specified Services. This Agreement is entered into for the purpose of establishing a contract for E-Waste Transportation and Recycling Services. Contractor shall perform services as defined in Exhibit "A", Scope of Services.

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

1.3 Performance Standard. Contractor shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Contractor's profession. If SCWMA determines that any of Contractor's work is not in accordance with such level of competency and standard of care, SCWMA, in its sole discretion, shall have the right to do any or all of the following: (a) require Contractor to meet with SCWMA to review the quality of the work and resolve matters of concern; (b) require Contractor to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 4; or (d) pursue any and all other remedies at law or in equity.

Throughout the term of this agreement, including any extensions, Contractor shall:

a) Be 1) an Approved Recycler with the State of California Department of Resources Recovery and Recycling (CalRecycle) and maintain this designation throughout the term of the contract or 2) registered with the CalRecycle as an authorized E-waste Collector and partner with an Approved Recycler with the State of CalRecycle and both the Collector and the Approved Recycler must maintain this designation throughout the term of the contract. Loss of Approved Recycler and Collector designation shall be considered a breach of the contract.

b) Comply with all Federal, State, and/or Local Regulations.

c) Not allow any characteristically hazardous material accepted to be sent to solid waste (non-hazardous waste) landfills or incinerators for disposal or energy recovery, either directly or through intermediaries.

d) Ensure that all materials that test as characteristic hazardous waste under California Law remain within the United States until the waste has been processed to the point at which it can be considered a commodity ready for use in a new product. This requirement applies to all characteristic materials, including those with exemptions, such as circuit boards.

e) Ensure integrity of the entire recycling chain, including downstream intermediaries and recovery operations such as smelters, the Contractor shall not utilize a company that is not in complete compliance with all applicable National, Regional and/or Local environmental and health and safety regulations.

f) Include copies of all notices of violations, administrative orders, or other enforcement actions taken by any regulatory agencies during the past three years and within 30 days of any new violation during the term of this Agreement for Contractor and each of the proposed subcontractors. Also, provide copies of any letters of recommendation or other awards of recognition.

g) Make all of its facilities and related documentation available to the SCWMA for onsite and paper audits by SCWMA or designated 3<sup>rd</sup> party auditor. Additionally, Contractor must arrange for all contractors/vendors involved in the downstream recycling process, regardless of location, to make their facilities and documentation available for onsite and paper audits by SCWMA or designated 3<sup>rd</sup> party auditor.

h) Provide a downstream chain-of-custody-and-disposition report of all waste collected within ninety (90) days of the collection date. The downstream report shall include both hazardous and non-hazardous components,

including but limited to, Identity of vendor(s) who purchase final recovered materials, and a description of each material's final reuse or disposition by volume and composition.

i) Provide Agency staff with a list of Contractor's "Down-Stream Vendors", identified by material processed, and shall provide written notification to Agency of any change to the list. Contractor shall provide thirty (30) days notice to Agency of any change to the list that is initiated by Contractor and seven (7) days notice of any change not initiated by Contractor.

#### 1.4 Assigned Personnel.

- a. Contractor shall assign only competent personnel to perform work hereunder. In the event that at any time SCWMA, in its sole discretion, desires the removal of any person or persons assigned by Contractor to perform work hereunder, Contractor shall remove such person or persons immediately upon receiving written notice from SCWMA.
- b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by SCWMA to be key personnel whose services are a material inducement to SCWMA to enter into this Agreement, and without whose services SCWMA would not have entered into this Agreement. Contractor shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of SCWMA.
- c. In the event that any of Contractor's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Contractor's control, Contractor shall be responsible for timely provision of adequately qualified replacements.

2. Payment. Contractor shall pay SCWMA in accordance with Exhibit A which sets out the payment terms. Payments shall be in accordance with SB20, as defined in Chapter 8.5, of Part 3 of Division 30 of the California Public Resources Code, commencing with Section 42460, and Article 10.3, of Chapter 6.5 of Division 20 of the California Health and Safety Code, commencing with Section 25214.9, and Title 14 of the California Code of Regulation, Division 7, Chapter 8.2, commencing with Section 18660.5. Should the State change the collector and/or recycler payment system, Contractor and Agency shall renegotiate the payment. Additionally, if at any point during the term of this Agreement, the State of California enacts legislation or the

Department of Resources Recycling and Recovery (CalRecycle), or any other State agency adopts regulations providing for reimbursement of the costs of managing universal waste electronic devices or consumer electronic waste devices, however they are labeled, Contractor shall immediately pay SCWMA the full rate set forth by the legislation or regulation for each device, excluding any amount allocated for recycling or disposal. Weight will be determined by Contractor weighing each pallet and container upon receipt. Contractor shall use a rate weight of 155 pounds per wire cage. Contractor shall weigh each individual pallet and gaylord to determine its tare weight, and the tare weight shall be subtracted from the total shipping weight to determine the net weight for which the SCWMA's payment shall be based. Contractor shall pay Agency within sixty (60) days of shipment in accordance with CCR Title 14 Section 18660.13.

3. **Term of Agreement.** The term of this Agreement shall be from Effective Date to June 30, 2021, with up to two annual extensions upon written mutual agreement, which extensions may be authorized on behalf of the SCWMA by the SCWMA Executive Director, unless terminated earlier in accordance with the provisions of Article 4 below.

4. **Termination.**

4.1 **Termination Without Cause.** Notwithstanding any other provision of this Agreement, at any time and without cause, SCWMA shall have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days written notice to Contractor.

4.2 **Termination for Cause.** Notwithstanding any other provision of this Agreement, should Contractor fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, SCWMA may immediately terminate this Agreement by giving Contractor written notice of such termination, stating the reason for termination.

4.3 **Delivery of Work Product and Final Payment Upon Termination.**

In the event of termination, Contractor, within 14 days following the date of termination, shall deliver to SCWMA all materials and work product subject to Section 9.9 and shall submit to SCWMA payment up to the date of termination.

5. **Indemnification.** Contractor agrees to accept all responsibility for loss or damage to any person or entity, including but not limited to SCWMA, and to defend, indemnify, hold harmless, reimburse and release SCWMA, its officers, agents, and employees, from and against any and all actions, claims, damages, disabilities, liabilities and expense including, but not limited to, attorneys' fees and the cost of litigation

incurred in the defense of claims as to which this indemnity applies or incurred in an action by SCWMA to enforce the indemnity provisions herein, whether arising from personal injury, property damage or economic loss of any type, that may be asserted by any person or entity arising out of or in connection with the performance of Contractor hereunder, but, to the extent required by law, excluding liability due to the sole negligence or willful misconduct of SCWMA. If there is a possible obligation to indemnify, Contractor's duty to defend with legal counsel acceptable to SCWMA, exists regardless of whether it is ultimately determined that there is not a duty to indemnify. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor or its agents.

6. Insurance. With respect to performance of work under this Agreement, Contractor shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described below:

6.1 Workers' Compensation Insurance. Workers' compensation insurance with statutory limits as required by the Labor Code of the State of California. Said policy shall be endorsed with the following specific language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days' prior written notice to the SCWMA.

6.2 General Liability Insurance. Commercial general liability insurance covering bodily injury and property damage using an occurrence policy form, in an amount no less than Five Million Dollars (\$5,000,000.00) 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, its Board of Directors and staff, 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 SCWMA with respect to any insurance or self-insurance programs maintained by the SCWMA.



- d. This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

6.3 Automobile Insurance. Automobile liability insurance covering bodily injury and property damage in an amount no less 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 or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

6.4 Professional Liability Insurance. Professional liability insurance for all activities of Contractor arising out of or in connection with this Agreement in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said policy shall be endorsed with the following specific language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

6.5 Pollution Legal Liability. Pollution legal liability insurance for all activities of Contractor arising out of or in connection with this Agreement in an amount no less than Five Million Dollars (\$5,000,000) combined single limit for each occurrence. Said policy shall be endorsed with the following specific language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

6.6 Documentation. The following documentation shall be submitted to the SCWMA:

- a. Properly executed Certificates of Insurance clearly evidencing all coverages, limits, and endorsements required above. Said Certificates shall be submitted prior to the execution of this Agreement. Contractor agrees to maintain current Certificates of Insurance evidencing the above-required coverages, limits, and endorsements on file with the SCWMA for the duration of this Agreement.
- b. Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted within thirty (30) days of execution of this Agreement.

- c. Upon SCWMA's written request, certified copies of the insurance policies. Said policy copies shall be submitted within thirty (30) days of SCWMA's request.

6.7 Policy Obligations. Contractor's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

6.8 Material Breach. If Contractor, for any reason, fails to maintain insurance coverage which is required pursuant to this Agreement, the same shall be deemed a material breach of this Agreement. SCWMA, in its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, SCWMA may purchase such required insurance coverage, and without further notice to Contractor, SCWMA may deduct from sums due to Contractor any premium costs advanced by SCWMA for such insurance. These remedies shall be in addition to any other remedies available to SCWMA.

7. Prosecution of Work. The execution of this Agreement shall constitute Contractor's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Contractor's performance of this Agreement shall be extended by a number of days equal to the number of days Contractor has been delayed.

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

#### 9. Representations of Contractor.

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

9.1.1 Change in Information. Contractor shall notify SCWMA thirty (30) days prior to any change to the information provided pursuant to Contractor's Proposed Scope of Services, that is initiated by Contractor, or within seven (7) days of Contractor becoming aware of a change to the information provided pursuant to Contractor's Proposed Scope of Services that was not initiated by Contractor.

9.2 Status of Contractor. The parties intend that Contractor, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Contractor is not to be considered an agent or employee of SCWMA and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits provided to SCWMA staff. In the event SCWMA exercises its right to terminate this Agreement pursuant to Article 4, above, Contractor expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

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

9.4 Records Maintenance. Contractor shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to SCWMA for inspection at any reasonable time. Contractor shall maintain such records for a period of four (4) years following completion of work hereunder.

9.5 Conflict of Interest. Contractor covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Contractor further covenants that in the performance of this Agreement no person having any such interests shall be employed by Contractor. In addition, if requested to do so by SCWMA, Contractor shall complete and file and shall require any other person doing work under Contractor and this Agreement to complete and file a "Statement of

Economic Interest" with SCWMA disclosing Contractor's or such other person's financial interests.

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

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

9.8 Assignment Of Rights. Contractor assigns to SCWMA all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Contractor in connection with this Agreement. Contractor agrees to take such actions as are necessary to protect the rights assigned to SCWMA in this Agreement, and to refrain from taking any action which would impair those rights. Contractor's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as SCWMA may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of SCWMA. Contractor shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of SCWMA.

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

10. Demand for Assurance. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article 10 limits SCWMA's right to terminate this Agreement pursuant to Article 4.

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

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

SCWMA: Sonoma County Waste Management Agency  
Attention: Courtney Scott  
2300 County Center Drive, Suite B-100  
Santa Rosa, CA 95403  
Phone: (707) 565-3632

CONTRACTOR: Onsite Electronics Recycling, LLC  
Attention: Janice Oldemeyer, President  
Address: 2331 N. Teepee Drive  
City, State Zip: Stockton, CA 95205  
Phone: 209-234-7994

When a notice, bill or payment is given by a generally recognized overnight courier service, the notice, bill or payment shall be deemed received on the next business day. When a copy of a notice, bill or payment is sent by facsimile, the notice bill or payment

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

### 13. Miscellaneous Provisions.

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the June 20, 2018.

SCWMA: SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: \_\_\_\_\_  
Chair

CONTRACTOR:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

By: \_\_\_\_\_  
Executive Director, SCWMA

APPROVED AS TO FORM FOR SCWMA:

By: \_\_\_\_\_  
SCWMA Counsel

## EXHIBIT A

### SCOPE OF SERVICES

1. Tasks. The services to be performed under the Agreement include the following tasks:

A. Materials Accepted. At a minimum, the contractor shall be required to accept all electronic devices, including but not limited to: Cathode ray tube (CRT) devices, flat screen devices and laptops (non-CRT CEW), miscellaneous universal waste electronic devices (UWED), personal computers (PCs), computer monitors, mice, printers, facsimile machines, telephones, radios, answering machines, stereos, DVD players, cameras, video games, computers, keyboards, scanner, copiers, televisions, microwaves, VCRs, laptops, video cameras, cell phones, CD/DVD players, etc.

Miscellaneous items such as print cartridges, circuit boards, and small household appliances shall also be accepted. If SCWMA is interested in shipping universal waste to Contractor, a separate pricing sheet will be provided.

B. Materials Provided. Contractor will provide 53' trailers for transport or 26' box trucks with a liftgate. Gaylords, baskets, pallets, CRT labels, UWED labels, bills of lading (BOLs), packing tape, box liners, and pallet jacks are provided at no extra cost. If Contractor is providing labor for any task, first aid kits, fire extinguishers, gloves, safety glasses, safety vests, and hard hats will be provided at no extra cost to SCWMA. Shrink wrap can be purchased from Contractor.

Contractor may be required to coordinate the use of roll-off containers for public e-waste drop-off collection at the five transfer stations in Sonoma County beginning February 12, 2019.

C. Sorting and Packing. Sorting and packing will take place at the central e-waste consolidation point which is located at either the Central Disposal Site or at the Sonoma Transfer Station. Contractor will work with SCWMA's E-waste handling contractor on sorting and packing requirements. The E-waste handling contractor will sort and package E-waste to Contractor's specifications for the duration of the E-Waste Handling Contract expiring on February 11, 2019.

Material will be separated into the following categories: CRT devices, non-CRT CEW, UWED, PCs.

Beginning on February 12, 2019, Contractor will perform all sorting and packing duties. Contractor may hire a subcontractor to perform these tasks. Contractor shall sort and pack e-waste on a regular basis to ensure e-waste piles and containers to not disrupt other functions at the disposal sites. Contractor shall ensure no more than ten (10) roll-off containers of unsorted e-waste remain at any transfer station at any one point in time.

D. Truck Loading. SCWMA's E-Waste handling contractor will load Contractor's trucks for the duration of the E-Waste Handling Contract expiring on February 11, 2019. Contractor shall work with SCWMA's E-waste handling contractor to ensure 53' trailers or 26' box trucks will be loaded in accordance with regulatory requirements.

Beginning February 12, 2019, Contractor will perform all truck loading duties. Contractor may hire a subcontractor to perform this task.



E. Transportation. Contractor shall pick up e-waste from the central e-waste consolidation point which is located at either the Central Disposal Site or at the Sonoma Transfer Station. Contractor will arrange for trucks to pick up e-waste that is loaded and sorted onto Contractor's 53' trailer or 26' box trucks.

Contractor may be required to coordinate transportation of e-waste from the surrounding transfer stations to the central e-waste consolidation point beginning February 12, 2019.

F. Scheduling. SCWMA's e-waste handling contractor shall schedule pickups with Contractor for material located at the central e-waste consolidation point. Contractor shall pick up e-waste within 72 hours of request. Contractor may also provide regularly scheduled pickups if desired by SCWMA and E-Waste handling contractor.

Beginning February 12, 2019, Contractor will acquire scheduling responsibilities.

G. Paperwork. Contractor shall provide labels and BOLs at the time of shipment. Contractor will provide SCWMA with a copy of BOLs, receiving report, weighmaster certificate, and a transfer receipt for SCWMA signature for monthly activity by the 10<sup>th</sup> day of the following month. With each monthly payment, Contractor will provide copies of certificates of recycling for each shipment. SCWMA will provide a CEW log and a signed transfer receipt for each shipment by the 15<sup>th</sup> of each month for the previous month.

Contractor shall provide downstream chain-of-custody reports within seven (7) business days of any changes. Contractor shall provide SCWMA with two annual reports of all material provided by SCWMA to Contractor. The first report shall be for a calendar year period (January 1-December 31) and shall be provided by January 15<sup>th</sup> of every year. The second report shall be for a fiscal year period (July 1-June 30) and shall be provided by July 15<sup>th</sup> of every year. If the due date falls on a weekend or holiday, reports shall be submitted by the Friday prior to the due date.

2. Cost. The services to be performed under the Agreement include the following costs and payments.

A. Payments to SCWMA:

- i. \$0.19 per pound for CRT devices
- ii. \$0.19 per pound for non-CRT CEW
- iii. \$0.12 per pound for PCs

B. Costs to SCWMA:

- i. \$0.10 per pound for miscellaneous UWED
- ii. \$65.00 per box of four (4) rolls of shrink wrap
- iii. \$550.00 for trailer exchange from Central Disposal Site
- iv. \$525.00 for trailer exchange from Sonoma Transfer Station

C. Contractor Labor:

- i. \$22.00 for travel time per person per hour
- ii. \$32.00 for travel time overtime per person per hour
- iii. \$30.00 for packaging time per person per hour
- iv. \$40.00 for packing time overtime per person per hour

v. \$0.85 for vehicle mileage per mile (Only in the instance sorting is the only operation being performed.)

Dated: June 20, 2018

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY (SCWMA)  
AUTHORIZING AN AGREEMENT WITH ONSITE ELECTRONICS ("CONTRACTOR") FOR ELECTRONIC  
WASTE (E-WASTE) HANDLING, TRANSPORTATION AND RECYCLING SERVICES

WHEREAS, Contractor represents that it is duly qualified and experienced in  
Electronic Waste ("E-Waste") handling, transportation, recycling and related services; and

WHEREAS, in the judgment of the Board of Directors of Agency, it is necessary and  
desirable to employ the services of Contractor for handling, transporting and recycling E-  
Waste collected at all transfer stations in Sonoma County.

NOW, THEREFORE, BE IT RESOLVED that the Sonoma County Waste  
Management Agency hereby authorizes the SCWMA's Chairperson of the Board to execute  
a three-year Agreement with Onsite Electronics for E-Waste Handling, Transportation and  
Recycling Services.

MEMBERS:

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

AYES: -0-      NOES: -0-      ABSENT: -0-      ABSTAIN: -0-

SO ORDERED

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

ATTEST:                      DATE: June 20, 2018

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



Agenda Item #: 7  
Cost Center: Organics Reserve  
Staff Contact: Carter  
Agenda Date: 6/20/2018  
Approved By:

## **ITEM: Discussion and Possible Action on the Organic Material Processing Services RFP Evaluation**

### **I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION**

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

### **II. BACKGROUND**

The Board entered into an agreement with R3 Consulting Group (R3) at the February 15, 2017 SCWMA meeting to provide technical assistance in an RFP process. Staff prepared an online survey and held two public workshops to receive feedback from the Board and the public on the priorities for the RFP. The following list includes the major milestones for this project to date:

- The RFP was released on May 31, 2017.
- A mandatory pre-proposal conference to provide an overview to potential proposers and to determine the number of interested parties was held on June 28, 2017.
- Addendum #1 to the RFP was released on July 7, 2017, in which staff answered the questions received up to that point. The question period was extended to September 8, 2017 and the proposal due date was extended to October 18, 2017.
- Shortly after the issuance of Addendum #1, the City of Santa Rosa released an RFP for Location of an Organics Processing Facility on City of Santa Rosa Property to allow the City to have a procurement process with a facility operator that may participate in the SCWMA's RFP process.
- Addendum #2 for the SCWMA's RFP was released on July 27, 2017 and contained responses to questions asked of staff up to that date. Addendum #2 also contained an invitation to interested parties to visually inspect incoming green waste at the Healdsburg Transfer Station on August 9, 2017 for the benefit of proposers understanding of the composition of incoming green waste. Six parties attended the inspection.
- Addendum #3 was issued on September 22, 2017, which extended the question period to November 13, 2017 and the proposal due date to January 16, 2018.
- Addendum #4 was issued on November 21, 2017, and answered the remaining questions received up to November 13, 2017.
- 12 proposals were received by staff by the due date of January 16, 2018.
- Two proposals have been withdrawn since January 16, 2018.
- The SCWMA Board of Directors approved the proposal evaluation weighting at the February 21, 2018 SCWMA meeting.

### III. DISCUSSION

The SCWMA evaluation team consisting of SCWMA staff (Patrick Carter and Felicia Smith), County staff (Trish Pisenti), Mendocino Solid Waste Management Authority staff (Robert Carlson), and former SCWMA Board Member Bob Cox reviewed each proposal and met several times to achieve consensus to make recommendations to the SCWMA Board of Directors to secure short- and long-term organics (green, wood, agricultural, food waste, and potentially biosolids) processing capacity for materials generated in Sonoma County.

After reviewing the proposals and discussing the pros and cons of each proposal, the evaluation team identified six proposals that most closely matched the intent of this RFP process. Though no proposals were disqualified or eliminated from further consideration, six proposal teams were offered interviews with the evaluation team. These six proposer teams were Cold Creek Compost/Stage Gulch Organics, Hitachi Zosen INOVA, Napa Recycling and Waste Services, Renewable Sonoma, StormFisher Biogas, and Waste Management.

Through the evaluation and interview process, it became apparent to the evaluation team that no single proposer teams could immediately accomplish all of the long-term RFP goals; short term agreements of at least three years will be necessary. As such, staff recommend entering into agreements with Waste Management/Redwood Landfill and Cold Creek Compost to secure organics processing capacity through June 30, 2021, with up to five – one year extension options should additional time be needed to secure the long term processing capacity.

Though existing facilities have proposed to accept Sonoma County's organic waste in part and in whole, the following concerns were raised during the evaluation process:

- The existing facilities adjacent to Sonoma County are limited in their ability to accept food waste, which is expected to be the largest portion of new organic material diverted from landfill disposal and the major emphasis of the implementation of SB 1383 (2016);
- Depending on the location of a new compost facility (or facilities) in Sonoma County, the system greenhouse gas emissions and traffic impacts may be reduced through an in-county facility as opposed to the export;
- A new facility, or multiple facilities, designed around and dependent on Sonoma County's organic material generation is more likely to agree to terms guaranteeing the SCWMA the first right of refusal, giving the SCWMA more leverage and ability to adapt to future changes;
- State legislation (AB 1826 requiring commercial businesses generating 4 cubic yards per week of garbage to participate in an organics diversion program, and SB 1383 requiring a 75% reduction of landfilled organics) is expected to drastically increase the demand for organic material processing capacity. Recognizing this, CalRecycle has stated that dozens of new organics processing facilities will be needed to handle the organic material; and
- Members of the Sonoma County agricultural industry have emphasized the need for additional available soil amendments. Existing facilities did not address new retail locations and additional importation of soil amendments to meet demand, to staff's satisfaction.

#### **Food Waste:**

Existing out-of-county disposal providers are limited to accept the current commercial food waste diverted in Sonoma County, and, as mentioned previously there will be extreme pressure from the

State to divert tens of thousands of additional food waste tons in the coming years.

Another outstanding issue that staff has been attempting to resolve is directing flow of commercial food waste to a new facility and incorporating that flow commitment into a potential agreement with a new facility. The advantage to the SCWMA would be reduced per ton disposal costs, as the additional flow would likely put the SCWMA into a higher tonnage commitment tier, thus reducing the offered price. However, the Waste Delivery Agreements between the Cities (except Petaluma) and Republic Services require the Cities' franchised haulers to deliver commercial food waste to Republic-operated facilities according to the Master Operating Agreement between the County of Sonoma and Republic Services. In the section regarding the commercial food waste recycling program, it requires Republic to establish and maintain such a program, but did not foresee a situation where a new compost facility would be constructed in Sonoma County, other than at the Central Disposal Site. While initial discussion with the County Refuse staff have indicated the County is interested in redirecting commercial food waste to a potential new in-county compost facility, Republic has not yet been formally requested to consider redirecting commercial food waste from a Recology-owned and operated compost facility near Richmond, CA to a potential new non-Republic controlled or operated in-county facility. With a site recommendation public, SCWMA staff plans to begin those conversations and hopes to make substantive progress resolving the issue of redirecting commercial food waste by the August 15, 2018 SCWMA Board Meeting.

**Pricing:**

Depending on whether commercial food waste is included in a flow commitment to a new facility developed through this process, the price could vary substantially. The SCWMA knows from past Waste Characterization Studies that food waste represents tens of thousands of tons currently going to landfill disposal. Pricing given to the SCWMA through this RFP process was done in a number of tiers: 20,000 – 40,000 tons per year, 40,000-60,000 tons per year, 60,000 – 80,000 tons per year, 80,000 – 100,000 tons per year, and 100,000 – 120,000 tons per year. The tiers of material commitment were done for staff to evaluate the feasibility of multiple, smaller facilities, as well as the economy of scale for larger, centralized facilities. The conclusion is that the more material a single facility is designed to receive, the more advantageous the pricing becomes. Large capital costs spread over a large revenue base results in pricing not too dissimilar for current costs. However, it should be noted that all of the proposed new facilities would have greater disposal costs than those proposed by existing, out-of-county facilities. While transportation costs are expected to be lower for delivery to an in-county facility than out-of-county facilities, models to estimate the transportation and disposal costs at a new in-county facility are expected to be greater than using existing, out-of-county facilities.

**Conclusion:**

Given the above information and the recommendations of the Evaluation Committee, it is staff's conclusion that the SCWMA pursue an agreement with Renewable Sonoma and collaborate with the City of Santa Rosa to locate the facility on City-owned property near the Laguna Subregional Waste Water Treatment Facility. Renewable Sonoma's proposal was the highest ranked on the evaluation criteria, the site is centrally located in Sonoma County, the facility can accept a very wide range of materials, the proposal clearly indicates Renewable Sonoma's understanding of the current market for finished compost in Sonoma County as well as the additional types of organic materials that need to be diverted from landfill disposal, the facility can accommodate the current amount of material generated in Sonoma County and has the ability to accept nearly double the current generation amounts allowing for significant growth potential. The site's co-location

adjacent to the Santa Rosa Laguna facility provides benefits to both the City and Renewable Sonoma in the form of leachate treatment, energy production, waste heat transfer, processing of biosolids, and potential rehabilitation of an existing composting building owned by the City. The location itself is centrally located in Sonoma County, lending itself well for transporting material from the five transfer stations and residual material to the Central Disposal Site.

Regardless of what proposal is chosen, there are risks. In the case of the Renewable Sonoma proposal, staff has attempted to mitigate risk by 1) including a \$10 million performance bond, which would allow the SCWMA access to capital needed to redirect organics in the event of a major default of Renewable Sonoma, 2) thorough insurance and indemnification requirements by both the SCWMA and the City of Santa Rosa to ensure protection, and 3) a thorough vetting of Renewable Sonoma's financial statements by R3 Consulting Group which concluded the project had the necessary capital to permit, design, build, and operate the project proposed. Staff cannot predict what new regulations and legal challenges may come in the future, but staff believes the Renewable Sonoma proposal is in a good position to address these challenges. Staff also believes Renewable Sonoma has put together an excellent team with local and national experience developing organic material processing facilities and a clear understanding of the finished product material market in Sonoma County.

#### **Next Steps:**

As multiple parties are involved, and there are a number of decision points still ahead for this process to be successful, staff recommends the following schedule:

- Staff recommends approval of short term agreements with Redwood Landfill and Cold Creek Compost with terms of at least three years at this SCWMA meeting
- Schedule a public hearing at the August 15, 2018 SCWMA Board of Directors meeting to consider public feedback on staff's recommendation of Renewable Sonoma
- Resolve the issue of including commercial food waste in a potential flow commitment resulting from this process
- Publicize the evaluation and encourage public feedback through relevant social media and local print advertising
- Consider a recommendation by staff at the August 15, 2018 SCWMA Board of Directors meeting to issue a Letter of Interest to Renewable Sonoma indicating the Board of Director's intent to enter into an agreement with Renewable Sonoma, if all of the conditions in the letter are met (e.g. securing a lease for the site with the City and permitting of the site)
- Create model staff reports for each SCWMA member jurisdiction to secure the commitment of organic waste flow to the SCWMA and assist member agency staff in the presentation to governing Councils/Board
- Though the SCWMA would not be a party to the lease between the City of Santa Rosa and Renewable Sonoma, SCWMA staff will assist in the lease process as needed or desired by Santa Rosa staff
- Re-evaluate flow commitment amounts to ensure SCWMA can meet its obligations to Renewable Sonoma
- Enter into a disposal agreement with Renewable Sonoma for a term of 20 years with two – five year extensions.

#### **Alternatives Considered but Not Recommended:**

1. Staff considered the continued long term hauling of organic material to existing, out-of-county composting facilities as an alternative to recommending a process that would result in new processing facilities built in Sonoma County. While four proposals were received which proposed doing exactly this, staff believes it is in the best, long-term interests of Sonoma County organic waste generators to increase the number of organics processing facilities to meet the expected increase of organic material generated. For the reasons detailed above (including increased legislative requirements, need for additional food composting capacity, possible reduction of trip time with a centralized facility), staff believes there is more strategic value in additional compost facility capacity construction than continuing to use out-of-county capacity long term. Existing facilities proposed limitations on the ability to accept food waste, which is a significant component of material currently going to landfill disposal, whereas staff has been assured that new facilities are including the potential to receive significantly higher levels of food waste as part of their facility plan. Staff must point out that some of the disposal costs per ton received from existing compost facilities are significantly lower than the proposal disposal costs per ton for new compost facilities. While cost is a very important factor, staff believes that a new facility tailored to Sonoma County's organic waste stream, needs, and latest regulatory requirements will provide the best long term benefit to Sonoma County ratepayers.
2. Staff considered recommending multiple agreements which would have had resulted in the construction of multiple facilities, but ultimately rejected this approach. Disposal costs tend to decrease in response to additional material processed (economies of scale), and staff does not believe the strategic benefit of redundant facilities warranted the significant additional costs that would be borne by the ratepayers for in this scenario.
3. Another promising long term solution was provided by Hitachi Zosen Inova. That system would involve an Anaerobic Digestion system at the Laguna Treatment Plant (and the potential synergies between the two systems) as well as a system to aerate the digestate for marketing as finished compost. The system proposed could accept up to 70,000 tons per year of organic green waste, wood waste, and food waste. The costs for this system were \$89/ton. While highly ranked, staff does not recommend this proposal due to the following factors: 1) the system proposed had a cap of 70,000 tons with no proposed expansion capacity, when asked about expansion Hitachi replied that a larger system could be engineered or other sites could be considered and staff concluded those solutions would involve additional cost and 2) staff was not convinced the proposed marketer for the finished product, based in Central California, was experienced with Sonoma County finished compost markets and tolerances for material, and staff was concerned about entering into a long term solution where tons were being diverted but not truly recycled.
4. Redwood Landfill's composting facility has many attractive features as a long term solution. These include, proximity to Sonoma County (just beyond the southern border between Petaluma and Novato), excellent site accessibility, excellent pricing compared to potential new sites, and excellent interactions between SCWMA staff and WM staff. Staff does not recommend the Waste Management solution long term for the following reasons: 1) they cannot accept source separated food waste, a huge component of currently landfilled material which the State and SCWMA have targeted for diversion, 2) a lackluster response during interviews on setting up retail outlets in Sonoma County to market the finished compost which would close the material loop, and 3) the opinion of staff that this process should create new capacity to handle the large influx of organic materials expected to flood the system statewide in the coming years. Staff is confident Redwood Landfill and a new in-county system would be able to fill their respective capacities.



5. Cold Creek Compost and Stage Gulch Organics provided a highly ranked solution. Staff commends the team for its innovative solution condensing so much capacity into such a small footprint, developing a competitive pricing structure, and for its persistence in trying to resolve the issues related to permitting the site. While the site has potential, staff does not recommend the long term solution for the following reasons: 1) while the Stage Gulch Organics site has gone through a number of revisions to ensure compatibility with the County's land use restrictions, it is unclear whether the site will ever be viable as two County supervisors indicated their opposition to the site when the SCWMA was considering it, and neighbors for the site have already sent letters to the SCWMA Board and staff, as well as County officials indicating their opposition to the site and 2) concern with the lack of site controls, as the system would be uncovered and exposed to the weather year around.

#### **IV. FUNDING IMPACT**

To date, the SCWMA has paid R3 Consulting Group \$148,500 of the \$148,500 agreement maximum for their assistance in the RFP process.

#### **V. ATTACHMENTS**

Summary of Proposals

Financial Analysis of Short Term and Long Term staff recommendations

(Full Proposals, with confidential sections redacted, are available for review at [www.recyclenow.org/reports](http://www.recyclenow.org/reports) and at SCWMA offices)

Agreement with Redwood Landfill for Disposal Services

Agreement with Cold Creek Compost for Disposal Services



## Summary of Proposals

### Definitions

- **Aerated Static Pile:** a composting system where positive or negative air pressure draws air through piles of compost feedstock in aerobic conditions favorable for decomposition of organic material by microorganisms. Aerated Static Piles generally undergo an active compost phase with forced aeration and a curing phase with or without further aeration to produce finished compost.
- **Anaerobic Digestion:** the controlled digestion of organic material without the presence of oxygen to produce methane and liquid and solid digestate with the potential to be further refined into soil amendments.
- **Bee Reactor:** a proprietary aerobic composting system incorporating many features of aerated static pile system and in vessel composting using a reverse-flow bio-reactor forcing air alternatively into and drawn from batches of organic material controlling moisture and bio-degradation.
- **Biomass Gasification:** a technology to convert typically high carbon material to biochar (soil amendment) and a flammable gas which can be combusted to create electricity.
- **Circular Turned Aerated Pile Composting:** an aerated static pile process arranged in concentric rings in which compostable material is moved progressively inward through the active composting and curing processes.
- **Commercial Food Waste:** food waste separated from garbage and green waste generated from non-residential sources (restaurants, grocery stores, food manufacturers, institutions, offices, etc.)
- **In vessel Composting:** decomposition of organic material within a container (tanks, bunkers, etc.). In vessel systems can be both aerobic if used in combination with aerated static piles and anaerobic if methane production is desired.
- **Master Operating Agreement (MOA):** a certain agreement between the County of Sonoma and Republic Services covering, among other issues, Republic's operation of the County-owned waste system. Topics include the resumption of landfilling activities at the Central Disposal Site, construction of a Material Recovery Facility to increase material diversion, transfer of liability for site activities, and establishment of a commercial food recycling program.
- **TPY:** tons per year
- **Turtle Q-Ring:** a propriety covered aerated static pile system used for both active composting and curing of organic materials with exhaust air treated in a dedicated biofilter cover.
- **Waste Delivery Agreements (WDA):** agreements between Sonoma County cities (excluding the City of Petaluma) and Republic Services committing the flow of specified material to Republic Services operated facilities. Committed materials exclude green waste, wood waste, and comingled residential food waste, but include commercial source-separated food waste.

### Summary

Twelve (12) proposals were received by the submission deadline; however, one (1) proposal was retracted on January 25, 2018. The remaining eleven (11) proposals were reviewed for an initial pass/fail evaluation. These proposals were received from the following companies:

1. BioMRF Technologies, Inc.
2. Cold Creek Compost, Inc. & Stage Gulch Organics

3. Entsorga
4. Hitachi Zosen | Inova
5. Napa Recycling & Waste Services
6. Recology Hay Road dba Jepson Prairie Organics
7. Renewable Sonoma
8. Sacyr Environment USA, LLC
9. StormFisher Biogas
10. Vision Recycling
11. Waste Management – Redwood Landfill, Inc. dba Redwood Landfill & Recycling Center

The criteria for the evaluation mirrored the requirements set forth in the RFP documents released on May 31, 2017 and revised through Addendum 4 on November 21, 2017.

Missing or incomplete information was requested from all proposers on January 22, 2018 to be provided no later than January 25, 2018. All proposers provided the requested information by the due date.

Since January 16, 2018, the evaluation team has been evaluating the proposals and seeking clarification on key items in each proposal. The evaluation team met to discuss each proposer's qualifications, feasibility, compatibility with SCWMA's overall needs, quality of finished product, tipping rates and financial stability, based on the criteria set forth in the RFP.

The following is a summary of the proposals reviewed by the evaluation team. These are separated by the term length proposed by each of the proposers.

### **Short Term Options**

There were four (4) short term proposals received. None of the proposed options offered an in-County facility short-term. Organic Materials collected by franchised haulers (excluding the City of Petaluma) are flow controlled to the Sonoma County Transfer Stations, with the exception of commercial source separated food scraps. Commercial source separated food scraps are currently handled by Republic Services through their Master Operating Agreement (MOA) with the County of Sonoma.

Below is a summary of all four (4) short term proposals received.

#### **Cold Creek Compost, Inc.**

Cold Creek Compost, Inc. (CCC) is a Limited Liability Company (LLC). The proposed location is an existing facility located near Ukiah, CA. CCC has proposed a term of 3-, 15- and/or 20-years in length using aerated static pile composting technology. The facility proposed will accept all Organic Materials, except food ware and biosolids. The proposed facility has available capacity for 17,000 tons per year (TPY) to address the SCWMA's immediate needs. CCC is currently in the process of increasing the facility's annual tonnage from 50,000 TPY to 200,000 TPY. Upon completion of the proposed facility expansion, additional capacity will be made available for the proposed 15- or 20-year term. CCC proposed to accept 80,000 to 100,000 TPY.

#### **Napa Recycling & Waste Services**

Napa Recycling & Waste Services (NRWS) is an LLC. The proposed location is an existing facility located in American Canyon, CA. NRWS is under contract with the City of Napa to operate the Napa Materials Diversion Facility. The proposed term length is 3-, 10-, 15-, or 20-years using an aerated static pile for the 3-year term. As a long-term solution, NRWS is planning to add additional technologies including covered aerated static pile composting, organics de-packaging, anaerobic digestion, and biomass gasification technologies. NRWS has available capacity to accept between 26,000 and 46,800 TPY. The facility proposed will accept all Organic Materials, except biosolids.

### Recology Hay Road dba Jepson Prairie Organics

Recology Hay Road dba Jepson Prairie Organics (Recology JPO) is a corporation. The proposed location is an existing facility located in Vacaville, CA using an aerated static pile composting technology. Recology JPO has proposed a 3-year term length and will accept mixed organic materials (residential) only. The facility has capacity to available to take 40,000 TPY of SCWMA mixed organic materials.

### Waste Management Redwood Landfill, Inc. dba Redwood Landfill & Recycling Center

Waste Management Redwood Landfill, Inc., dba Redwood Landfill & Recycling Center (WM Redwood) is a corporation. The proposed location is an existing facility located in Novato, CA using a covered aerated static pile composting technology. WM Redwood has proposed a 3- and/or 20-year term length. The facility will accept wood waste, green waste, and mixed organic materials (green waste and residential food waste) only. The facility has capacity to available to take 66,000 TPY of SCWMA mixed organic materials.

### Long Term Options

There were ten (10) long term proposals received. Of the proposed options, two (2) proposed facilities out of County and eight (8) proposed facilities located in Sonoma County including five (5) proposals siting a facility on the City of Santa Rosa's site adjacent to the waste water treatment plan. Below is a summary of all ten (10) long term proposals received.

### BioMRF Technologies

BioMRF Technologies (BioMRF) is a corporation. The proposed location is a new facility located on Santa Rosa property using in vessel and aerated static pile composting technology. BioMRF has proposed a 20-year term length. The facility will accept all organic materials. The facility has capacity to available to take 66,000 – 80,000 TPY of SCWMA organic materials.

### Cold Creek Compost, Inc., & Stage Gulch Organics

Cold Creek Compost, Inc., & Stage Gulch Organics (CCC & SGO) is an LLC. The proposed location is a new facility located in Petaluma, CA. CCC & SGO has proposed a term of 15- and/or 20-years in length using circular turned aerated pile composting technology. The facility proposed will accept all Organic Materials, except service ware, manure, and biosolids. The proposed facility will have available capacity for 60,000 – 100,000 TPY of SCWMA organic materials.

### Enstorga

Enstorga is a corporation. The proposed location is a new facility located in the City of Santa Rosa on Todd Road. Enstorga proposed to use a Bee Reactor and Turtle Q-Ring System (Option 1) or the turtle Q-Ring System (Options 2). The proposed term length is 20-years. The facility will accept all organic materials, except manure and biosolids. The facility will have 68,640 TPY of available capacity of SCWMA organic materials, if Option 1 is selected. There will be 44,844 TPY of available capacity of SCWMA organic materials if Option 2 is selected.

### Hitachi Zosen | INOVA

Hitachi Zosen | INOVA (Hitachi) is a corporation. The proposed location is a new facility located on the City of Santa Rosa's property using a Kompogas anaerobic digestion composting technology. Hitachi has proposed a term of 20-years in length. The facility proposed will accept all Organic Materials, except wood waste, manure, and biosolids. The proposed facility will have available capacity for 70,000 TPY of SCWMA organic materials.

### Renewable Sonoma

Renewable Sonoma is an LLC. The proposed location is a new facility located on the City of Santa Rosa's property using a covered aerated static pile and anaerobic digestion composting technologies. Renewable Sonoma has proposed a term of 20-years in length. The facility proposed will accept all Organic Materials, except food ware. The proposed facility will have available capacity for 60,000 – 140,000 TPY of SCWMA organic materials.

### Sacyr Environmental USA, LLC

Sacyr Environmental USA, LLC (Sacyr) is an LLC. The proposed location is a new facility located on the City of Santa Rosa's property using an in-vessel composting technology. Sacyr has proposed a term of 20-years in length. The facility proposed will accept Green Waste, Mixed Organics without Food Ware (residential) and Biosolids. The proposed facility will have available capacity for 95,811 – 110,782 TPY of SCWMA organic materials.

### StormFisher Biogas

StormFisher Biogas (StormFisher) is a corporation. The proposed location is a new facility located on the City of Santa Rosa's property using an anaerobic digester and in-vessel composting technologies. StormFisher has proposed a term of 20-years in length. The facility proposed will accept all Organic Materials, except Manure and Biosolids. The proposed facility will have available capacity for 60,000 – 80,000 TPY of SCWMA organic materials.

### Vision Recycling

Vision Recycling (Vision) is a corporation. The proposed location is a new facility located in the City of Santa Rosa on Piner Road. Vision proposed to use an aerated static pile composting technology. The proposed term length is 10- or 15-years. The facility will accept all organic materials, except Biosolids. The facility will have 10,000 – 60,000 TPY of available capacity of SCWMA organic materials.

On May 17, 2018, Vision Recycling retracted their proposal.

Sonoma County Waste Management Agency - Organic Materials Processing Services													
	Long Term									Short Term			
Company:	BioMRF	CC&SG	Enstorga	Hitachi	Napa Long	Renewable Sonoma	Sacyr	Stormfisher	WM Long	CC	Napa Short	Recology	WM Short
Evaluation of Proposals	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Proposer's Qualifications    Max Score	20	20	20	20	20	20	20	20	20	20	20	20	20
<i>Evaluation Team Score</i>	12.2	13.2	9.6	17.3	14.6	16.0	11.6	12.1	16.1	15.6	15.2	14.1	16.5
Feasibility of Proposal    Max Score	20	20	20	20	20	20	20	20	20	20	20	20	20
<i>Evaluation Team Score</i>	12.0	10.8	9.7	18.0	14.0	16.7	11.5	12.7	13.2	16.7	15.8	15.1	16.7
Compatibility with Needs    Max Score	15	15	15	15	15	15	15	15	15	15	15	15	15
<i>Evaluation Team Score</i>	10.9	10.8	9.4	11.1	10.2	13.1	6.8	10.0	7.8	12.4	12.0	8.7	11.5
Proposer's Marketing Plan    Max Score	15	15	15	15	15	15	15	15	15	15	15	15	15
<i>Evaluation Team Score</i>	7.8	10.8	9.5	10.3	9.9	13.8	8.0	8.6	8.6	11.1	11.0	8.9	9.8
Per Ton Costs and Capacity    Max Score	30	30	30	30	30	30	30	30	30	30	30	30	30
<i>Evaluation Team Score</i>	14.7	29.0	14.8	19.1	27.3	19.1	14.9	15.9	30.0	39.2	28.8	21.4	29.8
Total Points	57.8	74.5	53.1	75.9	76.1	78.8	52.9	59.3	75.8	95.0	82.8	68.1	84.3

Short Term, 75,000 tons, 3 years +

Destination Facility	Cost/Ton	Transportation Cost/Ton, Avg	Total Cost/Ton	Tons Disposed	Total Cost
Redwood Landfill	\$ 46.00	\$ 20.06	\$ 66.06	56,500	\$ 3,732,390
Cold Creek Compost	\$ 36.00	\$ 37.19	\$ 73.19	16,000	\$ 1,171,040
Napa Recycling and Waste Services	\$ 49.00	\$ 27.47	\$ 76.47	-	\$ -
					\$ 4,903,430

Short Term, 100,000 tons, 3 years +

Destination Facility	Cost/Ton	Transportation Cost/Ton, Avg	Total Cost/Ton	Tons Disposed	Total Cost
Redwood Landfill	\$ 46.00	\$ 20.06	\$ 66.06	60,000	\$ 3,963,600
Cold Creek Compost	\$ 36.00	\$ 37.19	\$ 73.19	16,000	\$ 1,171,040
Napa Recycling and Waste Services	\$ 49.00	\$ 27.47	\$ 76.47	24,000	\$ 1,835,280
					\$ 6,969,920

Long Term, 75,000 tons, 20 years

Destination Facility	Cost/Ton	Transportation Cost/Ton, Avg	Total Cost/Ton	Tons Disposed	Total Cost	Notes
Renewable Sonoma	\$ 89.00	\$ 14.59	\$ 103.59	\$ 75,000	\$ 7,769,250	
Redwood Landfill	\$ 46.00	\$ 20.06	\$ 66.06	\$ 75,000	\$ 4,954,500	Commercial food sent to other facilities, additional cost
Hitachi Zosen	\$ 89.00	\$ 14.59	\$ 103.59	\$ 70,000	\$ 7,251,300	Capacity limited to 70,000 tons per year
Cold Creek/Stage Gulch	\$ 50.00	\$ 18.45	\$ 68.45	\$ 75,000	\$ 5,133,750	

Long Term, 100,000 tons, 20 years

Destination Facility	Cost/Ton	Transportation Cost/Ton, Avg	Total Cost/Ton	Tons Disposed	Total Cost	Notes
Renewable Sonoma	\$ 78.00	\$ 14.59	\$ 92.59	\$ 100,000	\$ 9,259,000	
Redwood Landfill	\$ 46.00	\$ 20.06	\$ 66.06	\$ 30,000	\$ 1,981,800	Insufficient Capacity Alone
Hitachi Zosen	\$ 89.00	\$ 14.59	\$ 103.59	\$ 70,000	\$ 7,251,300	Insufficient Capacity Alone
Combination of two lines above				\$ 100,000	\$ 9,233,100	
Cold Creek Compost/Stage Gulch Organics	\$ 50.00	\$ 18.45	\$ 68.45	\$ 100,000	\$ 6,845,000	



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6 **AGREEMENT FOR SHORT-TERM ORGANIC**  
7 **MATERIALS**  
8 **PROCESSING SERVICES**

9  
10  
11 *between*

12 **Sonoma County Waste Management Agency**

13 **&**

14 **Redwood Landfill, Inc.**  
15



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33  
34 **AGREEMENT FOR ORGANIC MATERIALS**  
35 **PROCESSING SERVICES**  
36

37 This Agreement is made and entered into as of the 20th day of June, 2018 by and between the **Sonoma**  
38 **County Waste Management Agency**, a California Joint Powers Authority, hereinafter "**SCWMA**", and  
39 Redwood Landfill, Inc. , hereinafter "**Contractor**".  
40

41 **RECITALS**

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

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

48 **ARTICLE 1. DEFINITIONS**

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

54       1.01 **Actions** means all actions including claims, demands, causes of action, suits, mediation,  
55 arbitration, hearings, investigations, inquiries and proceedings, whether legal, judicial, quasi-judicial,  
56 governmental or administrative in nature and whether threatened, brought, instituted or settled.

57       1.02 **Agreement** means this Agreement between the SCWMA and Contractor, including all  
58 exhibits, schedules and attachments (which are hereby incorporated in this Agreement by this  
59 reference), as this Agreement may be amended and supplemented.

60       1.03 **Alternative Daily Cover (ADC)** means cover material used at a Disposal Site, other than  
61 at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area  
62 at the end of each operating day to control blowing litter, fires, odor, scavenging, and vectors.

63       1.04 **Alternative Intermediate Cover (AIC)** means CalRecycle-approved materials other than  
64 soil used at a landfill on all surfaces of the fill where no additional Solid Waste will be deposited within  
65 one hundred eighty (180) days. Generally, these materials must be processed so that they do not allow  
66 gaps in the face surface, which would provide breeding grounds for insects and vermin.

67       1.05 **Applicable Law** includes without limitation, AB 341, AB 876, AB 901, AB 939, AB 1594,  
68 AB 1826, SB 1016, SB 1383 and all amendments and related subsequent legislation, as well as all laws,  
69 statutes, ordinances, municipal, state, and federal authorities and all judgments, decrees, injunctions,  
70 writs and orders of any court, arbitrator or state or local government, any political subdivision thereof,  
71 any department, agency, authority or bureau of any of the foregoing, or any other entity exercising  
72 executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and  
73 all rules, regulations, orders, written interpretations, directives, licenses and permits of any state or local  
74 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** means 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 Redwood Landfill, Inc. 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** 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, 4<sup>th</sup> 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** means all liabilities, including:

- i. Actions;
- ii. Awards, judgments and damages, both: (a) 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 (b) punitive damages;
- iii. Contribution or indemnity claimed by Persons other than the Parties;
- iv. Injuries, losses, debts, liens, liabilities,
- v. Costs, such as response remediation and removal costs,
- vi. Interest,
- vii. Fines, charges, penalties, forfeitures and
- viii. 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).

203           1.30     **Monthly Report** is described in **Exhibit B**, Reporting to the SCWMA.

204           1.31     **Mixed Organic Materials** means loads of material delivered Contractor's Organic  
 205 Materials Processing Facility, consisting of commingled Food Scraps and Green Waste, which have been  
 206 separated by the residential generator and set out for Collection and Processing

207           1.32     **Organic Materials** means segregated Wood Waste, segregated Green Waste, Mixed  
 208 Organic Materials, and Commercial Food Scraps.

209           1.33     **Organic Material Type** means segregated Wood Waste, segregated Green Waste, Mixed  
 210 Organic Materials, and Commercial Food Scraps.

211           1.34     **Organic Materials Processing Facility** means **Redwood Landfill**, the facility that will  
 212 Process and market the Organic Materials from the SCWMA.

213           1.35     **Overs** means pieces of composted material that are left "over" after the screening of  
 214 finished Compost, and consists mainly of woody pieces of organic matter and film plastic. Overs may be  
 215 mixed back in with the compost feedstock as a bulking agent and reprocessed to improve porosity and  
 216 airflow in the incoming feedstock, used on top of the compost piles as a biofilter, sold to third parties as  
 217 a mulch or biofuel or used in the landfill as ADC or erosion control, or disposed if the concentration of  
 218 film plastic and other Physical Contaminants render it unfeasible for other uses. Typically, Overs range  
 219 in size from 6-inches to 3/8" depending on screening and grinding operation utilized in the compost  
 220 process and have a high concentration of film plastic within.

221           1.36     **Party or Parties** refers to the SCWMA and Contractor, individually or together.

222           1.37     **Permits** means all federal, State, SCWMA, other local and any other governmental unit  
 223 permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under  
 224 Applicable Law to be obtained or maintained by any Person with respect to Services, as renewed or  
 225 amended from time to time.

226           1.38     **Person(s)** includes an individual, firm, association, organization, partnership,  
 227 corporation, trust, joint venture, the United States, the State, local governments and municipalities and  
 228 special purpose districts and other entities.

229           1.39     **Processed OR Processing** means subjected to a process to transform Organic Materials  
 230 into a Compost Product, a mulch product for land application (other than at a landfill), or for use as  
 231 biofuel, anaerobic digestion or other conversion technologies (in accordance with CalRecycle regulations  
 232 so that such materials are considered diverted and recycled), and includes removal of Residual. Process  
 233 OR Processing further means the process conducted by the Organic Materials Processing Facility, as  
 234 described in the facility's Report of Compost Site Information that is submitted to CalRecycle.

235           1.40     **Quarterly Report** is described in **Exhibit B**, Reporting to the SCWMA.

236           1.41     **Rate** means the amount established under Article 4, Contractor Compensation and  
 237 **Exhibit A**, Organic Materials Rates, of this Agreement to be charged to the SCWMA by Contractor for  
 238 Processing of Organic Materials.

239

240           1.42     **Regulatory Agency** means any federal, State or local governmental agency, including  
 241 California Department of Transportation, California Department of Motor Vehicles, EDD, U.S.  
 242 Immigration and Naturalization Services, California Air Resources Board, regional water quality  
 243 management districts, California Department of Toxic Substances, CIWMB, the Local Enforcement  
 244 Agency, federal and State Environmental Protection Agencies and other federal or State health and  
 245 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 **Residual Rate** is calculated as the quarterly Tons of Residual requiring Disposal divided by the total quarterly outbound Tons. The Residual Rate shall be calculated separately for each Organic Material Type.

1.46 **Self-Haul and Third-Party** shall have the same meaning as "Self-Haul" in the AGREEMENT FOR OPERATION OF THE CENTRAL LANDFILL AND COUNTY TRANSFER STATIONS BETWEEN COUNTY OF SONOMA AND REPUBLIC SERVICES OF SONOMA COUNTY, INC., as executed on April 23, 2013 (Master Operating Agreement), and as provided below.

Self-Haul and Third-Party means customers delivering Organic Materials to Organic Materials Processing Facility, other than:

(i) "Committed City Waste", which means, as to each Committed City, Waste from the jurisdictional area of such Committed City that is described in the Waste Delivery Agreement (excluding all exclusions therefrom) for such Committed City and collected and hauled by the Committed City or the City's Franchised Haulers or by any other person or Entity over which the City has Flow Control. Committed City Waste shall also include any residuals remaining after the processing of Source Separated Recyclable Materials or Waste collected in a Committed City at any Prime Subcontractor's and its Affiliates' recycling and material recovery facility in Sonoma County; and

(ii) "Committed County Waste", which means all Waste generated in any unincorporated area of the County and any Waste which by any lawful means the County has Flow Control over and which is collected or hauled by the County, or by any County Franchised Hauler or by any other Entity over which the County has Flow Control, but excluding the exclusions therefrom in Section 12.2 of the Master Operating Agreement. Committed County Waste shall also include any residuals remaining after the processing of Source Separated Recyclable Materials or Waste collected in the County at any Prime Subcontractor's and its Affiliates' recycling and material recovery facilities in Sonoma County.

For the purposes of this Section 1.44 of the Agreement, the definitions of "Committed City", "Waste", "Waste Delivery Agreement", "Franchised Hauler", "Entity", "Flow Control", "Source Separated Recyclable Materials", "Prime Subcontractor", and "Affiliate" shall have the meanings as set forth in the Master Operating Agreement.

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

1.48 **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.

1.49 **Start Date** means **June 21, 2018**, the date on which Contractor will begin accepting Organic Material under the terms of this Agreement.

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

1.51 **Term** is defined in Article 2.

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

1.53 **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.

1.54 **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.

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

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

1.57 **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.

1.58 **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 June 21, 2018 and shall continue for a period of **3 years**, through **June 30, 2021**. The end of the term may be extended by mutual agreement for five (5) one (1) year periods upon written notice by the SCWMA and acceptance of such request by Contractor.

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, Contractor is required to accept approximately 175 Tons per day and 55,000 Tons per year, but Contractor may accept more material if agreed upon in a Letter of Intent signed by both Contractor and SCWMA. The Contractor is obligated to receive and deliver 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.

362           3.04   Permits and Compliance. Contractor will comply with all Permits, including any  
363 mitigation measures related to the operation and maintenance of the Organic Materials Processing  
364 Facility. Contractor is solely responsible for paying any fines or penalties imposed for noncompliance  
365 with or violation of Permits or failure to obtain Permits, unless caused by SCWMA's or a third party's  
366 breach, negligence, or violation of applicable law. Under no circumstances shall any provision of this  
367 Agreement obligate Contractor to violate any of its Permits.

368           3.04.1 Contractor shall site, own, and operate the Organic Materials Processing Facility  
369 that is permitted by CalRecycle and maintain this designation throughout the term of the Agreement.  
370 Contractor is not required to own the site, but ownership status of the site shall not affect Contractor's  
371 ability to perform its obligations under this Agreement. The Organic Materials Processing Facility Permit  
372 must include the ability to accept mixed organic materials. Contractor must notify SCWMA before  
373 accepting any shipments if there is any change in such status.

374           3.04.2 Compliance with all Applicable Laws and Regulations. Contractor and SCWMA  
375 shall comply with all Federal, State, and/or Local Regulations in the performance of this Agreement.  
376 These laws may include but are not limited to: CalRecycle Facility Permit, Water Board Permit, Air  
377 District Permit, Land Use Permit, Emergency Management and Contingency Plan, and State and Local  
378 Fire Code. The Contractor shall comply with Federal and State regulatory standards for compost  
379 operation; pollutant concentrations, pathogen reduction, monitoring, recordkeeping, and reporting.

380           3.04.3 Notification of Violations. Contractor shall provide copies of any notices of  
381 violation that it receives (or that any Subcontractor receives and that are provided to Contractor) from  
382 any Regulatory Agency during the term of this Agreement related to the operation of the Organic  
383 Materials Processing Facility or the performance of the Services. Contractor shall provide to the SCWMA  
384 copies within three (3) business days of receiving them.

385           3.04.4 Site shall at all times be accessible to enforcement and inspection personnel  
386 from regulatory and enforcement agencies.

387           3.05   Days and Hours of Operation. Contractor will operate the Organic Materials Processing  
388 Facility for the receipt of SCWMA's Organic Materials between the hours of 7:00 a.m. to 5:00 p.m.,  
389 Monday through Saturday. Organic Materials Processing Facility will be closed on Holidays.

390           3.06   Traffic Control and Direction. Contractor will direct on-site traffic to appropriate  
391 unloading areas and provide a safe working environment. Contractor will provide necessary signs and  
392 personnel to assist drivers to proper unloading areas. Contractor will operate the Organic Materials  
393 Processing Facility so that the conditions of the Maximum Vehicle Turnaround are met and the  
394 SCWMA's Transfer Company or Collections Company(ies) vehicles are processed, unloaded and exit  
395 without delay from the facility no longer than 30 minutes from arrival at the Contractor's scales.  
396 Contractor will not exceed this time more than 5 times per month. The calculation of the times will be  
397 based on time stamp tickets at the scale house.

399           3.07   Scale Operation.

400           3.07.1 Maintenance and Operation. Contractor will maintain or provide for State-  
401 certified scales that link to a centralized computer recording and billing system and that account for  
402 tracking of the inbound and outbound times, date of receipt, documentation of Rate charged, Organic  
403 Material Type, origin of material, and invoice number. Contractor will operate scales during Organic  
404 Materials Processing Facility receiving hours established in Section 3.5. Contractor will provide the  
405 SCWMA with access to weighing report promptly upon SCWMA's request, and no later than three (3)  
406 days following such request.

407           3.07.2 Scale house operators will inspect material in vehicles, weigh and record  
408 quantity and type, and enter into a computer system that will compile information into various reports.

409           3.07.3 Vehicle Tare Weights. When Transfer Company or Collections Company(ies)  
410 place new vehicles into service, Contractor or scale operator will promptly weigh the new vehicle and  
411 determine its unloaded ("tare") weight(s). Contractor or scale operator will record tare weight, hauler  
412 name, and vehicle identification number. Within 10 calendar days of weighing, Contractor will provide  
413 the SCWMA and Transfer Company or Collections Company(ies) with a report listing vehicle tare weight  
414 information. Contractor will have the right to request re-determination of tare weights of vehicles twice  
415 each Calendar Year. If there is reasonable suspicion or evidence that tare weights are not accurate,  
416 Transfer Company or Collections Company(ies) may request re-determination of tare weights, in which  
417 case Contractor will promptly re-determine tare weights for requested vehicles up to 4 times per  
418 Calendar Year. Contractor may update tare weights (at its own initiative) more frequently.

419           3.07.4 Testing. Contractor or scale operator will test and calibrate all scales in  
420 accordance with Applicable Law, but at least every 12 months. Upon SCWMA request, Contractor will  
421 promptly provide the SCWMA with copies of test results. Contractor or scale operator will further test  
422 and calibrate any or all scales within 5 calendar days of SCWMA direction. If test results indicate that  
423 the scale or scales complied with Applicable Law, the SCWMA will reimburse Contractor or scale  
424 operator the Direct Costs of the tests. If the test results indicate that the scale or scales did not comply  
425 with Applicable Law, Contractor or scale operator will bear the entire costs thereof and Contractor or  
426 scale operator will at its own cost adjust and correct, consistent with the results of that test, all weight  
427 measurements recorded and Organic Materials Rates calculated, charged and paid, as the case may be,  
428 from the date of SCWMA's direction.

429           3.07.5 Weighing Standards and Procedures. Contractor will use the scale house(s) to  
430 weigh vehicles and charge Organic Materials Rates. Contractor will charge the SCWMA based on the  
431 Tonnage of SCWMA's Transfer Company or Collections Company(ies) deliveries to the Organic Materials  
432 Processing Facility and the Rate as set in **Exhibit A** and adjusted under the terms of this Agreement.  
433 Contractor or scale operator will weigh and record inbound weights of all Transfer Company's or  
434 Collections Company(ies)'s vehicles when the vehicles arrive at the Organic Materials Processing Facility  
435 and weigh and record outbound weights of vehicles for which Contractor or scale operator does not  
436 maintain tare weight information. Contractor or scale operator will provide each driver a receipt  
437 showing the date, time, and quantity of SCWMA's Plants and Organic Materials that the vehicle  
438 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 a detailed Monthly and Quarterly 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. See **Exhibit C** for proposed plan, which may be modified if requested by Contractor and approved by the SCWMA.

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 as described in **Exhibit C**, 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.

3.10 Compost Giveaway: Contractor shall make available three hundred and fifty (350) cubic yards of compost twice per year at no additional cost to the SCWMA or the ratepayers for use by

residents and Member Agency(ies), in parks and facility landscaping. The Contractor will coordinate with SCWMA staff to have Contractor staff present at the event to assist residents and distribute educational materials, and residents will be instructed to bring their own bucket(s) to the event to receive compost.

## 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 15<sup>th</sup> 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 45 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 September 29. 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 five (5) 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 (1 1/3%) 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; and

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: Patrick Carter, Executive Director  
2300 County Center Drive, Suite B-100  
Santa Rosa, CA 95403

**Contractor:** **Redwood Landfill, Inc.**  
Attention: Ramin Khany  
8950 Redwood Highway  
Novato, CA 94945

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 accrue to 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 in 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.

**SCWMA:**

**DATED:** \_\_\_\_\_, 2018

**BY:** \_\_\_\_\_

**Patrick Carter,  
EXECUTIVE DIRECTOR**

**APPROVED AS TO FORM:**

824 DATED \_\_\_\_\_, 2018

\_\_\_\_\_  
Ethan Walsh,  
SCWMA LEGAL COUNSEL

825  
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828 CONTRACTOR:

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830  
831 DATED: \_\_\_\_\_, 2018

BY: \_\_\_\_\_

Barry Skolnick  
President

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**EXHIBIT A**  
**RATES**

**a) Rates**

Contractor will be compensated \$46.00 per Ton for Organic Materials delivered to the Organic Materials Processing Facility.

**b) Annual Rate Adjustments**

The Rates outlined in above are for the period June 21, 2018 through June 30, 2019. Such rates will be adjusted annually as shown below, effective July 1 of each year of the term, including extensions.

Commencing July 1, 2019 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: CUUSA422SA0 (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. If the calculated percentage change exceeds 3.5%, the increase to the rates shall be set at 3.5%.

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.



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**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.

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6 **DRAFT AGREEMENT FOR SHORT-TERM**  
7 **ORGANIC MATERIALS**  
8 **PROCESSING SERVICES**

9  
10  
11 *between*

12 **Sonoma County Waste Management Agency**

13 **&**

14 **Cold Creek Compost, INC.**  
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33  
34 **AGREEMENT FOR ORGANIC MATERIALS**  
35 **PROCESSING SERVICES**  
36

37 This Agreement is made and entered into as of the 20th day of June, 2018 by and between the **Sonoma**  
38 **County Waste Management Agency**, a California Joint Powers Authority hereinafter "**SCWMA**", and  
39 **Cold Creek Compost, Inc.**, hereinafter "**Contractor**".  
40

41 **RECITALS**

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

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

48 **ARTICLE 1. DEFINITIONS**

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

54     1.01 **Actions** means all actions including claims, demands, causes of action, suits, mediation,  
55 arbitration, hearings, investigations, inquiries and proceedings, whether legal, judicial, quasi-judicial,  
56 governmental or administrative in nature and whether threatened, brought, instituted or settled.

57     1.02 **Agreement** means this Agreement between the SCWMA and Contractor, including all  
58 exhibits, schedules and attachments (which are hereby incorporated in this Agreement by this  
59 reference), as this Agreement may be amended and supplemented.

60     1.03 **Alternative Daily Cover (ADC)** means cover material used at a Disposal Site, other than  
61 at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area  
62 at the end of each operating day to control blowing litter, fires, odor, scavenging, and vectors; or, means  
63 materials used as soil amendments for erosion control and landscaping.

64     1.04 **Alternative Intermediate Cover (AIC)** means CalRecycle-approved materials other than  
65 soil used at a landfill on all surfaces of the fill where no additional Solid Waste will be deposited within  
66 one hundred eighty (180) days. Generally, these materials must be processed so that they do not allow  
67 gaps in the face surface, which would provide breeding grounds for insects and vermin.

68     1.05 **Applicable Law** includes without limitation, AB 341, AB 876, AB 901, AB 939, AB 1594,  
69 AB 1826, SB 1016, SB 1383 and all amendments and related subsequent legislation, as well as all laws,  
70 statutes, ordinances, municipal, state, and federal authorities and all judgments, decrees, injunctions,  
71 writs and orders of any court, arbitrator or state or local government, any political subdivision thereof,  
72 any department, agency, authority or bureau of any of the foregoing, or any other entity exercising  
73 executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and  
74 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 **Compost or Compost Products** means the resultant product of Processing.

1.13 **Contamination or Contaminant** means any man-made non-organic fraction that is delivered to the Organic Materials Processing Facility with Organic Materials and must be removed to make the product acceptable to the market.

1.14 **Contractor** means Cold Creek Compost, Inc., a corporation organized and operating under the laws of the State of California.

1.15 **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.

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

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

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

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

1.20 **Food Scraps** means a subset of Mixed Organic Materials including: food-soiled paper, fruits, vegetables, grain products, dairy products, meat, seafood, napkins, acceptable food packaging items such as pizza boxes, paper towels, compostable food packaging, compostable bags, waxed cardboard and food soiled paper products, and other compostable food scraps generated at residential premises from normal household activity, including kitchen fats and greases (not oil).

1.21 **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.

1.22 **Green Waste** means a subset of Mixed Organic Materials including: wood crates, ivy, palm, yucca and cactus, grass cuttings, weeds, leaves, pruning, branches, dead plants, brush tree trimmings, dead trees (on average not more than twelve (12) inches in diameter) and four (4) feet in length, and similar materials generated at Premises, separated and set out for Collection, processing, and Recycling. The requested materials do not include materials not normally produced from gardens or landscapes, such as, but not limited to, brick, rock, gravel, large quantities of dirt, concrete, sod, non-Organic Materials, oil, and painted or treated wood or wood products.

1.23 **Holidays** are defined as New Year's Day, Easter Sunday, 4<sup>th</sup> of July, Labor Day, Thanksgiving Day, and Christmas Day.

1.24 **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.

1.25 **Liabilities** means all liabilities, including:

- 162 i. Actions;
- 163 ii. Awards, judgments and damages, both: (a) actual damages, whether special and  
164 consequential, in contract or in tort, such as natural resource damages, damage  
165 for injury to or death of any Person; and damage to property; and (b) punitive  
166 damages;
- 167 iii. Contribution or indemnity claimed by Persons other than the Parties;
- 168 iv. Injuries, losses, debts, liens, liabilities,
- 169 v. Costs, such as response remediation and removal costs,
- 170 vi. Interest,
- 171 vii. Fines, charges, penalties, forfeitures and
- 172 viii. Expenses such as attorney's and expert witness fees, expenditures for  
173 investigation and remediation, and costs incurred in connection with defending  
174 against any of the foregoing or in enforcing Indemnities.

175 1.26 **Material Change in Law.** Any change in (or any new) Applicable Laws, applicable on or  
176 after the Effective Date, that applies to the Solid Waste industry (including, for the avoidance of doubt  
177 and without limitation, changes to the California Integrated Waste Management Act (CIWMA), changes  
178 to CalRecycle regulations, or changes to other Applicable Laws relating specifically to any aspect of  
179 "Solid Waste handling," "Solid Waste disposal" or "Solid Waste facilities," as such terms are defined by  
180 CalRecycle). Material Change in Law shall not include any modifications to the Exhibits to this  
181 Agreement, as allowed under the terms of this Agreement.

182 1.27 **Maximum Vehicle Turnaround Time** means a monthly average of 30 minutes or less,  
183 measured from the time a vehicle enters either the Organic Materials Processing Facility property and  
184 until it exits the Organic Materials Processing Facility property, including but not limited to gross and net  
185 weights, tipping and transportation throughout the facility.

186 1.28 **Member Agency/Agencies** means any one of the public entities which are signatories to  
187 the Joint Exercise of Powers Agreement of the Sonoma County Waste Management Agency (SCWMA).

188 1.29 **Monthly Report** is described in **Exhibit B**, Reporting to the SCWMA.

189 1.30 **Mixed Organic Materials** means fruits, vegetables, grain products, dairy products, meat,  
190 seafood, napkins, acceptable food packaging items such as pizza boxes, paper towels, compostable food  
191 packaging (meeting the standards established by ASTM 6400 and ATRM 6868), compostable bags,  
192 waxed cardboard and food soiled paper products, and other compostable food scraps generated at  
193 residential premises from normal household activity, including kitchen fats and greases (not oil), wood  
194 crates, ivy, palm, yucca and cactus, grass cuttings, weeds, leaves, pruning, branches, dead plants, brush  
195 tree trimmings, dead trees (on average not more than twelve (12) inches in diameter) and four (4) feet  
196 in length, and similar materials generated at Premises, separated and set out for Collection, processing,  
197 and Recycling. The requested materials do not include materials not normally produced from gardens or  
198 landscapes, such as, but not limited to, brick, rock, gravel, large quantities of dirt, concrete, sod, non-  
199 Organic Materials, oil, and painted or treated wood or wood products.

200 1.31 **Organic Materials** means segregated Wood Waste, segregated Green Waste, Mixed  
201 Organic Materials, and Commercial Food Scraps.

202 1.32 **Organic Material Type** means segregated Wood Waste, segregated Green Waste, Mixed  
203 Organic Materials, and Commercial Food Scraps.

204 1.33 **Organic Materials Processing Facility** means Cold Creek Compost, the facility that will  
205 Process and market the Organic Materials from the SCWMA.

206 1.34 **Party or Parties** refers to the SCWMA and Contractor, individually or together.

207 1.35 **Permits** means all federal, State, SCWMA, other local and any other governmental unit  
208 permits, orders, licenses, approvals, authorizations, consents and entitlements that are required under  
209 Applicable Law to be obtained or maintained by any Person with respect to Services, as renewed or  
210 amended from time to time.

211 1.36 **Person(s)** includes an individual, firm, association, organization, partnership,  
212 corporation, trust, joint venture, the United States, the State, local governments and municipalities and  
213 special purpose districts and other entities.

214 1.37 **Processed OR Processing** means subjected to a process to transform Organic Materials  
215 into a Compost Product, a mulch product for land application (other than at a landfill), or for use as  
216 biofuel, anaerobic digestion or other conversion technologies (in accordance with CalRecycle regulations  
217 so that such materials are considered diverted and recycled), and includes removal of Residual. Process  
218 OR Processing further means the process conducted by the Organic Materials Processing Facility, as  
219 described in the facility's Report of Compost Site Information that is submitted to CalRecycle.

220 1.38 **Quarterly Report** is described in **Exhibit B**, Reporting to the SCWMA.

221 1.39 **Rate** means the amount established under Article 4, Contractor Compensation and  
222 **Exhibit A**, Organic Materials Rates, of this Agreement to be charged to the SCWMA by Contractor for  
223 Processing of Organic Materials.

225 1.40 **Regulatory Agency** means any federal, State or local governmental agency, including  
226 California Department of Transportation, California Department of Motor Vehicles, EDD, U.S.  
227 Immigration and Naturalization Services, California Air Resources Board, regional water quality  
228 management districts, California Department of Toxic Substances, CIWMB, the Local Enforcement  
229 Agency, federal and State Environmental Protection Agencies and other federal or State health and  
230 safety department, applicable to Services.

231 1.41 **Records** means all ledgers, book of account, invoices, vouchers, canceled checks, logs,  
232 correspondence and other records or documents of Contractor evidencing or relating to Rates, Tonnage  
233 of Organic Materials, satisfaction of Contractor's obligations under this Agreement and performance of  
234 the terms of this Agreement, damages payable under this Agreement and Contractor defaults as  
235 described and defined in Article 7.

236 1.42 **Residual** means all (other than trace amounts) Solid Waste and other materials that are  
237 not Plant or Organic Materials removed from Organic Materials during, before, or after Processing.  
238 Residual may be landfilled or used as ADC.

239 1.43 **Residual Rate** is calculated as the quarterly Tons of Residual requiring Disposal divided  
240 by the total quarterly outbound Tons. The Residual Rate shall be calculated separately for each Organic  
241 Material Type.

242 1.44 **Self-Haul and Third-Party** shall have the same meaning as "Self-Haul" in the  
243 AGREEMENT FOR OPERATION OF THE CENTRAL LANDFILL AND COUNTY TRANSFER STATIONS BETWEEN  
244 COUNTY OF SONOMA AND REPUBLIC SERVICES OF SONOMA COUNTY, INC., as executed on April 23,  
245 2013 (Master Operating Agreement), and as provided below.

Self-Haul and Third-Party means customers delivering Organic Materials to Organic Materials Processing Facility, other than:

- (i) "Committed City Waste", which means, as to each Committed City, Waste from the jurisdictional area of such Committed City that is described in the Waste Delivery Agreement (excluding all exclusions therefrom) for such Committed City and collected and hauled by the Committed City or the City's Franchised Haulers or by any other person or Entity over which the City has Flow Control. Committed City Waste shall also include any residuals remaining after the processing of Source Separated Recyclable Materials or Waste collected in a Committed City at any Prime Subcontractor's and its Affiliates' recycling and material recovery facility in Sonoma County; and
- (ii) "Committed County Waste", which means all Waste generated in any unincorporated area of the County and any Waste which by any lawful means the County has Flow Control over and which is collected or hauled by the County, or by any County Franchised Hauler or by any other Entity over which the County has Flow Control, but excluding the exclusions therefrom in Section 12.2 of the Master Operating Agreement. Committed County Waste shall also include any residuals remaining after the processing of Source Separated Recyclable Materials or Waste collected in the County at any Prime Subcontractor's and its Affiliates' recycling and material recovery facilities in Sonoma County.

For the purposes of this Section 1.44 of the Agreement, the definitions of "Committed City", "Waste", "Waste Delivery Agreement", "Franchised Hauler", "Entity", "Flow Control", "Source Separated Recyclable Materials", "Prime Subcontractor", and "Affiliate" shall have the meanings as set forth in the Master Operating Agreement.

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 **June 21, 2018**, 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 **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.

287           1.52    **Transfer Company** means the Person that SCWMA directs pursuant to the Operating  
288 Agreement to Transport Organic Materials from transfer stations to the Organic Materials Processing  
289 Facility.

290           1.53    **Transfer Vehicle** means a tractor and trailer designed to haul Organic Materials to the  
291 Organic Materials Processing Facility.

292           1.54    **Transport (or Transportation)** means the transportation of Organic Materials to the  
293 Organic Materials Processing Facility.

294           1.55    **Violation** means any notice, assessment or determination of non-compliance with  
295 Applicable law from any Regulatory Agency to Contractor, whether or not a fine or penalty is included,  
296 assessed, levied or attached.

297           1.56    **Wood Waste** means a subset of Mixed Organic Materials consisting of pieces of  
298 unpainted and untreated dimensional lumber, and any other wood pieces or particles generated from  
299 the manufacturing or production of wood products, harvesting, processing or storage of raw wood  
300 materials, milled lumber with no paints, varnishes, finishes, glues, or treatments, sawmill waste, wood  
301 crates, and source separated construction and demolition material including sheetrock (which material  
302 may contain nails, doorknobs, and/or joist hangers), excluding pressure treated wood, creosote treated  
303 wood, particle board, and unprocessed logs.

## 304           **ARTICLE 2. TERMS AND CONDITIONS OF AGREEMENT**

305           2.01    Term of Agreement. Said services shall commence on **June 21, 2018** and shall continue  
306 for a period of **3 years**, through **June 30, 2021**. The end of the term may be extended by mutual  
307 agreement for five (5) one (1) year periods upon written notice by the SCWMA and acceptance of such  
308 request by Contractor.

309           2.02    Authorization and Termination. This Agreement becomes effective when endorsed by  
310 both Parties in the space provided below.

## 311           **ARTICLE 3. OBLIGATIONS OF CONTRACTOR**

312           3.01    Scope of Processing Services. The services to be performed by Contractor under this  
313 Agreement shall be to accept, process, and market Organic Materials generated from the SCWMA's  
314 Member Agencies. The provisions of this Article are only applicable after the Start Date.

315           3.01.1 Starting on the Start Date, Contractor is required to accept approximately **57**  
316 Tons per day and **18,000** Tons per year, but Contractor may accept more material if agreed upon in a  
317 Letter of Intent signed by both Contractor and SCWMA. The Contractor is obligated to receive and  
318 deliver materials on days that the Organic Materials Processing Facility is operating (as described in  
319 Section 3.5, Days and Hours of Operations).

320           3.01.2 Contractor and SCWMA expressly agree that nothing in this Agreement  
321 guarantees to Contractor any minimum amount of such waste.

322           3.02    Processing Standards. The following processing standards shall be met by the Organic  
323 Materials Processing Facility, at a minimum:

324           3.02.1 Pre-processing activities shall include, but not be limited to, the inspection for  
325 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, including third-party and Self-Haul material, shall be Processed and marketed for use as compost, mulch, or soil amendment.

3.02.5 Organic Waste Processing Facility must operate at a level that results in a maximum 10% Residual Rate. Any amount of material exceeding the 10% Residual Rate shall be considered Excess Residual.

3.02.5.1 Residual from Processing shall be Disposed of by Contractor at the Central Disposal Site at Contractor's sole expense.

3.02.6 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.

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. 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 and source separated food waste. 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 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. Contractor shall abide by any mitigation measures pursuant to the California Environmental Quality Act ("CEQA"). 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 to the SCWMA copies within three (3) business days of receiving them.

366 3.04.4 Site shall at all times be accessible to enforcement and inspection personnel  
367 from regulatory and enforcement agencies.

368 3.05 Days and Hours of Operation. Contractor will operate the Organic Materials Processing  
369 Facility for the receipt of SCWMA's Organic Materials between the hours of 7:00 a.m. to 5:00 p.m.,  
370 Monday through Saturday. Organic Materials Processing Facility will be closed on Holidays.

371 3.06 Traffic Control and Direction. Contractor will direct on-site traffic to appropriate  
372 unloading areas and provide a safe working environment. Contractor will provide necessary signs and  
373 personnel to assist drivers to proper unloading areas. Contractor will operate the Organic Materials  
374 Processing Facility so that the conditions of the Maximum Vehicle Turnaround are met and the  
375 SCWMA's Transfer Company or Collections Company(ies) vehicles are processed, unloaded and exit  
376 without delay from the facility no longer than 30 minutes from arrival at the Contractor's scales.  
377 Contractor will not exceed this time more than 5 times per month. The calculation of the times will be  
378 based on time stamp tickets at the scale house.



380           3.07   Scale Operation.

381           3.07.1 Maintenance and Operation. Contractor will maintain or provide for State-  
382 certified scales that link to a centralized computer recording and billing system and that account for  
383 tracking of the inbound and outbound times, date of receipt, documentation of Rate charged, Organic  
384 Material Type, origin of material, and invoice number. Contractor will operate scales during Organic  
385 Materials Processing Facility receiving hours established in Section 3.5. Contractor will provide the  
386 SCWMA with access to weighing report promptly upon SCWMA's request, and no later than three (3)  
387 days following such request.

388           3.07.2 Scale house operators will inspect material in vehicles, weigh and record  
389 quantity and type, and enter into a computer system that will compile information into various reports.

390           3.07.3 Vehicle Tare Weights. When Transfer Company or Collections Company(ies)  
391 place new vehicles into service, Contractor or scale operator will promptly weigh the new vehicle and  
392 determine its unloaded ("tare") weight(s). Contractor or scale operator will record tare weight, hauler  
393 name, and vehicle identification number. Within 10 calendar days of weighing, Contractor will provide  
394 the SCWMA and Transfer Company or Collections Company(ies) with a report listing vehicle tare weight  
395 information. Contractor will have the right to request re-determination of tare weights of vehicles twice  
396 each Calendar Year. If there is reasonable suspicion or evidence that tare weights are not accurate,  
397 Transfer Company or Collections Company(ies) may request re-determination of tare weights, in which  
398 case Contractor will promptly re-determine tare weights for requested vehicles up to 4 times per  
399 Calendar Year. Contractor may update tare weights (at its own initiative) more frequently.

400           3.07.4 Testing. Contractor or scale operator will test and calibrate all scales in  
401 accordance with Applicable Law, but at least every 12 months. Upon SCWMA request, Contractor will  
402 promptly provide the SCWMA with copies of test results. Contractor or scale operator will further test  
403 and calibrate any or all scales within 5 calendar days of SCWMA direction. If test results indicate that  
404 the scale or scales complied with Applicable Law, the SCWMA will reimburse Contractor or scale  
405 operator the Direct Costs of the tests. If the test results indicate that the scale or scales did not comply  
406 with Applicable Law, Contractor or scale operator will bear the entire costs thereof and Contractor or  
407 scale operator will at its own cost adjust and correct, consistent with the results of that test, all weight  
408 measurements recorded and Organic Materials Rates calculated, charged and paid, as the case may be,  
409 from the date of SCWMA's direction.

410           3.07.5 Weighing Standards and Procedures. Contractor will use the scale house(s) to  
411 weigh vehicles and charge Organic Materials Rates. Contractor will charge the SCWMA based on the  
412 Tonnage of SCWMA's Transfer Company or Collections Company(ies) deliveries to the Organic Materials  
413 Processing Facility and the Rate as set in **Exhibit A** and adjusted under the terms of this Agreement.  
414 Contractor or scale operator will weigh and record inbound weights of all Transfer Company's or  
415 Collections Company(ies)'s vehicles when the vehicles arrive at the Organic Materials Processing Facility  
416 and weigh and record outbound weights of vehicles for which Contractor or scale operator does not  
417 maintain tare weight information. Contractor or scale operator will provide each driver a receipt  
418 showing the date, time, and quantity of SCWMA's Plants and Organic Materials that the vehicle  
419 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 a detailed Monthly and Quarterly 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 Contamination 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 Contamination threshold, 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.

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.

3.10 Compost Giveaway: Contractor shall make available three hundred and fifty (300) cubic yards of Agrow Blend compost per year at no additional cost to the SCWMA or the ratepayers for use by residents and Member Agency(ies), in parks and facility landscaping. The Contractor will coordinate with SCWMA staff to have Contractor staff present at the event to assist residents and distribute educational materials, and residents will be instructed to bring their own bucket(s) to the event to receive compost.

## 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 15<sup>th</sup> 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 45 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 September 29. 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 five (5) 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 (1 1/3%) 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; and

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

504 anyone directly or indirectly employed by Contractor, or anyone for whose acts Contractor may be  
505 liable;

506 5.01.4.2 Penalties threatened, sought, or imposed on or against SCWMA  
507 by reason of the violation by Contractor of any law, order, citation, rule, regulation, standard, ordinance,  
508 or statute;

509 5.01.4.3 Alleged infringement of any intellectual property rights which  
510 may be brought arising out of Contractor's work;

511 5.01.4.4 Claims and liens for labor performed or materials used or  
512 furnished to be used on the job by Contractor, including all incidental or consequential damages from  
513 such claims or liens;

514 5.01.4.5 Contractor's failure to fulfill any of the covenants set forth in  
515 the Agreement;

516 5.01.4.6 Failure of Contractor to comply with the provisions of the  
517 Agreement relating to insurance; and,

518 5.01.4.7 Any violation or infraction by Contractor of any law, order,  
519 citation, rule, regulation, standard, ordinance, or statute in any way relating to the occupational, health,  
520 or safety of employees.

521 5.01.4.8 The indemnities set forth in this Article shall not be limited by  
522 the insurance requirements set forth in the Agreement.

523 5.01.4.9 Contractor's indemnification of Indemnitees will not include  
524 indemnification for Loss which arises as the result of the sole negligence or willful misconduct of  
525 Indemnitees.

526 5.01.5 CEQA Indemnification. To the fullest extent allowed by law, Contractor shall  
527 indemnify, defend with counsel reasonably acceptable to the SCWMA, and hold harmless SCWMA, its  
528 Member Agencies, its officers, officials, employees and agents (collectively, "Indemnitees") from and  
529 against any and all claims, actual damages (including, but not limited to, special and consequential  
530 damages), natural resources damages, punitive damages, injuries, costs, response, remediation and  
531 removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative  
532 proceedings, interest, fines, charges, penalties and expenses (including, but not limited to, reasonable  
533 attorneys' fees and expert witness fees and costs) (collectively, "Liability") arising out of or in connection  
534 with third-party claims alleging that SCWMA's award of the Agreement to Contractor and execution of  
535 this Agreement violated the California Environmental Quality Act ("CEQA") and/or its implementing  
536 regulations.

537 5.01.5.1 Contractor waives any and all rights of any type to express or  
538 implied indemnity against the Indemnitees.

539 5.01.5.2 The defense and indemnification obligations of this Agreement  
540 are undertaken in addition to, and shall not in any way be limited by, the insurance obligations  
541 contained in this Agreement. If any term or portion of this Section 5.01.5 is held to be invalid, illegal, or  
542 otherwise unenforceable by a court of competent jurisdiction, said Section shall be interpreted to  
543 provide the broadest indemnity permitted by law.

544 5.01.5.3 Contractor's obligations to indemnify and defend Indemnitees  
545 are binding on its successors and assigns and shall survive the termination or completion of this  
546 Agreement for the fullest extent and duration allowed by law.

5.01.6 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, pain, damage, action or suit arising or resulting solely from acts or omissions constituting willful misconduct or sole 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, non-renewed, or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

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, non-renewed, or materially changed without first giving thirty (30) days prior written notice to the SCWMA.

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, non-renewed, or materially changed without first giving thirty (30) days prior written notice to SCWMA.

## 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 an amount to be determined by the SCWMA for 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 Segregated Commercial Food Scraps Termination. The SCWMA reserves the right to terminate processing services of segregated Commercial Food Scraps only with written notice to the Contractor of not less than ninety (90) days.

## 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: Patrick Carter, Executive Director  
2300 County Center Drive, Suite B-100  
Santa Rosa, CA 95403

**Contractor:** **Cold Creek Compost, Inc.**  
Attention: Martin Mileck  
6000 East Potter Valley Road  
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 accrue to 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 in 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.

**SCWMA:**

**DATED:** \_\_\_\_\_, 2018

**BY:** \_\_\_\_\_

**Patrick Carter,  
EXECUTIVE DIRECTOR**

**APPROVED AS TO FORM:**

**DATED** \_\_\_\_\_, 2018

**Ethan Walsh,  
SCWMA LEGAL COUNSEL**

**CONTRACTOR:**

**DATED:** \_\_\_\_\_, 2018

**BY:** \_\_\_\_\_

**Martin Mileck  
President**

831 **EXHIBIT A**  
832 **RATES**

833 **a) Rates**

834 Contractor will be compensated \$36 per Ton for Organic Materials delivered to the Organic  
835 Materials Processing Facility.

836  
837 **b) Annual Rate Adjustments**

838 The Rates outlined in **Table 1** are for the period **June 21, 2018** through **June 30, 2019**. Such rates  
839 will be adjusted annually as shown below, effective **July 1** of each year of the term, including  
840 extensions.

841  
842 Commencing **June 21, 2018** and thereafter on each **July 1**, this Agreement is in effect, including any  
843 extension years, the rates stated above shall be increased by the percentage change in the annual  
844 average of the Consumer Price Index (CPI) between the base year, which shall be the prior preceding  
845 twelve (12) months from January 1 through December 31, and the preceding year ending December  
846 31. If the calculated percentage change exceeds 3%, the increase to the rates shall be set at 3%.

847  
848 For the purposes of this calculation, CPI shall mean All Urban Consumers Index (CPI-U), All Items, for  
849 the San Francisco-Oakland-San Jose, CA, Base Period 1982 – 1984 = 100, not seasonally adjusted,  
850 compiled and published by the U. S. Department of Labor, Bureau of Labor Statistics (or its  
851 successor).

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**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.