



Meeting of the Board of Directors

November 15, 2017
SPECIAL MEETING
Begins at 8:00 a.m.

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

Meeting Agenda and Documents

SONOMA COUNTY WASTE MANAGEMENT AGENCY

Meeting of the Board of Directors

November 20, 2017

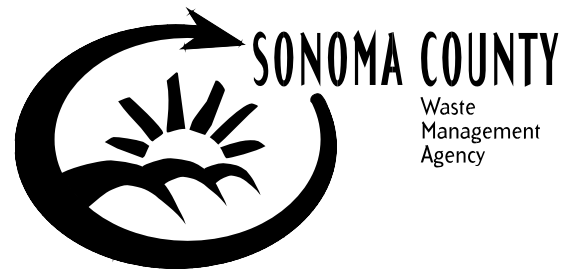
SPECIAL MEETING

Begins 8:00 a.m.

Table of Contents

<u>Description</u>	<u>Page</u>
Agenda	1
Prior Meeting Summary	3
Agenda Notes	4
Item 6.1 Minutes of the September 20, 2017 Regular Meeting	5
Item 6.2 October, November, and December 2017 Outreach Calendar	9
Item 6.3 Legislative Update	11
Item 6.4 SCWMA FY 2017-18 First Quarter Financial Report	13
Item 7 Discussion and Possible Action on Assignment of Compostable Materials Transport Services and E-Waste Handling Agreements to Recology	24

Note: This packet is 31 pages total



SONOMA COUNTY WASTE MANAGEMENT AGENCY

Meeting of the Board of Directors

**November 15, 2017
SPECIAL MEETING**

**Closed Session Begins at 8:00 a.m.
Estimated Ending Time 11:30 a.m.**

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

Agenda

Item

1. Call to Order Special Meeting
2. **Closed Session:** CONFERENCE WITH LEGAL COUNSEL
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director
3. Adjourn Closed Session / Call to Order Regular Session / Introductions
4. Agenda Approval
5. Public Comments (items not on the agenda)

Consent (w/attachments)

- 6.1 Minutes of the September 20, 2017 Regular Meeting
- 6.2 October, November, and December 2017 Outreach Calendar
- 6.3 Legislative Update
- 6.4 SCWMA FY 2017-18 First Quarter Financial Report

Regular Calendar

7. Discussion and Possible Action on Assignment of Compostable Materials Transport Services and E-Waste Handling Agreements to Recology
[Carter] **Supermajority (8/10) Vote Required**
Staff Recommendation: Approve the assignment agreement for Compostable Materials Transport Services and E-Waste Handling Services.
8. Boardmember Comments
9. Staff Comments
10. Next SCWMA meeting: December 20, 2017
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 Agency shall have an opportunity at the beginning and during each regular meeting of the Agency. When recognized by the Chair, each person should give his/her name and address and limit comments to 3 minutes. Public comments will follow the staff report and subsequent Boardmember questions on that Agenda item and before Boardmembers propose a motion to vote on any item.

Disabled Accommodation: If you have a disability that requires the agenda materials to be in an alternative format or requires an interpreter or other person to assist you while attending this meeting, please contact the 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



Date: November 6, 2017

To: SCWMA Board Members

From: Patrick Carter, SCWMA Executive Director

Executive Summary Report for the SCWMA Board Meeting of September 20, 2017

Item 4, Consent Items: Items 4.1 Minutes of the August 16, 2017 Regular Meeting, 4.2 September and October 2017 Outreach Calendar, 4.3 SCWMA FY 2015-16 Audit of Financial Statements, and 4.4 Fiscal Year 2016-17 Year End Financial Report were approved.

Item 5, Approval of Scope of Work for Brand Evaluation and Design Services RFP: The Scope of Work for Brand Evaluation and Design Services RFP was approved.

Item 6, Approval of Scope of Work for Website Design and Implementation RFP: The Scope of Work for the Website Design and Implementation RFP was approved.



To: Sonoma County Waste Management Agency Board Members

From: Patrick Carter, Executive Director

Subject: November 15, 2017 Board Meeting Agenda Notes

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

Consent Calendar

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

- 6.1 **Minutes of the September 20, 2017 Regular Meeting:** regular acceptance.
- 6.2 **October, November, and December 2017 Outreach Calendar:** This item provides an update on outreach events since the last meeting and upcoming outreach events. No action is required.
- 6.3 **Legislative Update:** This item contains a summary of legislative items approved by the California Legislature and Governor in the previous legislative session that may affect the SCMWA.
- 6.4 **SCWMA FY 2017-18 First Quarter Financial Report:** This item describes the revenues realized and expenditures incurred in the First Quarter (July 1 – September 30) of FY 2017-18. Typically, first quarter financial reports do not contain many data points from which to make projections regarding the rest of the fiscal year, but are done to ensure early discrepancies can be addressed throughout the rest of the fiscal year.

Regular Calendar

- 7. **Discussion and Possible Action on Assignment of Compostable Materials Transport Services and E-Waste Handling Agreements to Recology:** The Ratto Group and Recology Sonoma Marin have entered into an asset purchase agreement in which substantially all of the Ratto Group's assets would be purchased by Recology. The SCWMA has two agreements which would be affected by the Ratto Group/Recology agreement: the Organic Materials Transport Services and Electronic Waste Handling Services agreements. The Ratto Group and Recology have requested the SCWMA provide consent to the assignment of those agreements, a requirement of those agreements. SCWMA staff has reviewed the request and performed its due diligence on the assignment. **Staff recommends the Board approve the assignment agreement for Compostable Materials Transport Services and E-Waste Handling Services on a supermajority vote, transferring responsibility to perform the tasks and duties in the agreements from the Ratto Group to Recology Sonoma Marin.**



Minutes of the September 20, 2017 Meeting

The Sonoma County Waste Management Agency met on September 20, 2017, 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	Brent Salmi	City of Sonoma	Absent
City of Petaluma	Absent	County of Sonoma	Susan Gorin
City of Rohnert Park	Absent	Town of Windsor	Deb Fudge

Staff Present:

Executive Director/Acting Clerk	Patrick Carter	Staff	Thora Collard
Counsel	Ethan Walsh		Kristin Thigpen

1. Call to Order Regular Meeting

Regular meeting was called to order at 8:35 a.m.

2. Agenda Approval

3. Public Comments (items not on the agenda)

None

4. Consent (w/attachments)

- 4.1 Minutes of the August 16, 2017 Regular Meeting
- 4.2 September and October 2017 Outreach Calendar
- 4.3 SCWMA FY 2015-16 Audit of Financial Statements
- 4.4 Fiscal Year 2016-17 Year End Financial Report

Public Comments:

None.

The motion for approval of items on the consent calendar was made by Susan Harvey, City of Cotati, and seconded by Henry Mikus, City of Sebastopol.

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	Absent
City of Petaluma	Absent	County of Sonoma	AYE
City of Rohnert Park	Absent	Town of Windsor	AYE

AYES -7- NOES -0- ABSENT -3- ABSTAIN -0-
Motion passed.

Regular Calendar

5. Approval of Scope of Work for Brand Evaluation and Design Services RFP

Kristin Thigpen, SCWMA staff, presented to the Board the recommendation to issue an RFP for Brand Evaluation and Design Services.

Board Discussion

Chairman John Sawyer, City of Santa Rosa, asked about the estimate for the hidden costs of a rebrand.

Patrick Carter, SCWMA Executive Director, responded that the majority of our documents are used in an electronic format, but there will be some costs, several thousand dollars, related to printing of items like envelopes, labels and business cards.

Chairman Sawyer commented that this is an appropriate time for the SCWMA to rebrand.

Susan Gorin, County of Sonoma, asked if the JPA needs to be amended.

Mr. Carter responded that the new brand would be similar to a Doing Business As (DBA).

Public Comments

None.

Susan Harvey, City of Cotati motioned to approve the RFP for Brand Evaluation and Design Services and Susan Gorin, County of Sonoma, seconded the motion.

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	Absent
City of Petaluma	Absent	County of Sonoma	AYE
City of Rohnert Park	Absent	Town of Windsor	AYE

AYES -7- NOES -0- ABSENT -3- ABSTAIN -0-
Motion passed.

6. Approval of Scope of Work for Website Design and Implementation RFP

Ms. Thigpen recommend the Board approve an RFP for the website redesign and implementation.

Board Discussion

Deb Fudge, Town of Windsor, commented on her excitement for the new website. She mentioned her frustration with finding broken links and the order of posting for Agenda items. She inquired about the list of vendors that would be used.

Ms. Thigpen responded that the list of potential vendors would be large.

Henry Mikus, City of Sebastopol, commented that the website redesign is needed due to the lack of accessibility for mobile usage.

Ms. Gorin asked about ongoing administrative costs for the website.

Mr. Carter responded that approximately \$20,000 is allocated to ISD for the existing site. It is anticipated that some of that funding may not be necessary in the future by establishing a site that can be managed by staff internally.

Chairman Sawyer commented that information regarding disposal details are important items for our website. Details on minimums and maximums for household hazardous waste items should be communicated.

Melanie Bagby, City of Cloverdale, inquired if we would be implementing an Instagram account.

Mr. Carter responded that one was recently established (recyclenowsonomacounty)

Public Comments

None.

Deb Fudge, Town of Windsor motioned to approve the RFP for Website Design and Implementation and Brent Salmi, City of Healdsburg, seconded the motion.

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	Absent
City of Petaluma	Absent	County of Sonoma	AYE
City of Rohnert Park	Absent	Town of Windsor	AYE

AYES -7- NOES -0- ABSENT -3- ABSTAIN -0-
Motion passed.

7. Boardmember Comments

None.

8. Staff Comments

Ms. Thigpen reported on the survey for our Recycle Guide. The survey was well responded to on Facebook and answered questions on usage and contained user comments on the guide.

Mr. Carter commented that a full report will happen at a future board meeting on the Recycle Guide feedback. Mr. Carter reported that we have partnered with Goodwill to have mattress recycling at our e-waste events. 149 mattresses were collected an event in Petaluma and 89 mattresses in Santa Rosa. Efforts have begun to look for a northern county HHW site and a consultant to help evaluate the existing facility and look at more options has been hired. The cost is under \$25,000, so was executed under Executive Director signing authority. The compost RFP

deadlines have been extended to accommodate Santa Rosa's need for more time to evaluate their RFP. Question deadline is extended to November 13, 2017 and the deadline for submittal will be moved to January 16, 2018.

9. Next SCWMA meeting: November 15, 2017

10. Adjournment:

The meeting adjourned at 9:21 a.m.

Submitted by: Patrick Carter

DRAFT



Agenda Item #: **6.2**
 Agenda Date: **11/15/2017**

ITEM: **October, November, and December 2017 Outreach Calendar**

October 2017 Outreach Events

Day	Time	Event
1	12 PM – 4 PM	Dia de los Muertos Petaluma and Binational Health Week - Petaluma
1	12 PM – 6 PM	Roseland Community Festival – Santa Rosa
3	4 PM – 8 PM	Community Toxic Collection - Sonoma
4	8 AM – 12 PM	Outreach at DMV – Petaluma
6-8	9 AM – 5 PM	E-Waste Collection Event – Windsor
7	10 AM – 3 PM	Roseland Village Binational Health Fair – Santa Rosa
8	1 PM – 4 PM	Binational Health Week Santa Rosa -Santa Rosa
10	4 PM – 8 PM	Community Toxic Collection – Cloverdale Cancelled due to Fires
11	8 AM – 12 PM	Outreach at DMV – Santa Rosa Cancelled due to Fires
14	1 PM – 4 PM	Luma Fest at Petaluma SRJC – Petaluma Cancelled due to Fires
15	10 AM – 3 PM	Binational Health Week Santa Rosa -Windsor Cancelled due to Fires
17	4 PM – 8 PM	Community Toxic Collection – Larkfield Cancelled due to Fires
18	9 AM – 10 AM	Graton labor Center presentation -Graton Cancelled due to Fires
19	3 PM – 5 PM	Food Rescue & Recovery presentation at Alexander Valley Film Festival – Cloverdale
24	4 PM – 8 PM	Community Toxic Collection - Petaluma
25	8 AM – 12 PM	Outreach at DMV – Santa Rosa
28	9 AM – 1 PM	DEA Drug Take Back
31	4 PM – 8 PM	Community Toxic Collection – Santa Rosa, E

November 2017 Outreach Events

Day	Time	Event
1	1 PM – 2 PM	Food Waste & Organics Assessment at Santa Rosa Junior College – Santa Rosa
4	10:30 AM – 12:30 PM	UCCE Compost Workshop – Guerneville
8	8 AM – 12 PM	Outreach at DMV – Santa Rosa
7	4 PM – 8 PM	Community Toxic Collection - Guerneville
10-12	9 AM – 5 PM	E-Waste Collection Event – Sonoma
11	11 AM – 1 PM	UCCE Compost Workshop – Windsor
14	4 PM – 8 PM	Community Toxic Collection - Windsor

15	9 AM – 10 AM	Graton Labor Center presentation -Graton
18	9 AM – 10 AM	End of the Harvest Fiesta – Santa Rosa
28	4 PM – 8 PM	Community Toxic Collection - Oakmont

December 2017 Outreach Events

Day	Time	Event
2	11 AM – 1 PM	UCCE Compost Workshop in Spanish – Santa Rosa
5	4 PM – 8 PM	Community Toxic Collection - Guerneville
8-10	9 AM – 5 PM	E-Waste Collection Event – Petaluma
12	4 PM – 8 PM	Community Toxic Collection - Guerneville
13	9 AM – 10 AM	Graton Labor Center presentation -Graton
15	9 AM – 11:30 AM	Annual Career Day at Cali Calmecac - Windsor



Agenda Item #: **6.3**
Cost Center: **All**
Staff Contact: **Smith**
Agenda Date: **11/15/2017**
Approved By:

ITEM: Legislative Update

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

This item is informational. No action is required by the Board.

II. BACKGROUND

The 2017/18 California legislative session has adjourned. Governor Jerry Brown has signed several waste related bills into legislation.

III. DISCUSSION

AB 1219 (Eggman) - California Good Samaritan Law

This bill strengthens and expands protection for food donors from legal liability in order to encourage food donations. Currently many businesses, retailers, and restaurants are either not aware of laws which protect food donors or are confused with the current laws in place. The protection is expanded to persons and gleaners who donate food. Notably, the bill also requires health inspectors to promote donation and educate restaurants and grocery stores about these liability protections.

SB 557 (Hernandez) - School Food Donations

This bill allows public school cafeterias to donate unopened prepackaged food, uncut produce (e.g. apples), and properly stored milk to food banks or charitable non-profits. It also makes surplus food available to students during meal time through "share tables" in the cafeteria. This helps communities suffering from food insecurity in addition to reducing edible food waste.

AB 954 (Chiu) - Food Labeling

In an effort to reduce food waste, this bill requires the California Department of Public Health and California Department of Food and Agriculture to publish guidelines that encourage industry adoption of uniform date label standards. Misinterpretation of food date labels is a key factor leading to food waste in American households and supermarkets. This past February, the Grocery Manufacturing Association and Food Marketing Institute launched a voluntary labeling program to limit food labels to two: "BEST IF USED BY" for quality/freshness, and "USE BY" for safety/perishability.

AB 1158 (Chu) - Carpet Recycling

This bill will increase carpet recycling by 50% in two years by requiring a carpet stewardship plan to achieve a 24% recycling rate for post-consumer carpet by January 1, 2020; the bill would authorize CalRecycle to set future recycling benchmarks.

SB 1383 (Lara) – Short Lived Climate Pollutants

SB 1383 creates a framework to reduce the emissions of Short Lived Climate Pollutants, or "Super Pollutants", including methane from the waste sector. This bill was signed into law by Governor Brown September 19th, 2016. The bill grants CalRecycle the authority to adopt regulations to achieve reductions.

Implementing SB 1383 will require the development of a comprehensive organic waste infrastructure statewide, as well as a significant commitment to education and enforcement by local governments & waste haulers. This bill will require a 75 percent reduction in statewide disposal of organic waste by 2025, compared to the amount of organics generated in 2014. It also includes a goal of 20 percent of edible food is to be recovered for human consumption, that is currently disposed of.

SB 1287 (McGuire) – Crab Gear Retrieval Act

This bill promotes the retrieval of lost gear as an easy way to mitigate the increasing amount of ocean waste and wildlife entanglements. This bill is based on successful gear recovery programs in California that have proven effective, have the voluntary support of the fishermen and are self-sustaining.

IV. FUNDING IMPACT

No funding impact.

V. ATTACHMENTS

None



Agenda Item #: **6.4**
Cost Center: **All**
Staff Contact: **Collard**
Agenda Date: **11/15/2017**
Approved by:

ITEM: **Approval of FY 2017-18 First Quarter Financial Report**

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approving the FY 2017-18 First Quarter Financial Report on the Consent Calendar.

II. BACKGROUND

In accordance with the requirement in the joint powers agreement the Sonoma County Waste Management Agency (SCWMA) staff make quarterly reports to the Board of Directors of Agency operations and of all receipts to and disbursements from the SCWMA, this report covers the First Quarter of FY 17-18 (July 1, 2017 - September 30, 2017).

The FY 2017-18 First Quarter Financial Report contains the actual amounts spent or received to date at the end of the quarter. It is important to not draw many conclusions in the year-to-date figures, as very little of the fiscal year has passed. Second and Third Quarter Reports provide a better picture of the SCWMA's financial position.

III. DISCUSSION

Relatively few revenues have been realized in FY 2017/18 First Quarter. The SCWMA has received two payments of the SCWMA surcharge, the first quarter interest allocations, and few other income sources. Tipping fee/surcharge payments from the County that have not been received yet and are expected to appear on the Second Quarter Financial Report. With regard to expenditures, all accounts are currently projected to stay within budget limits.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approving the FY 2017-18 First Quarter Financial Report on the Consent Calendar.

V. ATTACHMENTS

FY 2017-18 First Quarter Financial Report

78101 SCWMA Wood Waste

Account	Description	Final Budget	Actual Year to Date	Remaining Balance
Revenue Accounts				
42601	County of Sonoma	\$ 240,000	\$ -	\$ 240,000
44002	Interest on Pooled Cash	\$ 305	\$ -	\$ 305
44050	Unrealized Gains and Losses	\$ -	\$ 982	\$ (982)
All Revenues		\$ 240,305	\$ 982	\$ 239,323
Expenditure Accounts				
51041	Insurance - Liability	\$ 600	\$ 508	\$ 92
51201	Administration Services	\$ 12,481	\$ 1,330	\$ 11,151
51206	Accounting/Auditing Services	\$ 500	\$ -	\$ 500
51207	Client Accounting Services	\$ 761	\$ -	\$ 761
51803	Other Contract Services	\$ 216,000	\$ 45,560	\$ 170,440
51904	ISD - Baseline Services	\$ 3,989	\$ 688	\$ 3,301
51916	County Services Chgs	\$ 4,509	\$ -	\$ 4,509
57011	Transfers Out - within a Fund	\$ 1,466	\$ -	\$ 1,466
All Expenditures		\$ 240,306	\$ 48,086	\$ 192,220
All Expenditures		\$ 240,306	\$ 48,086	\$ 192,220
All Revenues		\$ 240,305	\$ 982	\$ 239,323
Net Cost		\$ 1	\$ 47,103	\$ (47,102)

78102 - SCWMA Yard Debris

Account	Description	Final Budget	Actual Year to Date	Remaining Balance
Revenue Accounts				
42601	County of Sonoma	\$ 4,680,000	\$ -	\$ 4,680,000
44002	Interest on Pooled Cash	\$ 3,655	\$ -	\$ 3,655
44050	Unrealized Gains and Losses	\$ -	\$ 518	\$ (518)
All Revenues		\$ 4,683,655	\$ 518	\$ 4,683,137
Expenditure Accounts				
51041	Insurance - Liability	\$ 960	\$ 812	\$ 148
51201	Administration Services	\$ 126,730	\$ 4,093	\$ 122,637
51206	Accounting/Auditing Services	\$ 6,000	\$ -	\$ 6,000
51207	Client Accounting Services	\$ 1,217	\$ -	\$ 1,217
51212	Outside Counsel - Legal Advice	\$ 5,000	\$ 111	\$ 4,890
51803	Other Contract Services	\$ 4,527,000	\$ 749,122	\$ 3,777,878
51901	Telecommunication Data Lines	\$ 1,469	\$ 245	\$ 1,224
51904	ISD - Baseline Services	\$ 6,648	\$ 1,138	\$ 5,510
51916	County Services Chgs	\$ 7,214	\$ -	\$ 7,214
52111	Office Supplies	\$ 1,000	\$ -	\$ 1,000
57011	Transfers Out - within a Fund	\$ 416	\$ -	\$ 416
All Expenditures		\$ 4,683,654	\$ 755,521	\$ 3,928,133
All Expenditures		\$ 4,683,654	\$ 755,521	\$ 3,928,133
All Revenues		\$ 4,683,655	\$ 518	\$ 4,683,137
Net Cost		\$ (1)	\$ 755,003	\$ (755,004)

78103 - SCWMA Organics Reserve

Account	Description	Final Budget	Actual Year to Date	Remaining Balance
Revenue Accounts				
44002	Interest on Pooled Cash	\$ 11,051	\$ -	\$ 11,051
44050	Unrealized Gains and Losses	\$ -	\$ 12,256	\$ (12,256)
47101	Transfers In - within a Fund	\$ 1,882	\$ -	\$ 1,882
All Revenues		\$ 12,933	\$ 12,256	\$ 677
Expenditure Accounts				
51201	Administration Services	\$ 66,883	\$ 7,841	\$ 59,042
51206	Accounting/Auditing Services	\$ 2,500	\$ -	\$ 2,500
51212	Outside Counsel - Legal Advice	\$ 10,000	\$ 199	\$ 9,801
51803	Other Contract Services	\$ 50,000	\$ 5,156	\$ 44,844
52111	Office Supplies	\$ 1,000	\$ -	\$ 1,000
All Expenditure Accounts		\$ 130,383	\$ 13,196	\$ 117,187
All Expenditures		\$ 130,383	\$ 13,196	\$ 117,187
All Revenues		\$ 12,933	\$ 12,256	\$ 677
Net Cost		\$ 117,450	\$ 940	\$ 116,510

78104 - SCWMA HHW

Account	Description	Final Budget	Actual Year to Date	Remaining Balance
Revenue Accounts				
42358	State Other Funding	\$ 150,000	\$ -	\$ 150,000
42601	County of Sonoma	\$ 1,356,642	\$ 111,786	\$ 1,244,856
44002	Interest on Pooled Cash	\$ 3,606	\$ -	\$ 3,606
44050	Unrealized Gains and Losses	\$ -	\$ 4,947	\$ (4,947)
46029	Donations/Contributions	\$ 226,670	\$ 25,829	\$ 200,841
All Revenues		\$ 1,736,918	\$ 142,562	\$ 1,594,356
All Expense/Expenditure Accts				
51041	Insurance - Liability	\$ 7,440	\$ 6,294	\$ 1,146
51201	Administration Services	\$ 278,217	\$ 25,816	\$ 252,401
51205	Advertising/Marketing Svc	\$ 12,000	\$ 2,381	\$ 9,619
51206	Accounting/Auditing Services	\$ 7,500	\$ -	\$ 7,500
51207	Client Accounting Services	\$ 9,433	\$ -	\$ 9,433
51212	Outside Counsel - Legal Advice	\$ 10,000	\$ -	\$ 10,000
51225	Training Services	\$ 750	\$ 300	\$ 450
51249	Other Professional Services	\$ 132,843	\$ 19,550	\$ 113,293
51421	Rents and Leases - Bldg/Land	\$ 7,000	\$ -	\$ 7,000
51801	Other Services	\$ -	\$ 5,494	\$ (5,494)
51803	Other Contract Services	\$ 1,171,000	\$ 126,918	\$ 1,044,082
51901	Telecommunication Data Lines	\$ 1,920	\$ -	\$ 1,920
51902	Telecommunication Usage	\$ 200	\$ 15	\$ 185
51904	ISD - Baseline Services	\$ 3,989	\$ 688	\$ 3,301
51911	Mail Services	\$ -	\$ 1	\$ (1)
51916	County Services Chgs	\$ 55,912	\$ -	\$ 55,912
52091	Memberships/Certifications	\$ 10,450	\$ 10,200	\$ 250
52111	Office Supplies	\$ 1,000	\$ 609	\$ 391
57011	Transfers Out - within a Fund	\$ 27,265	\$ -	\$ 27,265
All Expense/Expenditure Accts		\$ 1,736,919	\$ 198,266	\$ 1,538,653
All Expenditures		\$ 1,736,919	\$ 198,266	\$ 1,538,653
All Revenues		\$ 1,736,918	\$ 142,562	\$ 1,594,356
Net Cost		\$ 1	\$ 55,703	\$ (55,702)

78105 - SCWMA HHW Facility Reserve

Account		Description	Final Budget		Actual Year to Date		Remaining Balance
Revenue Accounts							
44002	Interest on Pooled Cash	\$	349	\$	-	\$	349
44050	Unrealized Gains and Losses	\$	-	\$	283	\$	(283)
All Revenues		\$	349	\$	283	\$	66
All Expenditures							
All Revenues		\$	349	\$	283	\$	66
Net Cost		\$	(349)	\$	(283)	\$	(66)

78106 - SCWMA HHW Operating Reserve

Account	Description	Final Budget	Actual Year to Date	Remaining Balance
Revenue Accounts				
44002	Interest on Pooled Cash	\$ 8,247	\$ 17,037	\$ (8,790)
44050	Unrealized Gains and Losses	\$ -	\$ (8,403)	\$ 8,403
47101	Transfers In - within a Fund	\$ 77,325	\$ 77,325	\$ -
All Revenues		\$ 85,572	\$ 85,959	\$ (387)
All Expenditures				
All Revenues		\$ 85,572	\$ 85,959	\$ (387)
Net Cost		\$ (85,572)	\$ (85,959)	\$ 387

78107 - SCWMA Education

Account	Description	Final Budget	Actual Year to Date	Remaining Balance
Revenue Accounts				
42358	State Other Funding	\$ 142,000	\$ -	\$ 142,000
42601	County of Sonoma	\$ 421,659	\$ 34,744	\$ 386,915
44002	Interest on Pooled Cash	\$ 1,532	\$ -	\$ 1,532
44050	Unrealized Gains and Losses	\$ -	\$ 1,856	\$ (1,856)
46029	Donations/Contributions	\$ 33,465	\$ 3,219	\$ 30,246
All Revenues		\$ 598,656	\$ 39,819	\$ 558,837
Expenditure Accounts				
51041	Insurance - Liability	\$ 1,800	\$ 1,523	\$ 277
51201	Administration Services	\$ 283,432	\$ 30,549	\$ 252,883
51205	Advertising/Marketing Svc	\$ -	\$ 105	\$ (105)
51206	Accounting/Auditing Services	\$ 3,000	\$ -	\$ 3,000
51207	Client Accounting Services	\$ 2,282	\$ -	\$ 2,282
51212	Outside Counsel - Legal Advice	\$ 30,000	\$ 2,463	\$ 27,537
51225	Training Services	\$ 2,250	\$ -	\$ 2,250
51249	Other Professional Services	\$ 62,094	\$ 5,851	\$ 56,243
51401	Rents and Leases - Equipment	\$ 3,000	\$ -	\$ 3,000
51421	Rents and Leases - Bldg/Land	\$ 8,625	\$ 2,132	\$ 6,493
51801	Other Services	\$ -	\$ 136	\$ (136)
51803	Other Contract Services	\$ 102,600	\$ 29,207	\$ 73,393
51901	Telecommunication Data Lines	\$ 2,448	\$ 408	\$ 2,040
51902	Telecommunication Usage	\$ 900	\$ 166	\$ 734
51904	ISD - Baseline Services	\$ 3,989	\$ 688	\$ 3,301
51906	ISD - Supplemental Projects	\$ 3,000	\$ -	\$ 3,000
51909	Telecommunication Wireless Svc	\$ 1,800	\$ 292	\$ 1,508
51911	Mail Services	\$ 500	\$ 103	\$ 397
51916	County Services Chgs	\$ 13,527	\$ -	\$ 13,527
51922	County Car Expense	\$ 1,000	\$ 197	\$ 803
51923	Unclaimable county car exp	\$ -	\$ 13	\$ (13)
52091	Memberships/Certifications	\$ 150	\$ 150	\$ -
52111	Office Supplies	\$ 24,630	\$ 2,749	\$ 21,881
52163	Professional Development	\$ 28,150	\$ 200	\$ 27,950
57011	Transfers Out - within a Fund	\$ 19,479	\$ -	\$ 19,479
All Expenditures		\$ 598,656	\$ 76,930	\$ 521,726
All Expenditures		\$ 598,656	\$ 76,930	\$ 521,726
All Revenues		\$ 598,656	\$ 39,819	\$ 558,837
Net Cost		\$ -	\$ 37,111	\$ (37,111)

78108 - SCWMA Planning

Account	Description	Final Budget	Actual Year to Date	Remaining Balance
Revenue Accounts				
42601	County of Sonoma	\$ 54,999	\$ 4,532	\$ 50,467
44002	Interest on Pooled Cash	\$ 102	\$ -	\$ 102
44050	Unrealized Gains and Losses	\$ -	\$ 205	\$ (205)
46029	Donations/Contributions	\$ 4,365	\$ 407	\$ 3,958
All Revenues		\$ 59,466	\$ 5,144	\$ 54,322
Expenditure Accounts				
51041	Insurance - Liability	\$ 1,200	\$ 1,015	\$ 185
51201	Administration Services	\$ 33,803	\$ 2,985	\$ 30,818
51206	Accounting/Auditing Services	\$ 1,000	\$ -	\$ 1,000
51207	Client Accounting Services	\$ 1,521	\$ -	\$ 1,521
51212	Outside Counsel - Legal Advice	\$ 1,000	\$ -	\$ 1,000
51904	ISD - Baseline Services	\$ 3,989	\$ 688	\$ 3,301
51916	County Services Chgs	\$ 9,018	\$ -	\$ 9,018
57011	Transfers Out - within a Fund	\$ 7,935	\$ -	\$ 7,935
All Expenditures		\$ 59,466	\$ 4,687	\$ 54,779
All Expenditures		\$ 59,466	\$ 4,687	\$ 54,779
All Revenue		\$ 59,466	\$ 5,144	\$ 54,322
Net Cost		\$ -	\$ (457)	\$ 457

78109 - SCWMA Contingency Fund

Account	Description	Final Budget	Actual Year to Date	Remaining Balance
Revenue Accounts				
44002	Interest on Pooled Cash	\$ 945	\$ -	\$ 945
44050	Unrealized Gains and Losses	\$ -	\$ 941	\$ (941)
47101	Transfers In - within a Fund	\$ 54,679	\$ -	\$ 54,679
All Revenues		\$ 55,624	\$ 941	\$ 54,683
Expenditure Accounts				
51201	Administration Services	\$ 49,888	\$ -	\$ 49,888
51206	Accounting/Auditing Services	\$ 1,500	\$ -	\$ 1,500
51212	Outside Counsel - Legal Advice	\$ 10,000	\$ -	\$ 10,000
51803	Other Contract Services	\$ 190,000	\$ -	\$ 146,267
52101	Other Supplies	\$ 1,000	\$ -	\$ 1,000
All Expenditures		\$ 252,388	\$ -	\$ 208,655
All Revenue		\$ 55,624	\$ 941	\$ 54,683
All Expenditures		\$ 252,388	\$ -	\$ 208,655
Net Cost		\$ 196,764	\$ (941)	\$ 153,972

SCWMA Fund Balances

Fund	FY 16/17 Ending Balance	FY 17/18 First Quarter Fund Balance	Fund Balance Goal
Wood Waste	\$ 312,856	\$ 265,752	\$ 35,826
Yard Debris	\$ 966,918	\$ 211,914	\$ 702,486
Organics Reserve	\$ 3,025,177	\$ 3,024,237	\$ -
HHW	\$ 944,489	\$ 888,785	\$ 256,448
HHW Facility Reserve	\$ 69,918	\$ 70,200	\$ 68,000
HHW Operating Reserve	\$ 1,748,700	\$ 1,755,460	\$ 600,000
Education	\$ 348,278	\$ 311,168	\$ 57,918
Planning	\$ 43,695	\$ 44,152	\$ 5,153
Contingency Reserve	\$ 243,520	\$ 244,461	\$ 157,677



Agenda Item #: 7
Cost Center: Yard/Wood/HHW
Staff Contact: Carter
Agenda Date: 11/15/2017
Approved By:

ITEM: Discussion and Possible Action on Assignment of Compostable Materials Transport Services and E-Waste Handling Agreements to Recology

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the Board approve the assignment agreement for Compostable Materials Transport Services and E-Waste Handling Services on a supermajority vote, transferring responsibility to perform the tasks and duties in the agreements from the Ratto Group to Recology Sonoma Marin.

II. BACKGROUND

The SCWMA currently has agreements with the Ratto Group for hauling and disposal of wood waste and green waste and for the handling of electronic waste (E-waste) delivered to the County-owned transfer stations. The SCWMA originally entered into the organics agreement on September 17, 2014, and subsequently amended that agreement on June 24, 2015 (First Amendment) and November 16, 2016 (Second Amendment). The E-waste agreement was entered into on November 18, 2015 and amended on November 16, 2016 (First Amendment). Both agreements with the Ratto Group will expire on February 11, 2018, unless extended by mutual agreement.

SCWMA staff received a letter from Recology and the Ratto Group, dated September 29, 2017, requesting that the SCWMA consent to a transaction between those two parties where Recology would purchase substantially all of the Ratto Group's assets.

SCWMA staff has participated in an effort led by the City of Petaluma and its contractor, R3 Consulting Group, to perform a regional review of the assignment of agreements from the Ratto Group to Recology. Staff also met with Recology staff and toured the Recology facilities in San Francisco in an effort to determine whether assignment was in the SCWMA's best interest.

III. DISCUSSION

Recology representatives have assured SCWMA staff that they have the equipment and staff necessary to perform the transportation of compostable materials from County-owned transfer stations to SCWMA-directed compost sites. Recology currently handles and consolidates E-waste in its other service territories. SCWMA staff requested one change to the terms and conditions of these agreements: the extension of the termination date from February 11, 2018 to February 11, 2019. SCWMA staff requested the term change to allow SCWMA staff additional time to examine the results of proposals submitted through the organics RFP (proposals are due January 16, 2018),

as the organics system may change significantly with the results of that RFP. Recology requested a 3% cost adjustment to the agreement, as there was no other cost adjustment mechanism in that agreement.

SCWMA staff's assessment of the results of the assignment of this agreement is favorable. As described in the report prepared by R3, Recology's reputation is generally positive as viewed by their municipal partners, as well as their permit compliance history. As it relates to the scope of this agreement and beyond to the SCWMA's education and HHW programs, SCWMA staff has participated in a number of positive discussions with Recology staff and is encouraged by the indicated interest for collaboration on a number of common waste reduction issues that were discussed.

SCWMA staff visited Recology solid waste facilities on October 30 and November 6, and while the facilities are not necessarily comparable to facilities Recology would assume in Sonoma County, staff was impressed by the throughput of those facilities, Recology's commitment to waste reduction and diversion, and Recology's experience with diversion programs. Staff witnessed processes very similar to those required by this compostable material transport and e-waste handling services agreement taking place at the San Francisco facilities, and is confident Recology has the necessary experience to perform the work required should this agreement be assigned to them.

As approval of this item includes extending the term of both agreements an additional year, and involves the committing of SCWMA funding in excess of \$250,000 for that additional year, a supermajority vote is required.

IV. FUNDING IMPACT

Recology has requested a 3% increase to payment for the e-waste agreement, as there was no previous mechanism for cost increases. The increase would be approximately \$1,900, and would not have a significant impact on the HHW fund budget. As such, funding allocated through the SCWMA's FY 2017-18 budget are expected to be sufficient for both agreements.

V. ATTACHMENTS

Assignment Request from Recology and the Ratto Group
Assignment Agreement
Resolution



September 29, 2017

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

Re: Request for Consent to Assignment
Agreement for Compostable Materials Transport Services between The Ratto Group of
Companies Inc. and Sonoma County Waste Management Agency (the “**Agreement**”)

Dear Patrick,

We wish to inform you that The Ratto Group of Companies Inc. (“**TRG**”) and their affiliated companies have entered into an agreement to sell substantially all of their assets to Recology Inc. and its designated affiliates, who will continue TRG’s operations (the “**Transaction**”).

The purpose of this letter is to request that the Agency provide its consent for TRG to assign the Agreement to Recology Sonoma Marin, a subsidiary of Recology Inc. Upon the assignment of the Agreement, Recology Sonoma Marin will be subject to the applicable terms and conditions of the Agreement and will continue to perform the obligations thereunder.

Time is of the essence in obtaining a response to this request, accordingly, please do not hesitate to contact Ed Farewell, Recology Sonoma Marin’s Vice President & Group Manager, at 707-695-2726, or Rick Powell, TRG’s General Manager, at 707-775-9707 regarding this matter. TRG and Recology look forward to working with the Agency on assigning the Agreement in accordance with the terms of the Agreement.

Your consent will become effective as of the closing of the Transaction and will have no effect unless the closing of the Transaction occurs. We expect the Transaction to close in calendar year 2017.

We appreciate your prompt consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael J. Sangiacomo".

Michael J. Sangiacomo
President & Chief Executive Officer
Recology Inc.

A handwritten signature in blue ink, appearing to read "Rick Powell".

Rick Powell
President
The Ratto Group of Companies Inc.

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement is entered into as of November 15, 2017 by and among the Sonoma County Waste Management Agency, a California joint powers agency ("SCWMA"), The Ratto Group of Companies Inc., a California corporation ("TRG"), and Recology Sonoma Marin, a California corporation ("Recology").

WHEREAS, SCWMA and TRG are parties to the following agreements (the "Agreements"):

- (i) Agreement for Compostable Materials Transport Services dated September 17, 2014, as amended by a First Amendment dated June 24, 2015 and a Second Amendment dated November 16, 2016; and
- (ii) Agreement for E-Waste Handling Services at Sonoma County Disposal Sites dated November 18, 2015, as amended by a First Amendment dated November 16, 2016 (the "E-Waste Agreement");

WHEREAS, TRG and its owners and affiliated entities (collectively, "Ratto") entered into an Asset Purchase Agreement dated August 11, 2017 (the "APA") which provides for the purchase by Recology Inc. or its designated subsidiaries of substantially all of Ratto's assets;

WHEREAS, in connection with the closing of the transactions contemplated by the APA (the "Closing"), TRG wishes to assign the Agreements to Recology, and Recology wishes to accept such assignment;

WHEREAS, each of the Agreements provides that such Agreement may not be assigned by TRG without the prior written consent of SCWMA.

NOW, THEREFORE, the parties agree as follows:

1. Subject to and effective as of the Closing, TRG will assign to Recology all of its right, title and interest in and to each Agreement.
2. Subject to and effective as of the Closing, Recology will accept such assignment and will assume all duties and obligations of TRG under each Agreement from and after the Closing.
3. Recology agrees to notify SCWMA that the Closing has occurred within five (5) business days thereafter.
4. SCWMA hereby consents to the foregoing assignment and assumption on the terms and conditions set forth herein.
5. Subject to and effective as of the Closing, the Agreements shall be amended (automatically and without any further action by any party) as follows:
 - (i) The term of each Agreement shall be extended by one (1) year, to February 11, 2019, unless earlier terminated in accordance with such Agreement;
 - (ii) Effective as of February 12, 2018, the compensation payable to Contractor under the E-Waste Agreement shall be increased by three percent (3.0%).

6. Recology's address for purposes of notices under any Agreement shall be as follows:

Recology Sonoma Marin
c/o Recology Inc.
Attn: Legal Department
50 California Street, 24th Floor
San Francisco, CA 94111

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement as of the date first written above.

**Sonoma County Waste Management
Agency**

By: _____
Name: _____
Title: _____

The Ratto Group of Companies Inc.

By: _____
Name: _____
Title: _____

Recology Sonoma Marin

By: _____
Name: _____
Title: _____

RESOLUTION NO.: 2017-

DATED: November 20, 2017

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("SCWMA")
AUTHORIZING THE SCWMA CHAIR TO EXECUTE AN ASSIGNMENT AND ASSUMPTION
AGREEMENT BETWEEN THE SCWMA, RECOLOGY SONOMA MARIN ("RECOLOGY"), AND THE
RATTO GROUP ("TRG")

WHEREAS, SCWMA and TRG are parties to the following agreements (the "Agreements"):

- (i) Agreement for Compostable Materials Transport Services dated September 17, 2014, as amended by a First Amendment dated June 24, 2015 and a Second Amendment dated November 16, 2016; and
- (ii) Agreement for E-Waste Handling Services at Sonoma County Disposal Sites dated November 18, 2015, as amended by a First Amendment dated November 16, 2016 (the "E-Waste Agreement");

WHEREAS, TRG and its owners and affiliated entities entered into an Asset Purchase Agreement dated August 11, 2017 which provides for the purchase by RECOLOGY of substantially all of TRG's assets;

WHEREAS, each of the Agreements provides that such Agreement may not be assigned by TRG without the prior written consent of SCWMA;

WHEREAS, SCWMA staff participated in the development of and reviewed the results of a certain report prepared by R3 Consulting Group, Inc. examining the consequences of the purchase of TRG assets by RECOLOGY;

NOW, THEREFORE, BE IT RESOLVED that the Sonoma County Waste Management Agency hereby authorizes the SCWMA Chairman of the Board to execute an assignment and assumption agreement between the SCWMA, RECOLOGY, and TRG.

MEMBERS:

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

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

SO ORDERED

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

ATTEST: DATE:

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