

SONOMA COUNTY WASTE MANAGEMENT AGENCY

May 18, 2011

SPECIAL MEETING
CLOSED SESSION PRIOR TO REGULAR MEETING 8:30 a.m.

Regular Meeting at 9:00 a.m. (or immediately following closed session)

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

Estimated Ending Time 11:30 a.m.

AGENDA

- | <u>ITEM</u> | <u>ACTION</u> |
|-------------|--|
| 1. | Call to Order Regular Meeting |
| 2. | Open Closed Session |
| | CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code section 54956.9(b)(1) and (b)(3)(A) one case |
| 3. | Adjourn Closed Session |
| 4. | Agenda Approval |
| 5. | <u>Attachments/Correspondence:</u> |
| 5.1 | Director's Agenda Notes |
| 5.2 | Reports by Staff and Others: |
| 5.2.a. | HHW Operations Plan Update |
| 5.2.b. | Letter of Support for SB 515 (Corbett) Battery Stewardship Act |
| 5.2.c. | May 2011 Outreach Events |
| 6. | <u>On file w/Clerk: for copy call 565-3579</u>
Resolutions approved in April 2011
2011- 003 Resolution of the SCWMA Adopting an Annual Budget for Fiscal Year
2011-12 |
| 7. | Public Comments (items not on the agenda) |

CONSENT (w/attachments)

Discussion/Action

- | | |
|-----|--|
| 8.1 | Minutes of April 20, 2011 |
| 8.2 | FY 10-11 Third Quarter Financial Report |
| 8.3 | Seventh Amendment to Petaluma HHW Services Agreement |

REGULAR CALENDAR

- | | | |
|-----|--|---------------------------------------|
| 9. | Carryout Bags Decision Process <i>(continued from April Mtg)</i>
(Carter)[Attachment] | Discussion/Action
Planning |
| 10. | FY 09-10 Audit
[Mikus/Fisher] (Attachment) | Discussion/Action
All |
| 11. | Sonoma County/City Solid Waste Advisory
[Barbose] | Discussion/Action
All |
| 12. | PG&E Fluorescent Lamp Recycling Regional
Outreach Contract
[Chilcott](Attachment) | Discussion/Action
Education |
| 13. | Beverage Container Grant Discussion
[Carter](Attachment) | Discussion/Action
Diversión |
| 14. | Multi-family Outreach Best Practices
[Chilcott](Attachment) | Discussion/Action
Education |
| 15. | Boardmember Comments | |
| 16. | Staff Comments | |
| 17. | Next SCWMA Meeting – June 15, 2011 | |
| 18. | Adjourn | |

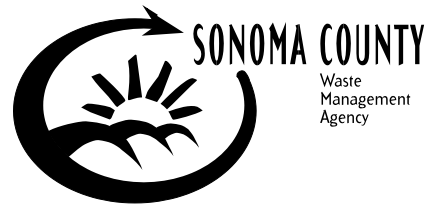
CONSENT CALENDAR: These matters include routine financial and administrative actions and are usually approved by a single majority vote. Any Boardmember may remove an item from the consent calendar.

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



TO: Sonoma County Waste Management Agency Board Members

FROM: Henry Mikus, Executive Director

SUBJECT: May 18, 2011 Agenda Notes

Attachments/Correspondence

There are three items under "Reports by Staff and Others" for the month:

- 5.2.a. The HHW Operations Plan Update is presented mainly to document necessary changes due to the placement into service of the new storage building. Because the plan is so large copies are not included in your packets, but the plan is available for review (including via electronic copy) if any Board members would like a copy.
- 5.2.b. We have written a Letter of Support for SB 515 (Corbett) Battery Stewardship Act which is consistent with our mission. If the bill is approved, staff feels our expense in dealing with spent batteries will be significantly decreased.
- 5.2.c. May 2011 Outreach Events: This is our second installment providing this informational list. Worth noting are the numerous dates for presentations by our contractor, Sonoma Compost, commemorating "International Compost Week".

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.

- 8.1 Minutes of April 20, 2011
- 8.2 FY 10-11 Third Quarter Financial Report
- 8.3 Seventh Amendment to Petaluma HHW Services Agreement This is an annual, routine action extending the agreement between SCWMA and Petaluma concerning services and reimbursement related to their outhaul.

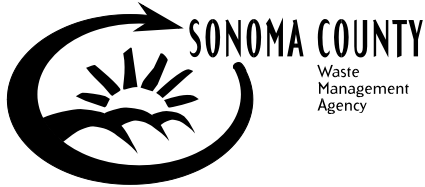
Regular Calendar

- 9. Carryout Bags Decision Process This item was continued due to time constraints at last month's meeting. Much related discussion had already occurred as part of the staff report and the Board's subsequent discussion on estimated expenses for various possible courses of action for ordinances concerning single-use bags. The presentation is being given for the Board's review, since it is intended to be available for use in further informational sessions presented to SCWMA member jurisdictions' leadership teams and elected bodies. **Recommended Action: Staff recommends dissemination of the presentation materials to the individual jurisdictions for consideration.**
- 10. FY 09-10 Audit The County of Sonoma supports our work by providing accounting functions and auditing services. The audit for Fiscal Year 2009-2010 was recently completed, discussed with staff, and is presented for the Board's review. The audit disclosed some problems, with a resulting "Management Letter" from the auditor to the Sonoma County accounting staff and SCWMA. All issues involved transactions across the transition between fiscal years, in this case from FY 08/09 to FY 09/10, with the majority concerned with accounting for such transactions in the appropriate fiscal year, where differences were noted between the end of year reports and the accounting

system. These items have been reconciled and are now recorded appropriately. It is worth noting that despite the errors, the fiscal year-end reports that are our public record are not adversely affected. We are required to address the auditor's findings, and respond to the "Management Letter". Our staff, the accountants, and the auditor have settled on procedural changes to ensure similar situations do not reoccur. A draft response letter is included with the staff report for the Board to please review.

Recommended Action: Approve the audit response letter.

11. Sonoma County/City Solid Waste Advisory Verbal report from Steve Barbose, City of Sonoma, serving as SCWMA liaison to the recently convened advisory group. **No action required.**
12. PG&E Fluorescent Lamp Recycling Regional Outreach Contract Sonoma and Napa Counties were selected by PG&E to become a pilot program for testing methods and effectiveness of advertising for collection of spent fluorescent lamps generated by residences. Based on the philosophy of Extended Producer Responsibility and offering limited-time disposal cost reimbursement for participating retailers, this \$80,000 contract between the Agency and PG&E expires December 31, 2012. Funds are allocated for retailer recruitment, publicity, and lamp recycling/disposal. English and Spanish speaking audiences will be targeted. This program builds upon work and products completed by the Agency under a 2010 PG&E Corporation Foundation grant. **Recommended Action: Give approval for SCWMA to enter into the appropriate agreement with PG&E.**
13. Beverage Container Grant Discussion The grant funding amount has been extremely variable in the past several years, and as such was not included in our budget plans for the upcoming fiscal year. As a result of discussion with the grant administrator, we recognize this program will provide a very valuable opportunity to address our needs (and get a nice head-start) with regards to Mandatory Commercial Recycling, and that there is a large amount of synergy and efficiency if we combine efforts from this grant with our Used Oil Block Grant work. **Actions Requested: Concur that staff submit the formal application, approve our role as fiscal agent, allow staff to enter into the RFP process for contract work, and agree to our plan to meld this grant effort with the Used Oil Block Grant where practical.**
14. Multi-family Outreach Best Practices This report is an update regarding multi-family recycling, given as part of our work preparing for the impending Mandatory Commercial Recycling requirements. **Recommended Action: No formal action required**



Agenda Item #: 5.2.a.
Cost Center: HHW
Staff Contact: Steinman
Agenda Date: 5/18/2011

Item: HHW Operations Plan Update

I. BACKGROUND

Sonoma County's Household Toxics Facility Operations Plan was prepared in November 2004 as part of the Agreement with Teris LLC (dba MSE Environmental) for Operation of Household Hazardous Waste Programs.

In June 2005, a revised plan was prepared by Teris LLC and Sonoma County Waste Management Agency (SCWMA) in compliance with California Code of Regulations, Title 22 section 67450.25(a)(3). Appendix "A" of the 2005 Operations Plan, titled Permit by Rule Notification, includes the following documents: Permit, Notification, Site Maps, Certificates of Self-Insurance, Financial Assurance for Cost of Closure, Closure Plan, and Sonoma County Waste Management Agency Joint Powers Authority Agreement.

The Closure Plan has been prepared in accordance with Title 22, CCR, Article 7, Closure and Post-Closure Care, and is designed to prohibit the discharge of hazardous waste into the environment and minimize threats to human health and the environment. The Second Revision to Sonoma County's Household Toxics Facility Operations Plan was approved by the Agency Board on May 21, 2008 to include an updated Closure Plan.

II. DISCUSSION

Sonoma County's Household Toxics Facility Operations Plan has been updated through the Third Revision. The facility's layout and storage capacity has been updated to include the addition of the new storage building. Sections of the plan have been revised to include: current procedures, practices, and controls, updated contact lists, current personnel and hours of operation, current forms used, and updates to the storm water plan. No new sections have been added.

III. FUNDING IMPACT

There is no funding impact resulting from this transmittal.

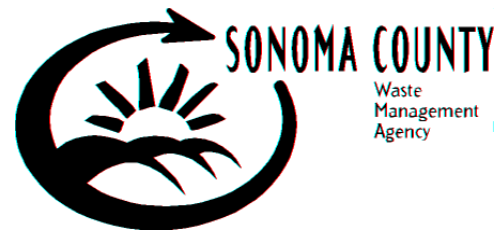
IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

This item is informational only.

V. ATTACHMENTS

There are no attachments. Sonoma County's Household Toxics Facility Operations Plan is on file with the clerk.

Approved by: _____
Henry J. Mikus, Executive Director, SCWMA



May 3, 2011

Senator Christine Kehoe, Chair
Senate Appropriations Committee
State Capitol
Sacramento, California 95814

RE: SB 515 (Corbett) Battery Stewardship Act - Support

Dear Senator Kehoe and Committee Members:

The Sonoma County Waste Management Agency (SCWMA) is a California Integrated Waste Management Board (CIWMB)-approved Regional Agency comprised of all the jurisdictions in Sonoma County tasked with many of the responsibilities of AB 939, including management of household hazardous wastes. In June 2001, the SCWMA, recognizing that Extended Producer Responsibility (EPR) is a waste management approach that significantly improves our ability to manage discarded hazardous products, approved a resolution supporting EPR policies and efforts by governmental and non-governmental organizations to develop such policies.

The SCWMA supports Extended Producer Responsibility (EPR) policies that shift California's product waste management system from one focused on local government funded and ratepayer financed to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote environmental sustainability.

The SCWMA urges your support of SB 515, which would require battery manufacturers to create and implement a stewardship program to manage batteries at end of life.

In February 2006, all household batteries were banned from solid waste landfills and classified as universal waste because they contain heavy metals, a corrosive electrolyte, or both. Consumers can't put them in their trash or recycling bins, but because few options exist for their proper disposal, most are illegally dumped in landfills.

SB 515 will create a system for battery recycling that will be easy for consumers to use and facilitate high rates of battery recycling, while ensuring all parties in the product chain share in the responsibility to manage batteries. The bill will alleviate the significant financial burden of up to \$2,700 per ton paid for by local governments via taxes and garbage rates to manage materials banned from landfill, and provide incentives for producers to make their products more recyclable and less toxic. It will also allow manufacturers to design the system that works best for their business model.

California's local governments need the battery industry to take a leadership role in managing their product waste. The bill should maintain requirements that ensure recycling opportunities are convenient to the public and are accompanied by an effective public education and outreach campaign, as well as provide adequate state oversight.

In 2010, the cost to manage 33,396 pounds of household batteries collected through Sonoma County's Household Toxics Facility (HHTF) was \$24,151. It is estimated that 60% of all participants utilizing the HHTF program are bringing in batteries.

The program envisioned in SB 515 will help California's economy by ensuring that spent batteries are properly managed by the private sector, not by growing government.

The SCWMA strongly urges your support of SB 515.

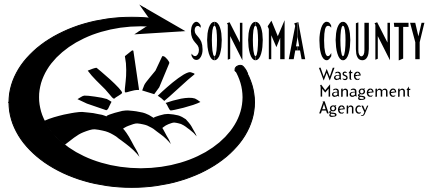
Sincerely,

Henry J. Mikus, Executive Director
Sonoma County Waste Management Agency

Cc: Members, Senate Appropriations Committee
Senator Mimi Walters, Fax (916) 445-9754
Senator Elaine Alquist, Fax (916) 324-0283
Senator Bill Emmerson, Fax (916) 327-2187
Senator Ted W. Lieu, Fax (916) 323-6056
Senator Fran Pavley, Fax (916) 324-4823
Senator Curren Price, Fax (916) 445-8899
Senator Sharon Runner, Fax (916) 445-4662
Senator Darrell Steinberg, Fax (916) 323-2263
Senate Majority Leader Ellen Corbett, Fax (916) 327-2433

May 2011 Outreach Events

1	8-4 pm	E-Waste Recycling Event, Goodwill Industries Retail Store, 513 Healdsburg Ave., Healdsburg
1	10 am	How to Build a Successful Compost Pile: Composting 101, Sonoma Compost Company
1	3 pm	Backyard Composting: A hands-on Compost Experience, Cotati
2	6 pm	On-Farm Composting: Closing the Loop, Sebastopol
3	4-8 pm	Community Toxics Collection, Healdsburg
3	11:30-1pm	Sonoma County Public Service Recognition Week Santa Rosa
5	4:30-9:30pm	Cinco de Mayo, Roseland Shopping Center parking lot Santa Rosa
10	4-6 pm	Recycling Loteria, So. Co. Windsor Library, Windsor
10	4-8 pm	Community Toxics Collection, Sonoma
13	7:30-5pm	Sustainable Enterprise Conference, Rohnert Park
14-15	4-8 pm	Infineon Raceway (motorcycle used oil recycling outreach event) Sonoma
15	1-4 pm	Lobo Community Fair at Elsie Ellen High School, Santa Rosa
17	4-8 pm	Community Toxics Collection, Santa Rosa NW
19	3-5 pm	Recycling Loteria, So. Co. Sebastopol Library, Sebastopol
21/22	8-4 pm	E-Waste Recycling Event, Raley's Towne Center, Rohnert Park
24	4-8 pm	Community Toxics Collection, Oakmont
26	9 am	Outreach to Graton Labor Center
31	4-8 pm	Community Toxics Collection, Bodega Bay



Minutes of April 20, 2011

The Sonoma County Waste Management Agency (SCWMA) met on April 20, 2011, at the City of Santa Rosa Council Chambers, 100 Santa Rosa Avenue., Santa Rosa, California

Present:

City of Healdsburg	Mike Kirn, Chair
City of Cloverdale	Nina Regor
City of Cotati	Marsha Sue Lustig
City of Petaluma	Susan Lackie
City of Rohnert Park	Linda Babonis
City of Santa Rosa	Dell Tredinnick
City of Sebastopol	Sue Kelly
City of Sonoma	Steve Barbose
County of Sonoma	Susan Klassen
Town of Windsor	Christa Johnson

Staff Present:

Counsel	Janet Coleson
Staff	Patrick Carter
	Karina Chilcott
	Charlotte Fisher
	Henry Mikus
	Lisa Steinman
Recorder	Elizabeth Koetke

1. Call to Order/Introductions

The meeting was called to order at 9:05 a.m.

2. Agenda Approval

Nina Regor, City of Cloverdale moved to approve the agenda. Linda Babonis, City of Rohnert Park, seconded. Agenda approved.

3. Attachments / Correspondence

Chair Kirn called attention to the Director's Agenda Notes and Reports by Staff and Others; April 2011 Outreach Events.

4. On File with Clerk

Chair Kirn noted there were no resolutions approved in March.

5. Public Comments (items not on the agenda)

Will Bakx, Sonoma Compost Company (SCC), said the first week in May is 'International Compost Awareness Week', which is going into its thirteenth year. SCC has scheduled composting workshops in each of the jurisdictions during that week to bring composting awareness to the public.

Consent

6.1 Minutes of March 16, 2011

Marsha Sue Lustig, Cotati, moved to approve the consent calendar. Christa Johnson, Town of Windsor, seconded. Sebastopol abstained. Consent calendar approved.

7. FY 11-12 Final Budget

Executive Director Mikus reviewed the budget process, which consists of the Boards' approval of the Workplan, the Draft budget, and finally approval of the Final budget. Charlotte Fisher presented the FY 11-12 Final Budget and answered questions from the Boardmembers.

At the March SCWMA meeting, staff was asked to prepare an additional list of possible projects and to include an estimate of costs. Those projects include the single-use bag ban, mandatory commercial recycling and expansion of the organics program. One funding option would be the use of the Household Hazardous Waste (HHW) Facility Reserve for the single-use bag ban and/or the mandatory commercial recycling. Exercising this option would require a Board policy change. There is ample money available for expansion of the organics program in the Organics Reserve.

Susan Klassen, County of Sonoma, moved to approve the FY 11-12 Final Budget. Dell Tredinnick, City of Santa Rosa, seconded. The FY 11-12 Final Budget was approved unanimously.

The Board discussed the Contingency Reserve policy.

Nina Regor, City of Cloverdale, asked staff for potential policy changes regarding the Contingency Reserve. Ms. Fisher said a policy change would be premature until staff has a better understanding of the proposed programs. Since the goals were set in 2002 and revised in 2006 and 2008, the goals should be reviewed and brought up to date.

Susan Klassen, County of Sonoma, said policy reserve for the HHW Facility could possibly be reduced from the 50% level set when the program was new. Extended Producer Responsibility (EPR) legislation would be one way to reduce the HHW waste stream.

Public Comment

Ken Wells, Guiding Sustainability, commented the single largest component of the HHW program is paint. Recent legislation regarding paint will offset some of those costs. Cost savings will be realized when EPR legislation is in place for items like carpet, fluorescent lamps, and batteries.

Linda Christopher, AB 93 Local Task Force (LTF), commented the cost of enforcement in other communities is shared with their local agencies doing restaurant inspections. The possibility of assistance with the single-use bag ban should be explored.

Tim James, California Grocery Associates, explained he has dealt with several of these bag bans to date. With regards to enforcement there are three things to consider:

- Retailers – doing self-policing.
- Consumers - responding to environmental sensitivity
- Inspectors – working currently in stores, such as weights and measures dealing price scanners and scales, etc.

8. Discussion of Organics Program Future

Henry Mikus explained that organics are the cornerstone of the SCWMA regional diversion programs. The 2007 Waste Characterization Study showed that one third of the material going into the landfill is organics. There is an incredible need as well as opportunity in the composting program.

He reported the future of the compost program was discussed by the Solid Waste Advisory Group
April 20, 2011 SCWMA Meeting Minutes

(SWAG) Research Committee. Some of their preliminary findings were additional composting capacity for the existing composting program including food waste needs to be diligently pursued. SWAG recognizes the necessary support of SCWMA efforts in developing a new composting facility in Sonoma County.

Patrick Carter said a revised staff report was distributed due to an error on one of the spreadsheets in the original staff report incorrectly stating the tipping fee at Cold Creek Compost as \$12.00/ton. In the agreement Cold Creek Compost currently has with the City of Ukiah, the tipping fee is actually \$16.00/ton.

Mr. Carter gave a very detailed presentation including a history of the compost program from its inception. Three options for the future of the compost program were explored, which included several options accompanied by financial models.

Staffs' conclusions and recommendations were to keep all tonnage at SCC's facility for the most cost efficiency. A slightly more expensive short-term model that could add capacity and expand material types collected would be the diversion of materials from the Healdsburg Transfer Station to Cold Creek Compost. Staff does not recommend splitting the system as individual facilities are more expensive than the current integrated system.

Janet Coleson, Agency Counsel reminded the SCWMA Board of two sections in the JPA Agreement. Section 11 "each participant shall cause wood waste and yard waste generated within its jurisdiction (that could not be diverted otherwise) to go the Central Landfill to be delivered to the Treatment System and shall take such actions as are appropriate and necessary to accomplish that result..." Section 17 "Agency agrees during the term of this Agreement it will receive wood and yard waste from each of the participants. Participants agree that during the term of this Agreement each participant will deliver the Exhibit A wood and yard tonnage as a minimum....."

Public Comment

Ernie Carpenter, private citizen, waste consultant since 1997, and former Sonoma County Supervisor, encouraged the SCWMA Board to 'stay the course' with the organics program. In 1998/1999 the Sonoma County Board of Supervisors thought a dairy would step forward and absorb this material. At that time, it was only about 80,000 tons/day. Those facilities didn't exist then and they don't exist now. The problem is cost and regulation, which no dairy or private corporation is going to assume. He asked the SCWMA Board to consider the \$300,000 per year current revenue coming to SCWMA. Siting a new landfill will be difficult because no one wants 200,000 tons of this material brought into their neighborhood.

Ken Wells, AB 939 LTF and Guiding Sustainability, said the LTF provided the recommendation for the criteria for the selection of a new site. He assumed the LTF would be one of the forums used for a public conversation for the draft Environmental Impact Report.

Portia Sinnott, AB 939 LTF, said reducing the amount of food waste and yard waste generated is something that needs to be talked about fairly.

Boardmember Discussion

Chair Kirn expressed the advantage of looking at the short term ability to divert, with the ultimate goal of a long term facility. There was a consensus of the Board to support staffs' recommendation.

Due to time constraints item #10 was addressed before item #9.

10. Sonoma County/City Solid Waste Advisory

Steve Barbose, City of Sonoma, serves as the SCWMA liaison to the SWAG. The application to

reopen the landfill has been submitted to the North Coast Regional Water Quality Control Board. By June 2012, the SWAG will make its final recommendation on the solutions, final costs and structure of solid waste management in the County. In January 2012, a decision will be made whether to continue with the re-permitting process of the Central Landfill or continue with outhaul.

In a report from the Processing and Facility Options Subcommittee, there were four findings and recommendations for current disposal and trends. The next step is to develop costs of those options.

Representative from Sebastopol left the meeting at 11:45 a.m. and the Representative from Sonoma left the meeting 11:50 a.m.

11. Carryout Bag Decision Process

Chair Kirn requested this item be continued to the May 18, 2011 SCWMA meeting. **Dell Tredinnick, Santa Rosa, moved to continue this item. Christa Johnson, Town of Windsor, seconded.**

9. LTF Zero Waste Discussion Paper & Presentation

Portia Sinnott and Linda Christopher, AB 939 LTF, presented the Zero Waste Discussion Paper and answered questions.

There was no action requested or taken on this item.

12. EPA Environmental Education Grant Support Letter

Karina Chilcott requested Board permission for submittal of a grant proposal as well as a support letter for a grant application the SCWMA is preparing on behalf of the Compost Club for a competitive Environmental Protection Agency Environmental Education Regional Grant. Staff is applying for the minimum award amount which is \$15,000 and requires a 25% non-federal match.

Christa Johnson, Town of Windsor, moved to approve staff proceeding with the grant application. Dell Tredinnick, City of Santa Rosa, seconded. Representatives Sebastopol and Sonoma were not present.

13. Boardmember Comments

None.

14. Staff Comments

Mr. Carter reported staff is completing the applications for the beverage container recycling grant on all the jurisdictions' behalf.

Executive Director Mikus said the 4th quarter allocations from SCC were left at each Boardmember's place. The 2011 Recycling Guides are available from Ms. Chilcott after the meeting.

15. Next SCWMA Meeting – May 18, 2011

16. Adjournment

Meeting adjourned at 12:15 p.m.

Respectfully submitted,
Elizabeth Koetke

Copies of the following were distributed and/or submitted at this meeting:

- Revised Transmittal for Item 8
- PowerPoint presentation for SCWMA Organics Program
- International Compost Awareness Week Information Sheet



Agenda Item #: 8.2
Cost Center: All
Staff Contact: Mikus
Meeting Date: 5/18/2011

ITEM: FY 10-11 Third Quarter Financial Report

I. BACKGROUND

In accordance with the JPA requirement that the Agency make quarterly reports of Agency operations and of all receipts to and disbursements from the Agency, this staff report covers the Third Quarter Report for FY 10-11.

II. FUNDING IMPACT

This Third Quarter Report uses information from the county accounting system (FAMIS) for revenues and expenses. Revenues include tipping fees through February 2011. Interest on Pooled Cash was posted through December 2010. Administration Costs were posted through February. The Third Quarter Report also contains the actual amounts spent or received to date, the projected revenues and expenses, the approved budget and the difference between the approved budget and the projections.

In summary, the expenses for the entire Agency are expected to be \$675,382 under budget and the revenues are anticipated to be \$495,686 under budget. This results in a projected annual net cost decrease of \$179,696. Descriptions of fiscal impacts within the individual cost centers follow and more detailed information is contained in the attached report.

ORGANICS COST CENTERS (Wood Waste and Yard Debris)

The net cost for both of these cost centers is estimated to be under budget, mainly due to less funds from operations being available for transfer to the Organics Reserve as per Board policy.

Wood Waste

The greatest impact on the Wood Waste Cost Center is the increase in material coming to the facility due to a Construction and Demolition pilot project. The debris boxes coming to the Healdsburg and Sonoma Transfer Stations are sorted for acceptable wood waste (dimensional lumber) that can be processed.

Yard Debris

The amount of material coming to the composting facility is slightly under the anticipated tonnage from when the FY 10-11 budget was developed. This situation results in decreases in both revenues and expenses with the exception of Contract Services.

Both of the organics cost centers reflect an increase in revenue sharing, based on the sales of finished products, than originally budgeted. This increase is primarily due to deposits from the previous fiscal year, FY 09-10.

SURCHARGE COST CENTERS (Household Hazardous Waste, Education, Diversion and Planning)

There are two conditions that are having an impact on the entire SCWMA financial situation. The first impact is reduced solid waste tonnage entering the County system with resulting less tipping fee available to the surcharge cost centers. The second is the staff vacancy for approximately one

half of the fiscal year with resulting reduction in Administration Costs throughout all of the cost centers.

Household Hazardous Waste

The estimated reduced tipping fee surcharge revenue is \$13,367.

Another impact is an estimated reduction in Contract Services of \$18,939. This estimate is based on the actual invoices paid to date.

With \$19,930 less total expenditures and \$13,366 less anticipated revenue, the resulting net cost is \$6,564 less than budgeted.

Education

The reduced tipping fee impact on the Education Cost Center is \$2,883 less than budgeted.

There are three impacts for an estimated reduction of \$48,084 in expenses. The first is \$18,053 in Miscellaneous Expense, which is the recruiting and hiring expense for the Executive Director's position. Secondly, Administration Costs are projected to be \$54,666 less than budgeted due to the staff vacancy for one half of the fiscal year. The third impact is a reduction of \$14,056 in the DP-New Projects. This reduction is the result of negotiation between the Information Systems Department and SCWMA staff to recognize cost sharing for efforts associated with making the website ADA compliant. The process for converting documents to a format that can be used by people who are visually impaired is now a requirement for all public documents.

With \$26,130 less total expenditures and \$3,085 less anticipated revenue, the resulting net cost is \$23,045 less than budgeted.

Diversion

The net cost is \$51,753 less than budgeted because a beverage container grant award was posted as an Accounts Payable in FY 07-08 and never cleared. By showing this grant award as a revenue, this will clear the General Ledger.

Planning

The only financial impact is less undesignated funds projected being available for transfer to the Contingency Reserve. It is anticipated that \$7,392 will be transferred instead of \$22,488 as budgeted.

Reserve Funds (Organics, HHW Closure, HHW Facility and Contingency)

Reserve Funds revenue sources are any excess operational funds from the six operating cost centers. Any impacts on the operating cost centers have a direct impact on the amount of reserve transfers.

Organics Reserve

The transferred revenues are estimated to be \$353,607 under budget due to the decreased organic materials being processed by Sonoma Compost Company.

HHW Closure

This reserve will meet the stated goal this fiscal year and there will be no further contributions unless the goal is revised by the Board of Directors.

HHW Facility

The revenues are anticipated to be \$1,216 under budget and the expenses are projected to be \$18,325 under budget due to a lower bid for the construction of the expansion and the lack of use of the contracted contingency.

Contingency

The revenues are projected to be \$98,758 under budget due to the reduced revenues in the contributing cost centers, Education and Planning. The expenses are expected to be \$25,908 under budget with a resulting \$72,850 increase in net cost from the budgeted amount.

Additional details are available in the attached report.

III. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approving the FY 10-11 Third Quarter Financial Report on the Consent Calendar.

IV. ATTACHMENT

FY 10-11 Third Quarter Revenue and Expenditure Comparison Summary

Approved by: _____
Henry J. Mikus, Executive Director, SCWMA

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Sonoma County Waste Management Agency**

Indices

799114, 799213, 799312, 799411, 799510
799619, 799221, 799320, 799338, 799718

Prepared by: Charlotte Fisher

Executive Director: _____

Henry Mikus

A. Summary of Projections

	FY 10-11 Adopted Budget	Adjustment	FY 10-11 Adjusted Budget	FY 10-11 Projection	Over/(Under) Budget
Total Expenditures	6,465,162	0	6,465,162	5,789,780	(675,382)
Total Revenues	6,572,216	0	6,572,216	6,076,530	(495,686)
Net Cost	(107,054)	0	(107,054)	(286,750)	(179,696)

B. Summary of Expenditures

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Liability Insurance	8,942	0	8,942	10,175	(1,233)
Miscellaneous Expenses	18,053	0	18,053	0	18,053
Office Expense	17,171	(300)	16,871	15,000	1,871
Professional Services	74,340	145,034	219,374	219,374	0
County Services	0	6,925	6,925	6,925	0
Contract Services	2,360,400	1,851,063	4,211,463	4,427,609	(216,146)
Consultant Services	63	0	63	0	63
Administration Costs	374,040	220,728	594,768	694,022	(99,254)
Engineering Services	1,922	10,000	11,922	26,000	(14,078)
Legal Services	46,469	20,805	67,274	72,000	(4,726)
Accounting Services	4,113	5,760	9,873	10,243	(370)
Audit Services	0	20,000	20,000	20,000	0
Advertising	3,594	5,300	8,894	12,000	(3,106)
Equipment Rental	1,168	3,000	4,168	5,500	(1,332)
Rents/Leases	3,060	23,000	26,060	25,500	560
Enforcement Agency	19,036	0	19,036	20,000	(964)
County Car Expense	0	1,000	1,000	3,000	(2,000)
Travel Expense	589	500	1,089	500	589
Data Processing	7,854	3,925	11,779	11,779	0
DP-New Projects	0	10,500	10,500	24,556	(14,056)
Total Supplies and Services	2,940,814	2,327,240	5,268,054	5,604,183	(336,129)

B. Summary of Expenditures (con't)

Other Charges	0	518,362	518,362	887,068	(368,706)
Reimbursements	0	0	0	(26,788)	26,788
OT-Between Enterprises	2,724	0	2,724	0	2,724
Prior Year Encumbrances	640	0	640	699	(59)
Total Other Expenses	3,364	518,362	521,726	860,979	(339,253)
Total Expenditures	2,944,178	2,845,602	5,789,780	6,465,162	(675,382)

C. Summary of Revenues

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	25,558	25,107	50,665	51,902	(1,237)
State-Other	130,898	234,082	364,980	313,250	51,730
Tipping Fee Revenue	3,068,068	1,494,581	4,562,649	4,734,708	(172,059)
Revenue - Prior Year	26,642	0	26,642	0	26,642
Sale of Material	81,287	71,000	152,287	100,000	52,287
Miscellaneous Revenue	7,500	0	7,500	7,500	0
Donations/Reimbursement	192,230	201,215	393,445	393,445	0
OT-Within Enterprise	0	518,362	518,362	971,411	(453,049)
Total Revenues	3,532,183	2,544,347	6,076,530	6,572,216	(495,686)

C. Summary of Net Costs

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Net Cost	(588,005)	301,255	(286,750)	(107,054)	(179,696)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Sonoma County Waste Management Agency**

Index 799114 Wood Waste

Prepared by: Charlotte Fisher

Executive Director: _____
Henry Mikus

A. Summary of Projections

	FY 10-11 Adopted Budget	Adjustment	FY 10-11 Adjusted Budget	FY 10-11 Projection	Over/(Under) Budget
Total Expenditures	212,578	0	212,578	229,845	17,267
Total Revenues	182,578	0	182,578	229,845	47,267
Net Cost	30,000	0	30,000	0	(30,000)

B. Summary of Expenditures

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Services and Supplies	96,869	102,522	199,391	160,128	39,263
Total Other Charges	454	30,000	30,454	52,450	(21,996)
Total Expenditures	97,323	132,522	229,845	212,578	17,267

Services and Supplies is projected to be \$39,263 over budget primarily due to Contract Services being \$38,781 over budget recognizing the C&D pilot program.

OT-Within Enterprise, which is the transfer of funds from operations to the Organics Reserve, is anticipated to be under budget by \$21,996. The contribution of \$30,000 is undesignated fund from prior years' operations.

C. Summary of Revenues

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	216	216	432	470	(38)
Tipping Fee Revenue	91,781	65,400	157,181	162,108	(4,927)
Revenue - Prior Year	12,849	0	12,849	0	12,849
Sale of Materials	28,383	26,000	54,383	15,000	39,383
Donations/Reimbursement	0	5,000	5,000	5,000	0
Total Revenues	133,229	96,616	229,845	182,578	47,267

Tipping Fee Revenue is under budget \$4,927 due to lower regular projected volume of wood waste tonnage processed. With limited information, the tonnage from the C&D pilot program thus far is 175 tons of wood waste per month coming through the system.

Revenue - Prior Year is revenue sharing from FY 09-10.

Sale of Materials is anticipated to be \$39,383 over budget, which was estimated at the budget preparation.

D. Summary of Net Cost

Overall, the net cost of the Wood Waste Cost Center is anticipated to be \$30,000 under budget, but the net cost will be balanced with the prior year transfer being made and no current year contribution to reserves being made.

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Sonoma County Waste Management Agency**

Index 799213 Yard Debris

Prepared by: Charlotte Fisher

Executive Director: _____

Henry Mikus

A. Summary of Projections

	FY 10-11 Adopted Budget	Adjustment	FY 10-11 Adjusted Budget	FY 10-11 Projection	Over/(Under) Budget
Total Expenditures	3,658,510	0	3,658,510	3,112,827	(545,683)
Total Revenues	3,241,850	0	3,241,850	3,112,827	(129,023)
Net Cost	416,660	0	416,660	0	(416,660)

B. Summary of Expenditures

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Services and Supplies	1,749,231	935,619	2,684,850	2,900,284	(215,434)
Other Charges	908	427,069	427,977	758,226	(330,249)
Total Expenditures	1,750,139	1,362,688	3,112,827	3,658,510	(545,683)

Services and supplies is projected to be \$215,434 under budget due to:

Contract Services are projected to be \$233,455 under budget because it is anticipated that approximately 7,500 fewer tons of material will be composted this fiscal year.

Administration Costs are projected to be \$24,499 over budget based on the actual expenses so far this fiscal year.

Legal Services are anticipated to be \$1,532 under budget based on the actual expenses so far this fiscal year.

Rents/Leases - Equipment is estimated to be \$1,916 under budget because a new lease agreement was negotiated.

Enforcement Agency Fee is projected to be \$1,252 under budget based on an actual invoice presented after the close of the third quarter.

County Car is anticipated to be \$2,000 under budget based on previous year actual expense.

OT-Within Enterprise will be \$331,157 under budget. For cash flow purposes, there should be 20% of budgeted expenses left in the Yard Debris cost center. Previously, the cost center cash balance was less than that percentage.

C. Summary of Revenues

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	1,477	1,477	2,954	7,250	(4,296)
Tipping Fee Revenue	2,030,096	963,080	2,993,176	3,144,600	(151,424)
Prior Year Revenue	13,793	0	13,793	0	13,793
Sale of Materials	52,904	45,000	97,904	85,000	12,904
Donations/Reimbursement	0	5,000	5,000	5,000	0
Total Revenues	2,098,270	1,014,557	3,112,827	3,241,850	(129,023)

Interest on Pooled Cash is projected to be \$4,296 under budget due to less interest being earned on the cash than was budgeted at the time of budget development.

Tipping Fee Revenue is anticipated to be \$151,424 under budget due to less material being delivered for processing.

Prior Year Revenue was earned in FY 09-10 from revenue sharing with Sonoma Compost Company.

Sale of Material is anticipated to be \$12,904 over budget based on revenue sharing received after the close of the third quarter.

D. Summary of Net Cost

Overall, the Yard Debris Cost Center net cost is anticipated to be \$416,660 under budget due primarily to decreasing undesignated funds for FY 10-11, which are being transferred to the Organics Reserve.

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Sonoma County Waste Management Agency**

Indice 799312 Household Hazardous Waste
799411 Education
799510 Diversion
799619 Planning

Prepared by: Charlotte Fisher

Executive Director: _____
Henry Mikus

A. Summary of Projections

	FY 10-11 Adopted Budget	Adjustment	FY 10-11 Adjusted Budget	FY 10-11 Projection	Over/(Under) Budget
Total Expenditures	2,112,717	0	2,112,717	2,052,061	(60,656)
Total Revenues	2,134,067	0	2,134,067	2,169,776	35,709
Net Cost	(21,350)	0	(21,350)	(117,715)	(96,365)

B. Summary of Expenditures

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Services and Supplies	905,038	1,083,728	1,988,766	2,062,414	(73,648)
Other Charges	1,362	61,293	62,655	49,604	13,051
Prior Year Encumbrance	640	0	640	699	(59)
Total Expenditures	907,040	1,145,021	2,052,061	2,112,717	(60,656)

Services and Supplies are projected to be \$73,648 under budget and Other Charges are projected to be \$13,051 over budget as a result of the following:

Household Hazardous Waste Cost Center

Administration Costs are expected to be \$18,939 under budget due to less staff time required for the operations contract at the HHW facility and a staff vacancy for one half of the year.

Legal Services is anticipated to be \$3,250 under budget due to less legal assistance required for work being done for the HHW facility. Any legal expenditures for the expansion are located in the HHW Facility Reserve.

Advertising is projected to be \$3,106 under budget based on actual expenditures to date.

Other Charges are anticipated to be \$5,742 over budget because the staff reimbursements were collected through the regular payroll.

Education Cost Center

Miscellaneous Expense is \$18,053 over budget. This is the recruitment and hiring expense for the Executive Director.

Office Expense is anticipated to be \$1,033 over budget based on actual expenses to date.

Administration Costs are projected to be \$54,666 under budget due to a staff vacancy for one half of the year.

New Projects is anticipated to be \$14,056 under budget due to a negotiated reduction in expense for completion of the website.

Other Charges are anticipated to be \$21,954 over budget because the staff reimbursements were collected through the regular payroll.

Diversion

This cost center is no longer a working cost center. The only transaction will be to shift the undesignated funds to the Contingency Reserve. The contribution for FY 10-11 will be \$47,237.

B. Summary of Expenditures (con't)

Planning

OT-Within Enterprise is anticipated to be \$14,642 under budget due to less funds available for transfer to the Contingency Reserve.

C. Summary of Revenues

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	1,005	554	1,559	1,872	(313)
State - Other	130,898	234,082	364,980	313,250	51,730
Tipping Fee Revenue	946,191	466,101	1,412,292	1,428,000	(15,708)
Miscellaneous Revenue	7,500	0	7,500	7,500	0
Donations/Reimbursement	192,230	191,215	383,445	362,309	0
Total Revenues	1,277,824	891,952	2,169,776	2,134,067	35,709

State-Other is anticipated to be \$51,730 over budget due to prior year application being posted in the current year.

Tipping Fee revenues is projected to be \$15,708 under budget with decreased projections of surcharge tonnages.

D. Summary of Net Cost

The net cost for cost centers receiving revenue from the \$5.95/ton surcharge is anticipated to be \$96,365 under budget as follows:

Index 799312	Household Hazardous Waste	(6,564)
Index 799411	Education	(23,045)
Index 799510	Diversion	(51,756)
Index 799619	Planning	(15,000)
		<u>(96,365)</u>

Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Sonoma County Waste Management Agency

Indice 799221 Organics Reserve
 799320 HHW Facility Closure
 799338 HHW Facility Reserve
 799718 Contingency Reserve

Prepared by: Charlotte Fisher

Executive Director: _____
 Henry Mikus

A. Summary of Projections

	FY 10-11 Adopted Budget	Adjustment	FY 10-11 Adjusted Budget	FY 10-11 Projection	Over/(Under) Budget
Total Expenditures	481,357	0	481,357	395,047	(86,310)
Total Revenues	1,013,721	0	1,013,721	564,082	(449,639)
Net Cost	(575,523)	0	(575,523)	(195,085)	363,329

B. Summary of Expenditures

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Services and Supplies	189,676	205,371	395,047	481,357	(86,310)
Other Charges	0	0	0	0	0
Total Expenditures	189,676	205,371	395,047	481,357	(86,310)

Organics Reserve

Administration Services is estimated to be \$27,999 under budget because the compost site relocation project has experienced some delays and there has been a staff vacancy for one half of the year.

Engineering Services is projected to be \$14,078 under budget due to delays in the relocation project.

HHW Facility Reserve

Contract Services is projected to be \$21,472 under budget due to less than anticipated expenses to make the expansion ADA compliant.

Administration Services is projected to be \$3,147 over budget because more staff time was required to deal with the details of making the expansion ADA compliant.

Contingency Fund

Administration Costs is anticipated to be \$25,908 under budget due to the delay in the implementation of the sustainable funding source model.

C. Summary of Revenues

	Actual July 10-Mar 11	Expense Estimated Apr - June 11	Total Estimated FY 10-11	Adjusted Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	22,860	22,860	45,720	42,310	3,410
Donations/Reimbursement	0	0	0	0	0
OT-Within Enterprise	0	518,362	518,362	971,411	(453,049)
Total Revenues	22,860	541,222	564,082	1,013,721	(449,639)

Interest on Pooled Cash for all of the reserve cost centers is anticipated to be \$3,874 over budget because there were more undesignated funds transferred in the previous fiscal year.

State-Other is projected to be \$199,755 under budget because the grant that was to be used for the HHW expansion project has been denied due to the delay of the HHW facility expansion. It is planned to appeal this decision.

OT-Within Enterprise for all of the reserve funds is projected to be \$683,723 under budget because the contributing cost centers are projected to have less than budgeted funds available for transfer at the close of the fiscal year.

D. Summary of Net Costs

The net cost for cost centers receiving contributions from the appropriate cost centers is anticipated to be \$363,329 over budget as follows:

Index 799221	Organics Reserve	307,550
Index 799320	HHW Facility Closure	38
Index 799338	HHW Operating Reserve	(17,109)
Index 799718	Contingency Reserve	<u>72,850</u>
	Overall Net Cost	363,329

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Wood Waste Detail**

799114

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6103	Liability Insurance	835	0	835	950	(115)
6400	Office Expense	7	0	7	0	7
6521	County Services	0	525	525	525	0
6540	Contract Services	91,435	98,800	190,235	151,454	38,781
6573	Administration Costs	2,888	493	3,381	2,752	629
6610	Legal Services	0	0	0	0	0
6629	Accounting Services	395	550	945	984	(39)
6630	Audit Services	0	1,500	1,500	1,500	0
7062	Enforcement Agency Fees	0	0	0	0	0
7302	Travel	0	0	0	0	0
7400	Data Processing	1,309	654	1,963	1,963	0
Total Services and Supplies		96,869	102,522	199,391	160,128	39,263
8624	OT-Within Enterprise	0	30,000	30,000	52,450	(22,450)
	OT-Within Enterprise-Prior Year	0	0	0	0	0
8640	OT-Between Enterprises	454	0	454	0	454
Total Other Charges		454	30,000	30,454	52,450	(21,996)
Total Expenditures		97,323	132,522	229,845	212,578	17,267

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Wood Waste Detail**

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	216	216	432	470	(38)
2901	Tipping Fee Revenue	91,781	65,400	157,181	162,108	(4,927)
3980	Revenue - Prior Year	12,849	0	12,849	0	12,849
4020	Sale of Material	28,383	26,000	54,383	15,000	39,383
4102	Donations/Reimbursement	0	5,000	5,000	5,000	0
Total Revenues		133,229	96,616	229,845	182,578	47,267
Net Cost		(35,906)	35,906	0	30,000	(30,000)

Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Yard Debris Detail

799213

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6104	Liability Insurance	2,131	0	2,131	2,425	(294)
6400	Office Expense	685	0	685	0	685
6521	County Services	0	1,000	1,000	1,000	0
6540	Contract Services	1,664,397	893,800	2,558,197	2,791,652	(233,455)
6573	Administration Costs	57,702	28,850	86,552	62,053	24,499
6590	Engineering Services	0	0	0	0	0
6610	Legal Services	468	0	468	2,000	(1,532)
6629	Accounting Services	1,898	2,660	4,558	4,727	(169)
6630	Audit Services	0	4,000	4,000	4,000	0
6820	Rents/Leases-Equipment	584	3,000	3,584	5,500	(1,916)
7062	Enforcement Agency Fee	18,748	0	18,748	20,000	(1,252)
7301	County Car	0	1,000	1,000	3,000	(2,000)
7302	Travel	0	0	0	0	0
7309	Unclaimable County	0	0	0	0	0
7400	Data Processing	2,618	1,309	3,927	3,927	0
Total Services and Supplies		1,749,231	935,619	2,684,850	2,900,284	(215,434)
8624	OT-Within Enterprise	0	427,069	427,069	758,226	(331,157)
	OT-Within Enterprise-Prior Year	0	0	0	0	0
8640	OT-Between Enterprises	908	0	908	0	908
8700	Reimbursements	0	0	0	0	0
Total Other Charges		908	427,069	427,977	758,226	(330,249)
Total Expenditures		1,750,139	1,362,688	3,112,827	3,658,510	(545,683)

Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Yard Debris Detail

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	1,477	1,477	2,954	7,250	(4,296)
2901	Tipping Fee Revenue	2,030,096	963,080	2,993,176	3,144,600	(151,424)
3980	Revenue - Prior Year	13,793	0	13,793	0	13,793
4020	Sale of Material	52,904	45,000	97,904	85,000	12,904
4102	Donations/Reimbursement	0	5,000	5,000	5,000	0
Total Revenues		2,098,270	1,014,557	3,112,827	3,241,850	(129,023)
Net Cost		(348,131)	348,131	0	416,660	(416,660)

Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Household Hazardous Waste Detail

799312

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6104	Liability Insurance	3,889	0	3,889	4,425	(536)
6400	Office Expense	6,306	(2,300)	4,006	4,000	6
6500	Professional Services	32,629	120,391	153,020	153,020	0
6521	County Services	0	2,300	2,300	2,300	0
6540	Contract Services	480,170	706,430	1,186,600	1,186,600	0
6573	Administration Costs	129,978	64,990	194,968	213,907	(18,939)
6610	Legal Services	2,750	2,000	4,750	8,000	(3,250)
6629	Accounting Services	910	1,280	2,190	2,266	(76)
6630	Audit Services	0	8,500	8,500	8,500	0
6785	Advertising	3,594	5,300	8,894	12,000	(3,106)
6840	Rents/Leases - Building	0	23,000	23,000	23,000	0
7062	Enforcement Agency	288	0	288	0	288
7303	Travel	0	500	500	500	0
7400	Data Processing	1,309	654	1,963	1,963	0
Total Services and Supplies		661,823	933,045	1,594,868	1,620,481	(25,613)
8624	OT-Within Enterprise	0	0	0	0	0
	HHW Closure	0	6,667	6,667	6,667	0
8640	OT-Between Enterprises	454	0	454	0	454
8700	Reimbursements	0	0	0	(5,288)	5,288
Total Other Charges		454	6,667	7,121	1,379	5,742
9650	Prior Year Encumbrance	640	0	640	699	(59)
Total Expenditures		662,917	939,712	1,602,629	1,622,559	(19,930)

Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Household Hazardous Waste Detail

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	210	210	420	420	0
2500	State-Other	79,168	175,228	254,396	254,396	0
2901	Tipping Fee Revenues	747,495	367,258	1,114,753	1,128,120	(13,367)
3980	Revenue - Prior Year	1	0	1	0	1
4102	Donations/Reimbursement	175,544	172,527	348,071	348,071	0
Total Revenues		1,002,418	715,223	1,717,641	1,731,007	(13,366)
Net Cost		(339,501)	224,489	(115,012)	(108,448)	(6,564)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Education Detail**

799411

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6103	Liability Insurance	1,252	0	1,252	1,425	(173)
6300	Miscellaneous Expense	18,053	0	18,053	0	18,053
6400	Office Expense	10,033	2,000	12,033	11,000	1,033
6500	Professional Services	41,711	24,643	66,354	66,354	0
6521	County Services	0	2,300	2,300	2,300	0
6540	Contract Services	3,395	23,599	26,994	26,994	0
6570	Consultant Services	63	0	63	0	63
6573	Administration Costs	109,147	54,575	163,722	218,388	(54,666)
6610	Legal Services	15,132	9,868	25,000	25,000	0
6629	Accounting Services	752	1,050	1,802	1,873	(71)
6630	Audit Services	0	3,000	3,000	3,000	0
6820	Rents/Leases-Equipment	584	0	584	0	584
6840	Rents/Leases-Building	3,060	0	3,060	2,500	560
7302	Travel	589	0	589	0	589
7400	Data Processing	1,309	654	1,963	1,963	0
7402	DP-New Projects	0	10,500	10,500	24,556	(14,056)
Total Services and Supplies		205,080	132,189	337,269	385,353	(48,084)
8624	OT-Within Enterprise	0	0	0	0	0
	OT-Within Enterprise-Prior Year	0	0	0	0	0
8640	OT-Between Enterprises	454	0	454	0	454
8700	Reimbursements	0	0	0	(21,500)	21,500
Total Other Charges		454	0	454	(21,500)	21,954
Total Expenditures		205,534	132,189	337,723	363,853	(26,130)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Education Detail**

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	344	344	688	890	(202)
2500	State Other	0	58,854	58,854	58,854	0
2901	Tipping Fee Revenue	160,849	79,028	239,877	242,760	(2,883)
4040	Miscellaneous Revenue	7,500	0	7,500	7,500	0
4103	Donations/Reimbursement	14,132	14,504	28,636	28,636	0
Total Revenues		182,825	152,730	335,555	338,640	(3,085)
Net Cost		22,709	(20,541)	2,168	25,213	(23,045)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Diversion Detail**

799510

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6104	Liability Insurance	0	0	0	0	0
6400	Office Expense	0	0	0	0	0
6500	Professional Services	0	0	0	0	0
6521	County Services	0	0	0	0	0
6573	Administration Costs	0	0	0	0	0
6610	Legal Services	0	0	0	0	0
6629	Accounting Services	0	0	0	0	0
6630	Audit Services	0	0	0	0	0
7302	Travel	0	0	0	0	0
7400	Data Processing	0	0	0	0	0
Total Services and Supplies		0	0	0	0	0
8624	OT-Within Enterprise	0	47,234	47,234	47,237	(3)
	OT-Within Enterprise-Prior Year	0	0	0	0	0
8700	Reimbursement	0	0	0	0	0
Total Other Charges		0	47,234	47,234	47,237	(3)
Total Expenditures		0	47,234	47,234	47,237	(3)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Diversion Detail**

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	375	0	375	352	23
2500	State-Other	51,730	0	51,730	0	51,730
2901	Tipping Fee Revenue	0	0	0	0	0
4102	Donations/Reimbursement	0	0	0	0	0
Total Revenues		52,105	0	52,105	352	51,753
Net Cost		(52,105)	47,234	(4,871)	46,885	(51,756)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Planning Detail**

799619

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6103	Liability Insurance	835	0	835	950	(115)
6400	Office Expense	140	0	140	0	140
6521	County Services	0	800	800	800	0
6540	Contract Services	0	0	0	0	0
6573	Administration Costs	31,637	15,820	47,457	47,474	(17)
6610	Legal Services	4,056	0	4,056	4,000	56
6629	Accounting Services	158	220	378	393	(15)
6630	Audit Services	0	1,000	1,000	1,000	0
7302	Travel	0	0	0	0	0
7400	Data Processing	1,309	654	1,963	1,963	0
Total Services and Supplies		38,135	18,494	56,629	56,580	49
8624	OT-Within Enterprise	0	7,392	7,392	22,488	(15,096)
	OT-Within Enterprise-Prior Year	0	0	0	0	0
8640	OT-Bewteen Enterprises	454	0	454	0	454
Total Other Charges		454	7,392	7,846	22,488	(14,642)
Total Expenditures		38,589	25,886	64,475	79,068	(14,593)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Planning Detail**

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	76	0	76	210	(134)
2901	Tipping Fee Revenue	37,847	19,815	57,662	57,120	542
3980	Revenue - Prior Year	(1)	0	(1)	0	(1)
4102	Donations/Reimbursement	2,554	4,184	6,738	6,738	0
Total Revenues		40,476	23,999	64,475	64,068	407
Net Cost		(1,887)	1,887	0	15,000	(15,000)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Organics Reserve Detail**

799221

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6540	Contract Services	86,796	128,434	215,230	215,230	0
6573	Administration Costs	28,579	45,000	73,579	101,578	(27,999)
6590	Engineering Services	1,922	10,000	11,922	26,000	(14,078)
6610	Legal Services	15,756	8,244	24,000	24,000	0
6630	Audit Services	0	1,500	1,500	1,500	0
7302	Travel	0	0	0	0	0
Total Services and Supplies		133,053	193,178	326,231	368,308	(42,077)

Total Expenditures	133,053	193,178	326,231	368,308	(42,077)
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**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Organics Reserve Detail**

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	16,380	16,380	32,760	28,780	3,980
4624	OT-Within Enterprise	0	457,069	457,069	810,676	(353,607)
Total Revenues		16,380	473,449	489,829	839,456	(349,627)

Net Cost	116,673	(280,271)	(163,598)	(471,148)	307,550
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**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
HHW Closure Reserve Detail**

799338

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
8624	OT-Within Enterprise	0	0	0	0	0
	Total Services and Supplies	0	0	0	0	0

Total Expenditures	0	0	0	0	0
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**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
HHW Closure Reserve Detail**

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	206	206	412	450	(38)
4624	OT-Within Enterprise	0	6,667	6,667	6,667	0
	Total Revenues	206	6,873	7,079	7,117	(38)

Net Cost	(206)	(6,873)	(7,079)	(7,117)	38
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**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
HHW Facility Reserve Detail**

799338

Expenditures

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6540	Contract Services	34,207	0	34,207	55,679	(21,472)
6573	Administration Costs	3,147	0	3,147	0	3,147
6590	Engineering Services	0	0	0	0	0
6610	Legal Services	0	0	0	0	0
Total Services and Supplies		37,354	0	37,354	55,679	(18,325)

Total Expenditures	37,354	0	37,354	55,679	(18,325)
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**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
HHW Facility Reserve Detail**

Revenues

Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	5,652	5,652	11,304	12,520	(1,216)
4624	OT-Within Enterprise	0	0	0	0	0
Total Revenues		5,652	5,652	11,304	12,520	(1,216)

NET COST	31,702	(5,652)	26,050	43,159	(17,109)
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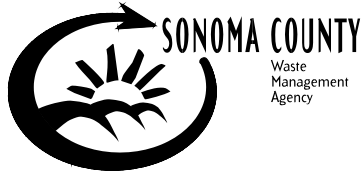
**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Contingency Reserve Detail**

799718

Expenditures						
Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
6573	Administration Costs	10,962	11,000	21,962	47,870	(25,908)
6610	Legal Services	8,307	693	9,000	9,000	0
6630	Audit Services	0	500	500	500	0
Total Services and Supplies		19,269	12,193	31,462	57,370	(25,908)
8624	OT-Within Enterprise	0	0	0	0	0
	OT-Within Enterprise-Prior Year	0	0	0	0	0
Total Other Charges		0	0	0	0	0
<hr/>						
Total Expenditures		19,269	12,193	31,462	57,370	(25,908)

**Third Quarter 10-11 Revenue and Expenditure Summary and Projection
Contingency Reserve Detail**

Revenues						
Sub-Object	Description	Actual July 10-Mar 11	Expenditure Estimated Apr-June 11	Total Estimated FY 10-11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	622	622	1,244	560	684
4624	OT-Within Enterprise	0	54,626	54,626	154,068	(99,442)
Total Revenues		622	55,248	55,870	154,628	(98,758)
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Net Cost		18,647	(43,055)	(24,408)	(97,258)	72,850



Agenda Item #: 8.3
Cost Center: All
Staff Contact: Mikus
Agenda Date: 5/18/2011

ITEM: Seventh Amendment to Petaluma Services Agreement

I. BACKGROUND

In November 2004 the Board approved an agreement with the City of Petaluma in which the Agency agreed to provide Household Hazardous Waste (HHW) services to Petaluma residents for calendar year 2005. The cost for this service was paid directly by the City of Petaluma, instead of through the tipping fee surcharge, as Petaluma's solid waste bypasses the County disposal system.

The 1st Amendment to the Agreement, approved in November 2005, extended the term until the end of FY 05-06 (June 30, 2006).

The 2nd Amendment (revised) to the Agreement, approved in April 2006, extended the term until the end of FY 06-07 (June 30, 2007) and added all Agency surcharge-funded services, in addition to HHW services.

The 3rd Amendment (revised) to the Agreement, approved in May 2007, extended the term until the end of FY 07-08 (June 30, 2008) and added all Agency surcharge-funded services, in addition to HHW services.

The 4th Amendment (revised) to the Agreement, approved in May 2008, extended the term until the end of FY 08-09 (June 30, 2009) and added all Agency surcharge-funded services, in addition to HHW services.

The 5th Amendment to the Agreement, approved in May 2009, extended the term until the end of FY 09-10 (June 30, 2010) and added all Agency surcharge-funded services, in addition to HHW services.

The 6th Amendment (revised) to the Agreement, approved in May 2010, extended the term until the end of FY 10-11 (June 30, 2011) and added all Agency surcharge-funded services, in addition to HHW services.

II. DISCUSSION

The City of Petaluma has indicated they would like to continue paying directly for SCWMA services as it has for the past six years. Staff is bringing a draft Amendment to agreement for consideration for approval at the May meeting. The schedule for this amendment would be for the SCWMA Board to consider the Seventh Amendment to the Agreement on May 18, 2011 with the City Council of Petaluma considering the Amendment at the June 6, 2011 City Council meeting.

During the term of the Seventh Amendment, Petaluma would provide monthly solid waste tonnage reports to SCWMA for AB939 reporting purposes and to serve as a basis for calculating compensation.

III. FUNDING IMPACT

Beginning July 1, 2011, invoices will be calculated on the reported monthly tonnage using the Board approved rate of \$5.95 per ton. The invoice would then be submitted to the City of Petaluma for payment. The payment would be due and payable to SCWMA ten days after receipt of the invoice. This would have the City of Petaluma on the same schedule and basis of calculation and payment as the rest of the jurisdictions, who use the County system for reporting of tonnage disposed and payment of the surcharge tipping fee.

IV. RECOMMENDED ACTION/ALTERNATIVES TO RECOMMENDATION

Approve the Seventh Amendment to the Petaluma Services Agreement and direct staff to work with Petaluma's representatives to present the Seventh Amendment to the Petaluma City Council for its approval.

V. ATTACHMENTS

Draft Seventh Amendment to the Petaluma Services Agreement
Draft Exhibit A
Draft Resolution

Approved by: _____
Henry J. Mikus, Executive Director, SCWMA

SEVENTH AMENDMENT TO AGREEMENT

Household Hazardous Waste and AB 939 Program Services

This Seventh Amendment to Agreement, effective the 1st day of July, 2011, ("Effective Date"), is made and entered into by and between the City of Petaluma, a municipal corporation and a charter city, hereinafter referred to as "CITY," and the Sonoma County Waste Management Agency, a joint powers agency, hereinafter referred to as "AGENCY."

WHEREAS, CITY and AGENCY entered into an Agreement effective January 1, 2005 and terminating on January 1, 2006, governing the use of AGENCY's Household Hazardous Waste Facility (hereinafter the "Agreement"); and

WHEREAS, CITY and AGENCY approved the First Amendment to the Agreement to extend the term of the Agreement for an additional six (6) months, until June 30, 2006; and,

WHEREAS, CITY and AGENCY approved the Second Amendment to the Agreement to (1) add additional services for compliance to the requirements mandated by AB 939, (2) compensate the AGENCY for services managed and performed by the AGENCY, and (3) extend the term of the Agreement for an additional twelve (12) months, until June 30, 2007; and,

WHEREAS, CITY and AGENCY approved the Third Amendment to the Agreement to compensate the AGENCY for services managed and performed by the AGENCY, and extend the term of the Agreement for an additional twelve (12) months, until June 30, 2008; and,

WHEREAS, CITY and AGENCY approved the Fourth Amendment to the Agreement to compensate the AGENCY for services managed and performed by the AGENCY, and extend the term of the Agreement for an additional twelve (12) months, until June 30, 2009; and,

WHEREAS, CITY and AGENCY approved the Fifth Amendment to the Agreement to compensate the AGENCY for services managed and performed by the AGENCY, and extend the term of the Agreement for an additional twelve (12) months, until June 30, 2010; and,

WHEREAS, CITY and AGENCY approved the Sixth Amendment to the Agreement to compensate the AGENCY for services managed and performed by the AGENCY, and extend the term of the Agreement for an additional twelve (12) months, until June 30, 2011; and,

WHEREAS, CITY and AGENCY wish to amend the Agreement a seventh time to adjust the compensation to the AGENCY for services managed and performed by the AGENCY, and extend the term of the Agreement for an additional twelve (12) months, until June 30, 2012.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained in this Seventh Amendment, AGENCY and CITY agree as follows:

Section 1. Section 2. of the Agreement, "Compensation; Business Tax Certificate," is amended to read as follows:

2. Compensation

- A. For the full performance of the Services as described herein, CITY shall compensate AGENCY under the terms defined in Exhibit A Services and Compensation.

Payment of this amount is due monthly installments, upon invoice, beginning August 1, 2011.

- B. AGENCY shall be compensated for services in addition to those described in Exhibit A, only if AGENCY and CITY execute a written amendment to this Agreement describing the additional services to be performed and the compensation to be paid for such services.

Section 2. Section 3 of the Agreement, "Term," is amended to read as follows:

3. **Term.** The term of this Agreement commences on the effective date of July 1, 2011 and terminates at midnight on June 30, 2012, unless extended or terminated sooner pursuant to the provisions of this Agreement.

Section 3. Except as expressly amended hereby, all the remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Amendment to the Agreement to be executed as of the date first set forth above.

CITY OF PETALUMA

SONOMA COUNTY WASTE MANAGEMENT
AGENCY

City Manager

Agency Chair

APPROVED AS TO FORM:

Agency Counsel

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED:

Risk Manager

APPROVED:

Finance Director

Exhibit “A” – Seventh Amendment

Services and Compensation

Under the terms of this agreement, the Sonoma County Waste Management Agency (AGENCY) shall allow the CITY and its residents the use of the Household Hazardous Waste (HHW) Facility at the Central Disposal Site, without additional charge during the term of the Agreement. CITY residents shall be provided any other privilege or right enjoyed by other member agencies of the AGENCY regarding the promotion and use of the HHW Facility at the Central Disposal Site.

Services provided by this agreement shall also include educational efforts, recycling and other waste diversion services, compliance with AB 939 reporting requirements and any updates necessary to state and/or county planning documents on behalf of CITY as required by the Countywide Integrated Waste Management Plan and state regulations.

The annual compensation for services shall be calculated by applying the AGENCY tipping fee surcharge rate on the actual tonnages of solid waste disposed by the City of Petaluma’s franchised waste hauler, Petaluma Refuse and Recycling. The amount of solid waste disposed for each month shall be reported to AGENCY for invoicing purposes by the 20th of the succeeding month. The AGENCY approved rate of \$5.95 per ton will be used for calculating invoices. Payment of each monthly invoice shall be due and payable to AGENCY ten (10) days after receipt of the invoice.

RESOLUTION NO.: 2011-

DATED: May 18, 2011

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY
("AGENCY") APPROVING THE SEVENTH AMENDMENT TO THE AGREEMENT FOR
AB 939 AND HOUSEHOLD HAZARDOUS WASTE FACILITY SERVICES, BY AND
BETWEEN THE AGENCY AND THE CITY OF PETALUMA

WHEREAS, on November 17, 2004 the Agency authorized the Agency Chair to sign a contract with the City of Petaluma, which was subsequently amended in November 2005, April 2006, May 2007, May 2008, May 2009, June 2010; and

WHEREAS, the contract, as amended, allows the citizens of Petaluma the use of the Household Hazardous Waste Facility and includes other Agency services funded by the Agency's tipping fee surcharge; and

WHEREAS, for FISCAL YEAR 11-12, the basis of calculation for payment of the portion of tipping fees the City of Petaluma will be paying shall be the actual tonnage of solid waste disposed calculated at \$5.95 per ton and invoiced on a monthly schedule; and

WHEREAS, the City of Petaluma and the Agency agree to extend the Agreement for Household Hazardous Waste program and other Agency services for an additional twelve (12) months, until June 30, 2012.

NOW, THEREFORE, BE IT RESOLVED that the Agency hereby approves the Seventh Amendment to the Agreement for AB 939 and Household Hazardous Waste Facility Services with the City of Petaluma.

MEMBERS:

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

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

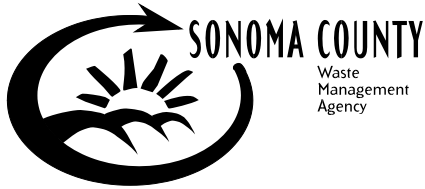
SO ORDERED

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

ATTEST:

DATE:

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



Agenda Item #: 9
Cost Center: Planning
Staff Contact: Carter
Agenda Date: 5/18/2011

ITEM: Carryout Bags Decision Process

I. BACKGROUND

The SCWMA Board of Directors requested staff to provide carryout bag legislation updates at each SCWMA meeting subsequent to the March 2008 meeting. Staff researches new developments in California and out-of-state legislation regarding paper and plastic carryout bags.

At the November 2010 SCWMA meeting, the Board directed staff to return to the January 19, 2011 meeting with a draft form letter to businesses that may be included in a single use bag waste reduction effort. The purpose of this letter was to inform the businesses that the Agency was considering action on the subject and was interested in receiving feedback. Staff was directed to include an information sheet to accompany the letter to discuss the reasons why action on single-use carryout bags was under consideration. The letter was mailed February 14, 2011 and requested a response by March 3, 2011.

II. DISCUSSION

At the March 16, 2011 SCWMA meeting, Board members indicated a desire to discuss potential carryout bag reduction actions with their councils or supervisors and directed staff to prepare a model presentation which could be used to that effect. Staff has created a presentation detailing three different options for CEQA analysis and implementation. These options include an Agency countywide ordinance, an Agency model ordinance with an umbrella program EIR, and an individual effort by each interested jurisdiction.

III. FUNDING IMPACT

Funding impacts to the Agency vary greatly depending on the project. The countywide Agency ordinance would have the greatest funding impacts to the Agency and least to the individual jurisdictions, and least overall funding impacts for all jurisdictions. Staff estimates a range of \$135,440 to \$193,240 in contractor costs for CEQA analysis, legal costs for drafting an ordinance and CEQA review, and a significant amount of staff time managing the project. Enforcement could either be performed by staff or through mutual agreements with other agencies. Additional enforcement staff, vehicle, and legal costs are estimated at a minimum of \$137,000 per year.

If each jurisdiction wished to pursue an ordinance individually, there would be a minimal (\$4,260 to \$8,520) funding impact to the SCWMA for staff support, but a \$116,760 to \$165,760 cost for CEQA, legal review, and staff for each jurisdiction. The cumulative funding impact of each jurisdiction pursuing this avenue is much greater than a single countywide Agency ordinance.

One-time projects such as these are typically funded through the use of reserves. The Contingency Reserve is expected to contain \$195,260 in funding at the end of FY 2010-11, which is sufficient for the estimated \$117,000 to \$170,000 project cost, but brings the Contingency Reserve well below the reserve goals. A reserve policy decision could be made to use funds from the HHW Reserve, which is expected to be \$1,617,067 at the end of FY 2010-11. This is approximately \$832,337 above the reserve goals for this fund for the current fiscal year, and \$735,001 above the goals for the upcoming fiscal year.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends dissemination of the presentation materials to the individual jurisdictions for consideration. If, after consideration by each jurisdiction, there is a unanimous decision to take action, staff recommends the option of a countywide SCWMA ordinance.

V. ATTACHMENTS

Single Use Carryout Bags Decision Tree presentation

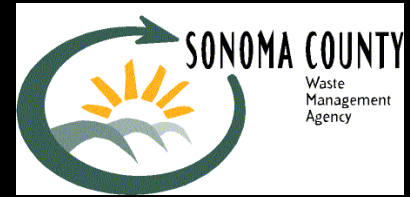
Approved by: _____
Henry J. Mikus, Executive Director, SCWMA

Sonoma County Waste Management Agency
May 18, 2011

Single Use Carryout Bags Decision Tree

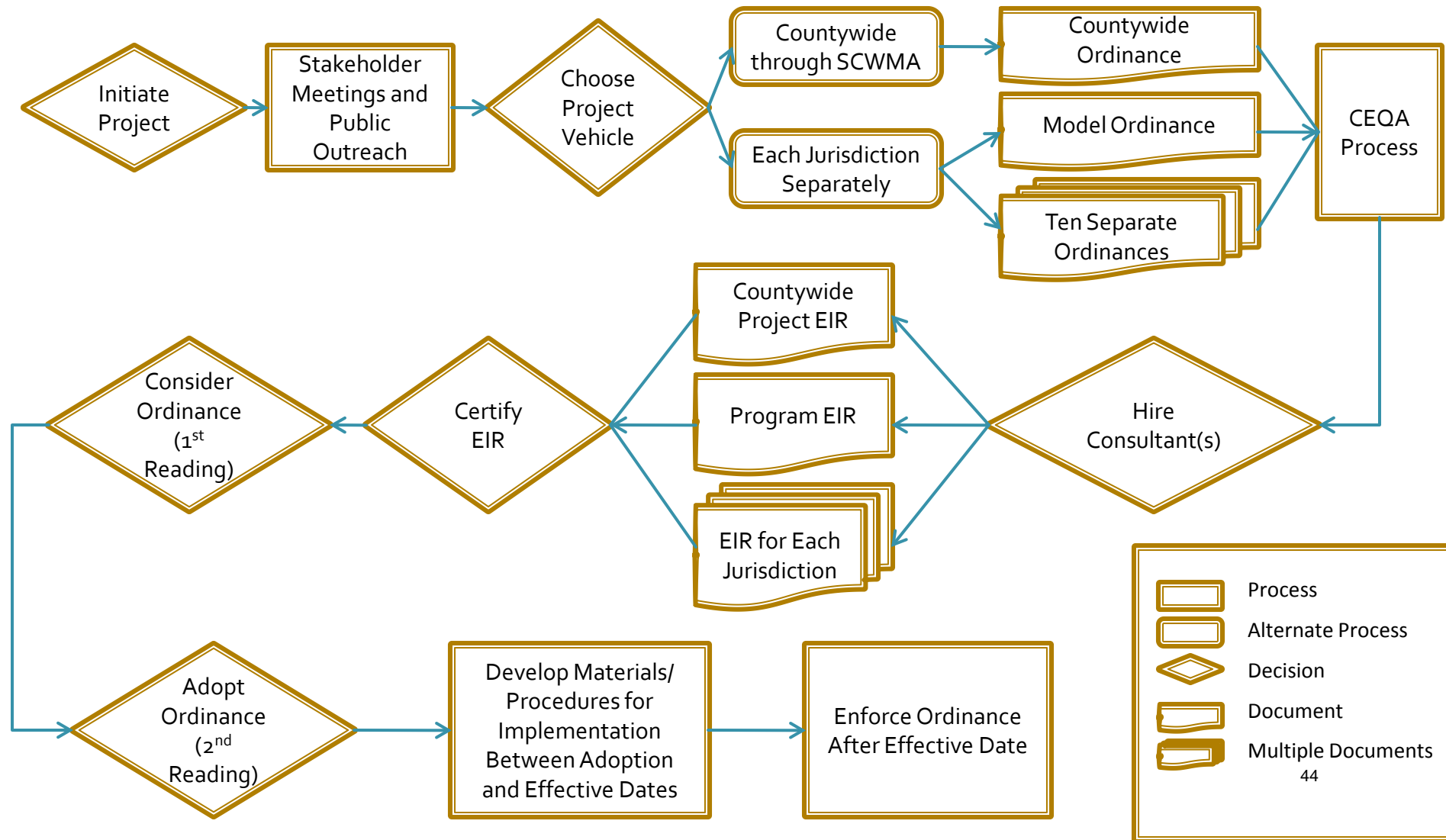


Purpose

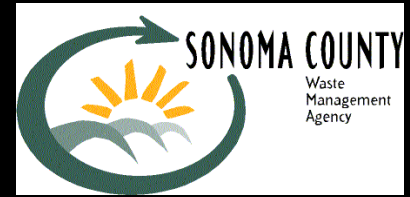


- The Sonoma County Waste Management Agency (SCWMA) has studied single-use, carryout bags for over 3 years
- Many jurisdictions throughout the world are interested in or have taken action to reduce single-use, carryout bag use
- If jurisdictions are interested, there are a number of options to consider
 - This document explores three viable options

Project Flow Diagram

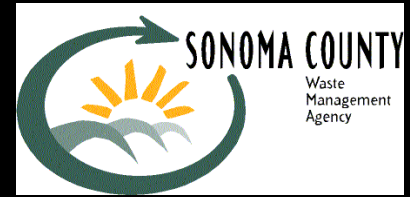


Project Vehicle



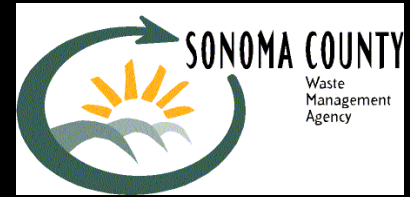
- SCWMA Countywide Ordinance
 - Development, CEQA analysis, adoption, and implementation through SCWMA
 - One ordinance, one EIR for entire county
 - Accomplished with SCWMA funds and staff
 - SCWMA's responsibility to defend and enforce
 - Annual SCWMA enforcement costs estimated at \$137,000
 - Requires SCWMA unanimous vote for CEQA agreement and to enact ordinance
 - Ordinance may expire in 2017 unless the SCWMA is extended or replaced

Project Vehicle (cont.)



- SCWMA Model Ordinance
 - SCWMA develops model ordinance, performs program EIR
 - One model ordinance
 - The foundation of the CEQA work done for jurisdictions by SCWMA
 - Each jurisdiction would need to tier off the program EIR for CEQA compliance
 - Accomplished in part with SCWMA funds
 - Each jurisdiction's responsibility to defend/enforce
 - Requires SCWMA unanimous vote for CEQA agreement, jurisdiction approval for each ordinance

Project Vehicle (cont.)



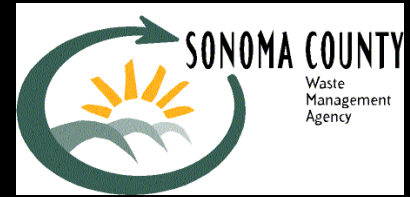
- Individual Jurisdiction Effort
 - Each jurisdiction develops separate ordinance, responsible for CEQA analysis
 - Up to ten ordinances for the entire county
 - Accomplished with minimal SCWMA funds
 - Each jurisdiction's responsibility to defend/enforce
 - Requires each jurisdiction to approve CEQA agreement and respective ordinance

Comparative Analysis

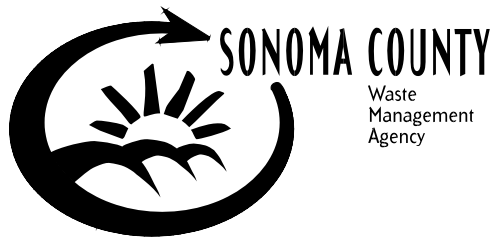


Issue	SCWMA Countywide Ordinance	SCWMA Model Ordinance	Individual Ordinances
Countywide Consistency	One ordinance ensures consistency	Model ordinance promotes consistency, jurisdictions could modify	Least likely to be consistent, each jurisdiction could adopt different parameters
Cost	<p>\$135,440-\$193,240 for CEQA and legal review; \$137,000 for enforcement – SCWMA;</p> <p>Likely the least overall, countywide cost</p>	<p>\$131,480-\$184,480 for CEQA and legal review – SCWMA;</p> <p>\$41,760-\$76,760 cost to each participating jurisdiction</p> <p>\$137,000 for enforcement</p>	<p>\$4,260-\$8,520 for support to jurisdictions – SCWMA</p> <p>\$116,760-\$165,760 to each jurisdiction for CEQA and legal review; \$137,000 for enforcement</p>
Legal Responsibility	SCWMA to defend CEQA document and ordinance	SCWMA to defend Program EIR; jurisdictions to defend their CEQA documents and ordinance	Jurisdictions to defend CEQA and ordinance
Enforcement	SCWMA responsibility, could enter into agreements or hire staff to enforce	Jurisdiction's responsibility to enforce	Jurisdiction's responsibility to enforce

Conclusions



- Countywide SCWMA ordinance appears most cost and time efficient method
 - Requires unanimous vote of the SCWMA
 - SCWMA funds ordinance development and CEQA
 - SCWMA to defend legal challenges to ordinance
 - Enforcement would require additional staff or separate agreements



Agenda Item #: 10
Cost Center: All
Staff Contact: Mikus/Fisher
Agenda Date: 5/18/2011

ITEM: Approval of the FY 09-10 Audit

I. BACKGROUND

Section 21. Records and Accounts found in the Agreement Between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues states:

“Agency will cause the books and records to be kept, and audit to be made, in accordance with the statutory requirements for Joint Powers Agencies.”

In response to this condition, an audit for FY 09-10 has been performed and is presented for approval.

II. DISCUSSION

In the Annual Report for the Fiscal Year Ended June 30, 2010, the first section is the Auditor-Controller Report, which explains the methodology and basis of the audit.

The second section is the Management’s Discussion and Analysis, which is an overview of the audit focusing on the analysis of financial statements and any potential impacts that might affect the financial health of the SCWMA.

The third section is the Basic Financial Statements, which includes financial analysis of net assets with a comparison between 2009 and 2010. There is a statement of revenues, expenses and changes in fund net assets. A cash flow comparison is the final statement before the notes made to the basic financial statements.

A management letter, Communications Required Under SAS 115, defining deficiencies was included with the audit. A response to this management letter is required of the Board of Directors. The deficiencies identified were lack of supporting documentation for one expenditure, and revenues and expenses that were recognized in the incorrect fiscal year. Since both of these deficiencies occurred in the accounts payable and receivable, staff developed a more systemized and detailed procedure to identify, collect documentation and facilitate posting to the County’s accounting system. Staff also developed procedures and assigned responsibility for payment/receipting, posting to the accounting system and application to the financial statements.

III. FUNDING IMPACTS

The deficiencies in no way impacted the published financial statements for the SCWMA. The adjusting journal entries were made to bring the balances in the County’s accounting system into agreement with the financial statements.

The decrease in SCWMA's total assets of \$534,284 referenced in the financial statements is the result of using reserve funds for Board approved projects, such as the preliminary work necessary for a relocation of the composting site, the expansion of the Household Hazardous Waste Facility, and the preliminary work associated with developing a sustainable funding model for SCWMA's replacement of the current surcharge tipping fee. These are one-time projects and are in keeping with the approved use of the reserve funds.

IV. ATTACHMENTS

Annual Report for Fiscal Year Ended June 30, 2010
Communications Required Under SAS 115
Draft Response from the Board of Directors

Approved by: _____
Henry J. Mikus, Executive Director, SCWMA

RODNEY A. DOLE
AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

Auditor-Controller
Treasurer-Tax Collector
County of Sonoma

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ASSISTANT
AUDITOR-CONTROLLER

ROBERT BOITANO
ASSISTANT
TREASURER

PAM JOHNSTON
ASSISTANT
TAX COLLECTOR/AUDITOR

May 11, 2011

Mr. Henry Minkus, Executive Director
Board of Directors
Sonoma County Waste Management Agency
Department of Transportation & Public Works
2300 County Center Drive, Suite B-100
Santa Rosa, CA 95403

Dear Mr. Minkus and Honorable Directors:

Enclosed please find the completed **Annual Report** of the Sonoma County Sonoma County Waste Management Agency (Agency) for the fiscal year ended June 30, 2010.

We have audited the basic financial statements of the Agency as of and for the year ended June 30, 2010, and have issued our report thereon dated March 11, 2011. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated July 21, 2010 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Agency's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was consistent with financial statement presentation.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year ending June 30, 2010. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We noted no sensitive accounting estimates affecting the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We noted no sensitive disclosures.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. We noted no uncorrected financial statement misstatements whose effects, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Please refer to the *Communications Required Under SAS 115* or *Management Letter* for a discussion of material weaknesses found as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 11, 2011.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.


Other Significant Findings or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

This report is intended solely for the information and use of the Agency's governing body and management, and is not intended to be and should not be used by anyone other than these specified parties.

If you have any questions, please call Ann Hargreaves at (707) 565-8302. Thank you for your assistance.

Sincerely,



Donna Dunk
Assistant Auditor-Controller

Sonoma County Waste Management Agency

**Annual Report
for the Fiscal Year Ended
June 30, 2010**



RODNEY A. DOLE
SONOMA COUNTY
AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

Sonoma County Waste Management Agency

**Annual Report
For the Fiscal Year Ended
June 30, 2010**

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Statement of Revenues, Expenses, and Changes in Fund Net Assets	
Statement of Cash Flows	
Notes to the Basic Financial Statements	
Roster of Board Members	

March 11, 2011

Members of the Board
Sonoma County Waste Management Agency

Auditor-Controller's Report

We have audited the accompanying basic financial statements of the Sonoma County Waste Management Agency, (the Agency) as of and for the year ended June 30, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the management of the Agency. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in Note IV.B of the Notes to the Basic Financial Statements, the Auditor-Controller is mandated by various statutes within the California Government Code to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. However, we believe adequate safeguards and divisions of responsibility exist.

In our opinion, except for the effects, if any, of the impairment to auditor independence, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2010 and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A) on pages 1 through 4 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the MD&A. However, we did not audit the information and express no opinion on it.

Management's Discussion and Analysis

As management of the Sonoma County Waste Management Agency (the Agency) we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the Agency's financial statements and the accompanying notes to the basic financial statements.

Financial Highlights

- The assets of the Agency exceeded its liabilities at the close of the most recent fiscal year by \$7,386,692 (net assets). All of this amount is unrestricted and may be used to meet the agency's ongoing obligations to citizens and creditors.
- The Agency's total net assets decreased by \$534,284 or 7%. This decrease is a result of expenses exceeding revenues in the agency activities.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of two components: 1) proprietary fund financial statements and 2) notes to the financial statements.

Proprietary Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency maintains one type of proprietary fund. The Agency uses enterprise funds to account for its agency activities, which include waste management.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the fund financial statements.

Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. In the case of the Agency, assets exceeded liabilities by \$7,386,692 at the close of the most recent fiscal year.

Net Assets			
	2010	2009	Increase (Decrease)
Current and other assets	\$ 8,312,234	\$ 8,262,994	49,240
Liabilities outstanding	925,542	725,069	200,473
Net assets:			
Unrestricted	7,386,692	7,811,297	(424,605)
Prior period adjustment	-	109,679	(109,679)
Total net assets	\$ 7,386,692	\$ 7,920,976	(534,284)

The Agency's unrestricted net assets \$7,386,692 may be used to meet the Agency's ongoing obligations to citizens and vendors.

At the end of the current fiscal year, the Agency is able to report a positive balance in its net assets. The same held true for the prior fiscal year. However, the Agency's net assets decreased by \$534,284 during the current fiscal year.

Business-type activities: Business-type activities decreased the Agency's net assets by \$534,284 . This decrease is a result of expenses exceeding revenues in the business-type activities.

Changes in Net Assets

	2010	2009	Increase (Decrease)
Revenues:			
Program Revenues:			
Municipal waste management	\$ 5,398,240	\$ 5,721,335	(323,095)
General Revenues:			
Investment income and other	66,933	191,684	(124,751)
Total revenues	<u>5,465,173</u>	<u>5,913,019</u>	<u>(447,846)</u>
Expenses:			
Program Expenses:			
Municipal waste management	5,999,457	5,238,891	760,566
Total expenses	<u>5,999,457</u>	<u>5,238,891</u>	<u>760,566</u>
Increase (decrease) in net assets	(534,284)	674,128	(1,208,412)
Net assets - beginning of the year	7,920,976	7,137,169	783,807
prior period adjustment		109,679	(109,679)
Net assets - beginning of the year, as restated	<u>7,920,976</u>	<u>7,246,848</u>	<u>674,128</u>
Net assets - end of the year	<u>\$ 7,386,692</u>	<u>\$ 7,920,976</u>	<u>(534,284)</u>

Capital Assets: The Agency has no investment in capital assets, as of June 30, 2010.

Economic Factors and Next Year's Budgets and Rates

- The Agency has a goal to stabilize the surcharge tipping fees in the next four years in order to mitigate effects on each of the jurisdictions' individual budget plans.
- The Agency will set aside reserve funds, when possible, as part of its long-term financial planning.

All of these factors were considered in preparing the Agency's budget for the fiscal year ending June 30, 2011.

Request for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sonoma County Waste Management Agency, 2300 County Center Drive Ste. B-100, Santa Rosa, CA 95403.

Sonoma County Waste Management Agency
Statement of Net Assets
Enterprise Fund
June 30, 2010

Assets

Current assets:

Cash and investments	\$ 7,875,129
Accounts receivable	332,976
Due from Other Governments	<u>104,129</u>

Total assets	<u>8,312,234</u>
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Liabilities

Accounts payable	<u>925,542</u>
------------------	----------------

Total liabilities	<u>925,542</u>
-------------------	----------------

Net Assets

Unrestricted	<u>7,386,692</u>
--------------	------------------

Total net assets	<u><u>\$ 7,386,692</u></u>
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The notes to the basic financial statements are an integral part of this statement.

Sonoma County Waste Management Agency
Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Fund
For the Fiscal Year Ended June 30, 2010

Operating Revenues

Tipping fees and surcharges	\$ 4,586,670
Service agreements	686,922
Grants and other contributions	<u>124,648</u>
Total operating revenues	<u>5,398,240</u>

Operating Expenses

Contract services	4,941,499
Professional services	122,989
Administration	595,723
Other services and supplies	<u>339,246</u>
Total operating expenses	<u>5,999,457</u>
Operating income (loss)	<u>(601,217)</u>

Nonoperating Revenues (expenses)

Investment earnings	<u>66,933</u>
Change in net assets	(534,284)
Net assets, beginning of year	7,811,297
Prior period adjustment	<u>109,679</u>
Net assets, beginning of year, as restated	<u>7,920,976</u>
Net assets, end of year	\$ <u><u>7,386,692</u></u>

The notes to the basic financial statements are an integral part of this statement.

Sonoma County Waste Management Agency
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

Cash Flows from Operating Activities

Receipts from customers and other funds	\$ 5,287,878
Payments to suppliers	<u>(5,742,676)</u>
Net cash used in operating activities	<u>(454,798)</u>

Cash Flows from Investing Activities

Interest received	<u>66,933</u>
Net cash provided by investing activities	<u>66,933</u>
Net decrease in cash and cash equivalents	(387,865)
Cash and cash equivalents, beginning of year	<u>8,262,994</u>
Cash and cash equivalents, end of year	<u><u>\$ 7,875,129</u></u>

**Reconciliation of operating loss to net cash
used in operating activities:**

Operating loss	\$ (601,217)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Increase in accounts receivable	(65,779)
Increase in accounts payable	256,781
Decrease in deferred revenue	<u>(56,308)</u>
Total adjustments	<u>146,419</u>
Net cash provided used in operating activities	<u><u>\$ (454,798)</u></u>

The notes to the basic financial statements are an integral part of this statement.

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
June 30, 2010

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Sonoma County Waste Management Agency (the Agency) was formed in April 1992 to assist the cities and County with the implementation of programs necessary to satisfy the requirements of AB939, the Integrated Waste Management Act of 1989. This Act requires that every jurisdiction in California plan for and implement programs that reduce the amount of waste disposed in landfills by 25% by 1995 and 50% by 2000. The Agency was granted a three-year extension to 2003 by the State. The State has determined that the Agency has met its 2003 goal. The Agency is continuing its efforts to reduce the amount of waste disposed in landfills, beyond the current 50% required by AB939. As of the date of this report, no new laws requiring waste reduction beyond 50% have been enacted.

The Agency's activities include a regional composting program, household hazardous waste collection, and countywide efforts towards waste reduction and recycling.

The Agency is governed by ten board members, with one member from each city (9), and one from the County. The Recycling Manager of the Transportation and Public Works Department serves as the Executive Director for the Agency. The staffing for the Agency is provided by the County through a contract with the Agency.

The Agency's programs are funded through garbage disposal fee surcharges, charges for services, and grants. Each program of the Agency is accounted for with a separate cost center. The composting program is entirely funded by charges for delivery of material to its program. The household hazardous waste, education and waste diversion efforts are funded through a surcharge on garbage brought to County disposal sites along with support from State Grants.

Since its creation in April of 1992, the Agency has added two new components to its scope of work: the Planning and Diversion Programs. Planning efforts currently include preparation of Annual Reports submitted to the California Integrated Waste Management Board. The Diversion Program is a cost center established to track the expenditures of those Agency programs that have direct measurable diversion. Both of these programs are funded through the disposal fee surcharge.

As discussed in Note I.A, the basic financial statements of the Agency are intended to present only the financial position and results of operations of only the Agency, which are held in trust by the Agency. They do not purport to, and do not, present fairly the financial position of the County of Sonoma as of June 30, 2010, and the

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
June 30, 2010

respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. This means that all assets and all liabilities (whether current or noncurrent) associated with this activity are included on the statement of net assets. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

The Agency has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board or any Accounting Research Bulletins issued on or before November 20, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The Agency's Enterprise Fund financial statements report business-type activities financed in whole or in part by fees charged to external parties for goods or services. Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges -- or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accrual basis of accounting is used by enterprise funds. Under this method, revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Operating revenues and expenses are distinguished from nonoperating items in the statement of revenues, expenses and changes in net assets. *Operating* revenues, such as tipping fees and sales of recycled products result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating*

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
June 30, 2010

revenues, such as grants and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses for enterprise funds include services and supplies, and depreciation on capital assets. All expenses not falling within these categories are reported as *nonoperating* expenses.

C. Accounting System Maintained by Sonoma County Financial Accounting and Management Information System (FAMIS)

The Agency uses the County's FAMIS and its budgetary recording and accounting control policies to account for all financial transactions affecting Agency funds. The County, through the Integrated Waste Management Division of the Department of Transportation and Public Works Department, tracks each load of yard and wood waste entering the county disposal system. A tonnage tipping fee is collected to pay for operating costs of the organics program. A surcharge on the solid waste tipping fee entering the county disposal system is used to fund the other programs, such as household hazardous waste, education, diversion, and planning.

D. Staff Services Performed by County of Sonoma

The Agency reimburses the County for services provided by the County as outlined in a Memorandum of Understanding between the County and the Agency dated September 18, 2007.

Staff services include Agency Director, professional staff, secretarial and as requested by the Agency, reasonable and necessary services from other County departments.

E. Assets, Liabilities and Equity

1. Cash and Investments

The Agency applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which require governmental entities, including governmental external investment pools, to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. In accordance with GASB Statement No. 31, the Agency has stated certain investments at fair value.

2. Receivables and Payables

Transactions representing accrual of revenues and expenses at year-end are referred to as either accounts receivable or accounts payable.

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
June 30, 2010

3. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the statement of net assets. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The Agency's policy is to capitalize assets with acquisition costs of at least \$5,000. Depreciation is computed using the straight-line method over estimated useful lives of 5 years for equipment. The Agency does not own land, buildings or improvements.

4. Net assets

Net assets are classified into three components - invested in capital asset (net of related debt), restricted and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt (if any) - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets (if any) - This component of net assets consists of net assets with limits on their use that are imposed by outside parties.
- Unrestricted net assets - This component of net assets consists of net assets that are not restricted for any project or other purpose.

5. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
June 30, 2010

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis. Annual appropriations that have not been encumbered lapse at year-end.

Annual budgets are adopted on a basis that differs from generally accepted accounting principles (GAAP) in which encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase for the purpose of a budgetary presentation. Actual GAAP expenditures have been adjusted to exclude current year encumbrances and to include expenditures against prior year encumbrances. This allows a comparison of a fiscal year's expenditures and commitments with related appropriations.

The impact on the basic financial statements of the County of these pronouncements which have been issued, but not yet adopted, is unknown at this time.

The Agency's employees are employees of the County of Sonoma. The County's financial statements include the required information and disclosures relating to these statements. Please see the County of Sonoma annual comprehensive financial report for additional information.

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
June 30, 2010

III. Detailed Notes

A. Cash and Investments

The Agency follows the County's practice of pooling cash and investments with the County Treasurer, except for a petty cash fund.

The amount of cash at June 30 is as follows:

Cash and investment in County Treasury	\$ <u>7,875,129</u>
--	---------------------

Investment in the Sonoma County Treasurer's Investment Pool

The Agency's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the Agency. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

As of June 30, 2009, the Agency's share of the decrease in fair value of investments was immaterial.

Investment Guidelines

The Agency's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
June 30, 2010

Sonoma County Treasurer at 585 Fiscal Drive, Room 100, Santa Rosa, California, 95403-2871.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2009, approximately 74 percent of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 3 percent had a maturity of more than five years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

➤ The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
June 30, 2010

undivided collateral pool held by depository regulated under stated law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

➤ The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2009 Sonoma County CAFR.

B. Prior Period Adjustment

A restatement of beginning net assets in the amount of \$109, 679 was performed to account for revenues and expenditures recognized in the wrong fiscal year.

IV. Other Information

A. Risk Management

The Sonoma County Waste Management Agency is exposed to various risks for which the Agency carries insurance with coverage for bodily injury, property damage, personal injury, auto liability, and errors and omissions. SCWMA is covered through Alliant Insurance Services, Inc for \$5,000,000 per occurrence.

B. Auditor Independence

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. Specifically, "Auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant or material to the subject matter of the audit." Although the office of the Auditor-

Sonoma County Waste Management Agency
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June 30, 2010

Controller is statutorily obligated to maintain accounts of departments, districts or funds that are contained within the County Treasury, we believe that adequate safeguards and divisions of responsibility exist. Therefore, we believe that subject to this qualification and disclosure, the reader can rely on the auditor's opinion contained in this report.

C. New Accounting Pronouncements

Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, issued in February 2009. This Statement establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. GASB Statement No. 54 is effective for financial statements for fiscal years beginning after June 15, 2010.

The impact on the basic financial statements of the County of these pronouncements which have been issued, but not yet adopted, is unknown at this time.

**Sonoma County Waste Management Agency
Board Members**

As of March 11, 2011, the Agency Board consisted of the following members:

Nina Regor	City of Cloverdale
Marsha Sue Lustig	City of Cotati
Mike Kirn	City of Healdsburg
Vince Marengo	City of Petaluma
Linda Babonis	City of Rohnert Park
Dell Tredinnick	City of Santa Rosa
Jack Griffin	City of Sebastopol
Phil Demery	County of Sonoma
Stephen Barbose	City of Sonoma
Christa Johnson (Chair)	Town of Windsor

Meetings are held at the City of Santa Rosa Utilities Department's Subregional Water Reclamation System Laguna Plant, 4300 Llano Road, Santa Rosa every third Wednesday of each month at 9:00 A.M.

RODNEY A. DOLE
AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR



DONNA M. DUNK
ASSISTANT
AUDITOR-CONTROLLER

ROBERT BOITANO
ASSISTANT
TREASURER

PAM JOHNSTON
ASSISTANT
TAX COLLECTOR / AUDITOR

Communications Required Under SAS 115

March 11, 2011

Board of Directors
Sonoma County Waste Management Agency
Santa Rosa, California

Dear Board of Directors:

In planning and performing our audit of the financial statements of Sonoma County Waste Management Agency (the Agency), as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal controls over financial reporting (internal controls) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal controls.

Our consideration of internal controls was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal controls that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal controls that we consider significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal controls.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal controls.

We believe that the following deficiencies constitute material weakness:

1. No supporting documentation for expenditures:

Of the sample selected for payables testing, we found a transaction, which could not be substantiated.

Recommendation:

We recommend that the supporting documentation and authorization procedures be followed for all payables. Proper documentation and authorization of payables is an important internal control for safeguarding the Agency's assets.

2. Revenue and expenditures were recognized in the incorrect fiscal year:

During our testing of operations, we noted several material deviations, as transactions were recognized in the wrong period.

Recommendation:

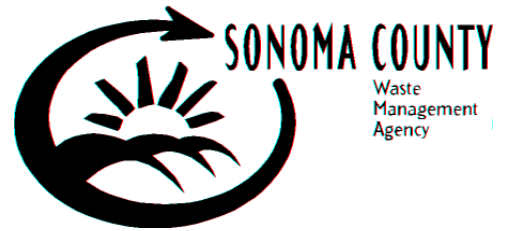
We recommend management's review of processes with the goal of developing a plan to improve collaboration, and flow of information. Processes and areas of responsibility should be clearly defined to ensure the Agency's accounting is done according to generally accepted accounting principles.

We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal controls or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Upon receipt of this letter, please respond to the above comments directly to the Auditor-Controller's Office within 10 days following the next Board Meeting.

In closing, we would like to thank you for the courtesy and helpfulness the staff extended to us during the audit. If you have any questions about the audit, please feel free to call Ann Hargreaves at (707) 565-8302.



May 18, 2011

Sonoma County Auditor-Controller
585 Fiscal Drive, Suite 101F
Santa Rosa, CA 95403

Dear Mr. Dole,

This letter is the requested response to the FY 09-10 Sonoma County Waste Management Agency audit recently completed by the Sonoma County Auditor-Controller. There were two deficiencies identified in the audit that require a response.

The first deficiency identified was lack of supporting documentation for one expenditure. The second deficiency identified was revenues and expenditures were recognized in the incorrect fiscal year. Since the two deficiencies are related, staff developed a more exhaustive and efficient process for developing, submitting and posting the accounts receivable and payable at the end of the fiscal year. Staff has also worked with the auditor and accountant to develop a process for applying the payment or receipt of revenues throughout the entire fiscal year. This revised procedure will identify levels of responsibility, information flow and feedback loops.

The four main types of accounts receivable for the agency and the staff member responsible are:

- Due from Other Governments (reimbursement grants) - program manager
- Advances from Other Governments (advance grants) - program manager
- Sale of Material (revenue sharing with contractor) - analyst
- Tipping Fee Reimbursement from Cities - analyst

At year end, staff, analyst and accountant will review what receivables need to be posted to the accounting system. The accountant will be responsible for posting into the system.

The account payable list begins with agency staff contacting their individual contractors for all invoices related to the end-of-year period. Each staff member then develops a list along with documentation for submission. Should estimates be required, staff can prepare a written estimate as back up. After the lists and documentation are prepared, the Director, analyst and accountant will review. The accountant will then post the accounts payable into the accounting system.

Typically, there are numerous pending end-of-year transactions that must be recognized in the account system, then subsequently adjusted or reversed depending on actual amounts and paperwork. Previously all payables and receivables were reverted by the accountant at the beginning of the fiscal year. The revised practice, developed by the Executive Director, analyst and accountant, will begin with a more systemized process to recognize receivables and payables by the appropriate entity as they are received throughout the entire fiscal year.

All checks or grant payments will be reviewed by the appropriate program manager for accuracy and then will be forwarded to the accountant for receipting and posting into the accounting system. The application of the funds against an account receivable is the responsibility of the accountant.

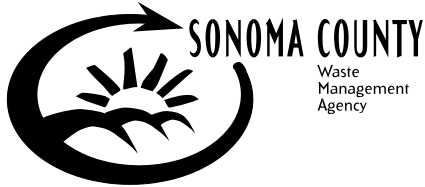
Invoices will be reviewed by the appropriate program manager for accuracy. The program manager will then code the invoice for processing and forward it to either the Director or the analyst for a second review. The coded invoice will then be sent to the account clerk who will prepare a claim form. The next step is the preparation of a warrant (check) for payment, which is done at the Fiscal Division of the Auditor-Controller. The accountant will also receive a copy of the claim, invoice and any documentation for posting into the accounting system. It is the responsibility of the accountant to apply the processed invoices against any accounts payable.

Following the recommendation of the auditor for improvement of collaboration, flow of information and definition of responsibility, this more defined and detailed process has been developed as a starting point. It is anticipated that further refinement of the process will be added with usage of the process.

With the Board of Directors' approval of the audit, the adjusting entries will be made into the accounting system to reflect the same financial position displayed on the audit financial statements. Upon receipt of the response letter, the audit will be finalized and published.

Sincerely yours,

Mike Kirn, Chairman
Sonoma County Waste Management Agency Board of Directors



Agenda Item #: 12
Cost Center: Education
Staff Contact: Chilcott
Agenda Date: 5/18/2011

ITEM: PG&E Fluorescent Lamp Recycling Regional Outreach Contract Sonoma County

I. BACKGROUND

The SCWMA recognizes that Extended Producer Responsibility (EPR) is a waste management approach that will assist in managing waste products by shifting responsibility for discarded products away from local governments to the manufacturers. In support of this goal, staff time for Product Stewardship efforts is budgeted in the Work Plan for FY 11-12.

Currently, the Agency spends over \$90,000 per month to manage products banned from landfill disposal. This expense is projected to increase as participation in the Household Hazardous Waste programs increase. The use of fluorescent lamps has proliferated as an energy-efficient replacement for incandescent bulbs. At the end of their life, disposal of fluorescent lamps presents a challenge as they contain toxic mercury vapors. In 2006, California's Universal Waste Regulations went into effect and fluorescent lamps were banned from landfill disposal. In FY 07-08, the Agency spent \$24,551.52 for disposal of fluorescent bulbs/CFLs. In FY 09-10, the Agency spent \$35,342 for disposal of fluorescent bulb/CFLs. Historically, few options for recycling collection exist locally: 1) Disposal through the Agency's Household Hazardous Waste programs 2) Drop-off at a few retailers

To expand opportunities for public collection of spent fluorescent lamps and encourage EPR, on April 27, 2010 the Agency applied for a one-time \$7,500 grant from the PG&E Corporation Foundation. On August 23, 2010, the Agency received a funding notice and was paid in full. To demonstrate their commitment to the program, retail participants aka "Recycling Partners" signed a "Participation Agreement Letter" and completed a "Recycling Partner Material Request Form." All stores received pre-paid disposal containers from Mercury Disposal Systems (MDS). MDS was selected as the disposal vendor as they operate similar disposal programs with government agencies and PG&E in other CA jurisdictions.

The result was that seven new retail locations were recruited to become "Recycling Partners" agreeing to collect spent CFLs and 4-foot lamps from the public.

- Parsons Lumber & Hardware, Boyes Hot Springs
- Bosworth and Son General Merchandise, Geyserville
- Healdsburg Lumber Company, Healdsburg
- Bennett Valley Ace Hardware, Santa Rosa
- Montecito True Value Hardware, Santa Rosa
- True Value Hardware, Larkfield
- Garrett Hardware, Windsor

Grant monies were expended December 2010.

A lasting result of the 2010 PG&E Corporation Foundation grant was that Agency staff made contacts at PG&E that resulted in the current 2011 PG&E Fluorescent Lamp Recycling Regional Outreach Contract Sonoma County funding opportunity.

II. DISCUSSION

Pursuant to authority granted to Pacific Gas and Electric by the California Public Utilities Commission pursuant to Advice Letter 3082-G/3598-E, PG&E is funding a Fluorescent Lamp Recycling Regional Outreach Program that assists a select group of local governments in establishing free and convenient collection systems for used residential Fluorescent Lamps. In 2009-10 pilots, PG&E partnered with five municipalities to run limited outreach campaigns advertising the proper disposal of Fluorescent Lamps. In 2011, Napa and Sonoma Counties were selected by PG&E as the final pilot project with funding of \$80,000 for each jurisdiction. While partnering between the two jurisdictions wherever possible is encouraged, contracts between PG&E and the Agency and Napa County remain discreet.

The scope of work for the Agency's program is based on the philosophy of encouraging EPR, offering retailers limited time recycling/disposal cost reimbursement and building upon work completed with the prior Agency 2010 PG&E grant project. Based on PG&E's methodology, PG&E's goal is for the Agency is to collect 20% of fluorescent lamps expected to enter Sonoma County's waste stream. The contract expires December 31, 2012.

About the project

The Agency seeks to expand the number of drop-off locations for spent fluorescent lamps from residents (English and Spanish speaking) in Sonoma County. Existing participating retailers and newly recruited stores will be made aware that disposal costs can only be offered for a limited time and not on an on-going basis. Stores will receive information about Extended Producer responsibility and retailers will be encouraged to continue their collection and recycling program after the end of the grant term. This project also seeks to coordinate with Napa County on publicity efforts.

From May 2011 to February 2012, the goal is to recruit 10 additional retail locations, including Spanish-retailers. From March 2012-December 2012, the intent is not to recruit more locations, but simply to provide support for all locations through infrastructure and advertising.

To conduct Spanish language activities, Agency staff intends to enter into a separate agreement with the Agency's current Spanish Language contractor, C2 Alternative Services to recruit Spanish language stores to take-back fluorescent lamps and to organize Spanish language advertising.

For disposal infrastructure, Staff intends to contract with MDS as the disposal vendor. MDS was the vendor for the Agency's 2010 PG&E grant program and is familiar operating similar disposal programs with government agencies and with PG&E. In addition, MDS will also be working concurrently with the Napa County as their disposal vendor.

Budget

Based on feedback from retailers participating in the Agency 2010 PG&E grant, the budget for the new agreement is weighted towards providing fluorescent lamp disposal infrastructure to existing and new retailers. Roughly 60% of the budget will be allocated for disposal costs, 30% of the budget allocated for advertising and 10% of the budget allocated for administration. The Administration budget partly reimburses Agency staff item. Unlike the previous PG&E grant where the Agency was paid in full before the grant activities occurred, this contract will work on reimbursement.

2011-12 Fluorescent Lamp Recycling Regional Outreach Program Sonoma County		
Task 1	Administration	\$4,800
Task 2	Spanish language store recruitment and support	\$4,000
Task 3	Outreach activities	
	Conduct promotional event with Business Leader's Breakfast	\$450
	English radio, newspaper and on-line media	\$14,750
	Spanish radio, newspaper and on-line media	\$4,000
Task 4	Enhance disposal infrastructure, i.e. fund collection containers for retailers through Mercury Disposal Systems (MDS).	\$52,000
	TOTAL	\$80,000

III. FUNDING IMPACT

In anticipation of this \$80,000 contract award, staff time for this project was included as task 4.15 in the FY 11-12 final work plan and budget approved by Board members at the April 20, 2011 meeting.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Agency staff requests that the Agency Board enter into a Purchase Order for Services Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County agreement with PG&E and authorize the Chair to sign the agreement. Please note that for the final agreement, the words "County of Sonoma" and "County" will be respectively changed to "Sonoma County Waste Management Agency" and "Agency."

V. ATTACHMENTS

- Draft Purchase Order for Services Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County agreement with PG&E and authorize the Chair to sign the agreement.

Approved by: _____
Henry J. Mikus, Executive Director, SCWMA

PURCHASE ORDER

Date 04/27/2011 P.O. Number 2500484055

PHONE THE PG&E CONTACT IMMEDIATELY IF
 YOU CANNOT DELIVER BY THE DATE WANTED.

SHOW THIS PURCHASE ORDER NUMBER AND
 APPLICABLE ITEM NUMBER(S) LISTED BELOW ON
 PACKAGES, INVOICES, PACKING LISTS, AND BILLS OF
 LADING.

VENDOR #: 1094908

BUYER - Roy K. Lee 415/973-8035 RKL9@PGE.COM

COUNTY OF SONOMA
 FLO-LAMP RECYCLE
 2300 COUNTY CENTER DR # B100
 SANTA ROSA CA 95403

TERMS - 2% 15 days, Net 45 days

PLEASE DELIVER TO:
 PGE CORP
 PG&E Corporation
 IDSM Contract Resource and Validation
 Floor 6th
 245 Market Street
 San Francisco CA 94105
 415-973-4388

VENDOR - THIS PURCHASE IS AUTHORIZED SUBJECT
 TO THE TERMS AND CONDITIONS OF OUR AGREEMENT
 (AGREEMENT NUMBER). YOUR INVOICE
 MUST SHOW OUR P.O. NUMBER 2500484055.

REFER TO ASSOCIATED CONTRACT DOCUMENTATION FOR
 SERVICE LOCATION DETAILS

Item	Product Code	Description	Quantity	Unit	Unit Price	Item Total
1		ES&S Green Communities Innovator/Pilots	4,800	USD	1.00	4,800.00
		Delivery date: 12/31/2012				
		Exhibits 1 and 2 (including Exhibits A through H) attached are incorporated by reference.				
2		ES&S Green Communities Innovator/Pilots	23,200	USD	1.00	23,200.00
		Delivery date: 12/31/2012				
3		ES&S Green Communities Innovator/Pilots	52,000	USD	1.00	52,000.00
		Delivery date: 12/31/2012				
Total net value excl. tax USD			80,000.00			
=====						

MAIL THE ORIGINAL INVOICE TO:
 FOR INVOICES TO BE PAID, YOU MUST COMPLY WITH
 THE INVOICE INSTRUCTIONS

Pacific Gas and Electric Company
 P.O. Box 7760
 San Francisco, CA 94120-7760
 1-800-756-PAID

**PURCHASE ORDER FOR SERVICES
TERMS AND CONDITIONS
EXHIBIT 1**

1. DEFINITIONS

"Contractor" means the Party, identified on the face of the Purchase Order, which is performing Services under this Purchase Order.

"Deliverables" means written materials to be provided by Contractor under the Purchase Order, including but not limited to reports, manuals, data, technical drawings, and presentations.

"Goods" means personal property purchased by PG&E under the Purchase Order.

"Party" or **"Parties"** means, in the singular, Contractor or PG&E, and in the plural, both Contractor and PG&E.

"Purchase Order" or **"PO"** means the contract between the Parties, comprised of the Purchase Order form, these Terms and Conditions, and any other document incorporated into the Purchase Order. A reference to the "face of the Purchase Order" means the Purchase Order form.

"Services" means the work to be performed by Contractor described on the face of the Purchase Order and includes all Deliverables and Goods provided hereunder.

"Subcontract" means an agreement between Contractor and Subcontractor or between Subcontractors at any level for a portion of the Services under this Contract.

"Subcontractor" means the party or parties entering into a Subcontract with Contractor or another Subcontractor to perform a portion of the Services covered by the Contract.

2. ACCEPTANCE: This Purchase Order is PG&E's offer to purchase from Contractor the Services described on the face of the Purchase Order. BY COMMENCING PERFORMANCE OF THE SERVICES, CONTRACTOR IS DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS OF THIS PURCHASE ORDER. Any additional or different terms proposed by Contractor, whether in any proposal, quotation, confirmation, acknowledgment, invoice, notation or interlineation on the Purchase Order or otherwise, are expressly rejected and shall be of no force and effect, and no course of dealing, usage of trade, or course of performance shall be relevant to explain or supplement any term herein.

3. INDEPENDENT CONTRACTOR: Contractor is an independent contractor, and all persons hired by Contractor in connection with this Purchase Order shall be employees or subcontractors of Contractor and shall not be construed as employees or agents of PG&E in any respect. Contractor is solely responsible for determining the appropriate means and methods of performing the Services, notwithstanding any review, approval, acceptance, use or payment by PG&E.

4. AMENDMENTS; NON-WAIVER: No modification or change to this Purchase Order, or waiver of any breach or default, shall be binding or effective unless expressly set forth in writing by a change order signed by the authorized representatives of both Parties. Waiver by either Party of any breach or default shall not be deemed to be a waiver of any other breach or default of the same or any other requirement, nor shall any waiver of an incident of breach or default constitute a continuing waiver of the same.

5. SUBCONTRACTS: Contractor shall not enter into Subcontracts without the prior written approval of PG&E, which approval shall not relieve Contractor of its obligations hereunder.

6. NON EXCLUSIVITY: THIS IS NOT AN EXCLUSIVE CONTRACT.

THIS PURCHASE ORDER DOES NOT GUARANTEE CONTRACTOR ANY VOLUME OR DURATION OF WORK.

7. PERFORMANCE: Time is of the essence, and PG&E may terminate the Purchase Order if the services are not begun or performed by the date specified on the face of the Purchase Order. No change in the scheduled performance date is permitted without PG&E's prior written consent.

8. INVOICES: Contractor's invoices for services must meet the following minimum requirements before they can be paid:

- a. Submit a separate invoice for each Purchase Order.
- b. Invoices must include the Purchase Order number, delivery or service address, and, if applicable, the shipping point.
- c. Each invoice item must clearly identify the corresponding Purchase Order item.
- d. Contractor must submit an invoice within Sixty (60) days after completion and final acceptance of the Services by PG&E. PG&E will not be liable for payment of late invoices that are received beyond such Sixty (60) day period.

9. EXPENSES: All reimbursable expenses shall be billed to PG&E at Contractor's cost and must be reasonable, ordinary and necessary. Air fare costs will be reimbursed only on a coach fare basis and rental car costs on a subcompact rate basis. Other reimbursable mileage will be at the then-current Internal Revenue Service (IRS) rate.

10. PAYMENT TERMS: PG&E's payment terms are 2% 15 days, net 45 days after receipt of an approved invoice. PG&E reserves the right to discount payments to Contractor by Two percent (2%) of the invoice total for payment(s) made to Contractor within Fifteen (15) days. Any remaining, uncontested balance shall be payable to Contractor within Forty-Five (45) days after receipt of an approved invoice. PG&E may retain from any payments due hereunder sufficient funds to discharge any delinquent accounts of Contractor for which liens on PG&E's property have been or can be filed, and PG&E may at any time pay therefrom, for Contractor's account, such amounts as are admittedly due thereon.

11. WARRANTIES: Contractor warrants that the Services shall be performed with the degree of skill and care required by currently prevailing best industry practices and in conformance with generally accepted professional standards prevailing at the time the Work is performed so that the services performed are correct and appropriate for the purposes contemplated herein. Any Goods furnished by Contractor, whether or not manufactured by Contractor, shall be of the kind and quality described in the Purchase Order, free of defects in workmanship, material, design, and title, of good and merchantable quality, and fit for their intended purpose.

12. TERMINATION OR CANCELLATION: PG&E may suspend, terminate or cancel the Purchase Order upon written notice to Contractor, and PG&E shall be liable to Contractor only for the compensation earned on the Work performed to the date of termination. Contractor shall not be entitled to any payment for lost or anticipated profits or overhead on uncompleted portions of the Work. Any reports, drawings or other documents prepared for PG&E prior to the effective date of such termination or cancellation shall be delivered to PG&E by Contractor before PG&E will release the final payment.

13. INFRINGEMENT PROTECTION: Contractor represents to PG&E that the Services will not infringe upon the copyright, patent or license, or otherwise violate the proprietary rights, including trade secret rights, of any person or entity. Contractor agrees to indemnify and hold PG&E, its parent, subsidiaries and affiliates, harmless from any liabilities, costs, and

PURCHASE ORDER FOR SERVICES
TERMS AND CONDITIONS
EXHIBIT 1

damages arising out of any such infringement and from any suit, demand or claim made against PG&E, its parent, subsidiaries, and affiliates alleging any such infringement or violation. Contractor further agrees to pay any judgment or reasonable settlement offer resulting from a suit, demand or claim, and pay any reasonable attorneys fees incurred by PG&E in defense against such suit, demand, or claim.

14. INDEMNIFICATION: Contractor shall indemnify PG&E, its directors, officers, agents, and employees, against all loss, damage, expense and liability resulting from injury to or death of person, including, but not limited to, employees of PG&E or Contractor, or injury to property, including, but not limited to, property of PG&E or Contractor, arising out of or in any way connected with the performance of, or failure to perform, this Purchase Order, however caused, except for such injury, death or property damage caused by the negligence or willful misconduct of PG&E.

15. INCIDENTAL AND CONSEQUENTIAL DAMAGES: NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF REVENUES OR PROFITS, COMMITMENTS TO SUBCONTRACTORS, RENTAL OR LEASE AGREEMENTS, AND PERSONAL SERVICE CONTRACTS, EVEN IF SUCH PARTY WAS AWARE OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED, HOWEVER, THAT NOTHING IN THIS CLAUSE SHALL AFFECT CONTRACTOR'S OBLIGATIONS IN THE CLAUSES CONCERNING INFRINGEMENT PROTECTION, INDEMNIFICATION AND INSURANCE.

16. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

- a. **OWNERSHIP AND USE OF DELIVERABLES:** PG&E shall own all data, reports, information, manuals, computer programs or other written, recorded, photographic or visual materials, or other Deliverables produced for PG&E hereunder. Contractor shall retain no ownership, interest, or title in them except as may otherwise be provided in the Purchase Order. If and to the extent that Contractor retains any preexisting rights in any materials furnished hereunder, Contractor hereby grants to PG&E the irrevocable, perpetual, non-exclusive, worldwide, royalty free right and license to (i) make, use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such preexisting rights and derivative works thereof in connection with PG&E's business and (ii) authorize others to do any or all of the foregoing in connection with PG&E's business. Any claims of Contractor to proprietary rights in the Deliverables must be expressly set forth herein or previously disclosed to PG&E in writing.
- b. **DELIVERY AND RETENTION OF RECORDS:** To the extent PG&E does not otherwise specifically request delivery of records or results, Contractor agrees to retain all records and results of Work performed under this Purchase Order for a period of not less than two years from the date the Work is accepted by PG&E. At PG&E's request Contractor will deliver a copy of any or all original field notes, investigative notes, tests, photographs, records, calculations, summaries, reports, and records produced and collected in the course of the Work performed under this Purchase Order.
- c. **CONTRACTOR'S USE OF PG&E PROPERTY:** All records, reports, computer programs, written procedures and similar materials, documents or data, in whatever form, provided by PG&E for Contractor's use in the performance of Services shall remain the confidential property of PG&E and shall be returned to PG&E immediately upon completion of Contractor's use for the performance of the Work or earlier upon the request of PG&E.
- d. **CONFIDENTIALITY:** In the course of performing the Services,

Contractor may have access to confidential commercial or personal information concerning, but not limited to, technological, ratemaking, legislative and personnel matters and practices of PG&E, its parent company, subsidiaries, affiliates, or members of the public. Contractor agrees not to disclose any such confidential information or otherwise make it available to any other person, including any affiliate of PG&E that produces energy or energy-related products or services, without the prior written approval of PG&E. Contractor shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect any personal or confidential information from unauthorized access, destruction, use, modification, or disclosure.

17. INSURANCE REQUIREMENTS: Contractor shall maintain insurance coverage accordance with this Article. Contractor is also responsible for its Subcontractors maintaining sufficient limits of the same coverage.

- a. **ON-SITE WORK:** If the work hereunder requires Contractor to enter PG&E's premises, the following provisions shall apply. Contractor shall maintain **(1) Workers' Compensation** insurance complying with any applicable labor codes, acts, laws or statutes, state or federal, where Contractor performs work; **(2) Employers' Liability** insurance which shall not be less than \$1,000,000 for injury or death each accident, and **(3) Commercial General Liability** coverage at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage occurrence form, with no coverage deletions. The limit for Commercial General Liability coverage shall not be less than \$1,000,000 each occurrence for bodily injury, property damage and personal injury. If coverage is subject to a general aggregate limit, this aggregate limit shall be twice the occurrence limit. Coverage shall: (1) by "Additional Insured" endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of work performed by or for the Contractor; and (2) be endorsed to specify that the Contractor's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it.
- b. **VEHICLE COVERAGE:** If the Services hereunder involve any use of a vehicle, the following provision shall apply. Contractor shall maintain **Business/Personal Auto** insurance with coverage at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile liability, code 1 "any auto." The limit shall not be less than \$1,000,000 each accident for bodily injury and property damage. Sole proprietor consulting or other professional services firms may provide evidence of Personal Auto insurance, provided that the limit for Personal Auto shall not be less than the minimum limits established by the California Department of Motor Vehicles, but in no case less than \$300,000 each accident.
- c. **INSURANCE DOCUMENTATION REQUIREMENTS.** Contractor must provide PG&E with certificates of insurance and endorsements of all required insurance upon request. The insurance documentation shall state that coverage shall not be cancelled except after thirty (30) days prior written notice has been given to PG&E, and must be signed by a person authorized by that insurer to bind coverage on its behalf. All policies or binders with respect to insurance maintained shall waive any right of subrogation of the insurers hereunder against PG&E, PG&E's directors, officers, employees, agents, and its parent company, affiliates, subsidiaries. PG&E may inspect the original policies or require complete certified copies, at any time. Upon request, Contractor shall furnish PG&E the same evidence of insurance for its Subcontractors as PG&E requires of Contractor.

18. SAFETY

**PURCHASE ORDER FOR SERVICES
TERMS AND CONDITIONS
EXHIBIT 1**

a. Performance of Work: Contractor shall plan and conduct the work to safeguard adequately all persons and property from injury. Contractor shall direct the performance of the work in compliance with reasonable safety regulations and work practices and with all applicable Federal, State and local laws, rules and regulations, including, but not limited to, "occupational safety and health standards" promulgated by the U.S. Secretary of Labor and safety orders of the California Division of Industrial Safety. PG&E may require Contractor to observe reasonable safety precautions in addition to those in use or proposed by Contractor. Neither the giving of such special instructions by PG&E nor the adherence thereto by Contractor shall relieve Contractor of its sole responsibility to maintain safe and efficient working conditions.

b. Injury and Illness Prevention Program: Contractor acknowledges that it has an effective Injury and Illness Prevention Program which meets the requirements of all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code.

c. PG&E Drug and Alcohol Policy: PG&E has established a drug and alcohol policy for access to PG&E facilities by its Contractor and Subcontractor personnel. If any personnel of Contractor or its approved Subcontractors perform any Work or services at PG&E offices and/or other PG&E facilities, then Contractor shall comply with PG&E's Drug and Alcohol Abuse and Testing Policies.

19. HAZARDOUS MATERIALS: The California Health and Safety Code requires businesses to provide warnings prior to exposing individuals to materials listed by the Governor as chemicals "known to the State of California to cause cancer, birth defects or reproductive harm." PG&E uses chemicals on the Governor's list at many of its facilities. In addition, many of these chemicals are present at non-PG&E-owned facilities and locations. Accordingly, in performing the Services, Contractor, its employees and agents, may be exposed to chemicals on the Governor's list. Contractor is responsible for notifying its employees and agents that Services performed hereunder may result in exposures to chemicals on the Governor's list.

20. AVAILABILITY OF INFORMATION: PG&E's authorized representatives shall have access at all reasonable times to all of the Contractor's personnel and records during the term of the Purchase Order and for Three (3) years thereafter to verify the quantity and quality of Work, reimbursable costs, accuracy of billings, and compliance with the Conflict of Interest/Business Ethics clause below. Contractor shall promptly submit payment including accrued interest for any inaccuracies disclosed. Except for the review for compliance with the Conflict of Interest/Business Ethics clause, this paragraph shall not apply to contracts performed solely on a lump-sum basis.

21. CONFLICT OF INTEREST/BUSINESS ETHICS: Contractor shall not offer, or cause to be offered, gifts, entertainment, payments, loans, services, benefits, or any other consideration of more than a nominal value to PG&E's employees, their families, contractors, or third parties.

22. NO PUBLICITY: Contractor shall not include PG&E's name, any reference to this Purchase Order, or any reference to PG&E's purchase or use of any products or services provided by Contractor in Contractor's published customer list or in other publicity or advertisement (including internet sites) without the prior written consent of an officer of PG&E.

23. ASSIGNMENT: Contractor shall not assign its rights or delegate its duties under the Purchase Order without obtaining prior written consent of PG&E, and any attempted assignment or delegation without such consent shall be void. At its discretion, PG&E may assign its rights or delegate its duties under the Purchase Order, provided PG&E will remain obligated for payments unless otherwise agreed by Contractor.

24. CODE OF CONDUCT: CONTRACTOR AND CONTRACTOR'S SUBCONTRACTORS AND THEIR SUPPLIERS AT ALL TIERS SHALL COMPLY WITH PG&E'S CONTRACTOR, CONSULTANT AND SUPPLIER CODE OF CONDUCT IN THE AWARD OF ALL CONTACTS AND SUBCONTRACTS. This policy requires that Contractor and Contractor's subcontractors and suppliers demonstrate a strong commitment to compliance and ethics as a foundation to successful business. Any Work done for PG&E must be completed in full compliance with PG&E's Contractor, Consultant and Supplier Code of Conduct. Contractor shall access, read and comply with PG&E's Code of Conduct and shall make it available to its Subcontractors and suppliers. The Code of Conduct is available at PG&E's website, [www.PGE.com](http://www.pge.com), at the following link: http://www.pge.com/includes/docs/pdfs/b2b/purchasing/contractor_consultant_and_supplier_code.pdf.

25. FEDERAL EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION REGULATIONS POLICY: During the performance of this Purchase Order and to the extent they may be applicable, Contractor agrees to comply with all laws, orders, and regulations included by summary or reference in the following provisions: (a) Executive Order 11246, 41 CFR Part 60-1.4: Equal Opportunity Clause; (b) Executive Order 11246, 41 CFR Part 60-1.8: Nonsegregated Facilities; (c) Vietnam Era Veterans' Readjustment Assistance Act of 1974, 41 CFR Part 60-250.5.a: Equal Opportunity Clause; (d) Vietnam Era Veterans' Readjustment Assistance Act of 1974, 41 CFR Part 60-300.5.a: Equal Opportunity Clause; and (e) Section 503 of the Rehabilitation Act of 1973, 41 CFR Part 60-741.5.a: Equal Opportunity Clause.

26. CHOICE OF LAWS: The contract created by acceptance of this Purchase Order, and the rights and obligations of the Parties arising thereunder, shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules directing the application of the laws of another jurisdiction.

27. COMPLIANCE WITH LAWS: In performing the Services, Contractor shall comply with all applicable Federal, State and local laws, rules and regulations, and shall obtain all applicable licenses and permits for the conduct of its business and the performance of the Services.

28. SURVIVAL: The provisions of this Purchase Order which by their nature should survive expiration, cancellation or other termination of this Purchase Order, including but not limited to provisions regarding warranty, indemnity and availability of information, shall survive such expiration, cancellation or other termination.

29. ENTIRE AGREEMENT: The terms and conditions stated on the face of the Purchase Order, together with these Terms and Conditions and the provisions of any other document incorporated into the Purchase Order constitute the entire agreement between the Contractor and PG&E with respect to the subject matter of the Purchase Order and supersede all prior or contemporaneous communications, representations, or agreements, whether oral or written.

1.0 BACKGROUND/ PROJECT SUMMARY

Pursuant to authority granted to Pacific Gas and Electric ("PG&E") by the California Public Utilities Commission ("CPUC") pursuant to Advice Letter **3082-G/3598-E**, PG&E is funding a **Fluorescent Lamp Recycling Regional Outreach Program** (also referred to as the "Program") that will assist a select group of local governments in (a) establishing free and convenient collection systems for used residential Fluorescent Lamps that test a variety of collection methods and (b) developing, implementing and testing the effectiveness of a variety of public awareness advertising campaigns that promote Fluorescent Lamp collection opportunities for PG&E's residential customers.

Program Description and Objectives: Residential fluorescent tubes and compact fluorescent lamps ("CFLs") are collectively referred to in this contract as "Fluorescent lamps," and include 8-foot and 4-foot lamps; circular lamps; and U-shaped lamps used for residential purposes. Fluorescent lamps are currently one of the most cost-effective methods available to decrease energy use and associated greenhouse gas ("GHG") emissions. However, since 2006, California residents have not been able to legally dispose of them in the trash due to the high mercury levels in the spent lamp. A lack of public awareness regarding the importance of proper end-of-life management and insufficient collection opportunities prevents many residents from recycling their used fluorescent lamps.

In 2009-10 ("pilot years"), PG&E partnered with five (5) municipalities to run limited outreach campaigns advertising the proper disposal of Fluorescent Lamps. The campaigns used a combination of print, television, radio, internet, handouts and direct mailings to communicate the dual message of energy efficiency and environmental protection. The campaign also supported the establishment of collection sites in participating communities.

In 2011, PG&E completed an evaluation of the five partner programs implemented in the pilot years. The evaluation resulted in a best practices guide for outreach and implementation, and identifies and provides recommendations on a useful suite of marketing tools to support outreach on proper fluorescent lamp disposal. PG&E will develop and make these outreach tools available for use by any local government in PG&E's territory helping governments offset costs to conduct their own education and outreach campaign independent of, or in conjunction with, PG&E. The tools will be made available and downloadable in a "Fluorescent Lamp Recycling ("FLR") Starter Kit" through the Statewide Energy Efficiency Collaborative website at: <http://www.lgc.org/SEEC/index.html>.

Through a two-year contract with PG&E, the **County of Sonoma ("County")**, as **Contractor**, seeks to expand the number of drop-off locations for spent Fluorescent Lamps generated by residents (English and Spanish speaking) in Sonoma County. Existing stores and newly recruited stores will be made aware that disposal costs can only be offered one-time and not on an on-going basis. Stores will receive information about Extended Producer responsibility and retailers will be encouraged to continue their collection and recycling program after the end of the funding term. This project also seeks to coordinate with Napa County, other local governments and PG&E on publicity efforts.

PROGRAM REQUIREMENTS

PG&E Co-Branding Guidelines. To be able to use the PG&E logo, Contractor must: Submit the marketing pieces for Marketing Approval/Claims Review Approval and provide substantiation for any photos or quotes from individuals (see Exhibit D). Points to remember when creating marketing pieces:

- If "Rate Payer" dollars are used for the program the Auspices Statement needs to be included: "This program is funded by California utility customers and administered by PG&E under the auspices of the California Public Utilities Commission."
- Since the company name is Pacific Gas and Electric Company, use the word "and" not an ampersand (&).

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

- The first time the company name is used, it must be spelled out as follows: Pacific Gas and Electric Company (PG&E) – with the abbreviation afterword in parenthesis.
- In the text use the word -- “percent” -- not the percent symbol (%).
- The correct PG&E logo uses an ® (Registered Trade Mark).
- If Contractor uses the PG&E spotlight logo (the square box on its own), you need to use the copyright statement : “PG&E” refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation® 2011 Pacific Gas and Electric Company. All rights reserved.

PG&E requires that Contractor will establish a goal of collecting twenty percent (20%) of the residential fluorescent lamps in their waste stream. Contractor will collect data, record, and track the number of spent Fluorescent Lamps (see 1.2 for definition) collected and report them to PG&E (see Exhibit E).

2.0 CONTRACT TERM

Contract shall commence upon signature by both parties and extend through to December 31, 2012.

PG&E may, in its sole and absolute discretion, reduce or terminate funding upon no less than fourteen (14) days prior written notice for any program that fails to meet the objectives as determined by PG&E. PG&E may also, at its sole and absolute discretion, shift funds from one program or market segment area to another during the 2010 – 2012 portfolio implementation period to better achieve its resource procurement and Customer satisfaction objectives, in accordance with PG&E's Change Order procedures. The County may, in its sole and absolute discretion, reduce or terminate implementation of the program, upon no less than fourteen (14) days prior written notice, if it determines that implementation of the program will cause an expense to the County beyond what is covered by the program funding (such as through creation of new disposal costs).

3.0 SCOPE OF WORK

Through a two-year contract with PG&E, the County of Sonoma (“County”) seeks to expand the number of drop-off locations for spent Fluorescent Lamps for residents (English and Spanish speaking) in County of Sonoma. Existing stores and newly recruited stores will be made aware that disposal costs can only be offered one-time and not on an on-going basis. Stores will receive information about Extended Producer responsibility and retailers will be encouraged to continue their collection and recycling program after the end of the grant term. This project also seeks to coordinate with Napa County, other local governments and PG&E on publicity efforts.

3.1 Task 1: Project Administration

Invoicing and Reporting. County of Sonoma (“County”), as Contractor, shall report on Program activities as described below and invoice PG&E as described in Exhibit A (Invoice Reporting Requirements) Contractor shall submit a monthly invoice, as applicable, to PG&E for Program accomplishments performed in the preceding calendar month. Contractor shall implement, adhere to, and submit the items as described in Exhibit A and as approved in this Scope of Work for work completed the preceding month. Contractor shall submit a final invoice as referenced below, and Program Final Report as referenced in Task 5. PG&E may need to revise these invoice reporting requirements from time to time, at which time the PG&E Program Manager will notify Contractor of the changes upon fourteen (“14”) days prior notice. Each invoice shall specify the amount due for each of the Tasks described in this contract under Section 4. The invoices shall be in a format as provided by the PG&E Program Manager. Progress reports shall include updates on the effectiveness of the program and data on the number of Fluorescent Lamps collected, as well as a summary of what worked, problems encountered and lessons learned.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Deliverables:

- Monthly, or when applicable, invoices and reports as described in Invoice Reporting Requirements (Exhibit A) and Regulatory Reporting Requirements (Exhibit B).
- Due: For monthly reports and invoices, by the 15th calendar day of each month.

PG&E requires that Contractor will establish a goal of collecting twenty percent (20%) of the residential Fluorescent Lamps in their waste stream. Contractor will collect data, record, and track the number of Fluorescent Lamps collected and report them to PG&E on a monthly basis. The twenty percent (20%) collection rate is a goal that will be averaged and determined at the completion of the project in December, 2012. (Refer to Exhibit E for template methodology to determine goal number for each county. The spreadsheet may include basic inputs and formulas (relative to county population) and will be provided by PG&E Program Manager.

Deliverables:

- Completed Excel spreadsheet reflecting total number of Fluorescent Lamps collected for the previous month. The spreadsheet may also include total mercury diverted from waste stream.
- Due: By the 15th calendar day of each month for prior month's collection.

PG&E may request that Contractor provide such other reports or documentation that PG&E deems appropriate or necessary ("Ad Hoc Reports"). Contractor shall comply with any such request for such Ad Hoc Report(s) within a reasonable time as long as (a) the Ad Hoc Report(s) does not present any undue resource or cost burden on the Contractor or where (b) the additional documentation is required by the CPUC.

Deliverable: Ad Hoc Reports or additional data which shall provide additional data or information as required by the CPUC.

Due: As required by PG&E or CPUC

Task Budget NTE: \$2,400 per year

Task 1: Administration	May 2011-February 2012	March 2012-December 2012	Total budget
	\$2,400	\$2,400	\$4,800

3.2 Task 2: Recruit Retail Stores to Participate in Pilot

The County aims to recruit a total of 10—at least 5 but no more than 10—businesses including English-speaking and Spanish-speaking locations throughout Sonoma County.

The County will work collaboratively with Napa County and PG&E to recruit and support retailers or other interested parties in participation as fluorescent lamp collection sites. Currently, there are 12 locally-owned stores in Sonoma County participating as public take-back locations for Fluorescent Lamps generated by residences.

From May 2011 to February 2012, the goal is to recruit 10 additional locations. These 10 additional locations include Spanish-speaking stores as stated below.

From March 2012-December 2012, the intent is not to recruit more locations, but simply to provide support for all locations through infrastructure and advertising.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Contact targeted retail store owners/managers and distribute introductory letter and resources. Set up store/contact information on the existing County Eco-Desk Access database for up to 10 businesses, as stated in above; make contact by phone and/or email with business owners or managers. Email greeting letters to potential participants, including information about Extended Producer Responsibility. Collect signed "commitment letters" from participants; tally how many stores are interested in receiving pre-paid collection boxes for fluorescent lamps. Introductory letter including Q&A, Participation Agreement and Recycling Partner Material Request Form, as well as sample fluorescent lamp recycling cost information were previously created by County staff through a 2010 PG&E grant. Stores will be made aware that pre-paid recycling boxes will be provided only until grant funds are expended. Follow-up with program participants every 2-3 months regarding infrastructure needs.

Deliverables:

- Summary report of targeted retail stores. Follow-up report summarizing infrastructure needs. List of committed retailer partners including, name of store, address and point of contact information. Template of the type of information to be captured under this task should be similar to the data profile displayed on the following site:
<http://www.sfenvironment.org/ecofinder/profile.php?ID=750&Subcategory=Bicycles&Category=Sports+%26+Exercise&Search=Basic>
- Due: Four (4) months following project initiation for summary report.

Sub-task Budget : County staff time included in Task 1: Project Administration

Provide Spanish Language Services. Contact and attempt to enroll up to five (5) and no less than three (3) targeted Spanish language retail store owners/managers for a lump sum of four thousand dollars (\$4,000). Spanish language stores recruited are included in the overall goal of ten (10) English and Spanish language stores. If fewer than three (3) retailers are recruited, Contractor and PG&E Program Manager shall renegotiate the cost of this deliverable. Set up store/contact information on an appropriate database; make contact via phone and/or email. Provide Spanish translation services as needed. Provide follow-up support as needed.

Deliverables:

- Summary report of targeted retail stores.
- Due: four (4) months following project initiation for summary report.

Sub-task Budget NTE: \$4,000

Task 2: Spanish language outreach (County contractor task)	May 2011-February 2012	March 2012-December 2012	Total budget Not to Exceed
	\$2,000	\$2,000	\$4,000

3.3 Task 3: Conduct Regional Outreach and Education Activities

The County shall coordinate outreach and education efforts with Napa County through a monthly conference call between Napa County and County staff through the duration of the contract. The goal is to coordinate all outreach and education activities as outlined in the section below in order to leverage funding and create consistency in outreach whenever practical.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Outreach and Education, will consist of three primary sub-tasks, as follows: **1) Develop Marketing and Outreach Plan; 2) Undergo Marketing Approval Process with PG&E; and, 3) Implement Marketing and Outreach Plan.** Outreach tools will emphasize the importance of reducing energy use as well as the necessity to appropriately recycle fluorescent lamps to protect public health and the environment.

Develop Marketing and Outreach Plan

Select marketing materials developed by PG&E to include in plan. The FLR Program milestones include the development of a menu of public outreach options for local governments by the end of 2011 and their implementation by second quarter 2012. Marketing tools developed by PG&E and used by the Contractor will be utilized to help achieve the following goals:

- Increase public awareness of proper end-of-life management
- Stimulate FLR behavior among residential customers as cost-effectively as possible
- Increase the number of FLR program and participating stakeholders

The Contractor can select from the following marketing tools which will be made available by the PG&E Program Manager on a rolling basis through the end of the contract. **At least one (1) “menu item” should be selected and implemented by June 2011, and at least two (2) additional items by December 2012.**

**Menu
Items:**

- 1 Utilize radio script template
- 2 Utilize internet template
- 3 Utilize newspaper template
- 4 Utilize press release template
- 5 Utilize advertising samples
- 6 Utilize retail store recruitment package
- 7 Utilize Online Community Calendar
- 8 Utilize elementary school informational hand-out template (bilingual)
- 9 Utilize survey sample to determine recycling awareness
- 10 Utilize the regional recycling database (if/when available), EcoFinder Pilot (could include smartphone app)

Deliverables:

- Outreach Plan explaining how menu choice(s) will be implemented and additional (e.g., existing outreach materials developed by Contractor) marketing materials and outreach will be implemented. To the extent possible, the Plan should also include specific venues, dates, reach #s, audience, etc. Plan should include information of the reach of each piece, where it will be used a general timeframe of implementation. Additionally, Plan should include lessons learned from disseminating various marketing materials. Plan could include innovative outreach approaches, should highlight regional collaboration between Napa and Sonoma, and suggestions for improving marketing material or outreach process for broad/regional dissemination.
- Due: At least one marketing “menu item” to be implemented by July 2011. An additional marketing material, at minimum should be implemented by project end. Memo must be submitted at least thirty (30) calendar days before deployment of outreach materials.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Total Budget: (County staff time included in Task 1: Project Administration).

Undergo PG&E Approval Process

As required when co-branding outreach materials, when submitting for PG&E Marketing Approval and Claims Review Approval: All marketing pieces should be routed through PG&E's Program Manager. All photos need substantiation submitted with the marketing piece. The substantiation for a photo is a download history and the license agreement or a signed Photo/Information Release Form (Please refer to Exhibit F and Exhibit G). Please note that marketing/ Claims Review Approval will take two (2) days minimum.

If Contractor chooses to amend outreach materials, amended materials must receive approval from PG&E Product Manager before being implemented.

Implement Marketing and Outreach Materials and Activities

Conduct promotional event to publicize the program. A promotional event to recognize the businesses participating in this partnership will take place after recruitment of retailers and infrastructure has been established. The Sonoma County Economic Development Board's February 2012 Business Environmental Alliance ("BEA") Business Leaders' Breakfast serves as an ideal venue to honor participating businesses and to promote this program partnership. In its 11th year, this event attended by three hundred and fifty (350) or more local business and government leaders, serves to honor local businesses that show exemplary environmental efforts in the areas of waste, water and energy conservation.

Deliverables:

- County staff will coordinate with BEA, Napa County and PG&E staff to coordinate a special "Products Stewardship Award" as part of this event. Activities may include providing input for the Board of Supervisor's welcome speech and helping to choreograph award details. The budget funds complimentary breakfast for ten (10) newly recruited businesses participating as take-back locations.
- Due: 4 months following project initiation.

Task Budget NTE: \$450

Implement press release. Coordinate with PG&E and Napa County to produce a joint press release for the program. The press release will be written after stores are recruited (Task 2). The press release will be distributed to all media contacts.

Deliverables:

- Coordinate with PG&E and Napa County to produce a joint-press release. Utilize press release template as provided by PG&E.
- Due: 4 months following project initiation.

Task Budget: (County staff time included in Task 1: Project Administration).

Conduct Publicity via English radio, newspaper and on-line media. Work with local media to promote participating stores. Commercials, which may be produced by PG&E through the campaign, should include local resources (e.g., County www.recyclenow.org and phone Eco-Desk 565-3375) whenever possible. Coordinate with Napa County as much as possible to leverage media buys and timing.

Deliverables:

- Summary report of media buys.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

- Due: On-going

Task Budget NTE: \$14,750

Conduct Publicity via Spanish radio, newspaper and on-line media. Radio advertising with one or more Spanish language radio stations. Assume Coordinate with Napa County as much as possible to leverage media buys and timing. Spanish language media buys will be negotiated by the County's Spanish language contractor.

Deliverables:

- Summary report of media buys.
- Due: On-going

Task Budget NTE: \$4,000

Implement Web site and regional database activities. Supply information to a regional campaign database and provide updates as needed. Modify the County's fluorescent lamp web site page at www.recyclenow.org promoting the stores and linking to the regional database. See <http://recyclenow.org/toxics/fluorescent.asp> as an example.

Deliverables:

- Summary report of web site coordination and usage of the County's fluorescent lamp web page per month.
- Due: On-going

Task Budget: (County staff time included in Task 1: Project Administration).

Implement Point-of-Sale activities. Print and mail campaign posters and County resources to participating stores. Campaign posters/signage no larger than 11 x 17 will be developed by PG&E and provided to the County. County may edit signage to meet their needs with approval of PG&E Program Manager (see Program Co-Branding Guidelines for marketing guidelines). At the request of store owners/managers, mail County resources including the Eco-Desk business card, Household Toxics Facility brochure and Spanish Recycling Guide.

Deliverables:

- Summary report of how many posters, resources distributed to various locations.
- Due: On-going

Task Budget: (County staff time included in Task 1: Project Administration). Printing and mailing expenses will also be an County in-kind expense.

Develop and/or update Recycling Guide 2012 and update County staff about its availability. This task also includes follow-up with participating businesses to inform them about the new Recycling Guide 2012 release. Lessons learned from developing the Guide and conducting outreach will be collected throughout this process.

Deliverables:

- Summary report of lessons learned.
- Due: May 2012

Task Budget: County staff time included in Task 1: Project Administration

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Task 3: Implement Marketing and Outreach Materials and Activities	May 2011-February 2012	March 2012-December 2012	Total budget Not to Exceed
Conduct promotional event		\$450	\$450
English radio, newspaper and on-line media	\$7,375	\$7,375	\$14,750
Spanish radio, newspaper and on-line media	\$2,000	\$2,000	\$4,000
			\$19,200

3.4 Task 4: Enhance Disposal Infrastructure

The Program will use a portion of the funds to support recycling activities and materials including but not limited to environmentally safe collection bins, safety materials, mail-in recycling kits and recycling/disposal fees.

Purchase pre-paid fluorescent lamp disposal boxes. Offer a combination of one-time disposal containers, the variety offered will be at the discretion of the business owner/manager. Items offered include:

- 4-foot standard box
- 8-foot standard box
- CFL pail

Assume disposal containers will be provided to at least twelve (12) existing locations and at least ten (10) new locations. Assume about three hundred forty (\$340) of disposal containers will be offered to twenty-two (22) businesses four times annually. Mail-back disposal kits will be mailed to the participating stores directly by the selected fluorescent lamp recycling company, likely Mercury Disposal Systems ("MDS"). If possible, containers will be customized with campaign graphics and County resources (website and phone number) and will be mailed to participating stores directly by the selected fluorescent lamp recycling company.

Deliverables:

- Coordinate with PG&E and the selected mail-back recycling disposal contractor to supply businesses with kits and to follow up with usage.
- **Due:** On-going

Task Budget NTE: \$26,000 per year

Task 4: Enhance Disposal Infrastructure	May 2011-February 2012	March 2012-December 2012	Total budget Not to Exceed
Purchase pre-paid fluorescent lamp disposal boxes from contractor	\$26,000	\$26,000	\$52,000

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

3.5 Task 5 Submit Final Program Report:

- Contractor shall deliver a Final Program Report to the PG&E Program Manager no later than ninety (90) days after the completion of the Workshop Program. The Final Program Report shall, at a minimum, provide a discussion addressing each of the following sub-topics:
- Program Overview
- Summary of Program Accomplishments
- Program Activities
- Metrics (data collection)
- Coordination and Integration Activities
- Description of Best Practices and Program improvement recommendations
- Description of Challenges and Lessons Learned
- Development of at least three case studies summarizing innovative approaches or highlighting interesting experiences from project
- Other items requested by the PG&E Program Manager

Deliverables:

- Program report as outlined above and directed by PG&E Program Manager
- Due: Ninety (90) days after the completion of Task 4 (last task).

Task Budget: (County staff time included in Task 1: Project Administration).

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

4 **PAYMENT TERMS/FEES AND INVOICES**

Payment to Contractor shall be dependent upon Contractor's completion of the Tasks (including timely and accurate submission of monthly reports) described herein. Payments will be made by PG&E to Sonoma County ("County"), as Contractor, based on the submittal of invoices associated with deliverables to be submitted throughout duration of contract, and as long as deliverables are satisfactory to the PG&E Program Manager.

Payment Terms Contract Budget

Summary of tasks	May 2011- February 2012	March 2012- December 2012	Total budget
Task 1: Administration	\$2,400	\$2,400	\$4,800
Task 2: Spanish language outreach (County contractor)	\$2,000	\$2,000	\$4,000
Task 3: Outreach activities			
Conduct promotional event with Business Leader's Breakfast		\$450	\$450
English radio, newspaper and on-line media	\$7,375	\$7,375	\$14,750
Spanish radio, newspaper and on-line media	\$2,000	\$2,000	\$4,000
Task 4: Enhance disposal infrastructure	\$26,000	\$26,000	\$52,000
Task 5: Final Report	Included in Task 1	Included in Task 1	Included in Task 1
Total			\$80,000

The aggregate total of PG&E payments for all Work authorized and satisfactorily completed under this Contract, as approved by PG&E (the "Contract Budget") shall not exceed \$ 80,000. The total payments shall not exceed the following amounts for each payment type, or be reallocated, without prior written approval from the PG&E Program Manager:

5.0 **NOTICES**

5.1 In regard to matters relating to this Contract, Consultant shall provide notice to the below-listed PG&E representative(s):

Work Assignment Issues

Name: Lisa McNally
Title: Senior Program Manager
Pacific Gas and Electric Company
Address: 245 Market St
San Francisco, CA 94105
Telephone: (415) 973-5798
E-mail: L3M2 @pge.com

Contract-related Issues

Name: Roy Lee
Title: Senior Procurement Specialist
Pacific Gas and Electric Company
Address: 245 Market St.MCN5D
San Francisco, CA 94105
Telephone: (415) 973-8035
E-mail: RKL9 @pge.com

PURCHASE ORDER FOR SERVICES

EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County

CONTRACTOR: SONOMA COUNTY

EXHIBITS TO STATEMENT OF WORK

Exhibit A:	Invoice Reporting Requirements
Exhibit B:	Regulatory Reporting Requirements
Exhibit C:	Contractor, Consultant, and Supplier Code of Conduct
Exhibit D:	Approval Guidelines for Trademark/Trade Name/Logo Use in Co-Marketing Activities
Exhibit E:	Methodology to Determine 20 Percent Collection Goal
Exhibit F:	Photo-Information Release Agreement
Exhibit G:	Information/Statement Release Agreement
Exhibit H:	Non-Disclosure and Use of Information Agreement

Draft

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
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Exhibit A: Invoice Reporting Requirements

Monthly Reports

THE COUNTY shall submit the following files to PG&E by the 15th day of each month:

- Financial Files
- Monthly Narrative
- Monthly Deliverable Worksheet
- Lamp collection numbers (by estimated weight or lamp amount)

Invoice and Financial Files

Contractor shall submit invoices (as applicable), by the 15th of each month. The invoice shall report activities by Task, expenses according to CPUC categories, and a list of all CPUC allowable costs. The file format will be provided by the PG&E Program Manager.

Monthly Narrative

As applicable, the monthly narrative shall include a summary of the Program expenses and achievements and a discussion on the following Program activities occurring during the month:

- Expense Summary Table
- Summary of Program Accomplishments and THE COUNTY's assessment of program performance and status (is the program on target, exceeding expectations, or falling short of expectations, etc.)
- Administrative activities
- Marketing activities
- Summary of customers/projects that receive both Public Goods Charge (PGC) and funding under the 2009 Federal American Recovery and Reinvestment Act (ARRA)
- Changes in program emphasis (new program elements, less or more emphasis on a particular delivery strategy, program elements discontinued, measures discontinued, etc.)
- Near term plans for program over the coming months (i.e., marketing and outreach efforts that are expected to significantly increase program participation, etc.)
- Staffing Changes, if any (include contact information and subcontractor changes)
- Additional Information

Monthly Deliverable Worksheet

THE COUNTY may also be required to submit a worksheet (format to be provided by PG&E Program Manager) that outlines specific deliverables accomplished against the Tasks listed in Section 10.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
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Exhibit B: Regulatory Reporting Requirements

1. Program Reporting

This Exhibit details PG&E's regulatory reporting requirements to the CPUC, other than those specified in Exhibit E (Invoice Reporting Requirements). THE COUNTY shall provide PG&E with the information specified below with respect to the prior month's Program activities, accomplishments and expenditures, for purposes of preparing reports required of PG&E by the CPUC, including the current Monthly, Quarterly and Annual Reports to the extent that the information is not provided by the THE COUNTY to PG&E through the Invoice Reporting Requirements as required in Exhibit E. Requirements for these reports may change per the direction of the CPUC or the CPUC's Energy Division. The current reporting requirements are as follows:

2. Monthly Report

THE COUNTY shall provide PG&E with the requisite information to be compiled for the monthly portfolio reporting.

2.1 Program Data

Program Costs (cost reported cumulative-to-date (also referred to as inception-to-date))

- Total cumulative commitments (limited to incentive commitments)

2.2 Program Changes/New Program Information

If applicable, the following information shall be reported in the Monthly report

- Identification of program terminated during the report month

2.3 Other requirements as determined by the CPUC or the CPUC's Energy Division for monthly reports

3. Quarterly Report

THE COUNTY shall provide PG&E with the requisite information to be compiled for the quarterly portfolio reporting.

3.1 Program Narratives – For the program, a description of the project activities occurring during the quarter, as applicable.

- a. Administrative activities
- b. Marketing activities
- c. Direct Implementation activities
- d. Discussion of changes in program emphasis (new program elements, less or more emphasis on a particular delivery strategy, program elements discontinued, measure discontinued, etc.)
- e. Discussion of near term plans for program over the coming months (i.e., marketing and outreach efforts that are expected to significantly increase program participation, etc.)
- f. Changes to staffing and staff responsibilities, if any
- g. Changes to contacts, if any
- h. Changes to subcontractors and subcontractor responsibilities, if any
- i. Program Theory and Logic Model if not already provided in the program's implementation plan, or if revisions have been made.

THE COUNTY will provide additional data or information as required by the CPUC.

4. Reporting Terminology Definitions

PURCHASE ORDER FOR SERVICES
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- 4.1 Project Budget** – The Project budget is the THE COUNTY’s total project budget as authorized by the Contract.
- 4.2 Direct Implementation Expenditures** – Costs associated with activities that are a direct interface with the Customer or Program participant or recipient (i.e., THE COUNTY receiving training). (*Note: This is still an open issue, the items included in this definition may be changed by the CPUC pending discussion on the application of the State’s Standard Practice Manual.*)
- 4.3 Report Month** – The month for which a particular Monthly Report is providing data and information. For example, a report covering the month of July 2006, but prepared and delivered later than July 2006, would still be titled July 2006.
- 4.4 Program Strategy** – The method deployed by a program in order to obtain program participation.
- 4.5 Program Element** – A subsection of a program, or body of program activities within which a single program strategy is employed. (Example: A body of program activities employing both an upstream rebate approach and a direct install approach represents two discrete program elements.)

5. Allowable Costs

The cost items listed on the Allowable Costs sheet are the only costs that can be claimed for bill-payer funded Energy Efficiency work. The costs reported should be only for costs actually expended. Any financial commitments are to be categorized as commitments. If the reporting entity does not have a cost as listed on the cost reporting sheet, then no cost is to be reported for that item. These Allowable Cost elements are to be used whenever costs are invoiced or reported to PG&E, the program administrator. If there is a desire to include additional Allowable Cost elements, PG&E should be contacted in order for the administrator to seek approval from the CPUC.	
	Subcontractor Labor - Clerical
	Subcontractor Labor - Staff Management
	Subcontractor Labor - Staff Supervision
	Subcontractor Labor- Human Resources
	Subcontractor Labor - Staff Development and Training
	Subcontractor Benefits - Administrative Labor
	Subcontractor Benefits - Direct Implementation Labor
	Subcontractor Benefits - Marketing/Advertising/Outreach Labor
	Subcontractor Payroll Tax - Administrative Labor
	Subcontractor Payroll Tax - Direct Implementation Labor

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

	Subcontractor Payroll Tax - Marketing/Advertising/Outreach Labor
	Subcontractor Pension - Administrative Labor
	Subcontractor Pension - Direct Implementation Labor
	Subcontractor Pension - Marketing/Advertising/Outreach Labor
	Subcontractor - Conference Fees
	Subcontractor Labor - Conference Attendance
	Subcontractor - Travel - Airfare
	Subcontractor - Travel - Lodging
	Subcontractor - Travel - Meals
	Subcontractor - Travel - Mileage
	Subcontractor - Travel - Parking
	Subcontractor - Travel - Per Diem for Misc. Expenses
	Subcontractor Equipment Communications
	Subcontractor Equipment Computing
	Subcontractor Equipment Document Reproduction
	Subcontractor Equipment General Office
	Subcontractor Equipment Transportation
	Subcontractor Food Service
	Subcontractor Office Supplies
	Subcontractor Postage
	Subcontractor Labor - Accounting Support
	Subcontractor Labor - Accounts Payable
	Subcontractor Labor - Accounts Receivable
	Subcontractor Labor - Facilities Maintenance
	Subcontractor Labor - Materials Management
	Subcontractor Labor - Procurement
	Subcontractor Labor - Shop Services
	Subcontractor Labor - Administrative
	Subcontractor Labor - Transportation Services
	Subcontractor Labor - Automated Systems
	Subcontractor Labor - Communications
	Subcontractor Labor - Information Technology
	Subcontractor Labor - Telecommunications

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

	Subcontractor - Bill Inserts
	Subcontractor - Brochures
	Subcontractor - Door Hangers
	Subcontractor - Print Advertisements
	Subcontractor - Radio Spots
	Subcontractor - Television Spots
	Subcontractor - Website Development
	Subcontractor Labor - Marketing
	Subcontractor Labor - Media Production
	Subcontractor Labor - Business Outreach
	Subcontractor Labor - Customer Outreach
	Subcontractor Labor - Customer Relations
	Subcontractor Labor - Program Design
	Subcontractor Labor - Program Development
	Subcontractor Labor - Program Planning
	Subcontractor Labor - Program/Project Management
	Subcontractor Labor - Facilities Audits
	Subcontractor Labor - Curriculum Development
	Subcontractor Labor - Customer Education and Training
	Subcontractor Labor - Customer Equipment Testing and Diagnostics
	Subcontractor Labor - Customer Equipment Repair and Servicing
	Subcontractor Labor - Measure Installation
	Subcontractor - Direct Implementation Literature
	Subcontractor - Education Materials
	Subcontractor - Energy Measurement Tools
	Subcontractor - Installation Hardware
	Subcontractor - Audit Applications and Forms
	Subcontractor Labor - Field Verification
	Subcontractor Labor - Rebate Processing

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Flourescent Lamp Recyling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

	Subcontractor - Rebate Applications
	Subcontractor Labor - EM&V
	Subcontractor Materials - EM&V
	Subcontractor Benefits - EM&V Labor
	Subcontractor Overhead - EM&V
	Subcontractor Payroll Tax - EM&V Labor
	Subcontractor Pension - EM&V Labor
	Subcontractor Travel - EM&V

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PURCHASE ORDER FOR SERVICES

EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County

CONTRACTOR: SONOMA COUNTY

Exhibit C: Contractor, Consultant, and Supplier Code of Conduct
INTRODUCTION

TO ALL CONTRACTORS, CONSULTANTS, AND SUPPLIERS:

At PG&E Corporation and Pacific Gas and Electric Company (together, PG&E), we understand that a strong commitment to compliance and ethics is the foundation of a successful business. We strive to ensure that every business decision is guided by our commitment to operate with high ethical standards. We're committed to ethical business conduct and compliance with applicable laws, regulations and policies, and we appreciate and expect your equal commitment as you provide goods and services to PG&E. Our expectation also extends to your subcontractors and sub-suppliers.

Any work done for PG&E must be preformed in full compliance with all applicable laws, regulations and policies (e.g., environmental, safety, antitrust, and employment), and in accordance with high standards of ethical business conduct.

PG&E must comply with all Sarbanes-Oxley requirements regarding the accounting, contracting and payment for goods and services. PG&E's commitment to compliance requires that our contractors, consultants and suppliers accept orders only when accompanied by an approved PG&E purchase order or charge card. Failure to comply with this requirement may impact our ability to reimburse you for goods or services in a timely manner.

We expect our employees and our contractors, consultants and suppliers to conduct themselves in a professional manner, to refrain from any action that may be considered a conflict of interest, and to treat others with respect, fairness and dignity. PG&E does not tolerate harassment or discrimination.

Additional information on our compliance and ethics commitment, as well the Code of Conduct Handbook for our employees is available on the PG&E Corporation website at http://www.pgecorp.com/aboutus/ethics_compliance/.

If you have questions or concerns about compliance or ethics issues while working for PG&E, please discuss them with your PG&E business contact. You also may call our toll-free Compliance and Ethics Helpline at 1-888-231-2310 with questions on compliance or ethics issues or to report illegal or unethical activities. The Helpline should be used to raise complaints regarding accounting, auditing matters or internal controls, and for reports about questionable accounting and auditing matters. It is available 24 hours a day, 7 days a week, and you may call anonymously.

We regard our supplier base as a critical and necessary extension of our mission, operations and future success, and we thank you for continuing to make compliance and ethics a top priority as you work with PG&E.

Sincerely,
Kent M. Harvey
Senior Vice President and Chief Risk and Audit Officer
PG&E Corporation

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
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PRINCIPLES AND STANDARDS OF ETHICAL SUPPLY MANAGEMENT CONDUCT

PG&E supports the **Principles and Standards of Ethical Supply Management Conduct** as promoted by the Institute for Supply Management:¹

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions and communications.
2. Demonstrate loyalty to the employer by diligently following the lawful instructions of the employer, using reasonable care and granted authority.
3. Avoid any personal business or professional activity that would create a conflict between personal interests and the interests of the employer.
4. Avoid soliciting or accepting money, loans, credits or preferential discounts and the acceptance of gifts, entertainment, favors or services from present or potential suppliers that might influence, or appear to influence, supply management decisions.
5. Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations.
6. Promote positive supplier relationships through courtesy and impartiality.
7. Avoid improper reciprocal agreements.
8. Know and obey the letter and spirit of laws applicable to supply management.
9. Encourage support for socially diverse practices.
10. Conduct supply management activities in accordance with national and international laws, customs and practices, your organization's policies and these ethical principles and standards of conduct.
11. Develop and maintain professional competence.
12. Enhance the stature of the supply management profession.

CONDUCT STANDARDS

Safety and Health

PG&E aims to have an injury and illness-free work environment. To this end, PG&E expects you to perform your work in a way that will protect yourself and others, complying with all safety and health rules and procedures. You should look for and resolve unsafe situations and help and encourage others to work safely. When involved in PG&E-related work, you must report to work fit for duty and remain fit for duty during working hours.

Use of Alcohol, Illegal Drugs or Medication

PG&E is committed to a drug and alcohol-free workplace. We expect you to avoid using or being under the

¹ Internet website: www.ism.ws (Social Responsibility, Ethics, Principles and Standards of Ethical Supply Management Conduct)

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STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
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influence of alcohol while performing work for PG&E or on PG&E property. (Exception: While engaged in PG&E-related work, you may consume alcohol during non-business hours at PG&E-sponsored special occasions or business meetings, if authorized by a PG&E officer or the next level of management below officer, if such consumption is limited, and if doing so does not otherwise violate applicable legal requirements, such as those of the Nuclear Regulatory Commission or the Department of Transportation.)

We expect that you won't use, possess, sell, provide, or be under the influence of illegal drugs or other controlled substances while engaged in PG&E-related business. Do not allow the use of prescription drugs or over-the-counter medications to affect your ability to work safely or efficiently.

Harassment and Discrimination

PG&E expects you to conduct yourself in a professional manner and to treat others with respect, fairness and dignity. PG&E does not tolerate harassment or discrimination, including behavior, comments, e-mail messages or other conduct that contributes to an intimidating or offensive environment. Slurs based on race, gender, or religion, or any other conduct, remarks, jokes or pictures that encourage or foster an offensive work environment are dealt with seriously. In addition, we expect you to comply with applicable federal, state, and local statutes that prohibit discrimination or harassment based on race, color, religion, age, sex, national origin, ancestry, physical or mental disability, medical condition, veteran status, marital status, sexual orientation, gender identity or any other non-job-related factor.

PG&E Assets

You are responsible for the proper acquisition, use, maintenance and disposal of PG&E assets (e.g., materials, equipment, tools, real property, information, funds, etc.).

- Acquire assets in compliance with procurement policies and procedures, avoiding any real or apparent conflict of interest.
- Use PG&E assets only for legal and ethical activities.
- Protect PG&E assets from damage, waste, loss, misuse or theft, using assets only after appropriate training.
- Dispose of PG&E assets only with appropriate written approval. PG&E's goal is to obtain fair market value for all assets that no longer are needed, unless they are donated with appropriate approval.
- Don't destroy or take intangible assets, including information about PG&E or others obtained in the course of PG&E-related work. This responsibility extends to safeguarding such information after completion of the PG&E-related work.

PG&E assets such as computers, telephones and cell phones, fax machines, copy machines and vehicles are intended primarily for PG&E business. PG&E allows limited personal use of these and similar assets as long as such use is occasional, doesn't result in excessive costs, doesn't interfere with work responsibilities, and is in compliance with laws, regulations, and any business line or local restrictions. Personal use of a vehicle must be incidental to business use.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

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Other PG&E assets, including such things as construction equipment, tools and similar assets, may be used only for PG&E business; they are not available for non-PG&E use. Exceptions are permitted in emergency situations or with PG&E officer approval.

Privacy

PG&E retains the right to monitor its assets and work environments in compliance with applicable federal, state and local law. It monitors to promote safety, prevent criminal activity, investigate alleged misconduct and security violations, manage information systems, or for other business reasons.

Even though limited personal use is permitted, you should have no expectation of privacy if you use PG&E computer or voicemail systems to create, access, transmit, or store information. Such information is accessible to PG&E even if it is password-protected or deleted by the user.

Endorsements

PG&E does not endorse products or services, nor the firms or individuals who supply them. Favoritism must not be implied by testimonials or endorsements of PG&E's use of any materials, supplies, equipment or service, or by the use of PG&E's name or logo in advertising, publicity or catalogues.

Supplier Diversity

PG&E is committed to providing maximum practical business opportunities to women, minority and disabled veteran-owned business enterprises. However, we do not use set-asides, preferences, or quotas in administering our Supplier Diversity program.

Proprietary Information

You may have access to PG&E proprietary non-public information as you perform your PG&E-related work. Don't use this information for gain or advantage, and never share this information without appropriate PG&E approval.

There are restrictions on the flow of non-public information between Pacific Gas and Electric Company and its affiliated companies, although non-public information may be shared freely with the holding company, PG&E Corporation. You may not act as a conduit for the flow of non-public Pacific Gas and Electric Company information to an affiliate other than PG&E Corporation.

Corporate Records and Disclosures

Accurate records and disclosures are critical to PG&E meeting its legal, financial, regulatory, and management obligations. We expect that you will never misstate facts or omit material information related to PG&E-related business. You must ensure that all records, including disclosures, accounts, reports, bills, invoices, time-worked records, correspondence and public communications are full, fair, accurate, timely and understandable. You must never hide, alter, falsify or disguise the true nature of any transaction.

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CONFLICT OF INTEREST STANDARDS

Conflicts with PG&E's Interests

PG&E expects you to exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with PG&E's interests. While engaged in PG&E-related work, you must not accept any employment or engage in any work that creates a conflict of interest with PG&E or in any way compromises the work you are to perform.

Gifts to PG&E Employees

Accepting a gift in a business setting can create a sense of obligation or the appearance of obligation. A gift can be anything of value, including such items as a ticket to a sporting event or play, a non-business meal, a bottle of wine, a coffee cup, a free service, a special discount or an all-expense paid trip to a conference or trade show.

PG&E forbids its employees, as well as members of their immediate families, from accepting gifts from contractors, consultants, suppliers or similar business contacts doing business with or seeking to do business with PG&E, unless all six of the following conditions are met:

- The value of the item must be less than \$100, and the value of all gifts from one business contact during a 12-month period must not exceed \$250. A gift that exceeds either value must be approved by a PG&E officer. Any such gift to an officer must be approved by the officer's supervisor.
- The item is customary and does not create any appearance of impropriety.
- The item imposes no sense of obligation on the receiver.
- The item results in no special or favored treatment.
- The item could not be considered extravagant, excessive, or too frequent considering all of the circumstances, including the employee's ability to reciprocate at company expense.
- The item is not concealed in any way.

PG&E employees may not accept gratuities of cash, or gift cards redeemable for cash, from past, current, or potential contractors, consultants or suppliers.

"Customary business meals" are not considered gifts. These are routine meals, similar in cost to PG&E employees' meals when they entertain clients.

In addition to the restrictions on gifts, employees and members of their families must never accept a loan or payment from a contractor, consultant, supplier or similar business contact under terms that aren't available to the general public.

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KEY COMPLIANCE AREAS

Environmental Laws and Regulations

PG&E is committed to being an environmental leader and demonstrating this through its actions. PG&E pledges to think creatively, work cooperatively and be results-oriented in its environmental stewardship efforts. We expect that your PG&E-related decisions will reflect this commitment. PG&E's Environmental Framework is available at http://www.pgecorp.com/corp_responsibility/environmental/.

In some cases, PG&E may have special permits or programs in place that affect you. Communication with the PG&E contract manager is extremely important to understand any special environmental requirements that may apply to you.

Sarbanes-Oxley

PG&E must comply with all Sarbanes-Oxley requirements regarding the accounting, contracting and payment for goods and services. PG&E's commitment to compliance requires that you accept orders only when accompanied by an approved PG&E purchase order or charge card. Failure to comply with this requirement may impact our ability to reimburse you for goods or services in a timely manner.

Political Laws

Government officials shape the legal and regulatory environment in which PG&E operates. If you interact on PG&E's behalf with government officials or candidates for public office, you must understand and comply with the laws and PG&E policies that control PG&E's participation in the political process including, but not limited to, limitations on gifts, the approval process for contributions, and regulatory reporting requirements.

Insider Trading

PG&E expects that you will never make investment decisions regarding any equity or debt securities based on information obtained in the course of your PG&E-related work if the information 1) has not been publicly disseminated and 2) could have a material effect on the value of the investment. Examples of such information include expansion plans, major management changes, dividend rates, earnings, mergers and significant new contracts or projects. Using this information is against PG&E's policy and may violate laws or regulations.

Copyright Laws

Copyrighted works may include newsletters, magazine articles, newspapers, books, videotapes, drawings, musical recordings and software. Copyright law protects such works even if they do not include a copyright notice. If you wish to copy material for distribution related to PG&E work, we expect that you will obtain permission from the copyright holder before making copies.

Computer software typically is covered by licensing agreements that prohibit unauthorized use or copying. Do not make unauthorized copies of software that is licensed to PG&E. We expect that you will not load unlicensed software onto PG&E computer equipment or download unauthorized software from the Internet.

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HOW TO REPORT QUESTIONABLE ACTIVITIES

The standards of conduct described in this code are critical to the ongoing success of PG&E's relationship with its contractors, consultants and suppliers. If you encounter questionable activities, we encourage you to immediately bring them to our attention through your PG&E business contact or PG&E's Compliance and Ethics Helpline at 1-888-231-2310. You also can contact the Compliance and Ethics Helpline if you have concerns about questionable accounting or auditing matters or internal controls (collectively, "accounting complaints").

The Helpline is available 24 hours a day, 7 days a week. It's a multilingual service that provides a safe place to ask compliance and ethics questions or to communicate concerns. Helpline calls are handled confidentially, to the extent permitted by the law, and can be submitted anonymously, without fear of retribution. PG&E prohibits retaliation against anyone raising complaints or involved in investigations.

The information provided and procedures set forth in this code of conduct do not confer contractual rights of any kind on any contractor, consultant or supplier or create contractual obligations of any kind for PG&E.

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Exhibit D: Approval Guidelines for Trademark/Trade Name/Logo Use in Co-Marketing Activities

The PG&E name, logo(s) or trademarks (the "Marks") in stylized form are valuable assets and may be used publicly with permission only from PG&E. In order to protect the value of these assets, PG&E must maintain control over the manner in which the Marks are used. PG&E has established the following set of guidelines for properly using the Marks. If these guidelines are not followed, PG&E may terminate your right to use the Marks.

1. General Rules Regarding PG&E Name

- Any THE COUNTY document, Web site, etc. shall refer to PG&E by its full name, i.e., "Pacific Gas and Electric Company."
- THE COUNTY may refer to PG&E as "PG&E" as long as "PG&E" is defined elsewhere in the document as an abbreviation for "Pacific Gas and Electric Company."

2. Uses That Are Permitted Without Further Authorization

Except as otherwise provided by THE COUNTY's Contract, THE COUNTY may make factual statements regarding THE COUNTY's relationship with Pacific Gas and Electric Company, subject to the terms and conditions of the Contract, the limitations stated in No. 1, above, and the following additional limitation:

- Statement may not indicate that PG&E endorses the THE COUNTY's products, services, etc. "Endorsement" means a statement that could be construed as PG&E recommending an THE COUNTY product or service, e.g., "Pacific Gas and Electric Company selected xyz vendor because the vendor offers the best meters available."

Example of allowable use:

THE COUNTY brochure or Web site with the following statement: "*Pacific Gas and Electric Company purchased 10 widgets from us.*"

Example of allowable use in a link: "*For more information on rebates available for this product, please visit Pacific Gas and Electric Company's Web site at www.pge.com*"

3. Uses That Are Permitted Following Consultation With Law Department

THE COUNTY may make factual statements regarding their relationship with Pacific Gas and Electric Company, and use the company logo as part of that communication, subject to the limitations in No. 1, above, and with the following additional limitations:

- Statement(s) may not endorse the THE COUNTY's products, services, etc.
- The PG&E Law Department should review the proposed use and assess the potential exposure to PG&E, and may require that the THE COUNTY sign a use agreement regarding their use of the PG&E logo. THE COUNTY shall coordinate with the PG&E Law Department review through the PG&E Program Manager.
- The logo must conform to Corporate Identity Guidelines at PG&E's sole and absolute discretion. The PG&E Program Manager shall provide the Corporate Identity Guidelines to the THE COUNTY during Task 1, Set Up Program.

PURCHASE ORDER FOR SERVICES
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Example of uses that require Law Department review:

“XYZ provides widgets to Pacific Gas and Electric Company.”



“XYZ is an HVAC contractor for Pacific Gas and Electric Company.”



4. Uses That Are Permitted Following Consultation With The Law Department And Corporate Communications

The Sonoma County (County) may make factual statements regarding their relationships with Pacific Gas and Electric Company, and use the “PG&E” spotlight logo (without the words “Pacific Gas and Electric Company”) (The PG&E spotlight logo, the Pacific Gas and Electric Company logo, and other logo formats will be provided by the PG&E Program Manager during Task 1, Set Up Program) as part of that communication, but only following consultation with the PG&E Law Department and PG&E Corporate Communications Department, subject to the limitations in No. 1, above, and with the following additional limitations:

- Statement may not endorse the THE COUNTY's products, services, etc.
- The PG&E Law Department must review the proposed use and assess the potential exposure to PG&E, and may require that the THE COUNTY sign a use agreement regarding their use of the PG&E logo. THE COUNTY shall coordinate the PG&E Law Department review through the PG&E Program Manager.
- The PG&E Corporate Communications Department must review and approve use of the “PG&E” spotlight logo in lieu of the Pacific Gas and Electric Company logo (including approval of logo size, color, placement, etc.). THE COUNTY shall coordinate the PG&E Corporate Communications Department review through the PG&E Program Manager.

Example of uses that require Law Department and Corporate Communications review:

“Brought to you by Sonoma County in Corporate Citizens Supporting Energy Efficiency”



5. Uses That Will Require PG&E Management Review And Discussion (i.e., potentially longer lead time)

- Use of the Pacific Gas and Electric Company logo or PG&E spotlight logo on or with any County product or service.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

- Use of the Pacific Gas and Electric Company logo or PG&E spotlight logo on a product or to brand a service, in connection with the County logo (e.g., co-branding), except as allowed in No. 4 above.
- Endorsements

Examples of uses that will require management review and discussion:

“Pacific Gas and Electric Company believes that XYZ makes the highest quality widget. You should use XYZ widgets too!”

A product or service truck bearing the following logos:



&



Draft

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Exhibit E: Methodology to Determine 20% Percent Collection Goal
(Will Include Excel File for formulas and sources)

Baseline Data 2009*	
CA Population**	36,961,664
Sonoma Population:**	472,102
Percent of CA Pop:	1.2773%
Number of Lamps Entering Waste Stream in CA in 2009:***	15,000,000
Estimated Sonoma Portion	191,595
2011-2012 Annual Recovery Goal	38,319
Number of Take-Back Locations in County Population per each Take-Back site	#DIV/0!

Regarding Annual Recovery Goal:

- This is the estimated number of residential Fluorescent Lamps that were expected to enter Sonoma County's waste stream in 2009.
- This is the estimated number of Fluorescent Lamps that Sonoma County aims to remove from the waste stream over the course of twelve (12) months of participating in the Program.

PURCHASE ORDER FOR SERVICES

EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County

CONTRACTOR: SONOMA COUNTY

FLs Diverted from Waste Stream – Sonoma County								
Year	Month	CFLs	4ft	8ft	Circulars	U-Shaped	Total	% of Total
2011	January							
	February							
	March							
	April							
	May							
	June							
	July							
	August							
	September							
	November							
	December							
2012	January							
	February							
	March							
	April							
	May							
	June							
	July							
	August							
	September							
	November							
	December							
Total:		0	0	0	0	0	0	0

Data Sources

* 2009

** Source: <http://quickfacts.census.gov/qfd/states/06/06097.html>*** Source: AB 1109: Lighting Task Force Report. <http://www.dtsc.ca.gov/HazardousWaste/UniversalWaste/u>

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Exhibit F: Photo-Information Release Agreement



Photo Release Agreement

Pacific Gas and Electric Company ("PG&E") and _____ [print name]
("Client") agree as follows concerning the attached materials (including photograph(s) and/or image(s))
relating to the co-branded marketing work or project done by client:

1. Client affirms that they have the rights and licenses to use the attached materials, (including photo(s) and/or image(s)).
2. Client assumes any liability and expressly releases PG&E and its officers, employees, and agents, from any and all claims known or unknown arising out of, or in any way connected with the above uses and representations. The rights granted to PG&E in this agreement are perpetual and worldwide.
3. Client confirms that Client has the right to enter into this agreement and is not restricted by any commitments to third parties.
4. Client understands that PG&E will not pay any compensation in exchange for this right to use the attached materials, and that PG&E has no financial commitment or obligation to Client as a result of this agreement.
5. Client agrees to the following:
 - Client confirms to PG&E that they have the rights and licenses to use of the photo(s) and/or image(s) and grants PG&E the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license ("License") to use, reproduce, modify, publish, and distribute attached materials in any media, including hard copy and the Internet.
 - PG&E may transfer this License to the California Public Utilities Commission (CPUC) or a new Energy Efficiency program administrator or other entity, should the CPUC request or require such a transfer.
 - This License shall survive the expiration, cancellation, and/or termination of this agreement.

I have read this agreement, I understand its terms and stipulations, and I agree to them.

Signature of Customer

Date

Print Name

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Exhibit G: Information/Statement Release Agreement



Information/Statement Release Agreement

Pacific Gas and Electric Company ("PG&E") and _____ [print name]
("Client") agree as follows concerning the attached materials (relating to included information and/or
statements) relating to the co-branded marketing work or project done by client:

6. Client affirms that the information and/or statements are correct and substantiated.
7. Client assumes any liability and expressly releases PG&E and its officers, employees, and agents, from any and all claims known or unknown arising out of, or in any way connected with the above uses and representations.
8. Client confirms that Client has the right to enter into this agreement and is not restricted by any commitments to third parties.
9. This release grants the right to publish or distribute the information and/or statements included in the co-branded materials for commercial or noncommercial use.
10. Client understands that PG&E will not pay any compensation in exchange for this right to use the attached materials, and that PG&E has no financial commitment or obligation to Client as a result of this agreement.
11. Client agrees to the following:
 - Client assumes any liability and expressly releases PG&E and its officers, employees, and agents, from any and all claims known or unknown arising out of, or in any way connected with the above uses and representations.
 - Client affirms to PG&E that the use of the information and/or statements is correct and substantiated and grants PG&E the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license ("License") to use, reproduce, modify, publish, and distribute attached materials in any media, including hard copy and the Internet.
 - PG&E may transfer this License to the California Public Utilities Commission (CPUC) or a new Energy Efficiency program administrator or other entity, should the CPUC request or require such a transfer.
 - This License shall survive the expiration, cancellation, and/or termination of this agreement.

I have read this agreement, I understand its terms and stipulations, and I agree to them.

Signature of Customer

Date

Print Name

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

Exhibit H: NDA FORM

PACIFIC GAS AND ELECTRIC COMPANY
NONDISCLOSURE AND USE OF INFORMATION AGREEMENT

THIS AGREEMENT is by and between _____ (hereinafter referred to as "Company"), _____ (hereinafter referred to as "Undersigned") authorized employee of Company (together, the "Receiving Party"), and PACIFIC GAS AND ELECTRIC COMPANY (hereinafter referred to as "PG&E") on the date set forth below.

Undersigned and Company agree as follows:

1. The Receiving Party acknowledges that in the course of performing Work and services for PG&E, the Receiving Party will be given access to confidential, commercial, PG&E-customer, business or personal information, and to information and materials including, but not limited to, information relating to drawings, maps, reports, specifications, designs, records, data and/or software, programs, code, computer models, and related documentation, which are owned by PG&E, its parent company, subsidiaries, or affiliates, and/or owned by third parties and in the possession of or licensed to PG&E, and which constitute valuable, confidential and proprietary information, know-how, and trade secrets, belonging to PG&E, its parent company, subsidiaries, or affiliates and/or third parties (all of the foregoing are hereinafter referred to as "Proprietary Information"). The term Proprietary Information shall also include all information, designs, data, documentation, computer programs, software, code, and any other items which Receiving Party uses in the performance of Work and services for PG&E, or which Receiving Party develops in the performance of its Work and services for PG&E.
2. In consideration of being made privy to such Proprietary Information, and of the contracting for the Receiving Party's professional services by PG&E, the Receiving Party hereby agrees to hold the same in strict confidence, and not to disclose it, or otherwise make it available, to any person or third party, including any affiliate of PG&E that produces energy or energy-related products or services, without the prior written consent of PG&E. The Receiving Party agrees that all such resources and Proprietary Information:
 - (a) shall be used only for the purpose of providing services or Work for PG&E; and
 - (b) shall not be reproduced, copied, in whole or in part, except as specifically authorized and in conformance with PG&E's instructions when necessary for the purposes set forth in (a) above; and
 - (c) shall, together with any copies, reproductions or other records thereof, in any form, and all information and materials developed by Undersigned therefrom, be returned to PG&E when no longer needed for the performance of Undersigned's services for PG&E.
3. The Receiving Party agrees to abide by all PG&E policies and standards governing access to and use of computer resources and, specifically:
 - (a) to use only the user ID, password and Access Card assigned by Information Protection Services for his or her personal use, and
 - (b) to maintain the confidentiality of these authentication keys and protect them from use by others.
4. The Receiving Party hereby agrees that any third parties owning any Proprietary Information are express third party beneficiaries of this Agreement.

PURCHASE ORDER FOR SERVICES
EXHIBIT 2

STATEMENT OF WORK: Flourescent Lamp Recyling Regional Outreach Program in Sonoma County
CONTRACTOR: SONOMA COUNTY

5. The Receiving Party hereby agrees that for any violation of any provision of this Agreement, a restraining order and/or injunction may be issued against the Receiving Party in addition to any other remedy PG&E may have at law.
6. This Agreement shall be governed by and interpreted in accordance with the laws of The State of California.

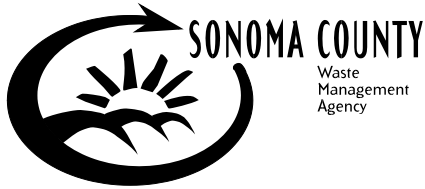
UNDERSIGNED

COMPANY (of which undersigned is an employee)

Signature
Name
Title
Company
Date

Company Name
Signature of Authorized Agent of Company
Name
Title
Date

Draft



Agenda Item #: 13
Cost Center: Education
Staff Contact: Carter
Agenda Date: 5/18/2011

Item: Beverage Container Grant Discussion

I. BACKGROUND

In January 2000, the California Department of Conservation appropriated \$10.5 million annually to be paid to cities and counties to support the recycling of cans and bottles. Responsibility for dispersing the funds now resides with the California Department of Resources Recycling and Recovery. The SCWMA has administered this program for all Sonoma County jurisdictions since 2000, collecting the funds, creating agreements for beverage container collection service, and purchasing new collection containers and enclosures.

The FY 2010-11 City/County Payment Program funding request forms are due May 31, 2011. Staff must complete the forms by that date to ensure funding availability.

II. DISCUSSION

As has happened from the City/County Payment Program from its inception in 2000, the Agency proposes pooling all of the cities and county funds within the Agency to promote countywide recycling goals. This would involve Agency staff submitting funding request forms to CalRecycle by May 31, 2011. The grant funds would be mailed to each individual city and the county. The Agency would then invoice each jurisdiction for the respective grant amount, and expend the funds according to the Board's direction.

For the upcoming grant cycle, staff has identified an opportunity to use the FY 2010-11 City County Payment Program funds to implement an expanded outreach program to commercial businesses and multifamily residences in tandem with the California's upcoming mandatory commercial recycling regulation requirements. Staff is proposing to use existing FY 2009-10 funding to develop an RFP to hire an outreach consultant to provide countywide door-to-door education at commercial facilities and multifamily complexes highlighting the need to recycle beverage containers as well as the need to comply with the imminent mandatory recycling requirements. Due to the variable nature of the grant amount, staff recommends this be considered a single-year project, while developing the flexibility for term extension if future grant funding is available.

Staff discussed this outreach project with CalRecycle staff and received feedback that it would be allowed. The grant amount expected to be available to the Agency for the FY 2010-11 cycle is \$132,496. The Board can direct staff to develop an RFP to expend that full amount on the countywide outreach effort or a portion thereof. It is also possible that other grant funding sources such as the Used Oil Payment Program could be leveraged to expand the scope and funding of the outreach effort.

This project was not included in the FY 2011-12 SCWMA budget, approved at the April 20, 2011 Agency meeting. If approved, the project revenues and expenditures can be included in Technical Adjustments to that budget.

III. FUNDING IMPACTS

The proposed project would be funded entirely through grant funds. The FY 2010-11 City/County Payment Program could provide up to \$132,496 in funding and the Used Oil Payment Program may provide additional funding. The expenditure limit is at the Board's discretion.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends: 1) confirmation of the Agency's role to submit funding request forms and to invoice individual jurisdictions for the grant amount, 2) direct staff to develop an RFP for a consultant's services providing outreach education to commercial facilities and multifamily complexes with regard to mandatory recycling regulations and beverage container recycling, and 3) examine the feasibility expanding the project to include used oil outreach to widen the scope and funding for the combined outreach project.

V. ATTACHMENTS

Scope of Services

Approved by: _____
Henry J. Mikus, Executive Director, SCWMA

Exhibit A

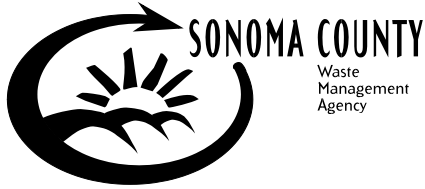
Proposed Scope of Services

The Contractor shall provide all education services needed for the operation of successful commercial facility and multifamily complex outreach. Services will include all staffing, materials, and equipment. The Contractor is expected to perform all services consistent with all local, state, and Federal laws and regulations.

The Contractor shall be required to identify all commercial facilities and multifamily complexes that will be subject to the Mandatory Commercial Recycling regulations, develop a plan to maximize the number of facilities and complexes reached within the time and budget constraints, implementation the project, and reporting to SCWMA Board and staff.

To enable the Sonoma County Waste Management Agency (SCWMA) to evaluate potential Education and Outreach Contractors, please address each of the items below. SCWMA staff will evaluate the Proposals based on completeness of answers to the items below and use of the following scoring criteria. Each item (1-6) will be scored with a maximum score of 100 points being possible. Proposals must score at least 75 points to be considered for the contract.

- (1) **(30 points)** Please list in detail the outreach services proposed to be provided in connection with the SCWMA Commercial Facility and Multifamily Complex Education Outreach Events.
- (2) **(30 points)** Please describe the Proposer's qualifications and experience as an education outreach contractor.
- (3) **(5 points)** A maximum of 5 points will be given to Proposers who qualify as local and/or non-profit or partner with a non-profit for services proposed to be provided in connection with the SCWMA Education and Outreach Events. Please specify which category below the Proposer qualifies as.
 1. Proposer is a 501(c)(3) Nonprofit Corporation or Association and has a business location in Sonoma County, California. **(5 points)**
 2. Proposer is a 501(c)(3) Nonprofit Corporation or Association and does not have a business location in Sonoma County, California. **(3 points)**
 3. Proposer is not a 501(c)(3) Nonprofit Corporation or Association but has a business location in Sonoma County, California **(2 points)**
- (4) **(15 points)** How much time is needed between notification to proceed and the first outreach event?
- (5) **(20 points)** Please detail the number of visits/participants expected to be reached within the time and budget constraints.
- (6) Does the Proposer have any exceptions or changes to the requested services or contract language? (An excessive number of requested changes to the contract language will be disfavored and may be a basis for non-awarding of the Agreement.)



Agenda Item #: 14
Cost Center: Education
Staff Contact: Chilcott
Agenda Date: 5/18/2011

ITEM: Multi-family Outreach Best Practices

I. BACKGROUND

The California Air Resources Board (ARB) Scoping Plan for the California Global Warming Solutions Act of 2006 (AB 32, Núñez, Chapter 488, Statutes of 2006) was adopted with a Mandatory Commercial Recycling Measure designed to achieve a reduction in greenhouse gas emissions of 5 million metric tons of carbon dioxide (CO₂) equivalents by 2020 and beyond.

Under the Scoping Plan, the California Department of Resource, Recycling and Recovery (CalRecycle) is the lead Agency for implementation and compliance with the measure. Under the draft Regulations, jurisdictions must implement a commercial recycling program by July 2012 that consists of education, outreach and monitoring, regardless if the jurisdiction has previously met the 50% per capita disposal target. Building upon existing AB939 Annual Reporting, the first report to CalRecycle about Sonoma County's implementation plan begins in 2014 and includes reporting for the last six months of 2012.

Complying with this Measure, where one possible method is by local ordinance, is the responsibility of local jurisdictions. Implementation is flexible for jurisdictions and businesses as the measure does not specify materials to be diverted, allows jurisdictions to design programs, and allows businesses various ways to recycle. To assist with planning, the Agency Board has received the following presentations/information:

- May 19, 2010 Agency meeting. Presentation from Yvonne Hunter, Institute for Local Government (ILG) about their Sample Commercial Recycling Ordinance prepared under a contract with CalRecycle. ILG is the research and education affiliate of the League of California Cities and the California State Association of Counties.
- August 18, 2010 Staff report Mandatory Commercial Recycling Measure Update.
- October 20, 2010 Presentation from Susan Warner, Salinas Valley Solid Waste Management Authority, about their mandatory commercial/multifamily recycling ordinance.
- November 17, 2010 Presentation from Patrick Quinn, Sacramento County Waste Management and Recycling Department, about their mandatory business/multifamily recycling ordinance.
- January 19, 2011, Staff report about Creating Enforcement and Compliance Elements for Commercial Recycling based on an ILG webinar

II. DISCUSSION

On April 7, 2011, ILG hosted a webinar <http://www.ca-ilg.org/node/3275>, "Recycling Programs at Apartment Complexes: Success Tips for Local Officials." This presentation explored different ways to work with apartment owners and managers to increase recycling by apartment tenants. The panelists highlighted successful strategies to reach apartment residents and provide examples of resources to assist cities and counties. The webinar also provides a brief update on California's proposed commercial recycling regulations, including provisions related to apartments. The following summarizes the presentations:

Speaker: Cara Morgan, CalRecycle

On January 19, 2011, CalRecycle held a workshop to seek stakeholder input on the revised draft AB32 Mandatory Commercial Recycling regulation and on the supporting cost data and environmental impacts. Ms. Morgan highlighted these revisions in her presentation:

- **The definition of businesses was expanded to include “public entities.”** Public entities are defined as military installations, school districts, schools, federal, state, local, regional agencies or facilities, special districts, California State universities, universities of California and community colleges.
- **The threshold for covered businesses was changed to 4 cubic yards of waste** (not 4 cubic yards of waste + recyclables, as was previously considered.)
- **Strip malls were added to the definition for covered businesses.** Strip malls are defined as 2 or more commercial entities.
- **The “multifamily” unit threshold was changed to 5 units or more that generate 4 cubic yards of waste per week** (not 16 units as was previously considered). Firstly, the reason for the change is that elected officials and jurisdictions that have already implemented mandatory ordinances would be reluctant to maintain a threshold that is more stringent than State requirements. Secondly, officials implementing a new ordinance would be reluctant to impose more stringent requirements. Thirdly, haulers usually base their service on total volume generated instead of on specific information about how many units are in a multifamily complex.

CalRecycle has built in flexibility in that local jurisdictions may work with local apartment associations to first target large multifamily complexes. These larger complexes are more likely to generate the most waste and be most amenable to quickly implement on-site recycling programs because they have on-site managers.

- **The draft language regarding “transformation” did not change**, as the draft regulation has the provision for front end processing requirement as is currently in statute.
- **The definition for “mixed waste processing” was expanded to include an explanation as to “what yields comparable results to source separation” means.** Briefly, the regulation does not express a preference for any particular diversion activity or program or process over another. While no single quantitative standard exists, the section does establish an expectation that overall diversion results from a recycling service that includes mixed waste processing will be comparable to the overall diversion results that rely on source-separation processing of recyclables.
- **The definition of what constitutes a “good faith effort” was expanded.** Briefly, the diversion performance of a particular activity program or process will be evaluated by CalRecycle on a case-by-case basis as part of its evaluation of local jurisdictions program implementation. If the activity appears to be produce significantly low diversion, CalRecycle may take into account relevant factors such as character and the composition of the waste stream generated, the nature of collection systems used in the jurisdictions, and the nature and amount of the feedstock processed in the facilities used by the jurisdiction. However, there is no quantitative standard.
- **A clause was added to the definition of “rural jurisdictions”** that take into account small population size or distance to market. It’s the “or distance to market” that is the new part of the regulation.

The timeline for CalRecycle presenting the final draft regulation to the Air Resources Board (ARB) for formal adoption has been delayed from April/May to fall 2011.

For other information about the measure, visit CalRecycle's web site at <http://www.calrecycle.ca.gov/Climate/Recycling/default.htm>

Speaker: Steve Harriman, Integrated Waste Manager, The City of Rancho Cordova Multifamily Recycling Program

Mr. Harriman set the context of their program with demographics. Rancho Cordova is a new city near Sacramento incorporated in 2003 with a population of 62,000 comprised of 22,600 total housing units (16,200 single-family, 6,400 multifamily, and 77 apartment communities). Three non-exclusive haulers serve their multifamily properties. In October 2008, Rancho Cordova adopted a Business and Multifamily Recycling Ordinance based on Sacramento Solid Waste Authority Ordinance. Ordinance components include: 1) Covered "generators" defined as subscribing to 4 cubic yards per week of trash and multifamily units as 5 units or more; 2) May not dispose of "designated" recyclable materials; 3) Service agreements for recyclable collection or for self-haul, and; 4) Bins, signage and education; 5) A one-page "recycling plan" is required of every covered generator (church, multifamily, business, retail, medical office, etc.).

In 2008, the city in partnership with the Rental Housing Association (RHA) was awarded a \$269K CalRecycle grant for multifamily ordinance outreach implementation. This grant paid for three items: 1) A full-time multifamily recycling coordinator for 15 months; 2) Equipment including 4 yd. bins with special lids (120 distributed) intended to resist scavenging, 95-gallon carts (100 distributed) to address multifamily space constraints and recycling bags (16,000 distributed, about 2 bags per apartment unit). 3) Public education including door hangers, brochures, postcards, aluminum signs, website, etc.

Perceived barriers to implementing a multifamily recycling program include the transient population, language barriers, remote property owners, perceived attitudes of renters "that don't care enough" and the perceived hassle that "it will never work."

Lessons learned:

- **This activity was very important for the City Council and for multifamily tenants.** The project created a positive connection between the City and multifamily communities. Tenants demonstrated to city officials their appreciation for increased recycling opportunities.
- **City staff's relationship with on-site complex managers and their district managers is the key to the program's success.**
- **Carts/bins in different sizes, configurations are an important to address space constraints at the multifamily complexes.** Parking spaces are considered sacred and very rarely are apartment complexes willing to reduce spaces. To address this, offer a variety of containers to meet this challenge including split dumpsters, rolling carts, slim jims, bags or other containers. Split debris bins can be retrofitted from existing bins.

Figure 1: Example of bag distributed to apartment tenants. 2 bags were distributed per apartment unit. Vendor Multi-Bag.



Figure 2 Example of split bin (recycling and garbage). These bins were retrofitted.



Speaker: Cory Koehler, Senior Deputy Director, Rental Housing Association (RHA) of Sacramento Valley

Mr. Koehler commenced with a brief description of the RHA <http://www.rha.org/> as a non-profit organization serving rental owners and property managers in the Sacramento Valley region. Members of the association own or manage over 80,000 rental properties, from single-family homes to apartment communities. The RHA has a long history of public-private partnerships including the “Green Apartment Partnership” and the “Crime-Safe Partnership.” Overall, as an industry, Mr. Koehler described that Sacramento Valley, is suffering from the economic downturn as rents are decreasing and vacancies are increasing. From anecdotal surveys, recycling programs are considered an amenity at apartment complexes.



Advice for program success:

- **It is critical for government to create a partnership with the local housing or apartment association.** The association should have ties to the apartment industry and the decision makers at the apartment communities. Most apartments are managed by a professional management companies that are typically responsible for several apartment communities. The on-site manager is also important, but program buy-in from the regional managers is essential. Convey your message for easy comprehension as managers are busy and face many regulatory issues at their complexes.
- **Parking and enclosure limitations are a major challenges at apartment communities.** Many complexes were built long ago when the expectation was that there was only one family car. As most households now have at least two cars, parking is challenging. To accommodate recycling infrastructure, consider space saving rolling carts or other options.
- **In the apartment setting, the average resident moves every 18 months.** With a mobile population, the challenge is constantly educating new residents.
- **Get the entire apartment community involved.** Find the residents who have a passion for recycling and nominate them as “recycling captains” as they will help you set up meetings and be an advocate with other residents.
- **Advertise using current technology.** Send out text alerts, set up a facebook page and put together templates that managers can stick into their newsletter or incorporate on their facebook page.
- **Use good signage on debris bins and containers.** In Sacramento, it is estimated there are 50 different languages. Signage that relies heavily on graphics and visual cues address language barriers.



Figure 3 Example of poor signage at dumpster



Speaker: Ken Prue, Recycling Program Manager from the Environmental Services Department, City of San Diego

The context is that the City of San Diego, with a system of franchised garbage companies and open competition for recycling, implemented a Mandatory Commercial Recycling Ordinance (CRO) in January 2008. The ordinance, which includes an enforcement mechanism, requires recycling of plastic and glass bottles and jars, paper, newspaper, metal containers and cardboard at private residences, commercial buildings including multifamily complexes, and at special events requiring a City permit. Mr. Prue discussed technical assistance related to multifamily complexes and offered advice on language to include in tenant lease agreements.

- **Offer technical assistance.** Technical assistance is accomplished over the phone and through site visits. The work is performed by city recycling and code enforcement staff, but also by franchised haulers and certified recyclers and other partner organizations such as the San Diego County Apartment Association.
- **Provide comprehensive owner/manager education packets and include those resources online.** Provide packets inclusive of everything property owners/managers need to come into compliance with the ordinance. San Diego's packet includes sample fines, sample fliers, newsletter articles, list of recyclers, sign makers, etc. Packets are also provided when administrative warnings are mailed. See <http://www.sandiego.gov/environmental-services/recycling/ro/toolkit/index.shtml> for more detail.
- **Include recycling ordinance requirements in "Recycling Rules" lease addendum language.** San Diego modified a lease addendum template provided by the San Diego County Apartment Association. It is a one-page agreement requiring the signature of the tenant and the owner/manager of the complex. Ideas to include in the addendum: 1) This is a mandatory program and tenants must participate properly; 2) Failure is a violation of their rental agreement; 3) List required recyclable materials so expectations are clearly understood; and 4) Identify areas where trash and recycling are located.
- **Consider space constraints and have a process in place to consider ordinance exemptions for space limitations.** Even though space for recycling/trash enclosures are required for new construction, not all newer complexes have adequate space. As a result, newer complexes are just as challenging as older complexes. Although many requests have been made, San Diego staff has only allowed two multifamily complexes exemptions to the ordinance as a result of space limitations. Cases are evaluated annually.
- **Acknowledge multifamily complex recycling success** Feature a "complex of the month" and publish articles online. For examples, visit <http://www.sandiego.gov/environmental-services/recycling/ro/residential/success.shtml>.

Speaker: Pat Quinn, Planning Program Manager, Waste Management & Recycling Department, Sacramento County

Mr. Quinn, talked to the Agency Board on November 17, 2010. Mr. Quinn is considered the "father of commercial recycling" as he was instrumental in creating Sacramento's program which was one of the first in the State. His presentation related to his experience with ordinances adopted by Sacramento Solid Waste Authority (SWA), a joint powers authority. Following lists the ordinances that Mr. Quinn has implemented: Commercial Recycling Rule adopted in 2007, Construction and Demolition (C&D) Rule adopted in 2008 and the Mandatory Multifamily Recycling Rule adopted in 2009. Mr. Quinn offered advice related to implementing all these ordinances:

- **Have reasonable expectations.** In Mr. Quinn's hierarchy of program challenges, C&D recycling is the low-hanging fruit, business recycling is further up the tree and multifamily recycling is high up the tree. Expect diversion tonnage from multifamily to be modest, unless you have a very large percentage of your housing is in this sector.
- **Expect limited results with a voluntary ordinance approach** In the 1990s, the SWA adopted a voluntary Multifamily Recycling Ordinance. To implement this program, SWA staff worked closely with RHA and performed considerable education outreach to the community. In Mr. Quinn's experience the voluntary approach fell short of targets. Hence, a Mandatory Multifamily Recycling Rule was adopted in 2009.
- **Expect better results from an ordinance with an enforcement component.** Resources go towards enforcement, but are essential for an effective program.
- **Have cost sensitivity for the changes you are requesting through your ordinances.** For example, if there needs to be major changes to infrastructure at the multifamily complex in order to achieve compliance, support or assistance from local government may be expected.
- **Leverage education resources at the local level.** Prioritize working with larger multifamily complexes first as there is opportunity for more performance for the effort. Piggy-back on existing programs (i.e., RHA, tenant groups, community groups, HOAs, etc.).
- **Tailor education at multifamily complexes for the demographic.** Seniors require different tenant education than students.
- **Address scavenging and illegal dumping at multifamily complexes.** Scavenging means loss of revenue to the hauler that helps offset costs to the multifamily manager/owner. Illegal dumping is more prevalent at multifamily complexes as moving tenants may leave items behind. In addition, multifamily complexes often serve as dumping ground for non-tenants. Enclosures, while creating a visual barrier are also problematic as people tend to dump around the enclosure.
- **Address convenience in locating recycling services at multifamily complexes.** Provide recycling opportunities in laundry rooms and near pools.
- **Adjust rules and implementation tactics in ordinances continuously.** It is important for officials at the local level to understand that there are no right answers for all time. Adjust ordinances and implementation tactics continuously considering funding. For a successful program, plan for a long-term effort with consistent funding.
- **Consider what success looks like.** What is your metric over time—Do you measure your success by participation (how many complexes participate) or do you measure tonnage?

For more information about Sacramento's programs, visit <http://www.msa2.saccounty.net/swa>.

To download additional documents and resources, visit the Institute for Local Government website at <http://www.ca-ilg.org/node/3275>

III. FUNDING IMPACT

There are no funding impacts resulting from this transmittal.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Continue monitoring the progress of the regulations and provide education about models implemented by other local jurisdictions.

V. ATTACHMENTS

- San Diego's Apartment Lease Addendum Language.
- Case Study example for San Diego's Carmel Point Condo Complex

Approved by: _____
Henry J. Mikus, Executive Director, SCWMA

Recycling Rules Addendum

City of San Diego

California state law (AB 939) requires all cities to achieve a 50 percent diversion rate from landfills by 2000 and to maintain that diversion rate on an ongoing basis. To that end on November 13, 2007, the City of San Diego passed ordinance O-2008-30. The City's ordinance requires that multi-family complexes generating more than six cubic yard of waste per week, recycle at minimum, recycle at minimum all plastic and glass bottles and jars, paper, newspaper, metal containers and cardboard.

This addendum serves as your required notification of the program on this property.

Property Address

Ordinance requirements:

All residents shall separate all plastic and glass bottles and jars, paper, newspaper, metal cans, and cardboard for recycling. None of these materials shall be deposited in the garbage. Food-soiled papers, such as pizza boxes, are not recyclable.

It is the tenants' responsibility to participate in the recycling program.

You are required to place all of your recyclable paper, cardboard, cans and bottles in the provided recycling containers. Failure to comply will be considered to be a material violation of this rental agreement and local and state law, which could result in termination of your tenancy as permitted by law.

1. Recycling bins are located on this property:

2. Recycling bins are emptied on:

3. Included with this addendum is a list that describes what materials can and cannot be recycled.

Date *Resident's signature*

Date *Resident's signature*

Date *Resident's signature*

Date *Resident's signature*

Date *Owner/Agent*

Carmel Point HOA

3824 Elijah Court
San Diego, 92130

Carmel Pointe HOA is a 200 unit condo complex managed by N.N. Jaeschke, Inc., an Associa company. The complex participated in the City of San Diego's multi-family recycling pilot program that distributed reusable, in-unit recycling bags to multi-family residents.

The bags were purchased with grant money from the State Department of Conservation, and were designed to assist residents with collecting recyclables in their home and transporting them to a central disposal area in the complex. The bags are made of 100% recycled plastic. They are flexible, have a large capacity and can fit in small spaces or even be hung. They are also easy to carry, leaving residents' hands free to carry other items such as a trash bag, which is also disposed at the same location.



The implementation and outreach for the recycling program included replacing recycling totes for recycling dumpsters, and exchanging trash dumpsters for recycling dumpsters. Due to space constraints, the complex had to designate smaller enclosures across from each other, as "recycling only" or "trash only". To ensure proper placement of materials, they added clear signage on enclosure doors stating what materials could be disposed where.



Additionally, the complex extended the program by placing recycling containers by the mailboxes, and posting recycling information on complex bulletin boards. The complex also sent written information to residents about the recycling program.

The results were very impressive. Residents increased their level of recycling participation from only 8% to an impressive 47% waste diversion rate and as a consequence, are saving approximately \$500 per month on their waste collection bills.



Property Manager Bob Kaku, HOA Board President Kayvon Pourmiraie, and Maintenance Staff Saul Hernandez, with the May 2010 Recycling of the Month Award