

SONOMA COUNTY WASTE MANAGEMENT AGENCY

August 17, 2011
Regular Meeting at 9:00 a.m.

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

Estimated Ending Time 11:30 a.m.

AGENDA

***** UNANIMOUS VOTE ON ITEMS #7 and #8*****

<u>ITEM</u>	<u>ACTION</u>
1. Call to Order Regular Meeting/Introductions 9:00 a.m.	
2. Agenda Approval	
3. <u>Attachments/Correspondence:</u>	
3.1 Director's Agenda Notes	
3.2 Reports by Staff and Others:	
3.2.a August and September 2011 Outreach Events	
3.2.b Mandatory Commercial Recycling Update	
3.3 Support letter for SB 568 (Lowenthal) – Polystyrene Food Containers	
3.4 4-H Letter of Appreciation for donation to the 2011 Chickenque event	
4. <u>On file w/Clerk: for copy call 565-3579</u>	
Resolutions approved in June 2011	
2011-004 Resolution of the SCWMA Recognizing Elizabeth Koetke for Six Years of Service	
5. Public Comments (items not on the agenda)	
<u>CONSENT</u> (w/attachments)	Discussion/Action
6.1 Minutes of June 15, 2011	
6.2 FY 10-11 Year End Financial Report	
<u>REGULAR CALENDAR</u>	
7. Agreement for Mandatory Commercial Recycling Education (Carter)	UNANIMOUS VOTE Education

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| 8. | MDS Agreement for PG&E Grant
(Chilcott) | UNANIMOUS VOTE
HHW/Education |
| 9. | Sonoma County/City Solid Waste Advisory
[Barbose] | Discussion/Action
Planning |
| 10. | Carryout Bags Ordinance Direction
(Carter) | Discussion/Action
Planning |
| 11. | Revised Reserve Fund Policy
(Mikus) | Discussion/Action
Administration |
| 12. | Civil Grand Jury Survey Response
(Mikus) (Attachment) | Discussion
Administration |
| 13. | Boardmember Comments | |
| 14. | Staff Comments | |
| 15. | Next SCWMA Meeting – September 21, 2011 | |
| 16. | Adjourn | |

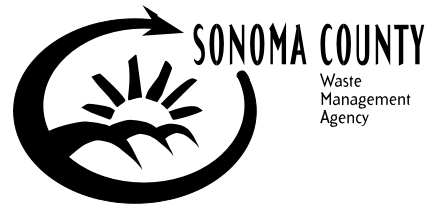
CONSENT CALENDAR: These matters include routine financial and administrative actions and are usually approved by a single majority vote. Any Boardmember may remove an item from the consent calendar.

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: August 17, 2011 Agenda Notes

Attachments/Correspondence

- 3.2 There are four items this month presented under "Reports by Staff and Others"
 - 3.2.a This is our regular, updated listing of the August and September 2011 Outreach Events
 - 3.2.b As the state-level process on developing a Mandatory Commercial Recycling (MCR) regulation advances, staff presents periodic updates. This is particularly timely this month given our planned discussion on the MCR outreach RFPs that have been submitted.
- 3.3 Support letter for SB 568 (Lowenthal) – Polystyrene Food Containers: sent to the Assembly Appropriations Committee
- 3.4 4-H Letter of Appreciation for donation to the 2011 Chickenque event: The utensils referenced in the letter are compostable, and together with event food scraps, are taken to the Laguna WWTP for processing through their fine compost facility.

Consent Calendar

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

- 6.1 Minutes of June 15, 2011
- 6.2 FY 10-11 Year End Financial Report: The JPA agreement requires a financial report be presented to the Board of Directors every quarter for review and approval.

Regular Calendar

- 7. Agreement for Mandatory Commercial Recycling (MCR) Education The RFP selection process has been completed by staff. Of the three respondents to the RFP, two were invited for interviews, which mainly consisted of asking clarifying questions about information contained in their submittals. All three RFP responses were of a high quality, making the selection quite difficult, but positive. This project would be grant-funded, with an initial budget of \$100,000. However, the total grant is \$35,000 greater, leaving open the opportunity to use any unexpended grant funds to expand our project. Staff should be commended for finding a way to leverage grant funds for a project that will have Sonoma County quite ahead of the normal timeline with regards to MCR. **Recommended Action: Award the agreement to Conservation Action Fund for Education (CAFÉ) for the proposed project.**

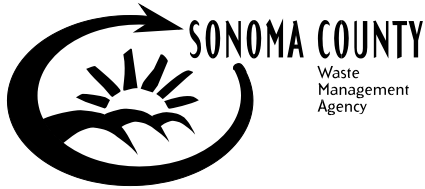
8. MDS Agreement for PG&E Grant We are beginning a second cycle with PG&E grant funding that allows us to manage a county-wide fluorescent lamp take-back program. PG&E has awarded their grant jointly to us together with Napa County. Our initial year was quite successful, and increased funding for this iteration is allowing program expansion. Mercury Disposal Systems (MDS) provided the recycling service last year. MDS is PG&E's preferred partner, was a key part of our first year's success, and is servicing Napa. **Recommended Action: Enter into an Agreement for Fluorescent Lamp Collection and Recycling Services with Mercury Disposal Systems and authorize the Chair to sign the Agreement.**
9. Sonoma County/City Solid Waste Advisory Group (SWAG) Verbal report from Steve Barbose, City of Sonoma, serving as SCWMA liaison to this advisory group. **No action required.**
10. Carryout Bags Ordinance Direction The initial plan, given the two-month interval between Board meetings this summer, was to have the Agency solicit input from all our member jurisdictions via presentations to elected officials. The desire was to hold a "straw vote" at this meeting to provide some direction for our way ahead. Unfortunately, despite the best efforts of all concerned, not all city councils have been able to schedule our visits, or arrive at some consensus, during these two months. However it is likely as many as eight of our ten members may be able to report on their governing bodies' thoughts for our meeting, thus enabling at least a meaningful discussion. **Recommended Action: Provide direction to staff.**
11. Revised Reserve Fund Policy At our June meeting, it was decided to revise some of the Agency reserve account minimum amounts. Staff was further requested to examine the Reserve Policy and recommend changes related to dealing with excess funds over these minimums contained in any of the reserve accounts. A revised policy is presented for review, discussion, and approval. In simplified terms, other than the Organics Reserve, excess amounts may be transferred to the Contingency Reserve upon board approval of an appropriation transfer. Utilization of funds from Contingency Reserve would require a subsequent appropriation transfer accompanied by a project budget. **Recommended Action: Approve the Revised Reserve Policy.**
12. Civil Grand Jury Response The Sonoma County Civil Grand Jury has issued recommendations related to "Whistleblower Programs" chiefly aimed at County government and the incorporated cities. However, as a Joint Powers Agency we were included on their mailing list with other similar government groups. The Grand Jury has requested responses to a brief survey. However, because we obtain numerous support services from the County (including falling under their HR policies), it is felt this issue is covered by this arrangement. A draft response to the survey is provided for Board review and input. **Recommended Action: Consider approval of the attached Draft Response to the survey at the next SCWMA Board meeting, thus allowing Board members to solicit input from our member jurisdictions as appropriate.**

August 2011 Outreach Events

1- 14	10 AM-10 PM	Sonoma County Fair, Santa Rosa
1-14	10 AM-10 PM	Sonoma Compost Company, Sonoma County Fair
2	4-8 PM	Community Toxics Collection, Rohnert Park
9	4-8 PM	Community Toxics Collection, Sebastopol
10	7:30 AM-1:30 PM	The 11 th Annual Sustainable Winegrowing Field Day, Forestville
16	4-8 PM	Community Toxics Collection, Guerneville
17	5-8:30 PM	C2 Spanish outreach Downtown Market in Santa Rosa
20-21	8 AM-4 PM	E-Waste Recycling Event, Whole Foods Coddington, Santa Rosa
23	4-8 PM	Community Toxics Collection, Santa Rosa, NE
30	4-8 PM	Community Toxics Collection, Healdsburg

September 2011 Outreach Events

6	4-8 PM	Community Toxics Collection, Santa Rosa, NW
13	4-8 PM	Community Toxics Collection, Sonoma
13-15	10 AM-10 PM	Sonoma Compost Company, Heirloom Expo booth
17-18	8 AM-4 PM	E-Waste Recycling Event, Cotati Park and Ride, Cotati
18	2-8 PM	C2 Spanish outreach Mexican Independence Celebration, Sonoma Plaza, Sonoma
18	1-6 PM	C2 Spanish outreach Mexican Independence Celebration, Wells Fargo Center
20	4-8 PM	Community Toxics Collection, Santa Rosa, SE
27	4-8 PM	Community Toxics Collection, Cloverdale



Agenda Item #: 3.2b
Cost Center: Education
Staff Contact: Chilcott
Agenda Date: 6/15/2011

ITEM: Revisions to the draft Commercial Recycling Regulations July 2011

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. The proposed mandatory commercial recycling regulation will reduce greenhouse gases by focusing waste reduction within the commercial sector and requiring businesses and multifamily units of 5 units or more that produce more than four cubic yards of solid waste per week to recycle. Recycled materials can include, but are not limited to paper, plastics, glass, metals, cardboard, organics, food waste, and construction and demolition materials. The GHG emissions reductions goal for this measure is estimated to be 5 MMTCO₂E.

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.
- May 15, 2011, Staff report about Multi-family Outreach Best Practices based on an ILG webinar.
- June 16, 2011, Staff report about Understanding California's Proposed Commercial Recycling Regulations: What local Agencies need to know about the requirements based on ILG

webinar. In addition, at the June meeting Boardmembers approved staff distributed a Request for Proposal for Mandatory Commercial Recycling Education Services.

II. DISCUSSION

On July 19, 2011, CalRecycle staff conducted a workshop to seek stakeholder input on changes to the regulatory language changes since the January 19, 2011 workshop. See attached for a summary and actual language of the latest draft regulations.

Revisions to the regulatory language since the January 19, 2011 workshop:

- **Business definition** – added “public entity”
- **Threshold** – changed to 4 CY of waste instead of 4 CY of waste + recyclables
- **Multi-family** – changed from 16 units + generate 4 CY/week, to 5 or more units + generate 4 CY/week
 - Tenants required to source separate recyclables
 - Jurisdictions can exempt complexes due to insufficient space to provide additional recycling bins
- **Transformation** – clarified no change to statute
- **Mixed waste processing** – added “yields comparable results to source separation.”
- **Rural** – clarified what constitutes good faith

Timeline & next steps:

- Initial Informal Stakeholder Feedback & Draft Regulation Development: July – September 2009
- Workshops/Public Meetings: July, August, September, December 2009
- Additional Informal Stakeholder Workshops: June 2010 – July 2011
- Workshops/Public Meetings: June & September 2010; January & July 2011
- Formal rulemaking begins – September 2011
- Formal comment period September 5 – October 20, 2011
- Air Resources Board Hearing – October 20 and 21, 2011

Visit the CalRecycle website to view the public notice, for CalRecycle economic analysis of on program costs and workshop documents

<http://calrecycle.ca.gov/Actions/PublicNoticeDetail.aspx?id=466&aiid=448>

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

- Summary of CalRecycle Draft Regulations July 2011.
- CalRecycle Draft Regulations July 2011.

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

Proposed Draft Regulation to Reduce Greenhouse Gas Emissions by Requiring Commercial Businesses to Recycle

MANDATORY COMMERCIAL RECYCLING

TITLE 17: PUBLIC HEALTH

DIVISION 3. AIR RESOURCES

CHAPTER 1. AIR RESOURCES BOARD

SUBCHAPTER 10, CLIMATE CHANGE

**ARTICLE 4, REGULATIONS TO ACHIEVE GREENHOUSE GAS
EMISSION REDUCTIONS**

SUBARTICLE 10. MANDATORY COMMERCIAL RECYCLING

§95620. Purpose.

This Article implements the Mandatory Commercial Recycling regulation pursuant to §38561 of the Health and Safety Code. The purpose of this regulation is to reduce greenhouse gas emissions by diverting commercial solid waste to recycling efforts and to expand the opportunity for additional recycling services and recycling manufacturing facilities in California.

§95621. Definitions.

- (a) Except as otherwise noted, the definitions of this Article supplement and are governed by the definitions set forth in Chapter 2 (commencing with §40100), Part 1, Division 30 of the Public Resources Code.
- (b) In addition to the definitions incorporated under subdivision (a), the following definitions shall govern the provisions of this Article.
 - (1) "Annual Report" means the electronic annual report, submitted annually by a jurisdiction, summarizing its progress in reducing solid waste, as required by §41821 of the Public Resources Code and 14 California Code of Regulations §§18794-18794.6.
 - (2) "CalRecycle" means the Department of Resources Recycling and Recovery.
 - (3) "Jurisdiction" means a city, county, city and county, or a regional agency that is approved by CalRecycle pursuant to §40975 of the Public Resources Code.

- (4) "Business" means any commercial or public entity, that generates four cubic yards or more of commercial solid waste per week, including, but not limited to, a firm, partnership, proprietorship, joint-stock company, corporation, or association that is organized as a for-profit or nonprofit entity, strip mall (e.g. property complex containing two or more commercial entities) school, school district, California State University, community colleges, University of California, special district or a federal, state, local, regional agency or facility. For purposes of this Article, "business" also includes a multi-family residential dwelling of five units or more that generates four cubic yards or more of commercial solid waste per week.
- (5) "Commercial solid waste" means all types of solid waste discarded, including recyclable materials that are discarded with the solid waste, by businesses as defined in subdivision (4), but does not include waste from single family residences or multifamily units of less than 4 units.
- (6) "Diversion" or "divert" means activities which reduce or eliminate the amount of solid waste from solid waste disposal for purposes of this division, including Article 1 (commencing with § 41780) of Chapter 6.
- (7) "Disposal" means the final disposition of solid waste at a permitted landfill.
- (8) "Franchise" means any agreement between a jurisdiction and a hauler for transporting commercial solid waste.
- (9) "Hauler" means any person, commercial or public entity which collects, hauls, or transports solid waste for a fee by use of any means, including but not limited to, a dumpster truck, roll off truck, side-load, front-load, or rear-load garbage truck, or a trailer.
- (10) "Landfill" means a permitted disposal site which accepts solid waste.
- (11) "Mixed Waste Processing" means processing solid waste that contains both recyclable and compostable materials and trash.
- (12) "Recycle" or "recycling" means the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise become solid waste, and returning them to the economic mainstream in the form of raw material for new, reused or reconstituted products which meet the quality standard necessary to be used in the market place, as defined in §40180 of the Public Resources Code. Recycling does not include transformation as defined in Public Resources Code §40201.
- (13) "Recyclables" and "recyclable materials" means materials that have been separated from the solid waste stream prior to disposal and collected for

use or reuse in the form of raw materials for new, used or reconstituted products which meet the quality standard necessary to be used in the market place and that are not landfilled. Recyclable materials can include, but are not limited to paper (including cardboard), plastics, glass, metals, organics, food waste, and construction and demolition materials.

- (14) "Rural jurisdiction" means a city or regional agency as defined in §40183 of the Public Resources Code or a rural county as defined in §40184 of the Public Resources Code.
- (15) "Self hauler" or "self hauling" means a business that transports its own waste and/or recyclables rather than contracting with a hauler for that service.
- (16) "Source separating" or "source separation" means the process of removing recyclable materials from solid waste at the place of generation, prior to collection, and placing them into separate containers that are separately designated for recyclables.
- (17) "Solid waste" means all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes as described in §40191 of the Public Resources Code.
- (18) "Transformation" means incineration, pyrolysis, distillation, or biological conversion other than composting. "Transformation" does not include composting, gasification, or biomass conversion.

§95622. Mandatory recycling of commercial solid waste by businesses.

- (a) On or before July 1, 2012, a business, as defined in §95621(b)(4), shall reuse, recycle, compost, or otherwise divert its commercial solid waste from disposal by taking one, or any combination, of the following actions:
 - (1) Source separating recyclable materials from the solid waste they are discarding and either self-hauling, subscribing to a service that hauls, and/or otherwise arranging for the pick-up of, the recyclable materials separately from the solid waste to divert them from disposal.
 - (2) Subscribing to a service that includes mixed waste processing that diverts recyclable materials from disposal and that yields diversion results comparable to source separation.

- (b) To comply with §95622(a), property owners of multi-family complexes may require tenants to source separate their recyclable materials. Tenants must source separate their recyclable materials as required by property owners of multi-family complexes.
- (c) Each business shall be responsible for ensuring and demonstrating its compliance with the requirements of this Section. The activities undertaken by each business pursuant to §95622(a) shall be consistent with local requirements, including, but not limited to, a local ordinance or agreement applicable to the collection, handling or recycling of solid waste.
- (d) Except as expressly set forth in §95622(e)(3), this Section does not limit the authority of a jurisdiction to adopt, implement, or enforce a recycling program that is more stringent or comprehensive than the requirements of this Section. Businesses located in such a jurisdiction must comply with any local requirements that have been enacted.
- (e) This Section does not modify or abrogate in any manner any of the following:
 - (1) A franchise granted or extended by a city, county, or other local government agency;
 - (2) A contract, license, or permit to collect solid waste granted or extended by a city, county, or other local government agency as of the effective date of this regulation;
 - (3) The right of a business to donate, sell or otherwise dispose of its recyclable materials, as provided by §41952 of the Public Resources Code. Nothing in these regulations is intended to prevent or otherwise regulate the sale or donation of recyclable materials by the owner of such materials to a third party for purposes of reuse or recycle prior to discarding the materials; or
 - (4) The existing provisions of §41783 of the Public Resources Code related to transformation that allow jurisdictions to reduce their per-capita disposal rate by no more than 10 percent. Materials sent to transformation facilities must meet the requirements of §41783(a)(2) of the Public Resources Code regarding front-end methods or programs to remove all recyclable materials from the waste stream prior to transformation to the maximum extent possible.

§95623. Implementation of commercial recycling program by jurisdictions.

- (a) Effective July 1, 2012, each jurisdiction shall implement a commercial recycling program which diverts from disposal commercial solid waste generated by businesses, as defined in §95621(b)(4).
- (b) The commercial recycling program shall apply to businesses, as defined in §95621(b)(4), but may also apply to any other commercial entity identified by the jurisdiction as being a source of commercial solid waste.
- (c) A jurisdiction shall determine the specific material types included in its commercial recycling program, which could include, but are not limited to, paper (including cardboard), plastics, glass, metals, organics, food waste, and construction and demolition.
- (d) If, prior July 1, 2012, a jurisdiction has implemented a commercial recycling program that meets all requirements of this Article, as determined by CalRecycle pursuant to §95624, the jurisdiction will not be required to implement a new or expanded program.
- (e) If, in order to satisfy the requirements of this Article, a jurisdiction must implement a new, or expand an existing, commercial recycling program, it shall not be required to revise its source reduction and recycling element nor comply with the requirements of Public Resources Code §41800 et seq. The jurisdiction shall include the addition or expansion of a commercial recycling program in its annual report.
- (f) The commercial recycling program adopted pursuant to Subdivision (a) may include, but is not limited to, implementing a commercial recycling policy or ordinance requiring businesses, as defined in §95621(b)(4), to recycle, requiring a mandatory commercial recycling program through a franchise agreement or contract, or requiring that commercial solid waste from businesses be sent to a mixed waste processing facility. This policy or ordinance cannot limit the right of a business to donate, sell or otherwise dispose of its recyclable materials, as provided by §41952 of the Public Resources Code.
 - (1) As part of developing a commercial recycling program under subsection (f), a jurisdiction shall consider if an exemption is warranted for multi-family complexes that lack sufficient space to provide additional recycling bins.
- (g) The commercial recycling program shall include education and outreach to businesses, as defined in §95621(b)(4). The jurisdiction shall determine the types of educational and outreach programs to insure that the program targets the components of the jurisdiction's commercial waste stream.

- (h) The commercial recycling program shall include identification and monitoring of businesses, as defined in §95621(b)(4), to assess if businesses are complying with §95622(a). If any businesses subject to these regulations are not in compliance with these provisions, the jurisdiction shall, at a minimum, notify those businesses that they are out of compliance.
- (i) The commercial recycling program may also include, but is not required to include:
 - (1) Enforcement consistent with a jurisdiction's authority, including, but not limited to, a penalty or fine structure that, incorporates warning notices, civil injunctions, financial penalties, or criminal prosecution. Any fees or penalties generated by the enforcement program could, in the jurisdiction's discretion, be used to pay the costs of operation, outreach, education, and other associated program costs;
 - (2) Building design standards that specify space requirements for storage of recyclables or other purposes that may assist the compliance of businesses, as defined in §95621(b)(4), with the program;
 - (3) Exemptions deemed appropriate by the jurisdiction such as, but not limited to, zoning requirements, lack of storage space, lack of markets, non-generation of recyclable materials, or current implementation by a business of actions that result in recycling of a significant portion of its commercial waste; or
 - (4) Certification requirements for self-haulers which may include, but are not limited to, requiring businesses, as defined in §95621(b)(4), to maintain written records demonstrating that all self-hauling activities have been completed in accordance with the standards imposed by the jurisdiction's commercial recycling program.
- (j) Each jurisdiction shall report the progress achieved in implementing its commercial recycling program, including education, outreach, identification and monitoring, and if applicable enforcement efforts, by providing updates in its Annual Report required by §41821, et seq. of the Public Resources Code.
- (k) The recycling program implemented by the jurisdiction does not limit the existing right of any business to donate, sell or otherwise dispose of its recyclable materials as provided by §41952 of the Public Resources Code. Nothing in these regulations is intended to prevent or otherwise regulate the sale or donation of recyclable materials by the owner of such materials to a third party for purposes of reuse or recycle prior to discarding the materials.

§95624. CalRecycle Review

- (a) Commencing August 1, 2013, CalRecycle shall review a jurisdiction's compliance with §95623 as part of its review of the jurisdiction's source reduction and recycling element and household hazardous waste element programs, pursuant to 14 California Code of Regulations §18772 and §41825 of the Public Resources Code.
- (b) CalRecycle may also review whether a jurisdiction is in compliance with §95623 at any time that CalRecycle receives information that a jurisdiction has not implemented, or is not making a good faith effort to implement, its commercial recycling program.
- (c) During its review pursuant to this Section, CalRecycle shall determine whether each jurisdiction has made a good faith effort to implement its selected commercial recycling program. For this purpose, "good faith effort" means all reasonable and feasible efforts by a jurisdiction to implement its commercial recycling program. During its review, CalRecycle may include, but is not limited to, the following factors in its evaluation of a jurisdiction's "good faith effort":
 - (1) The extent to which the businesses, as defined in §95621(b)(4), have complied with §95622(a), including information on the amount of disposal that is being diverted from the businesses, if available, and on the number of businesses that are subscribing to service;
 - (2) The recovery rate of the commercial waste from the material recovery facilities that are utilized by the businesses, all information, methods, and calculations, and any additional performance data, as requested by the Department from the material recovery facilities pursuant to 14 California Code of Regulations §18809.4;
 - (3) The extent to which the jurisdiction is conducting education and outreach to businesses, as defined in §95621(b)(4);
 - (4) The extent to which the jurisdiction is monitoring businesses, as defined in §95621(b)(4), and notifying those businesses that are out of compliance;
 - (5) The availability of markets for collected recyclables;
 - (6) Budgetary constraints; and
 - (7) In the case of a rural jurisdiction, as defined in §95621(b)(14), the small geographic size, low population density or distance to markets.

A jurisdiction's failure to implement its commercial recycling program may suffice for CalRecycle to issue a compliance order pursuant to §41825 of the Public

Resources Code, even if the jurisdiction has met its 50 percent per capita equivalent disposal target as required by §41780.05 of the Public Resources Code.

- (d) If, after a public hearing on the matter, CalRecycle finds that a jurisdiction has failed to make a good faith effort to implement a commercial recycling program and meet the requirements of §95623, CalRecycle shall issue a compliance order with a specific schedule for achieving those requirements. CalRecycle shall issue the compliance order within 30 days after making its finding of non-compliance.
- (e) The compliance order shall identify the portions of the commercial recycling program which are not being implemented or attained by the jurisdiction, or identify areas of the commercial recycling program which need revision. CalRecycle shall also set a date by which the jurisdiction shall meet the requirements of the compliance order.
- (f) Pursuant to §41850 of the Public Resources Code, CalRecycle shall hold a hearing to determine whether the jurisdiction has complied with the terms of the compliance order in §95624(d). If CalRecycle determines that the jurisdiction has failed to implement its compliance order and meet the requirements of §95623, CalRecycle shall take additional enforcement action pursuant to an ARB/CalRecycle Enforcement Agreement, or, if an Enforcement Agreement does not exist, CalRecycle shall, within 60 days document its determination that the jurisdiction remains out of compliance, forward that documentation and make recommendations to the Air Resources Board for further enforcement action pursuant to Part 6, Division 25.5 (§ 38500) of the Health and Safety Code.

§95625. Air Resources Board Oversight and Enforcement

Nothing in this Article limits the Air Resources Board's authority pursuant to Division 25.5 (commencing with §38500 of the Health and Safety Code), to monitor compliance with and enforce this regulation. The Air Resources Board retains its oversight role and will take any further actions necessary to implement this regulation, including but not limited to invoking its enforcement authority as described in §38580 of the Health & Safety Code.

SUMMARY OF THE PROPOSED REGULATION

This chapter provides a summary and the key components of the proposed Commercial Recycling Regulation. This chapter is also intended to satisfy the requirements of Government Code section 11346.2, which requires that a non-controlling “plain English” summary of the regulation be made available to the public. Additionally, this chapter describes the rationale for each section and subsection of the regulation. This chapter also discusses alternatives considered during the development of the proposed regulation.

A. Components of the Proposed Regulation

The purpose of the proposed regulation is to increase the amount of commercial waste recycled in California by requiring businesses, multi-family residences with 5 or more units, and public entities that generate more than 4 cubic yards of solid waste per week to recycle. This increased diversion (through recycling and composting) of 1.5 to 3.5 million tons of commercial solid waste will reduce greenhouse gas (GHG) emissions by 5 million metric tons of carbon dioxide (CO₂) equivalents (MMTCO₂e) per year by 2020 and will expand the opportunity for additional recycling services and recycling manufacturing facilities in California. Additionally, local jurisdictions would be required to provide education and outreach to affected businesses and to monitor compliance with the proposed regulation. The proposed regulation includes the following components:

- Requires businesses, multi-family complexes of 5 or more residential units, and public entities that generate 4 cubic yards or more of trash per week to recycle solid waste that they generate by selecting one, or any of combination of the following: subscribing to a recycling service, source separating their material and self-hauling to a recycling facility, allowing for the pick-up of recyclables, and/or having their material processed in a mixed waste processing facility that yields diversion results comparable to source separation.
- Requires each local jurisdiction, regardless of whether the jurisdiction has met its AB 939 50 percent diversion requirement, to implement a commercial recycling program by July 1, 2012, that provides education, outreach and monitoring of businesses subject to the Commercial Recycling Regulation. If a jurisdiction already has a commercial recycling program that targets businesses required to comply with the regulation, and if the program includes education, outreach, and monitoring elements, it would not be required to implement a new or expanded program. Because the jurisdiction requirement is to only provide education/outreach/monitoring to inform businesses of their obligation to recycle and enforcement by local jurisdictions is not required, jurisdictions need not have legal control over the businesses.
- Establishes general criteria for education and outreach to provide information explaining the requirements of the Commercial Recycling Regulation, as well as,

the recycling opportunities available, within the jurisdiction. Jurisdictions have flexibility to conduct education and outreach that fits their existing programs and resources. For example, the jurisdiction may choose whether they or the hauler(s) or community groups conduct these activities, or they may choose a combination. Jurisdictions are also encouraged to utilize existing programs to incorporate information about the new state requirement, such as an existing website, newsletter, etc., to maximize outreach opportunities.

- Establishes general criteria for monitoring of affected businesses (businesses, multi-family complexes of 5 or more residential units, and public entities that generate 4 cubic yards or more of trash per week) and includes assessing if affected businesses are subscribing to and participating in recycling services, and notifying affected businesses that are not in compliance with these regulations. This is necessary to ensure that affected businesses that are required by these regulations to recycle commercial waste are identified and monitored, and that they are notified if not in compliance. Jurisdictions have flexibility to implement monitoring that fits their existing programs and resources. For example, the jurisdiction may choose whether it and/or the hauler(s) conduct these activities. Jurisdictions are encouraged to utilize existing programs to inform businesses of the state requirement to recycle, such as letters that are sent to businesses, on-site visits, phone calls from the hauler's sales representative, or other approaches to maximize resources. Jurisdictions might also choose to phase in monitoring over time depending on how many businesses are in the jurisdiction.
- Identifies commercial recycling program options that may be used by local jurisdictions to implement the regulation including: implementing a mandatory commercial recycling policy or ordinance, requiring mandatory commercial recycling through the franchise contract or agreement, and/or requiring that all commercial recycling materials go through a mixed waste processing system that yields diversion results comparable to source separation.
- Allows jurisdictions the flexibility to implement a commercial program that meets their local needs and works with their existing infrastructure. For example, a jurisdiction's recycling program may include an enforcement component; the enforcement component may include all businesses subject to a jurisdiction's recycling program or a subset of these businesses; and, a jurisdiction's recycling program may apply to businesses beyond those as defined in this regulation.
- Recognizes rural jurisdictions' limitations (such as small geographic size, low population density, or distance to markets) when CalRecycle evaluates program implementation and makes a determination regarding whether a rural jurisdiction is making a "good faith effort" to implement a commercial recycling program.
- Protects existing franchise agreements, contracts, licenses, and the right of businesses to sell or donate recyclable materials.

- Allows property owners of multi-family complexes to comply with requirements by requiring, if needed, tenants to source separate their recyclable materials.
- Makes CalRecycle responsible for evaluating and enforcing jurisdiction performance in implementing the mandatory commercial recycling program, and for measuring GHG emissions reductions associated with commercial recycling at the statewide level.
- Provides ARB with the ultimate authority for oversight and implementation of the proposed regulation, including, if required, use of ARB's statutory enforcement procedures.

B. Requirements of the Proposed Regulation

1. Purpose (section 95620)

The purpose of this Article is to implement the Mandatory Commercial Recycling regulation pursuant to Section 38561 of the Health and Safety Code to reduce greenhouse gas emissions (GHG) by five million metric tons of carbon dioxide equivalents. The purpose of this regulation is to reduce these GHG emissions by diverting commercial solid waste that would otherwise be landfilled to recycling and composting efforts and to expand the opportunity for additional recycling services and recycling manufacturing facilities in California. This could provide increased feedstock for California recycling manufacturing facilities.

2. Definitions (section 95621)

Section 95621 is necessary to explain a number of technical and administrative terms from the PRC that appear in this Article that are not contained in the Health and Safety Code and therefore, require definition to ensure regulatory consistency and clarity.

Subsection 95621(a)

Because this proposed regulation will be adopted pursuant to AB 32 and appear in the regulations governing ARB, for convenience and to insure regulatory consistency and clarity, subsection (a) is necessary to explain that, except as specifically noted in the proposed regulation, the technical and administrative terms in this Article incorporate the definitions of those terms that appear in the PRC sections pertaining to CalRecycle.

Subsection 95621(b)

Subsection (b) is necessary to define the technical and administrative terms that appear in this Article that require definition. Except as otherwise noted, the definitions of this Article are governed by the definitions set forth in Chapter 2 (commencing with section 40100), Part 1, Division 30 of the PRC.

Subsection (b)(1)

Subsection (b)(1) defines the term “Annual Report.” This subsection is necessary to clarify the type of report required and the method in which it is to be submitted, which is electronically.

Subsection (b)(2)

Subsection (b)(2) is necessary to clarify that the term “CalRecycle” used in this Article means the Department of Resources Recycling and Recovery.

Subsection (b)(3)

Subsection (b)(3) defines the term “Jurisdiction.” This subsection is necessary to clarify which types of governmental entities are subject to the requirements of section 95623 through section 95625.

Subsection (b)(4)

Subsection (b)(4) defines the term “Business.” This subsection is necessary to clarify which types of commercial or public entities are subject to the requirements of this Article, and to explicitly state that public entities are included. Public entities include military installations, school districts, schools, federal, state, local, regional agencies or facilities, special districts, California State Universities, Universities of California, and community colleges. Additionally, the definition of business includes strip malls containing two or more commercial entities. This also clarifies that the threshold for businesses and multi-family residences of 5 units or more is 4 cubic yards of commercial solid waste per week, not 4 cubic yards of commercial solid waste and recyclables. This makes a distinction between recyclable materials that already are separated prior to any solid waste being discarded, versus potentially recyclable materials that are not separated and instead are included in the solid waste being discarded. Requiring the threshold to only include solid waste should make it easier for a jurisdiction to determine which businesses fall under the regulation; a jurisdiction does not have to conduct a generation study to determine if 4 cubic yards of commercial solid waste is generated. Within this definition then the term “generates” refers to commercial solid waste produced, not the amount of solid waste diverted plus the amount of solid waste disposed.

Subsection (b)(5)

Subsection (b)(5) defines the term “Commercial solid waste.” This subsection is necessary to clarify the types of material that shall be recycled in order to meet the requirements of this Article. Also, commercial solid waste does not include solid waste from single family residences or multi-family residences of less than 4 units.

Subsection (b)(6)

Subsection (b)(6) defines the terms “Diversion” or “divert.” This subsection is necessary to clarify the required end result of a jurisdiction’s implementation of its commercial recycling program, specifically to reduce the amount of solid waste being disposed of in landfills.

Subsection (b)(7)

Subsection (b)(7) defines the term “Disposal.” This subsection is necessary to clarify the activity that a business shall minimize through diversion.

Subsection (b)(8)

Subsection (b)(8) defines the term “Franchise.” This subsection is necessary to clarify that the existing contractual and other legal obligations between a jurisdiction and a hauler to transport solid waste would not be modified or abrogated by this Article. For purposes of these regulations the definition for “Franchise” is limited to commercial solid waste.

Subsection (b)(9)

Subsection (b)(9) defines the term “Hauler.” This subsection is necessary to clarify the action required of businesses regarding movement of commercial solid waste. This action includes either self-haul or subscribing to a service that hauls.

Subsection (b)(10)

Subsection (b)(10) defines the term “Landfill.” This subsection is necessary to ensure regulatory clarity and consistency with CalRecycle regulations.

Subsection (b)(11)

Subsection (b)(11) defines the term “Mixed Waste Processing.” This subsection is necessary to clarify that the option for a business to subscribe to a recycling service that includes mixed waste processing means a service that processes solid waste that contains both recyclable and compostable materials and trash.

Subsection (b)(12)

Subsection (b)(12) defines the terms “Recycle” or “recycling.” This subsection is necessary to clarify the type of program a business shall undertake and a jurisdiction shall implement to satisfy the requirements of this Article; and to assure regulatory clarity and consistency with existing definitions in CalRecycle regulations. For purposes of this regulation, recycling does not include transformation as defined in PRC 40201. However, this does not prohibit commercial solid waste from being sent to transformation facilities as long as the existing requirement is met regarding front-end processing to remove recyclable materials to the maximum extent feasible, and it does not change the provision that allows jurisdictions to use transformation to satisfy up to a maximum of 10 percent of their per-capita disposal rate. Under limited circumstances, this requirement may be met even if a small proportion of businesses have their waste taken directly to the transformation facility without processing, where it has been determined that those loads are of such a nature that they: (1) contain a small amount of recyclables; and/or (2) would contaminate the recyclables in other loads.

Subsection (b)(13)

Subsection (b)(13) defines the terms “Recyclables” and “recyclable materials.” This subsection is necessary to clarify what materials are considered as being subject to or able to be counted toward compliance with the regulation.

Subsection (b)(14)

Subsection (b)(14) defines the terms “rural city” and “rural county” and “rural regional agency.” The subsection is necessary to clarify which jurisdictions are considered rural.

Subsection (b)(15)

Subsection (b)(15) defines the terms “Self hauler” or “self-hauling.” This subsection is necessary to add clarity to an option for a business to consider for meeting the requirement to recycle its commercial solid waste. One option is transporting its own waste to a recycling facility.

Subsection (b)(16)

Subsection (b)(16) defines the terms “Source separating” or “source separation.” This subsection is necessary to clarify the process required of the owner or operator of a business to recycle its commercial solid waste when choosing the option described in subsection 95622(a) to either self-haul or subscribe to a service that hauls the recyclable materials separately from the solid waste to divert them from disposal.

Subsection (b)(17)

Subsection (b)(17) defines the term “Solid waste.” This subsection is necessary to define the types of materials subject to requirements of this Article and to assure regulatory clarity and consistency with the definitions in CalRecycle regulations.

Subsection (b)(18)

Subsection (b)(18) defines the term “Transformation.” This subsection is necessary to clarify that there is no change to the existing interpretation of section 41783 of the PRC.

3. Mandatory Recycling of Commercial Solid Waste by Businesses
(section 95622)

Section 95622 specifies the requirements a business shall meet to recycle its commercial solid waste.

Subsection (a)

Subsection 95622(a) specifies a business shall reuse, recycle, compost, or otherwise divert its commercial solid waste from disposal by either or both of the following materials management options described in subsection 95622(a)(1) or subsection 95622(a)(2). This is necessary to define the party responsible for recycling commercial solid waste.

Subsection (a)(1)

Subsection (a)(1) specifies methods that a business may take to meet the requirement of this Article to recycle the business’ commercial solid waste: by source separating recyclable materials and self-hauling these separately from the solid waste to a recycling facility, or subscribing to a service that hauls these source-separated recyclable materials to a recycling facility, and/or otherwise arranging for the pick-up of recyclables. This is necessary to inform business owners, operators, and employees of

actions they may take to meet the requirement that commercial solid waste generated as part of business operations is recycled.

Subsection (a)(2)

Subsection (a)(2) specifies a method that a business may take to meet the requirement of this Article to recycle the business's commercial solid waste: by subscribing to a recycling service that includes mixed waste processing that diverts recyclable materials from disposal and that yields diversion results comparable to source separation. This Subsection does not express a preference for any particular diversion activity, program or process over another. However, 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, and that may include other programs, will be comparable to the overall diversion results of recycling services that rely on source-separated processing of recyclables. 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 jurisdiction program implementation to see if the recycling rate of the activity, program or process appears to be significantly low. In this case CalRecycle would take into account relevant factors such as, but not limited to, the character and composition of the waste stream generated in the jurisdiction, the nature of collection systems in the jurisdiction, and the nature and amount of feedstock processed at facilities used for waste generated in the jurisdiction. This is necessary to provide information to business owners, operators, and employees with another option to meet the requirement to recycle commercial solid waste generated as part of business operations.

Subsection (b)

Subsection (b) clarifies that property owners of multi-family complexes may require tenants to source separate their recyclable materials. Tenants in multi-family complexes must source separate their recyclable materials if required by the property owner.

Subsection (c)

Subsection (c) specifies that each business is responsible for ensuring and demonstrating compliance with the requirements of section 95622. It also specifies that the activities a business undertakes pursuant to subsection 95622(a) shall be consistent with local requirements, including, but not limited to, a local ordinance or agreement applicable to the collection, handling or recycling of solid waste. This is necessary to inform businesses of their responsibilities to ensure and demonstrate compliance with the commercial recycling requirement. In addition, this allows a jurisdiction and CalRecycle to determine whether or not a business is in compliance with the commercial recycling requirements of this Section.

Subsection (d)

Subsection (d) specifies that except as expressly set forth in subsection 95622(e)(3), the authority of a jurisdiction is not limited by this section and that it may adopt, implement, or enforce a more stringent or comprehensive recycling program and that

businesses located in such a jurisdiction are required to comply with local requirements. This is necessary to inform affected parties that in regards to more stringent or comprehensive recycling programs, a local jurisdiction is not limited by the statewide requirements for a business to recycle its commercial solid waste and businesses within a jurisdiction shall, at minimum, comply with the more stringent requirements (either statewide or local). This allows jurisdictions a level of autonomy to adopt, implement, or enforce more stringent or comprehensive recycling programs more suited to local conditions.

Subsection (e)

Subsection (e) specifies that legal mechanisms and rights described in this Subsection shall not be modified or abrogated by section 95622. This is necessary to assure relevant parties that this subsection does not affect legal mechanisms and rights.

Subsection (e)(1)

Subsection (e)(1) specifies that a franchise agreement granted or extended by a city, county, or other local government agency cannot be modified or abrogated by section 95622. This is necessary to assure franchisees that this section does not modify or abrogate a franchise agreement granted by local government. This offers protection to the franchisee from the threat of unforeseen and disruptive changes to an existing franchise agreement.

Subsection (e)(2)

Subsection (e)(2) specifies that a contract, license, or permit to collect solid waste previously granted or extended by a city, county, or other local government agency cannot be modified or abrogated by section 95622. This is necessary to ensure that this section does not modify or abrogate a contract, license, or permit to collect solid waste granted by local government. This offers protection from the threat of unforeseen and disruptive changes to an existing contract, license, or permit to collect solid waste.

Subsection (e)(3)

Subsection (e)(3) specifies that nothing in these regulations is intended to prevent or otherwise regulate the right of a business prior to discarding materials to sell, donate, or otherwise legally dispose of its recyclable materials. This subsection is a codification of statutory and case law that protects a business from being required to sell or exchange its recyclable materials at less than fair market value, and allows a business to donate its recyclable materials to another entity for reuse or recycling prior to discarding them.

Subsection (e)(4)

Subsection (e)(4) clarifies that interpretation of the provisions of PRC section 41783 are not affected by this regulation. Commercial solid waste may be taken to a transformation facility, as long as the existing requirement in PRC section 41783 for front-end processing to remove recyclable materials to the maximum extent feasible is met. For example front-end processing includes source-separating recyclables or processing material at a mixed waste processing facility. The subsection clarifies that there is no change to the existing provisions of section 41783 of the PRC related to

transformation that allow jurisdictions to reduce their per-capita disposal rate by no more than 10 percent. A relatively small number of businesses may also have waste taken directly to a transformation facility without front-end processing under limited circumstances; this is limited to situations where it has been determined that those loads are of such a nature that they contain a small amount of recyclables or would contaminate the recyclables in other loads.

4. Implementation of Commercial Recycling Program by Jurisdictions
(section 95623)

Section 95623 specifies the requirements a jurisdiction shall meet to implement a commercial recycling program.

Subsection (a)

Subsection (a) specifies that effective July 1, 2012, each jurisdiction shall implement a commercial recycling program that diverts commercial solid waste generated by businesses, as defined in subsection 95621(b)(4). This is necessary to define the party responsible and timeline for implementing a commercial recycling program.

Subsection (b)

Subsection (b) specifies that, in addition to the businesses defined in subsection 95621(b)(4), the businesses subject to commercial recycling may also include any other commercial entity that the jurisdiction identifies as being a source of commercial solid waste. This section is necessary to allow jurisdictions the flexibility to include commercial entities that are sources of recyclable materials that otherwise do not meet the subsection 95621(b)(4) definition of business.

Subsection (c)

Subsection (c) specifies that a jurisdiction shall determine the specific material types included in its commercial recycling program and provide a non-exclusive list of types of materials that could be considered for inclusion. This is necessary to ensure that a jurisdiction has flexibility to target specific material types for inclusion in its commercial recycling program which, based on local conditions, may differ from other jurisdictions.

Subsection (d)

Subsection (d) specifies that if, prior July 1, 2012, a jurisdiction has implemented a commercial recycling program that meets the requirements of this Article, the jurisdiction will not be required to implement a new or expanded program. This is necessary to protect jurisdictions that have already implemented suitable commercial recycling programs from being required to implement a new program. In the event a jurisdiction's existing recycling program does not include all businesses as defined in this regulation, or the monitoring, outreach and education requirements of this Article, the program will need to be revised to do so.

Subsection (e)

Subsection (e) makes it explicit that if, in order to satisfy the requirements of this Article,

a jurisdiction has to implement a new, or expand an existing, commercial recycling program, it shall not be required to revise its source reduction and recycling element nor comply with the requirements of PRC section 41800 et seq. In addition, this subsection specifies that the jurisdiction shall include the addition or expansion of a commercial recycling program in its electronic annual report. This is necessary to ensure CalRecycle is provided information annually on jurisdictions' implementation of their commercial recycling programs, but offers relief to jurisdictions by exempting them from the statutory requirement to revise Source Reduction and Recycling Elements when implementing a new, or expanding an existing, commercial recycling program.

Subsection (f)

Subsection (f) specifies that the recycling program adopted pursuant to subdivision (a) may include, but is not limited to, implementing a commercial recycling policy or ordinance requiring businesses, to recycle; requiring a mandatory commercial recycling program, through a franchise agreement or contract; or requiring that commercial solid waste from businesses be sent to a mixed waste processing facility. This is necessary to inform jurisdictions of optional components that may be included in a recycling program. Additionally, this clarifies that a policy or ordinance cannot limit the right of a business to donate, sell or otherwise dispose of its recyclable materials, as provided by section 41952 of the PRC.

Subsection (f)(1)

Subsection (f)(1) clarifies that as part of developing a commercial recycling program a jurisdiction needs to consider whether an exemption is warranted for multi-family complexes that lack sufficient space to provide additional recycling bins.

Subsection (g)

Subsection (g) specifies that the commercial recycling program shall include education and outreach to businesses and that the jurisdiction shall determine the types of educational and outreach programs to ensure that the program targets the components of the jurisdiction's commercial waste stream. This is necessary to ensure affected businesses are adequately informed about a jurisdiction's commercial recycling program, their requirements to recycle, and the components of the waste stream that the jurisdiction has targeted. While specific elements of a jurisdiction's education and outreach program will be unique, the following are examples of what jurisdictions could do annually to inform and educate businesses about the state requirement and how the businesses can comply.

- 1) Electronic: Place information on the jurisdiction's website that informs businesses of the state requirement to recycle and explains how businesses can recycle in the jurisdiction. The information placed on the website could include contact information for the franchise hauler for service information, locations to self-haul recyclables to, and other relevant information.
- 2) Print: Send out information to the affected businesses via a brochure, letter, or newsletter. At a minimum, this information should be sent annually, but could be done more frequently.

- 3) **Direct Contact:** Present at business forums, such as the Chamber of Commerce, and/or provide technical assistance through waste assessments to explain the state requirement and how businesses can recycle in the jurisdiction. Provide a contact person that businesses can call to ask questions.

The following provides guidance to rural jurisdictions that may have unique circumstances due to small geographic size and/or low population density:

- rural jurisdictions could include in its annual letter to businesses for business license renewals information about the requirement for businesses to recycle and how businesses can recycle in the rural jurisdiction.

Jurisdiction may choose whether the jurisdiction itself and/or hauler(s) conduct these activities. Jurisdictions are also encouraged to utilize existing programs to incorporate information about the new state requirement to maximize resources, such as utilizing an existing website, newsletter, and/or other existing media.

Jurisdictions also may choose to phase in education/outreach to multi-family complexes depending on the jurisdictions infrastructure, mechanisms for communicating with multi-family complexes, etc. For example, recognizing that multi-family units of 16 or more by law are required to have an on-site manager, a jurisdiction has the flexibility to target those units first. Jurisdictions also have the flexibility in how they develop and implement the education/outreach to owners of multi-family complexes. For example, if multi-family complexes have owners that are located in other areas of the state or live outside of the state, then the jurisdiction might take various approaches to contacting the owner to inform them of the state requirement to recycle at the complex, such as sending a letter, including information on the solid waste bill, etc.

Subsection (h)

Subsection (h) specifies that the commercial recycling program shall include identification and monitoring of businesses, to assess if businesses are complying with subsection 95622(a). In addition, this subsection specifies that the jurisdiction shall, at a minimum, notify businesses that are not in compliance with these regulations. This is necessary to ensure that businesses required by these regulations to recycle commercial solid waste are identified and monitored, and that they are notified if not in compliance. While specific elements of a jurisdiction's monitoring program will be unique the following are examples of what jurisdictions could do annually to notify businesses that are out of compliance with the state requirement and how the businesses can comply. The jurisdiction may choose whether the jurisdiction and/or hauler(s) conduct these activities. Jurisdictions are encouraged to utilize existing programs to incorporate information about the new state requirement, such as letters that are sent to businesses, notifications sent electronically, on-site visits, phone calls from the hauler's sales representative, etc., to maximize resources. Jurisdictions might also choose to phase in monitoring depending on how many businesses are in the jurisdiction, including phasing in monitoring to focus first on multi-family residences with 16 units or more.

Examples related to monitoring include the following:

- 1) The jurisdiction, if it is a city run program, or the franchise hauler(s) would track businesses and report to the jurisdiction on those businesses that are not recycling.
- 2) For those businesses that are not complying, either the jurisdiction or the hauler would send a notice to the business to inform them of the state requirement and how the business can recycle in the jurisdiction.

An additional approach to monitoring that jurisdictions might choose is the following:

- 3) Either the hauler or the jurisdiction could follow-up in person or with a phone call with the businesses that are not in compliance with the state regulation. The purpose of this follow-up would be to assist the business with identifying how it can recycle in the local jurisdiction.

The following provides guidance regarding monitoring to rural jurisdictions that may have unique circumstances due to small geographic size and/or low population density:

1. For jurisdictions that have staff or a hauler that services commercial businesses, the staff and/or hauler could identify the businesses that aren't recycling and then the jurisdiction would send out a letter that explains the state requirement that businesses recycle and how the businesses can recycle in the jurisdiction.
2. For jurisdictions that do not have staff and/or a hauler to do (1) above and because it might be difficult for the jurisdiction to ascertain which businesses are not recycling, then an annual letter would suffice. The letter could be sent electronically or hard copy depending upon the rural jurisdiction's situation.

Subsection (i)

Subsection (i) suggests a non-exclusive list of additional components that the recycling program may include. This is necessary to inform jurisdictions of different types of components that can contribute to an effective recycling program.

Subsection (i)(1)

Subsection (i)(1) specifies that an additional component of the recycling program may include, but is not required to include, enforcement. If an enforcement component is implemented, jurisdictions may include, a penalty or fine structure that, consistent with a jurisdiction's authority, incorporates warning notices, civil injunctions, financial penalties, or criminal prosecution. In addition, this subsection specifies that consistent with a jurisdiction's authority any fees or penalties generated by the enforcement program could, in the jurisdiction's discretion, be used to pay the costs of operation, outreach, education, and other associated program costs. This is necessary to inform jurisdictions of a type of component that can contribute to an effective recycling program. In developing compliance criteria for an enforcement program, a jurisdiction could consider a multi-family complex owner's effort to comply with recycling requirements. Criteria for exempting a multi-family complex owner from enforcement

penalties could include the owner not being able to get a hauler to provide recycling services to the complex, or the efforts the owner has made to address tenants' refusal to source separate their recyclables.

Subsection (i)(2)

Subsection (i)(2) specifies that an additional component of the recycling program may include building design standards that specify space requirements for storage of recyclables or other purposes that may assist businesses with compliance with the program. This is necessary to inform jurisdictions of a type of component that can contribute to an effective recycling program.

Subsection (i)(3)

Subsection (i)(3) specifies that an additional component of the recycling program may include exemptions deemed appropriate by the jurisdiction including, but not limited to, zoning requirements, lack of storage space, lack of markets, non-generation of recyclable materials, or current implementation by a business of actions that result in recycling of a significant portion of its commercial waste. This is necessary to inform jurisdictions of a type of component that can contribute to an effective recycling program.

Subsection (i)(4)

Subsection (i)(4) specifies that an additional component of the recycling program may include certification requirements for self-haulers which may include, but are not limited to, requiring businesses to maintain written records demonstrating that all self-hauling activities have been completed in accordance with the standards imposed by the jurisdiction's commercial recycling program. This is necessary to inform jurisdictions of a type of component that can contribute to an effective recycling program.

Subsection (j)

Subsection (j) specifies that each jurisdiction shall report the progress achieved in implementing its commercial recycling program, including education, outreach, monitoring, and, if applicable, enforcement efforts if the jurisdiction has implemented enforcement program, by providing updates in its electronic annual report. This is necessary to ensure CalRecycle is provided information annually on jurisdictions' recycling programs without requiring jurisdictions to revise Source Reduction and Recycling Elements when implementing a new, or expanding an existing, commercial recycling program.

Subsection (k)

Subsection (k) specifies that the recycling program implemented by the jurisdiction does not limit the right of any business prior to discarding the material to sell, donate, or otherwise dispose of its recyclable materials. This subsection is necessary to protect a business from being required by a jurisdiction's recycling program to sell or exchange its recyclable materials at less than fair market value, or donating its recyclable materials to another entity for reuse or recycling.

5. CalRecycle Review (section 95624)

Section 95624 specifies the oversight responsibilities of CalRecycle in ensuring a jurisdiction implements a commercial recycling program in accordance with this Article.

Subsection (a)

Subsection (a) specifies it is CalRecycle's responsibility to review a jurisdiction's compliance with its requirements under this Article to implement a commercial recycling program. Also, this subsection specifies the commencement date and mechanism for this review. This is necessary to clarify the responsibilities of CalRecycle in reviewing a jurisdiction's compliance with its requirements under this Article to implement a commercial recycling program.

Subsection (b)

Subsection (b) specifies that CalRecycle may also review whether a jurisdiction is in compliance with its requirements under this Article to implement a commercial recycling program any time it receives information that a jurisdiction has not implemented, or is not making a good faith effort to implement its program. This is necessary to provide CalRecycle with an additional method for determining whether a jurisdiction is in compliance with its requirements under this Article to implement a commercial recycling program, other than through review of a jurisdiction's Source Reduction and Recycling Element and Household Hazardous Waste Element. Also, this is necessary to clarify that CalRecycle can act any time it determines that a jurisdiction is not meeting its requirements under section 95623.

Subsection (c)

Subsection (c) specifies that during its review of a jurisdiction's compliance with its requirements under this Article, CalRecycle is required to determine whether each jurisdiction has made a good faith effort to implement the program. This subsection clarifies the criteria a jurisdiction is required to meet in order for CalRecycle to determine whether a "good faith effort" has been made. This subsection defines "good faith effort" as "all reasonable and feasible efforts" by a jurisdiction to implement its selected commercial recycling program. This definition mirrors the "good faith effort" standard contained in PRC subsection 41825(e). CalRecycle (formerly the Integrated Waste Management Board) has extensive experience in applying this standard in evaluating the programs contained in jurisdictions Source Reduction and Recycling Elements. This "good faith effort" standard takes into account the numerous considerations and factors contained in PRC subsection 41825(e)(1) through (5), as applicable to the jurisdiction. In addition, this subsection specifies a non-exclusive list of some specific factors pertaining to commercial recycling, that CalRecycle may include in its evaluation of a jurisdiction's "good faith effort." This is necessary to ensure each jurisdiction is making a sufficient effort to implement a commercial recycling program and that its efforts are fairly evaluated.

Subsection (c) also specifies that a jurisdiction's failure to implement its commercial recycling program may be a sufficient basis for issuance of a compliance order, even if

the jurisdiction has met its AB 939 50 percent per capita equivalent disposal target. This is necessary to ensure that in the event a jurisdiction fails to implement its commercial recycling program, CalRecycle can issue a compliance order for achieving compliance. This is necessary to ensure each jurisdiction is meeting the requirements of this Article to implement a commercial recycling program.

Subsection (c)(1)

Subsection (c)(1) specifies that in its evaluation of a jurisdiction's "good faith effort," CalRecycle may include, but is not limited to, considering the extent to which the businesses are complying with subsection 95622(a), including information on the amount of disposal that is being diverted from the businesses, if available, and the number of businesses that are subscribing to service. This is necessary to clarify criteria that CalRecycle may use in determining whether a jurisdiction is making a "good faith effort" to implement a commercial recycling program.

Subsection (c)(2)

Subsection (c)(2) specifies that in its evaluation of a jurisdiction's "good faith effort," CalRecycle may include, but is not limited to, considering the recovery rate of the commercial waste from the material recovery facilities that are utilized by the 14CCR subsection 18809.4. This is necessary to clarify criteria that CalRecycle may use in determining whether a jurisdiction is making a "good faith effort" to implement a commercial recycling program.

Subsection (c)(3)

Subsection (c)(3) specifies that in its evaluation of a jurisdiction's "good faith effort," CalRecycle may include, but is not limited to considering the extent to which the jurisdiction is conducting education and out-reach to businesses in accordance with this Section. This is necessary to clarify criteria that CalRecycle may use in determining whether a jurisdiction is making a "good faith effort" to ensure each jurisdiction is making a sufficient effort to implement a commercial recycling program.

Subsection (c)(4)

Subsection (c)(4) specifies that in its evaluation of a jurisdiction's "good faith effort," CalRecycle may include, but is not limited to, considering the extent to which the jurisdiction is monitoring businesses and notifying those businesses that are out of compliance. This is necessary to clarify criteria that CalRecycle may use in determining whether a jurisdiction is making a "good faith effort" to implement a commercial recycling program.

Subsection (c)(5)

Subsection (c)(5) specifies that in its evaluation of a jurisdiction's "good faith effort," during its review, CalRecycle may include, but is not limited to, considering the availability of markets for collected recyclables. This is necessary to clarify criteria CalRecycle may use in determining whether a jurisdiction is making a "good faith effort" to implement a commercial recycling program.

Subsection (c)(6)

Subsection (c)(6) specifies that in its evaluation of a jurisdiction's "good faith effort," during its review, CalRecycle may include, but is not limited to, considering budgetary constraints of local jurisdictions. This is necessary to clarify criteria CalRecycle may use in determining whether a jurisdiction is making a "good faith effort" implement a commercial recycling program.

Subsection (c)(7)

Subsection (c)(7) specifies that in its evaluation of a jurisdiction's "good faith effort," during its review, CalRecycle may, include but is not limited to, considering a rural jurisdiction's small geographic size, low population density, or distance to markets in determining whether a rural jurisdiction is making a "good faith effort" to implement a commercial recycling program. This is necessary to clarify criteria that CalRecycle may use in determining whether a jurisdiction is making a "good faith effort" to implement a commercial recycling program.

Subsection (d)

Subsection (d) specifies that if, after a public hearing on the matter, CalRecycle finds that a jurisdiction has failed to make a good faith effort to implement a commercial recycling program, CalRecycle shall issue a compliance order with a specific schedule for achieving the requirements of this Article. This is necessary to ensure that a jurisdiction that is not complying with the requirements to implement a commercial recycling program is issued a compliance order with a specific schedule for achieving these requirements.

Subsection (e)

Subsection (e) specifies that the compliance order shall identify the portions of the commercial recycling program which are not being implemented or attained by the jurisdiction, or identify areas of the commercial recycling program which need revision.

Also, this subsection specifies that CalRecycle shall also set a date by which the jurisdiction shall meet the requirements of the compliance order. This is necessary to identify, for the jurisdiction, which aspects of its program are not being implemented or attained, and to set a date for the jurisdiction to comply with the requirements. This is necessary to ensure each jurisdiction is meeting the requirements of this Article to implement a commercial recycling program.

Subsection (f)

Subsection (f) specifies that CalRecycle shall hold a public hearing to determine whether the jurisdiction has complied with the terms of the compliance order in subsection 95624(d). If CalRecycle determines that the jurisdiction has failed to implement its compliance order and meet the requirements of section 95623, CalRecycle shall take additional enforcement action pursuant to an ARB/CalRecycle Enforcement Agreement, or, if an Enforcement Agreement does not exist, CalRecycle shall, within 60 days document its determination that the jurisdiction remains out of

compliance, forward that documentation and make recommendations to the ARB for further enforcement action pursuant to Part 6, Division 25.5 (section 38500 of the HSC).

6. ARB Oversight (section 95625)

Section 95625 is necessary to explain ARB's role and function of responsibility and authority for oversight in implementation and, if necessary, enforcing the proposed regulation. AB 32 contains provisions in California HSC sections 38510 and 38530 that designate ARB as the state agency to monitor and regulate GHG emissions, and that require ARB to adopt regulations requiring reporting and verification of GHGs, the program for which ARB is to monitor and enforce (section 38580). Although CalRecycle will implement the regulations and investigate potential violations thereof, ARB retains the oversight authority to enforce and subject violators to penalties for non-compliance as stated in HSC sections. In the unlikely event that CalRecycle's enforcement efforts do not sufficiently achieve the goals of the program and ARB enforcement action is needed, then ARB may take steps as provided for in its existing statutes. A violation of the proposed requirements may result in civil and criminal penalties. The extent of the penalty would depend on the willfulness of the violation, the length of time of the noncompliance, the magnitude of the noncompliance, and other pertinent factors, consistent with the provisions outlined in HSC section 38580.

C. Regulatory Alternatives

California Government Code subsection 11346.2 requires ARB to consider and evaluate reasonable alternatives to the proposed regulation. Staff evaluated two key alternatives to the proposed regulation to implement mandatory commercial recycling. As presented to and recommended by CalRecycle, ARB has made a preliminary determination that no alternative considered would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective as or less burdensome to affected private persons than the proposed regulation.

1. No Action

A „no action” alternative would forego adoption of the proposed regulation. This alternative was rejected as it would result in failure to reduce GHG emissions from waste generated by businesses that is currently disposed in landfills. ARB is mandated to adopt standards to achieve the maximum technologically feasible and cost-effective reductions in GHG emissions.

2. Voluntary Commercial Recycling Measure

In developing the Commercial Recycling Regulation, staff discussed whether to propose a mandatory or voluntary approach. Staff initially proposed a voluntary approach, but subsequently a mandatory recycling approach was required because ARB and CalRecycle staff concluded that the volume of material needed to be recycled to meet the GHG reductions goal for commercial recycling could not be achieved by voluntary

measures. Support for this conclusion includes review of existing local recycling programs, data from statewide waste characterization studies, local studies of commercial recycling activities, and stakeholder feedback from the workshops.



August 8, 2011

The Honorable Felipe Fuentes, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

Via Facsimile (916) 319-2181

RE: SB 568 (Lowenthal) Recycling: Polystyrene Food Containers - Support

Dear Assembly Member Fuentes 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.

The SCWMA urges your support of SB 568, which would prohibit the distribution and use of expanded polystyrene (EPS, also known as Styrofoam™) carry-out food containers by food vendors for prepared food. While these containers are designed for single use by consumers, their impacts on the environment are long term, harmful and expensive. EPS containers are light weight and highly subject to air born litter. They migrate easily to waterways and ultimately to the ocean where it breaks into small pieces that persist in the environment. Marine life from the bottom to the top of the food chain mistake foam pieces for food, negatively impacting fisheries and the ecosystems upon which they rely.

EPS is the second most abundant form of debris on California beaches. To date, 48 California jurisdictions have banned EPS take-out food containers. California jurisdictions spend millions of taxpayer dollars each year cleaning litter, including EPS food containers, from streets, storm drains, waterways and beaches. The County of Los Angeles, for example, spends \$18 million annually to clean litter from streets and storm drain catch basins and over \$4 million each year cleaning beaches. Cal Trans spends about \$65 million a year removing litter from roadsides and highways.

Recycling of used EPS food containers is not viable due to a host of barriers, including but not limited to contamination with food and incompatibility with the mixed collection recycling systems that are common throughout California. We know of no California jurisdiction that currently accepts EPS food containers in its curbside collection program.

The SCWMA strongly urges your support of SB 568 to help California reduce the use of this badly designed product.

Sincerely,

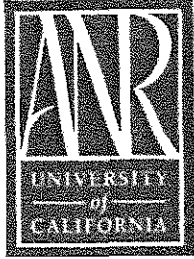
Henry J. Mikus, Executive Director
Sonoma County Waste Management Agency

Cc: Members, Assembly Appropriations Committee
Senator Alan Lowenthal
SCWMA Board Members

2300 County Center Drive, Suite B 100, Santa Rosa, California 95403 Phone: 707.565.2231 Fax: 707.565.3701

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**UC
CE**

June 1, 2011

Transportation and Public Works-Integrated Waste
 2300 County Ctr. Drive
 Santa Rosa, CA 95403


Dear Ken,


The weather was great, the chicken was moist, the band was hopping! The 50th annual Chickenque was a big success- in part *BECAUSE of YOU!* On behalf of the Sonoma County 4-H Chickenque Committee, the University of California Cooperative Extension, and the 4-H members and parents, we thank you for your kind and generous donation of a grant for utensils to our 2011 Chickenque event.

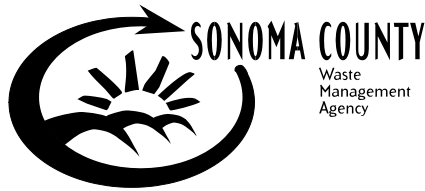
This year in particular, as all programs struggle with financial challenges, we really appreciated your donation, which helped us realize our goals. As you may know, this is the 4-H program's main fundraiser. Support has been shown in many ways including monetary, in-kind, business partners and via discounts on products and services. With your considerate support, and the tireless effort of many volunteers, over 6,000 attendees were served on May 1st at the Sonoma County Fairgrounds. The money raised is used to support our 4-H Program, California Citizenship Focus, State Leadership Conferences, Achievement Night, annual events, college scholarships and much, much more.

Thank you again for your generosity, which will help make it possible for over 1000 Sonoma County youth, to participate in our outstanding 4-H program.

Sincerely,


 Judy Ludovise
 4-H Program Representative


 Dan Closser
 Volunteer Co. Chair



Minutes of June 15, 2011

The Sonoma County Waste Management Agency (SCWMA) met on June 15, 2011, at the City of Santa Rosa Utilities Department's Subregional Water Reclamation System Laguna Plant, 4300 Llano Road, Santa Rosa, California.

Present:

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

Mike Kirn, Chair
Nina Regor
Marsha Sue Lustig
John Brown
Linda Babonis
Dell Tredinnick
Jack Griffin
Susan Klassen
Christa Johnson

Absent:

City of Sonoma

Staff Present:

Counsel
Staff

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

Recorder

1. Call to Order/Introductions

The meeting was called to order at 9:04 a.m.

2. Agenda Approval

Dell Tredinnick, City of Santa Rosa, moved to approve the agenda. Susan Klassen, County of Sonoma, seconded. Agenda approved.

3. Attachments / Correspondence

Chair Kirn called attention to the Director's Agenda Notes and Reports by Staff and Others; June/July 2011 Outreach Events, Mandatory Commercial Recycling, Update on Short-term composting possibilities and a letter from Mendocino Solid Waste Management Authority.

4. On File with Clerk

Chair Kirn noted there were no resolutions approved in May.

5. Public Comments (items not on the agenda)

Martin Milick, Cold Creek Compost, explained that the current contractor receives more material than can be processed, which results in the excess being used as biofuel. If the organic material from the Healdsburg Transfer station was taken to Cold Creek Compost for

processing, it would result in a significant savings in trucking and would reduce green house gas emissions as well as a better use of the organic material.

Christa Johnson, Town of Windsor, arrived at the meeting at 9:09 a.m.

Consent

6.1 Minutes of May 18, 2011

6.2 Resolution of Recognition: Elizabeth Koetke

Chair Kirn requested that item 6.2 Resolution of Recognition for Elizabeth Koetke be pulled.

Susan Klassen, County of Sonoma moved to approve item 6.1. Jack Griffin, Sebastopol, seconded. City of Sonoma, absent. Petaluma abstained.

Chair Kirn read the Resolution of Recognition for Elizabeth Koetke.

Nina Regor, Cloverdale, moved to approve item 6.2. Marsha Sue Lustig, Cotati, seconded. City of Sonoma absent. Item 6.2 approved.

Regular

7. Sonoma County/City Solid Waste Advisory

This item was postponed while waiting for the representative from City of Sonoma. The Executive Director gave a brief SWAG update in Mr. Barbose's place at the end of the meeting.

8. HHW Reserve Funding Account

In response to a Board requested item, Lisa Steinman described the current reserve policies for the Household Hazardous Waste Closure Reserve (HHW Closure) and the Household Hazardous Facility Reserve (HHW Facility). She made recommendations to increase the HHW Closure reserve to \$6,000 in response to an updated evaluation of closure costs of similar facilities. She also made a recommendation to revise the policy limit to either 33% of the budgeted annual HHW program operational expenses or \$600,000, whichever is greater. This revision would allow the excess funding to be used for other projects assuming there is a Board policy revision to allow those usages.

Public Comment

None.

Board Discussion

Christa Johnson, Town of Windsor, asked for clarification of the HHW Facility policy amount, which is currently approximately double what is stated in the policy.

Susan Klassen, County of Sonoma, inquired if the current policy allows the Board the latitude to move funds from one reserve to another or is this just assumed. Janet Coleson, Agency Counsel, opines that the overages can be used for other projects with Board policy revision.

Nina Regor, Cloverdale, asked if it was just the amounts in the reserves being changed, not the policies. Counsel responded that policy change was not the agenda item for today. Ms. Regor established that any legitimate use of the tipping fee would be a legitimate use of the reserve. She also mentioned there be consideration of the funding necessary for the compost site relocation when discussing any reserve changes.

Susan Klassen, County of Sonoma, moved to accept staff recommendations of an increase of \$6,000 to the HHW Closure Reserve and revising the policy limit to either 33% of the budgeted annual HHW program operational expenses or \$600,000, whichever is greater. Christa Johnson, Town of Windsor, seconded. Motion passed with a unanimous vote. City of Sonoma absent.

Chairman Kirn inquired whether there would be a resolution coming to the next meeting with a policy change for the usage of the excess funds.

9. Meeting Location Discussion

Per Board request, the meeting site was discussed. A poll of Boardmembers resulted in maintaining the Santa Rosa City Council Chambers as a meeting site. Dell Tredinnick, Santa Rosa, will work with city staff to address the issues of climate and staff seating options.

10. July Meeting Discussion

Historically, the Board has cancelled the July meeting if there are no pressing items to be discussed.

Public Comment

None.

Board Comments

Susan Klassen, County of Sonoma, inquired about the scheduling of the Compost Site Environmental Impact Report, which will not be affected by the cancellation of the July meeting.

Nina Regor, Cloverdale, moved to cancel the July meeting. Christa Johnson, Town of Windsor, seconded. Motion approved with a unanimous vote. City of Sonoma absent.

11. Commercial and Multifamily Recycling Education Services RFP

Patrick Carter summarized the background and parameters for the Request For Proposal (RFP) for Mandatory Commercial Recycling Education Services. This RFP is being issued with the intent of implementing an education program in response to recent legislation. The funding source, which is the beverage recycling container grant, and the responsibilities of all parties involved were described. One addition to the draft agreement included in the RFP is the authorization for the Executive Director to extend the term of the agreement.

Public Comments

Ernie Carpenter asked if the RFP will be online after the Board directs the release, which was answered affirmatively and will include any modifications approved today. He stated there should be bi-lingual elements in the education efforts, but cautioned against any language that would be discriminatory.

Connie Cloak, C2 Alternatives, stated the relationship between the contractor and the franchised hauler is critical to this educational implementation.

Board Comments

Chair Kirn requested an addition to the RFP stating the contractor be required to obtain and review all of the franchise agreements to be used as a tool for the educational plan. Jack Griffin, Sebastopol, cautioned opening the insurance requirements too wide. Christa Johnson, Windsor, requested information and coordination concerning the face-to-face visits. She also mentioned the necessity of updating the database. Linda Babonis, Rohnert Park, confirmed the importance of collaboration of the contractor and the franchised hauler in order to maintain continuity.

Nina Regor, Cloverdale, moved to approve the distribution of the RFP with modifications approved. Dell Tredinnick, Santa Rosa, seconded the motion. The motion passed with a unanimous vote. City of Sonoma absent.

12. Sonoma Food Waste Collection Program by Sonoma Compost Company

Will Bakx and Alan Siegle, Sonoma Compost Company, gave a presentation highlighting the successful food waste program implemented in conjunction with the City of Sonoma and Sonoma Garbage Company, as a pilot project.

13. Boardmember Comments

The next Solid Waste Advisory Group is scheduled for July 25, 2011, and staff from the Transportation and Public Works Department has been directed to present the recommendations from the Research Committee Report at the individual cities and the Board of Supervisors for comment and feedback.

Chair Kirn reminded that the bag ban will be agendized for the August meeting in order to take a “straw vote” subsequent to communication with their respective city councils.

14. Staff Comments

The Executive Director informed the group of the change in the email addresses for SCWMA staff, gave an update of discussion on composting pricing at Redwood Landfill, and reminded the Boardmembers to schedule with staff for SCWMA presentations as well as the bag ban presentation.

Lisa Steinman reminded Boardmembers the authorization letters for the Oil Payment Program has a deadline of July 15, 2011.

15. Next SCWMA Meeting – August 17, 2011

16. Adjournment

Meeting adjourned at 10:43 a.m.

Respectfully submitted,

Charlotte Fisher



Agenda Item #: 6.2
Cost Center: All
Staff Contact: Fisher

Meeting Date: 8/17/2011

ITEM: FY 10-11 Year-End Financial Report

I. BACKGROUND

In accordance with the requirement contained in the Joint Powers Agreement that the Agency Board of Directors receive quarterly financial reports, this report contains information about Agency operations, all receipts to, and disbursements from, the Agency.

II. DISCUSSION

This report, using information from the county accounting system (FAMIS) for revenues and expenses, contains the actual amounts spent or received to date, accounts payable and receivable, the approved budget and the difference between the approved budget and the actual revenues/expenditures.

Included in this financial report are accounts payable and account receivable. Accounts payable are invoices that are expected to be paid after the close of the fiscal year for services received prior to June 30, 2011, the end of the fiscal year. Accounts receivable are revenues anticipated for work and/or services performed by the Agency prior to the end of the fiscal year. By including the accounts payable and receivable as well as the reserve balances, this report serves as a year-end financial statement.

Expenditures

The report begins with a summary of all the subobjects (line items) for the entire SCWMA. The expenditures have three subobjects that are over budget. The first expense is Miscellaneous Expense, which is the relocation expenses for the Executive Director (E.D.). Relocation was included with the negotiation when the hiring of the current E.D. was conducted. Funds were to be drawn from the savings realized from six months' salary while the E.D. position was vacant.

The second expenditure over budget is Office Expense. The budget was \$15,000 and the final actual expenditure was \$29,758. There were some e-waste advertising expenses that were posted in this subobject instead of the advertising subobject. When the budget was developed, the advertising portion was an estimate based on previous events, but with a planned expansion of the events calendar. The program has proven very successful and, since SCWMA has revenue sharing as part of the recycler's agreement, the added expense is completely covered by extra revenue as SCWMA has realized an unanticipated increase in revenue from the e-waste program.

The third expenditure over budget is Reimbursements. When the budget was developed, reimbursements were included to cover any staff costs for work done outside the SCWMA, for example: the staff support given to the Local Task Force (LTF). There is now a county payroll system that allows all employees to use their timesheets to record all project work. With this system in place, all SCWMA staff enters their work hours in projects being done, both within the SCWMA and for other county projects, making reimbursements from the other county departments unnecessary.

Revenues

There are four revenue subobjects under budget. They are:

1. State-Other, which is grant funding that has not been released from the holding account in the county system. All of the SCWMA grant awards go into a holding account with the Fiscal Division, a division of the Auditor's/Controller's. When the planned and approved work has been completed, a release request is sent to the Fiscal Division for processing. Until the processing is complete, the State-Other subobject for that particular grant work is considered unfunded. The grant funds in the holding account appear as assets in the general ledger, but not in the budget report.

2. Tipping Fee Revenue is \$130,260 under budget due to less than anticipated tonnage of solid waste coming through the county system.

3. Donations/Reimbursements appears to be \$14,869 under budget. In reality, the payments from City of Petaluma and Sonoma have been posted as accounts receivable under their individual names instead of in Donations/Reimbursements.

4. OT-Within Enterprise, which is the transfer from the cost centers into the reserves. There were not any transfers made prior to the end of the fiscal year. It is planned to include the FY 10-11 transfers as budgetary adjustments for FY 11-12.

The one revenue over budget is Sale of Material, which is revenue sharing with Sonoma Compost Company. The payments from the FY 9-10 were deposited in FY 10-11. The revenue sharing calculation is based on the previous quarter's sales, therefore, the calculation for the fourth quarter is completed after the end of the fiscal year.

III. FUNDING IMPACT

In summary, the expenses for the entire SCWMA budget are expected to be \$1,142,855 under budget and the revenues are anticipated to be \$962,071 under budget. This situation results in a projected annual net cost reduction of \$180,785, which translates to an increase in funding available for use in the future.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approving the FY 10-11 Year-End Financial Report on the Consent Calendar.

IV. ATTACHMENT

FY 10-11 Year End Financial Report

Descriptions of major fiscal impacts with more detailed information within each cost center are attached.

Approved by: _____
Henry Mikus, Executive Director, SCWMA

**FY 10-11 Year End Financial Report
Sonoma County Waste Management Agency**

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

A. Summary

	FY 10-11 Adopted Budget	FY 10-11 Actual	Over/(Under) Budget
Total Expenditures	6,465,162	5,322,307	(1,142,855)
Total Revenues	6,572,216	5,610,145	(962,071)
Net Cost	(107,054)	(287,839)	(180,785)

B. Summary of Expenditures

	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Liability Insurance	8,942	10,175	(1,233)
Miscellaneous Expenses	18,459	0	18,459
Office Expense	29,759	15,000	14,759
Professional Services	150,809	219,374	(68,565)
County Services	6,613	6,925	(312)
Contract Services	4,274,982	4,427,609	(152,627)
Consultant Services	63	0	63
Administration Costs	643,508	694,022	(50,514)
Engineering Services	11,996	26,000	(14,004)
Legal Services	71,366	72,000	(634)
Accounting Services	10,283	10,243	40
Audit Services	20,000	20,000	0
Advertising	10,438	12,000	(1,562)
Equipment Rental	2,621	5,500	(2,879)
Rents/Leases	27,942	25,500	2,442
Enforcement Agency	19,036	20,000	(964)
County Car Expense	57	3,000	(2,943)
Travel Expense	998	500	498
Unclaimable County	15	0	15
Data Processing	10,361	11,779	(1,418)

B. Summary of Expenditures (con't)

DP-New Projects	695	24,556	(23,861)
OT-Within Enterprise	0	887,068	(887,068)
OT-Between Enterprise	2,724	0	2,724
Reimbursements	0	(26,788)	26,788
Prior Year Encumbrances	640	699	(59)
Total Expenditures	5,322,307	6,465,162	(1,142,855)

C. Summary of Revenues

	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	48,006	51,902	(3,896)
State-Other	174,290	313,250	(138,960)
Tipping Fee Revenue	4,604,448	4,734,708	(130,260)
Town of Windsor	1,070	0	1,070
City of Petaluma	32,529	0	32,529
City of Sonoma	12,196	0	12,196
Sale of Material	351,530	100,000	251,530
Miscellaneous Revenue	7,500	7,500	0
Donations/Reimbursement	378,576	393,445	(14,869)
OT-Within Enterprise	0	971,411	(971,411)
Total Revenues	5,610,145	6,572,216	(962,071)

C. Summary of Net Costs

	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Net Cost	(287,839)	(107,054)	(180,785)

**FY 10-11 Year End Financial Report
Sonoma County Waste Management Agency**

Index
799114 Wood Waste

A. Summary	FY 10-11 Adopted Budget	FY 10-11 Actual	Over/(Under) Budget
Total Expenditures	212,578	163,310	(49,268)
Total Revenues	182,578	281,307	98,729
Net Cost	30,000	(117,997)	(147,997)

B. Summary of Expenditures	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Services and Supplies	162,856	160,128	2,728
Other Charges	454	52,450	(51,996)
Total Expenditures	163,310	212,578	(49,268)

Other Charges are \$51,996 under budget because the transfer for FY 10-11 was not made before the closure of the fiscal year. The transfer will be made as one of the Budgetary Adjustments to the FY 11-12 Budget.

C. Summary of Revenues	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	548	470	78
Tipping Fee Revenue	169,555	162,108	7,447
Sale of Materials	106,204	15,000	91,204
Prior Year Revenue	0	0	0
Donations/Reimbursement	5,000	5,000	0
Total Revenues	281,307	182,578	98,729

Tipping Fee Revenue is over budget \$7,447 due to more wood waste tonnage being processed than was anticipated when the FY 10-11 Budget was prepared. This particular material is sensitive to the demand for wood waste in the private sector.

Sale of Materials is \$91,204 over budget due to revenue sharing from last year being deposited in this fiscal year. This sort of delay is common to this part of the composting program.

D. Summary of Net Cost

Overall, the Wood Waste Cost Center net cost was \$117,998 less than was budgeted.

**FY 10-11 Year End Financial Report
Sonoma County Waste Management Agency**

Index
799213 Yard Debris

A. Summary	FY 10-11 Adopted Budget	FY 10-11 Actual	Over/(Under) Budget
Total Expenditures	3,658,510	2,850,911	(807,599)
Total Revenues	3,241,850	3,258,921	17,071
Net Cost	416,660	(408,010)	(824,670)

B. Summary of Expenditures	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Services and Supplies	2,850,003	2,900,284	(50,281)
Other Charges	908	758,226	(757,318)
Total Expenditures	2,850,911	3,658,510	(807,599)

Services and Supplies and Other Charges are projected to be \$807,599 under budget due to:

Contract Services is under budget by \$88,392. The budget was based on processing 90,000 tons of material in FY 10-11. The total tonnage of material processed is 82,360.

Administration Costs are \$44,745 under budget due to a staff vacancy for most of the fiscal year.

OTHER CHARGES is \$757,318 under budget due to undesignated funds not being transferred.

C. Summary of Revenues	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	3,300	7,250	(3,950)
Tipping Fee Revenue	3,005,295	3,144,600	(139,305)
Sale of Material	245,326	85,000	160,326
Donations/Reimbursement	5,000	5,000	0
Total Revenues	3,258,921	3,241,850	17,071

Tipping Fee Revenue is \$139,305 under budget due to less material delivered to the composting site for processing.

Sale of Material is anticipated to exceed budget by \$160,326 due to deposit of two quarters of revenue sharing from the previous fiscal year.

D. Summary of Net Cost

Overall, the Yard Debris Cost Center net cost is \$824,670 under budget due primarily to undesignated funds not being transferred during FY 10-11. These transfers will be coming to the Board as a budgetary adjustment for FY 11-12.

**FY 10-11 Year End Financial Report
Sonoma County Waste Management Agency**

Indices
799312 Household Hazardous Waste
799411 Education
799510 Diversion
799619 Planning

A. Summary			
	FY 10-11 Adopted Budget	FY 10-11 Actual	Over/(Under) Budget
Total Expenditures	2,112,717	2,013,293	(99,424)
Total Revenues	2,134,067	2,028,153	(105,914)
Net Cost	(21,350)	(14,860)	6,490
B. Summary of Expenditures			
	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Services and Supplies	2,011,291	2,062,414	(51,123)
Other Charges	2,002	50,303	(48,301)
Total Expenditures	2,013,293	2,112,717	(99,424)

Services and Supplies are \$51,113 under budget as a result of:

Household Hazardous Waste Cost Center

Office Expense is \$10,782 over budget due to increased printing for utility bill inserts for the e-waste program.
Professional Services is \$67,693 under budget due to one release request being done in the succeeding fiscal year.
 These grants are three year grants and payment requests must be accompanied by proof of spending for the program.
Contract Services are over budget \$38,441 due to prior year invoices being received and paid after the beginning of FY 10-11.
Administration Costs are \$5,543 over budget due to a staff vacancy for half of the fiscal year.
Legal Services is \$5,034 under budget due to less legal assistance required than anticipated.

Education Cost Center

Miscellaneous Expense is \$18,459 over budget because of the relocation expenses for the Executive Director.
Contract Services are \$8,416 under budget because the website updates were less than anticipated.
Administration Costs are \$27,228 under budget due to a staff vacancy for half of the fiscal year.
Legal Services are \$5,316 over budget due to increased legal assistance dealing with issues coming before the Board such as review and development of the staffing documents for changing the Executive Director position.
Data Processing - New Projects is \$23,861 under budget because the website unbudgeted changes were negotiated to be a fraction of the original invoice from the Information Systems Department.

Other Charges is \$48,301 under budget due to:

OT-Within Enterprise (HHW) is \$6,667 under budget because the undesignated funds were not transferred to the HHW Closure Reserve.
Reimbursements (HHW) is \$5,528 under budget. At budget development, it was intended to use Reimbursements to document staff time spent outside the SCWMA. This staff time is now being handled through the County payroll system, therefore this item is redundant.
Reimbursements (Education) is \$21,500 under budget. See above.
OT-Within Enterprise (Diversion) is \$47,237 under budget because the undesignated funds were not transferred to the Contingency Reserve.
OT-Within Enterprise (Planning) is \$22,488 under budget because the undesignated funds were not transferred to the Contingency Reserve.

C. Summary of Revenues

	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	2,393	1,872	521
State-Other	174,290	313,250	(138,960)
Tipping Fee Revenue	1,429,598	1,428,000	1,598
Donations/Reimbursement	<u>368,576</u>	<u>383,445</u>	<u>(14,869)</u>
Total Revenues	2,028,153	2,134,067	(105,914)

State-Other is \$138,960 under budget because the Used Oil Block grant will not be completely used this fiscal year and beverage container grant funds were cleared from the general ledger through the fiscal system.

Donations/Reimbursements are \$14,869 under budget as a result of accounts receivable for FY 10-11 being listed as separate items in the revenue list.

D. Summary of Net Cost

The net cost for cost centers receiving revenue from the \$5.95/ton surcharge is \$6,490 over budget as follows:

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
Index 799312 - HHW	9,282	(108,448)	117,730
Index 799411 - Education	36,019	25,213	10,806
Index 799510 - Diversion	(52,422)	46,885	(99,307)
Index 799619 - Planning	<u>(7,739)</u>	<u>15,000</u>	<u>(22,739)</u>
Overall Net Cost	(14,860)	(21,350)	6,490

**FY 10-11 Year End Financial Report
Sonoma County Waste Management Agency**

Indices
799221 ORGANICS RESERVE
799320 HHW CLOSURE RESERVE
799338 HHW FACILITY RESERVE
799718 CONTINGENCY RESERVE

A. Summary	FY 10-11 Adopted Budget	FY 10-11 Actual	Over/(Under) Budget
Total Expenditures	481,357	294,793	(186,564)
Total Revenues	1,013,721	41,765	(971,956)
	(532,364)	253,028	785,392

B. Summary of Expenditures	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Services and Supplies	294,793	481,357	(186,564)
Other Charges	0	0	0
Total Expenditures	294,793	481,357	(186,564)

Organics Reserve

Contract Services is \$73,848 under budget because the scope of work and compensation was extended, but the work was not completed in FY 10-11.

Administration Services is \$52,074 under budget because of a vacancy for half of the fiscal year and less progress on the composting site relocation.

Engineering Services is projected to be \$15,274 under budget due to less progress on the composting site than was planned.

HHW Facility Reserve

Contract Services is \$21,472 under budget due to the construction contract being negotiated for less than was budgeted.

Contingency Reserve

Administration Services is \$27,138 under budget because of a staff vacancy for half of the fiscal year.

C. Summary of Revenues	Actual July 10- June 11	Budget FY 10-11	Over/(Under) Budget
Interest on Pooled Cash	41,765	42,310	(545)
OT-Within Enterprise	0	971,411	(971,411)
Total Revenues	41,765	1,013,721	(971,956)

OT-Within Enterprise for all of the reserve funds is \$971,411 under budget because the contributing cost centers did not transfer funds for FY 10-11. Transfers will be made into these reserves as budget adjustments to the FY 11-12 Budget.

D. Summary of Net Cost

The net cost for cost centers receiving contributions from the appropriate cost centers is anticipated to be \$785,392 over budget as follows:

	Actual	Budget	Difference
Index 799221 - Organics Reserve	194,952	(471,148)	666,100
Index 799320 - HHW Closure	(380)	(7,117)	6,737
Index 799338 - HHW Facility	27,018	43,159	(16,141)
Index 799718 - Contingency	31,438	(97,258)	128,696
Overall Net Cost	253,028	(532,364)	785,392

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

799114

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
6103	Liability Insurance	835	950	(115)
6400	Office Expense	9	0	9
6521	County Services	402	525	(123)
6540	Contract Services	152,514	151,454	1,060
6573	Administration Costs	4,881	2,752	2,129
6610	Legal Services	0	0	0
6629	Accounting Services	988	984	4
6630	Audit Services	1,500	1,500	0
7400	Data Processing	1,727	1,963	(236)
Total Services and Supplies		162,856	160,128	2,728
8624	OT-Within Enterprise	0	52,450	(52,450)
8640	OT-Between Enterprise	454	0	454
Total Other Charges		454	52,450	(51,996)
Total Expenditures		163,310	212,578	(49,268)

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

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	548	470	78
2901	Tipping Fee Revenue	169,555	162,108	7,447
3980	Prior Year Revenue	0	0	0
4020	Sale of Material	106,204	15,000	91,204
4102	Donations/Reimbursement	5,000	5,000	0
Total Revenues		281,307	182,578	98,729
Net Cost		(117,997)	30,000	(147,997)

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

799213

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
6104	Liability Insurance	2,131	2,425	(294)
6400	Office Expense	901	0	901
6521	County Services	1,124	1,000	124
6540	Contract Services	2,703,260	2,791,652	(88,392)
6573	Administration Costs	106,798	62,053	44,745
6590	Engineering Services	1,270	0	1,270
6610	Legal Services	880	2,000	(1,120)
6629	Accounting Services	4,745	4,727	18
6630	Audit Services	4,000	4,000	0
6820	Rents/Lease - Equipment	2,621	5,500	(2,879)
7062	Enforcement Agency Fee	18,748	20,000	(1,252)
7301	County Car	57	3,000	(2,943)
7302	Travel	0	0	0
7309	Unclaimable County	15	0	15
7400	Data Processing	3,453	3,927	(474)
Total Services and Supplies		2,850,003	2,900,284	(50,281)
8624	OT-Within Enterprise	0	758,226	(758,226)
8640	OT-Between Enterprise	908	0	908
8700	Reimbursements	0	0	0
Total Other Charges		908	758,226	(757,318)
Total Expenditures		2,850,911	3,658,510	(807,599)

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

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	3,300	7,250	(3,950)
2901	Tipping Fee Revenue	3,005,295	3,144,600	(139,305)
3980	Prior Year Revenue	0	0	0
4030	Sale of Material	245,326	85,000	160,326
4102	Donations/Reimbursement	5,000	5,000	0
Total Revenues		3,258,921	3,241,850	17,071
Net Cost		(408,010)	416,660	(824,670)

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

799312

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
6104	Liability Insurance	3,889	4,425	(536)
6400	Office Expense	14,782	4,000	10,782
6500	Professional Services	85,327	153,020	(67,693)
6521	County Services	1,901	2,300	(399)
6540	Contract Services	1,225,041	1,186,600	38,441
6573	Administration Costs	219,450	213,907	5,543
6610	Legal Services	2,966	8,000	(5,034)
6629	Accounting Services	2,275	2,266	9
6630	Audit Services	8,500	8,500	0
6785	Advertising	10,438	12,000	(1,562)
6840	Rents/Leases-Building	23,000	23,000	0
7062	Enforcement Agency	288	0	288
7303	Travel	409	500	(91)
7400	Data Processing	1,727	1,963	(236)
Total Services and Supplies		1,599,993	1,620,481	(20,488)
8624	OT-Within Enterprise	0	0	0
	HHW Closure	0	6,667	(6,667)
8640	OT-Between Enterprise	454	0	454
8700	Reimbursements	0	(5,288)	5,288
Total Other Charges		454	1,379	(925)
9650	Prior Year Encumbrance	640	699	(59)
Total Expenditures		1,601,087	1,622,559	(21,472)

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

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	969	420	549
2500	State-Other	88,831	254,396	(165,565)
2901	Tipping Fee Revenue	1,129,387	1,128,120	1,267
2912	Town of Windsor	1,070	0	1,070
2913	City of Petaluma	25,923	0	25,923
2919	City of Sonoma	9,635	0	9,635
3980	Prior Year Revenue	1	0	1
4102	Donations/Reimbursement	335,989	348,071	(12,082)
Total Revenues		1,591,805	1,731,007	(139,202)
Net Cost		9,282	(108,448)	117,730

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

799411

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
6104	Liability Insurance	1,252	1,425	(173)
6300	Miscellaneous Expense	18,459	0	18,459
6400	Office Expense	13,927	11,000	2,927
6500	Professional Services	65,482	66,354	(872)
6521	County Services	2,758	2,300	458
6540	Contract Services	18,578	26,994	(8,416)
6570	Consultant Services	63	0	63
6573	Administration Costs	191,160	218,388	(27,228)
6610	Legal Services	30,316	25,000	5,316
6630	Accounting Services	1,880	1,873	7
6642	Audit Services	3,000	3,000	0
6820	Rents/Leases-Building	0	0	0
6840	Rents/Leases-Equipment	4,942	2,500	2,442
7302	Travel	589	0	589
7400	Data Processing	1,727	1,963	(236)
7402	DP-New Projects	695	24,556	(23,861)
Total Services and Supplies		354,828	385,353	(30,525)
8624	OT-Within Enterprise	0	0	0
8640	OT-Between Enterprise	454	0	454
8700	Reimbursements	0	(21,500)	21,500
Total Other Charges		454	(21,500)	21,954
Total Expenditures		355,282	363,853	(8,571)

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

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	581	890	(309)
2500	State-Other	33,729	58,854	(25,125)
2901	Tipping Fee Revenue	243,028	242,760	268
2913	City of Petaluma	5,348	0	5,348
2919	City of Sonoma	2,073	0	2,073
4040	Miscellaneous Revenue	7,500	7,500	0
4103	Donations/Reimbursement	27,004	28,636	(1,632)
Total Revenues		319,263	338,640	(19,377)
Net Cost		36,019	25,213	10,806

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

799510

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
<hr/>				
	Total Services and Supplies	0	0	0
8624	OT-Within Enterprise	0	47,237	47,237
	Total Other Charges	0	47,237	(47,237)
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	Total Expenditures	0	47,237	(47,237)

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

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
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1700	Interest on Pooled Cash	692	352	340
2500	State-Other	51,730	0	51,730
2901	Tipping Fee Revenue	0	0	0
4102	Donations/Reimbursement	0	0	0
	Total Revenues	52,422	352	52,070
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	Net Cost	(52,422)	46,885	(99,307)

FOURTH QUARTER 10-11 REVENUE AND EXPENDITURE SUMMARY AND PROJECTION
Planning Detail

799619

Expenditures				
Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
6103	Liability Insurance	835	950	(115)
6400	Office Expense	140	0	140
6521	County Services	0	800	(800)
6540	Contract Services	0	0	0
6573	Administration Costs	47,836	47,474	362
6610	Legal Services	4,537	4,000	537
6629	Accounting Services	395	393	2
6630	Audit Services	1,000	1,000	0
7302	Travel	0	0	0
7400	Data Processing	1,727	1,963	(236)
Total Services and Supplies		56,470	56,580	(110)
8624	OT-Within Enterprise	0	22,488	(22,488)
8640	OT-Between Enterprise	454	0	(454)
Total Other Charges		454	22,488	(22,034)
Total Expenditures		56,924	79,068	(22,144)

Fourth Quarter 10-11 Revenue and Expenditure Summary and Projection
Planning Detail

Revenues				
Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	151	210	(59)
2901	Tipping Fee Revenue	57,183	57,120	63
2913	City of Petaluma	1,258	0	1,258
2919	City of Sonoma	488	0	488
4102	Donations/Reimbursement	5,583	6,738	(1,155)
Total Revenues		64,663	64,068	595
Net Cost		(7,739)	15,000	(22,739)

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

799221

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
6540	Contract Services	141,382	215,230	(73,848)
6573	Administration Costs	49,504	101,578	(52,074)
6590	Engineering Services	10,726	26,000	(15,274)
6610	Legal Services	21,788	24,000	(2,212)
6630	Audit Services	1,500	1,500	0
7302	Travel	0	0	0
Total Services and Supplies		224,900	368,308	(143,408)

Total Expenditures		224,900	368,308	(143,408)
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**Fourth Quarter 10-11 Revenue and Expenditure Summary and Projection
Organic Reserve Detail**

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	29,948	28,780	1,168
4624	OT-Within Enterprise	0	810,676	(810,676)
Total Revenues		29,948	839,456	(809,508)

Net Cost		194,952	(471,148)	666,100
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**Fourth Quarter 10-11 Revenue and Expenditure Summary and Projection
HHW Closure Reserve Detail**

799320

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
	Total Services and Supplies	0	0	0
8624	OT-Within Enterprise	0	0	0
	Total Other Charges	0	0	0
	Total Expenditures	0	0	0

**Fourth Quarter 10-11 Revenue and Expenditure Summary and Projection
HHW Closure Reserve Detail**

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	380	450	(70)
4624	OT-Within Enterprise	0	6,667	(6,667)
	Total Revenues	380	7,117	(6,737)

Net Cost	(380)	(7,117)	6,737
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**Fourth Quarter 10-11 Revenue and Expenditure Summary and Projection
HHW Facility Reserve Detail**

799338

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
6540	CONTRACT SERVICES	34,207	55,679	(21,472)
6573	ADMINISTRATION COSTS	3,147	0	3,147
TOTAL SERVICES & SUPPLIES		37,354	55,679	(18,325)
8624	OT-WITHIN ENTERPRISE	0	0	0
TOTAL OTHER CHARGES		0	0	0
TOTAL EXPENDITURES		37,354	55,679	(18,325)

**Fourth Quarter 10-11 Revenue and Expenditure Summary and Projection
HHW Facility Reserve Detail**

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	10,336	12,520	(2,184)
4624	OT-Within Enterprise	0	0	0
Total Revenues		10,336	12,520	(2,184)

Net Cost		27,018	43,159	(16,141)
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**Fourth Quarter 10-11 Revenue and Expenditure Summary and Projection
Contingency Reserve Detail**

799718

Expenditures

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
6521	County Services	428	0	428
6573	Administration Costs	20,732	47,870	(27,138)
6610	Legal Services	10,879	9,000	1,879
6630	Audit Services	500	500	0
Total Services and Supplies		32,539	57,370	(24,831)
8624	OT-Within Enterprise	0	0	0
	OT-Within Enterprise-Prior Year	0	0	0
Total Other Charges		0	0	0
Total Expenditures		32,539	57,370	(24,831)

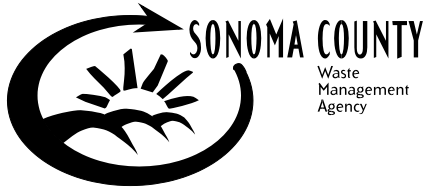
**Fourth Quarter 10-11 Revenue and Expenditure Summary and Projection
Wood Waste Detail
DETAIL**

Revenues

Sub-Object	Description	Actual July 10-June 11	Adopted Budget FY 10-11	Over/ (Under) Budget
1700	Interest on Pooled Cash	1,101	560	541
4624	OT-Within Enterprise	0	154,068	(154,068)
Total Revenues		1,101	154,628	(153,527)
Net Cost		31,438	(97,258)	128,696

SCWMA Fund Balance Comparison of FY 10-11 at Year End to Approved FY 11-12 Budget

		Actual FY 09-10	Budgeted FY 10-11	Actual FY 10-11	Proposed FY 11-12
Wood Waste					
	Beginning Reserves	86,168	85,244	85,244	203,241
	Revenues	255,688	182,578	281,307	232,326
	Expenditures	(269,462)	(212,578)	(163,310)	(232,325)
	Ending Reserves	85,244	55,244	203,241	203,242
Yard Debris					
	Beginning Reserves	1,551,621	506,884	506,884	914,894
	Revenues	3,412,598	3,241,850	3,258,921	3,243,936
	Expenditures	(4,474,128)	(3,641,850)	(2,850,911)	(3,243,937)
	Ending Reserves	506,884	106,884	914,894	914,893
Household Hazardous Waste					
	Beginning Reserves	674,781	22,176	22,176	12,894
	Revenues	1,475,857	1,578,611	1,591,805	1,783,025
	Expenditures	(2,156,048)	(1,570,840)	(1,601,087)	(1,783,025)
	Ending Reserves	22,176	29,947	12,894	12,894
Education					
	Beginning Reserves	78,777	50,925	50,925	14,906
	Revenues	308,142	272,286	319,263	358,974
	Expenditures	(350,051)	(357,286)	(355,282)	(358,974)
	Ending Reserves	50,925	(34,075)	14,906	14,906
Diversion					
	Beginning Reserves	49,598	56,624	56,624	109,046
	Revenues	59,809	352	52,422	0
	Expenditures	(52,783)	(47,237)	0	(61,336)
	Ending Reserves	56,624	9,739	109,046	47,710
Planning					
	Beginning Reserves	55,390	19,247	19,247	26,986
	Revenues	37,010	64,068	64,662	70,851
	Expenditures	(73,153)	(79,068)	(56,923)	(70,851)
	Ending Reserves	19,247	4,247	26,986	26,986
Organics					
	Beginning Reserves	3,577,715	4,769,928	4,769,928	4,574,976
	Contributions	1,552,054	839,456	29,948	322,486
	Uses	(359,841)	(153,078)	(224,900)	(131,634)
	Ending Reserves	4,769,928	5,456,306	4,574,976	4,765,828
HHW Closure					
	Beginning Reserves	52,316	59,451	59,451	59,831
	Contributions	7,135	7,117	380	333
	Uses	0	0	0	0
	Ending Reserves	59,451	66,568	59,831	60,164
HHW Facility					
	Beginning Reserves	1,292,000	1,634,785	1,634,785	1,607,767
	Contributions	594,849	12,520	10,336	8,055
	Uses	(252,064)	0	(37,354)	0
	Ending Reserves	1,634,785	1,647,305	1,607,767	1,615,822
Contingency					
	Beginning Reserves	344,221	181,429	181,429	149,991
	Contributions	2,351	154,628	1,101	67,438
	Uses	(165,143)	(57,370)	(32,539)	(78,847)
	Ending Reserves	181,429	278,687	149,991	138,582



Agenda Item #: 7
Cost Center: Education
Staff Contact: Carter
Agenda Date: 8/17/2011

Item: Award of Agreement to Conservation Action Fund for Education for Education Services

I. BACKGROUND

At the May 18, 2011 meeting, the Board directed staff to develop a Request for Proposals for commercial and multifamily facility recycling educational services. The project would be funded through the City/County Payment Program. The FY 2010-11 City/County Payment Program funding request forms were due May 31, 2011. Staff completed the forms in advance of the deadline, and payment was received by the cities and the county in early August.

II. DISCUSSION

Staff released an RFP for education services pertaining to future mandatory commercial recycling requirements on June 20, 2011. Three proposals were received by the deadline of 3:00 pm on July 18, 2011. The proposers were C2 Alternative Services (C2), Conservation Action Fund for Education (CAFÉ), and D. Edwards, Inc (DEI). The CAFÉ team includes Guiding Sustainability, and the DEI team includes the North Bay Corporation and Conservation Corps North Bay.

Staff evaluated the proposals according to the evaluation criteria included in the RFP. Based on the initial evaluation staff had ranked the DEI proposal highest, but through an interview process with two of the proposers, staff concluded CAFE had developed the proposal that best fit the needs of the SCWMA. As can be seen in the table below, CAFE proposes to visit the most sites and provides the lowest cost for additional sites, should the Board wish to include additional funding at a later point.

Proposal	Site Visits Proposed	Cost Per Additional Site
C2	300-391	\$100
CAFÉ	648	\$75
DEI	~400	\$90

While the CAFE proposal involves more upfront investment in the database development than DEI, whose team includes North Bay Corporation and their ability to integrate their customer information, staff felt that the database developed by CAFE would be more effective in the long-term. Due to the sensitive nature of customer information, the DEI proposal suggested using a four digit customer code in lieu of actual customer information. Staff understands the difficult position that necessitated this provision and respects the reasoning behind the need to keep customer trust intact. However, staff believes that the public information-based approach included in the CAFE proposal will give staff a comprehensive, countywide database which does not predispose the SCWMA toward a specific contractor should the project be continued in the future. CAFE has requested the professional liability requirement of the Agreement be waived, and based on previous Board discussion on this subject in the past; staff agrees and has prepared the Agreement to reflect the waiver of that requirement.

III. FUNDING IMPACTS

The total grant funding amount available through the City/County Payment Program is \$135,882, which is slightly higher than previously reported. Some cities and counties statewide did not request funding, so the remainder was redistributed to cities and counties requesting payment.

The highest ranked proposal, submitted by CAFE, includes a budget of \$100,000. Acceptance of this proposal would allow for \$35,882 to be expended through other grant-allowed activities, including expansion of this project.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends awarding the agreement to CAFE for the proposed project.

V. ATTACHMENTS

Agreement with Conservation Action Fund for Education for Education Services
Exhibit A-1
Exhibit A-2

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

AGREEMENT FOR MANDATORY COMMERCIAL RECYCLING EDUCATION SERVICES

This agreement ("Agreement"), dated as of August 17, 2011 ("Effective Date") is by and between the Sonoma County Waste Management Agency, (hereinafter "Agency"), and Conservation Action Fund for Education, a 501(c)(3) non-profit corporation (hereinafter "Contractor").

RECITALS

WHEREAS, Contractor represents that it is duly qualified and experienced in Educational Outreach Services and related services; and

WHEREAS, in the judgment of the Board of Directors of Agency, it is necessary and desirable to employ the services of Contractor to perform targeted educational outreach to commercial and multifamily tenants.

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

AGREEMENT

1. Scope of Services.

1.1 Contractor's Specified Services. This Agreement is entered into for the purpose of establishing a contract for Mandatory Commercial Recycling Education Services. Contractor shall perform services as defined in Exhibit "A-1", Scope of Services.

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

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

1.4 Assigned Personnel.

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

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

c. In the event that any of Contractor's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of

Contractor's control, Contractor shall be responsible for timely provision of adequately qualified replacements.

2. Payment.

2.1 Contractor shall be paid One Hundred Thousand (\$100,000) dollars for services rendered in accordance with tasks detailed in Section 1.1 above and in Exhibits A-1 and A-2, upon monthly submission of progress reports, verified claims and invoices, in the amount of ninety percent (90%) of the work billed and approved. Payments shall be made in the proportion of work completed based upon progress reports to total services to be performed. Payment for satisfactory performance includes, without limitation, salary, fringe benefits, overhead, and profit.

2.2 Monthly progress reports shall be submitted by Contractor and shall identify the basis for determination of the percentage of completion, the number of hours for the month, by job classification, spent on work completed, the percent of work completed during the month, and total percent of work completed.

2.3 Final payment of the ten percent (10%) retention corresponding to specific tasks may be paid at the discretion of Agency within thirty-five (35) days after completion of all work for that specific task, and submission of a verified claim and invoice, in triplicate.

3. Term of Agreement. The term of this Agreement shall be from August 17, 2011 to June 30, 2011, unless terminated earlier in accordance with the provisions of Article 4 below.

3.1 The Agency Board of Directors authorizes the Executive Director the ability to extend the term of the agreement by up to six (6) months provided that the payment amount, as defined in Section 2, is unchanged.

4. Termination.

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

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

4.3 Delivery of Work Product and Final Payment Upon Termination.

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

5. Indemnification. Contractor agrees to accept all responsibility for loss or damage to any person or entity, including but not limited to Agency, and to defend, indemnify, hold harmless, reimburse and release Agency, its officers, agents, and employees, from and against any and all actions, claims, damages, disabilities, liabilities and expense including, but not limited to, attorneys' fees and the cost of litigation incurred in the defense of claims as to which this indemnity applies or incurred in an action by Agency to enforce the indemnity provisions herein, whether arising from personal injury, property damage or economic loss of any type, that may be asserted by any person or entity arising out of or in connection with the performance of Contractor hereunder, but, to the extent required by law, excluding liability due to the sole negligence or willful misconduct of Agency. If there is a possible obligation to indemnify, Contractor's duty to defend with legal counsel acceptable to Agency, exists regardless of whether it is ultimately determined that

there is not a duty to indemnify. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor or its agents.

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

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

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

6.2 General Liability Insurance. Commercial general liability insurance covering bodily injury and property damage using an occurrence policy form, in an amount no less than One Million Dollars (\$1,000,000.00) combined single limit for each occurrence. Said commercial general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy:

- a. The Agency, its Board of Directors and staff, is named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- b. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.
- c. The insurance provided herein is primary coverage to the Agency with respect to any insurance or self-insurance programs maintained by the Agency.
- d. This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the Agency.

6.3 Automobile Insurance. Automobile liability insurance covering bodily injury and property damage in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles. Said policy shall be endorsed with the following language:

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

6.4 Professional Liability Insurance. This requirement has been waived and shall not be included in this agreement.

6.5 Documentation. The following documentation shall be submitted to the Agency:

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

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

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

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

7. Prosecution of Work. The funding source for this project is the City/County Payment Program administered by CalRecycle; AGENCY reserves the right to withhold the Notice to Proceed until sufficient funding is received from CalRecycle. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Contractor's performance of this Agreement shall be extended by a number of days equal to the number of days Contractor has been delayed.

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

9. Representations of Contractor.

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

9.1.1 Change in Information. Contractor shall notify Agency thirty (30) days prior to any change to the information provided pursuant to Section 10 of Exhibit A, Proposed Scope of Services, that is initiated by Contractor, or within seven (7) days of Contractor becoming aware of a change to the information provided pursuant to Section 10 of Exhibit A that was not initiated by Contractor.

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

9.3 Taxes. Contractor agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Contractor agrees to indemnify and hold Agency harmless from any liability which it may incur to the United

States or to the State of California as a consequence of Contractor's failure to pay, when due, all such taxes and obligations. In case Agency is audited for compliance regarding any withholding or other applicable taxes. Contractor agrees to furnish Agency with proof of payment of taxes on these earnings.

9.4 Records Maintenance. Contractor shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement, as well as information provided pursuant to Section 10 of Exhibit A, Proposed Scope of Services, and shall make such documents and records available to Agency for inspection at any reasonable time. Contractor shall maintain such records for a period of four (4) years following completion of work hereunder.

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

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

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

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

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

10. Demand for Assurance. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable"

includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article 10 limits Agency's right to terminate this Agreement pursuant to Article 4.

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

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

Agency: Sonoma County Waste Management Agency
Attention: Patrick Carter
2300 County Center Drive, Suite B 100
Santa Rosa, CA 95403
Phone: (707) 565-3687
FAX: (707) 565-3701

Contractor: Conservation Action Fund for Education
Attention: Dennis Rosatti, Executive Director
540 Pacific Ave. Phone: 707-571-8566
Santa Rosa, CA 95404 Fax: 707-571-1678

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

In all other instances, notices, bills and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

13. Miscellaneous Provisions.

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

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

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

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

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

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

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

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

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

AGENCY: SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____
Chair

CONTRACTOR:

By: _____

Name: _____

Title: _____

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

By: _____
Executive Director, SCWMA

APPROVED AS TO FORM FOR AGENCY:

By: _____
Agency Counsel

Exhibit A-1

Proposed Scope of Services

DESCRIPTION OF SERVICES REQUESTED:

The Agency is seeking a Contractor to enter into an agreement of approximately \$100,000 with funding expiring June 30, 2012. The funding source for this project is the City/County Payment Program, administered by CalRecycle; AGENCY reserves the right to withhold the Notice to Proceed until sufficient funding is received from CalRecycle.

The Sonoma County Waste Management Agency (AGENCY) is seeking an agreement with a CONTRACTOR to complete at least the following: 1) conduct all research and collect pertinent information using the most up-to-date lists of businesses, multifamily and public entities in Sonoma County, subject to the draft regulation, 2) input required information in an Access database, 3) mail a personalized letter to those businesses and/or conduct outreach and education to all or a subset of Sonoma County businesses, multifamily and public entities about ARB/CalRecycle's regulations and how to achieve compliance in advance of regulation-specified deadlines, 4) provide waste assessments technical assistance and follow-up to a certain number of business, multifamily and public entities subject to the regulation, and 5) report to the Agency Board of Directors and staff. CONTRACTOR must be able to provide the services detailed in Exhibit A-1 in both English and Spanish languages.

The tasks completed through this contact will provide the basis for meeting CalRecycle's education, outreach and monitoring requirements. Below is a task list and proposed responsibilities among Agency staff, the selected contractor and the hauler. As noted previously, the hauler has not reviewed nor agreed to any item in this task list.

Task	Who is responsible			
	Agency	Contractor	Hauler	Notes
Database for basis and quantification				
Identify Sonoma County businesses, including public entities and multifamily units subject to the regulation.		●	●	In identification, assess language preference and potential infrastructure needs.
Set up Access (version 2003) database: Table/Form/Query in Access (may include as part of Eco-Desk database or stand-alone) to record each entity	●			Establish field names/ categories in database.
Input data in Agency provided Access database Information may include name of business, mailing address, email address, primary contact, date contact made, type of contact, materials distributed, preferred method of communication, language preference and details about solid waste service.		●		
Stakeholder identification				
Meet with City/County officials regarding outreach opportunities (e.g., through business license renewal programs, regularly scheduled visits by city staff, etc.)	●	●		
Identify and contact local associations with member subject to the regulation (Manufacturers Group, Go Local, BEA, etc.)		●		

Contact enforcement officials (PRMD, restaurant inspectors, Weights and Measures, etc.) Set up meeting, produce fliers for distribution, provide staff support.		●		
Contact business license renewal offices and provide a fact sheet to distribute with licenses.		●		
Conduct on-site waste assessments				
Provide waste assessments and technical assistance to a certain number of business, multifamily and public entities subject to the regulation. This shall include information about (size and frequency of commercially collected garbage, recycling, and green waste), assessment of internal collection bins and service (if applicable), and a financial analysis of potential increased recycling/decreased garbage bin size and/or collection frequency.		●	●	Contractor work with hauler for any service related requests.
Education/outreach				
Prepare letter template based on CalRecycle/ILG template to entities subject to the law including local resources.	●			
Prepare outreach kits based on CalRecycle/ILG template and Agency artwork/resources. Kits may be tailored for different user groups-business, multifamily, public entities, etc. Kits may be translated into Spanish based on feedback obtained in the basis data.	●	●		
Prepare utility bill inserts for hauler newsletters, utility bills, disposal site customers, etc.	●	●	●	
Write and distribute at least one press release		●		
Print and mail Agency prepared letter to businesses, multifamily units and public entities subject to the regulation.		●		Prefer personal letter using the information recorded in the Access database. (Assume letter will use 4-color, no bleed on 100% postconsumer recycled content paper)
Phone/email/mail/visit on-site pertinent business owners, district multifamily/on-site property managers. Record contact and info distributed in provided Access database.		●	●	
Web site update on www.recyclenow.org to include Regulations and Compliance info for business entities.	●			Work with hauler to publish similar information on www.unicycler.com

Write case study articles for email listserve/website		●		Work with the Sonoma County Business Environmental Alliance if possible
Post to existing Agency Twitter and Facebook pages	●	●		
Submit newsletter articles for online publications (Manufacturers Group, etc.)	●			
Technical assistance				
Obtain and review city and county franchise agreements and integrate this project with any existing city or county programs, as appropriate		●		
Answer calls (English and Spanish) from businesses and multifamily complexes wanting more technical assistance.	●	●		Agency staff answers calls through the Eco-Desk and route calls to contractor or haulers.
Evaluation and Reporting				
Project evaluation includes follow-up communications with previously contacted businesses, multifamily, and public sector entities, and haulers to qualify and quantify the effectiveness of this project.	●	●	●	Information will be reported to CalRecycle over time.
Prepare a written report and present to the Agency Board on activities accomplished on this project.		●		

Exhibit A-2 Implementation Plan and Budget

- 1) Methods for data collection:** *Please describe your approach in collecting the most current data, especially data related to solid waste services, for business, multifamily complexes, and public entities in Sonoma County.*

CAFE will meet the data collection objectives through a highly collaborative and innovative approach that cost effectively achieves project goals and extends program reach. We will use a multi-tiered approach for collecting data to populate the database with Sonoma County commercial, public and multi-family housing entities. Many of these approaches will be concurrent with each other, in order to populate our "universe", or target data set as quickly and efficiently as possible.

After meeting and assembling existing Sonoma County Waste Management Agency (Agency) outreach data, we will gather franchise and required service information for each jurisdiction by working with the jurisdiction staff and their franchised hauler. This will maximize use of information that is already in existence. Haulers are required to do a certain amount of public outreach, depending on the specific requirements of their franchise agreement, thus creating the possibility of delineation already occurring through their internal outreach lists. We will then cross-reference and remove duplicate entries in the created database.

For Commercial entities, we will collect and input information from the following sources:

- City/County Business Licenses
- Chamber of Commerce Memberships
- Sonoma County Alliance
- Business Environmental Alliance
- Go Local
- North Bay Business Journal Book of Lists
- Phone Book Yellow Pages
- Property Tax Rolls
- Real Estate Property Managers
- Internet Searches (i.e., Google)

For Multi-Family Complexes, we will pool information from the following sources:

- Sonoma County Community Development Commission
- Burbank Housing
- Housing Advocacy Group
- Conservation Action Field Data from Prior Door-to-Door Canvassing Projects

For Public Entities:

- LAFCO- Local Agency Formation Commission
- Sonoma County Office of Education
- Blue Pages of the Phone Book
- Franchise Agreements with Haulers

In order to expedite the collection of data in each category, our team will perform outreach to the aforementioned sources, and strategically choose pathways that give the largest data sets and cover as much of the universe that we are attempting to populate. We believe that near 100% coverage is attainable for this project. Our database manager will continue to add to the database as the project moves forward and new information becomes available to us.

2) Experience working with government staff and garbage haulers: *Have you worked with government agencies before? Please describe. Your response should include approaches and/or experience coordinating with the garbage companies, especially those in Sonoma County.*

The Technical Director for the CAFE team is Ken Wells. Mr. Wells has over 25 years experience working in the recycling and solid waste field, and has been working in Sonoma County for nearly twenty years. His past experience includes serving as Executive Director of the Sonoma County Waste Management Agency concurrent with responsibilities as the Sonoma County Integrated Waste Manager from 1992 to 2008. During this period he worked extensively with all the waste haulers and local governments in Sonoma County. Two examples of significant public agency-waste hauler coordination accomplishments include establishing the single-stream recycling ("Blue Bin") program in Sonoma County. This required facilitating similar franchise agreement language for each of the ten jurisdictions in Sonoma County in order that the recycling program would be consistent throughout the county. Similar coordination was necessary to establish the extremely successful County-wide yard debris composting program. As the Sonoma County Integrated Waste Manager he worked with the senior management and education staff at the County's remaining three waste haulers, North Bay Corporation, Sonoma Garbage Collectors and Industrial Carting regularly. More recently, as a consultant, Mr. Wells assisted Sonoma Garbage Collectors with new franchise agreement approvals with the County of Sonoma and the City of Sonoma.

3) Experience and qualifications with education outreach programs: *Please describe your qualifications and experience conducting English and Spanish language solid waste/recycling education and outreach programs.*

Conservation Action Fund for Education specializes in public outreach and education. Through our trained and experienced phone and door-to-door programs, CAFE has contacted thousands of Sonoma County residents on issues relating to transit, land use, energy efficiency, green building, and more. Our team has extensive knowledge in the area of solid waste and recycling education.

During the Santa Rosa Downtown Station Area Planning process, CAFE organizers contacted thousands of city residents to inform them that the process was occurring, and encouraged them to become engaged in the process, write letters to city officials, and attend meetings at the City. CAFE built a database of interested residents and kept that identified list informed as the planning process unfolded. CAFE has found success at utilizing bilingual Spanish/English speaking canvassers to outreach to the Latino community, and generated over 40 letters of public input from Spanish speaking residents who otherwise would have been left out of the public process.

The CAFE team's Technical Director directed the waste reduction and recycling education activities of the Agency from 1992 to 2008. This included development of the award-winning Sonoma County Recycling Guide in stand-alone printed form, as an insert in the AT&T Yellow pages, and on-line at www.recyclenow.org. He led innovative education efforts, including early adoption of community-based social marketing tools to achieve increased recycling behavior changes by Sonoma County waste generators.

CAFE has worked one-on-one with the public of Sonoma County for many years. Our team understands the way to effectively communicate a message both to individuals and organizations. Our persuasive approach has resulted in action through personal behavior changes and neighborhood organizing. We piloted a project in 2009 to improve energy efficiency and incite behavior change at the individual household level, and called it our Conservation at Home Initiative. Since that time, we have been in discussion with the Sonoma County Regional Climate Protection Authority about performing grassroots outreach to select neighborhoods in Sonoma County to promote energy and water efficiency as part of a grant the RCPA has received from the US Environmental Protection Agency.

CAFE has been funded through grants from The Hewlett Foundation, The San Francisco Foundation, The Rose Foundation, The Sonoma County Community Foundation-Schulz Fund, and many private individual donors. Through this broad, community based support, CAFE has held public workshops on a variety of sustainability issues, has hosted public forums on topics ranging from transit oriented development to coastal issues, and has organized in the local community to promote civic engagement and awareness. CAFE has worked in a variety of funding environments, and understands the complexities involved with reporting and tracking grant funds. We are confident that CAFE can satisfy the Agency's financial reporting requirements.

4) Experience conducting solid waste assessments and analysis: *Please describe your qualifications and experience conducting waste assessments, including your ability to conduct and perform financial analyses for increased recycling/reduced garbage needs.*

The Technical Director for the CAFE team is Ken Wells. Mr. Wells has over 25 years experience working in the recycling and solid waste field, and has been working in Sonoma County for nearly twenty years. His past experience includes serving as Executive Director of the Sonoma County Waste Management Agency concurrent with responsibilities as the Sonoma County Integrated Waste Manager from 1992 to 2008. Prior to his work in Sonoma County he conducted waste characterization studies for environmental consulting firms and waste haulers. More recently he has worked as a consultant to iReuse, a company that specializes in waste audits and waste reduction services. In Sonoma County he has performed waste assessments, including financial analysis of the benefits of reducing waste and increased recycling, for firms such as JDS Uniphase, Coddling Enterprises, and Eugene Burger Management Corp. Mr. Wells will train and supervise CAFE Outreach Specialists in waste assessments and will provide them with digital survey forms to make on-site waste assessments rapid, accurate and appropriate for further financial analyses and follow-up monitoring.

5) Local or non-profit business status:

CAFE, the Proposer, is a 501(c)(3) Nonprofit Corporation or Association and has a business location in Sonoma County, California. FEIN: 74-3166298

6) Contractor staffing resources: *Please explain your staffing capabilities in order to accomplish the tasks in your proposal by the requirement timeline, June 30, 2012. Also, address how this project can be accomplished considering existing workload. Include your ability to provide the requested services, including fluent speech and the ability to translate written materials, in both English and Spanish.*

Since its founding in 2005, Conservation Action Fund for Education has focused on fulfilling its mission for the local environment and to promote sustainability in the North Bay. Our team of professional staff and canvassers has addressed issues pertaining to climate change mitigation, energy efficiency, transit oriented development, open space preservation, and promotion of alternatives to automobiles. CAFE has worked closely with government officials and individual citizens to implement sustainability into the social fabric of Sonoma County.

Our staffing model is fairly straightforward. CAFE Executive Director Dennis Rosatti will serve as the Project Director. Mr. Rosatti has run many successful programs at CAFE and has a great breadth of knowledge and experience in public outreach programs and campaigns. Ken Wells will serve as our Technical Director, bringing his 25 years of experience in the waste management field and engineering background to the team. Mr. Wells has worked professionally to identify the barriers to increased recycling and has implemented solid waste diversion and recycling plans for governmental

and private institutions, and has extensive contacts in the industry locally that will be invaluable in completing our work.

For this project we have recruited a longtime volunteer and CAFE Board Member Sara Sharp to perform the role of Database Manager. Sara has worked in the business logistics profession for a number of years, and has worked with a variety of databases and customer relation situations. The Database Manager will be tasked with populating the database with gathered information as outlined earlier. Ms. Sharp will also work as an Outreach Specialist keeping the organizational structure of the team very compact and efficient. One of her responsibilities will be to help prioritize the on-site waste assessments, since we will not be able to visit every business in the County given the time and funding restrictions.

She will work closely with Annie Dobbs-Kramer, the other Outreach Specialist for this project who currently is CAFE's volunteer coordinator and has extensive experience on public outreach projects.

These two Outreach Specialists will be responsible for contacting businesses, multi-family housing managers, and government entities to inform them of the forthcoming mandatory commercial recycling requirements, schedule and then complete on-site visits. The visits are for the purpose of making an assessment of waste generation levels, identify opportunities to divert waste into the recycling program, to give best practices information and project literature, and to make recommendations for ways that each individual site can specifically improve the rate of recycling and thus reduction of waste sent to landfill. Additionally, the site visits will provide an opportunity to introduce businesses to other tools to reduce waste and save money, such as "right-sizing" their waste disposal services, possibilities to compost organics, and the latest "take-back" services.

The CAFE team includes Leticia Romero, whose professional Spanish language translation services will provide this essential component for the required tasks. Ms. Romero has worked with CAFE to translate brochures and written materials in the past. She currently works for St. Joseph's hospital as a community organizer, and is involved with several community based organizing efforts in the Latino community.

The Conservation Action Fund for Education team will be able to start work without any delay upon execution of the contractual agreements. CAFE's team members have time reserved in their work plans for the coming year if we are selected by the Agency as the database and public outreach contractor for Mandatory Commercial Recycling Education Services.

7) Outreach plan and budget: *Please complete a sample outreach plan and budget specific to this project which includes budget allocations and lists in detail the outreach services proposed to be provided in connection with this project. Include staff time, materials, reporting, etc. Please provide a per unit price for waste assessments. Include budget allocations for outreach to business, multifamily and public entities in Sonoma County subject to the draft regulations.*

Outreach Plan

CAFE will first set about collecting the most complete and current lists of businesses, multifamily and public entities in the county as detailed in Item 1 of this Exhibit. CAFE will reach out to city officials regarding business license renewal programs. CAFE will also meet with Go Local, BEA, enforcement officials and industry groups including the Sonoma County Alliance, various Chambers of Commerce and the North Bay Leadership Council. As the lists are collected and the database begins to become populated, our team will be assigning priority to the businesses that we feel are most likely to be large generators of waste and that would be likely to respond to personal contact and be open to a site

assessment. By prioritizing in this fashion, our Outreach Specialists will be able to begin their work faster and make more attempts over the term of the outreach program. We will be inputting data into the database as we attain it through our various methods of outreach.

The CAFE team will also be working with Agency staff to ensure that the materials for the mailer and outreach materials are quickly and thoroughly being prepared so that time is not lost on the direct mail portion of the outreach process.

Our budget is based on sending out the personalized letter to approximately 20,000 businesses and multi-family complexes in the county. This estimate is based on communications with the Sonoma County Economic Development Board. The mailer will be developed by the Agency staff in coordination with the CAFE team. In order to get the highest response rate, the key message in the letter (and other outreach communications) will be, *"Recycle More, Waste Less, Save Money"*, a message that we are confident will resonate positively here in Sonoma County.

Once the database has been populated, our team will prioritize the entities that are likely producing the most solid waste and are most probable to be responsive, focusing primarily on the commercial generators, to target our efforts. In terms of geography, we will start the public outreach program in Santa Rosa, as it is the biggest city with the most contact potential, and then move north and south simultaneously by the two Outreach Specialists. We will insure that all jurisdictions will be included. We estimate that we can make 180 personal contact attempts per week over the course of 36 weeks (September 2011 through May 2012), resulting in 6,480 personal contact attempts over the course of the contract period. Of these attempts, our goal is to gain 10% agreement of those contact attempts to meet with one of our Outreach Specialists to have a site visit, assessment, and implementation of suggestions for reducing waste, maximizing recycling and saving money.

Ultimately we would then see 648 different sites over the period of the contract. This represents approximately 3.25% of the total businesses, public entities and multifamily units we estimate to be operating within the county. Our approach will direct mail all the target entities, make personal attempts to over 30% of these and our Outreach Specialists will have visited approximately 3% of our target universe.

The on-site field assessments will be made by our Outreach Specialists. Our approach is to have developed outreach kits for each entity that will be delivered in person when the site visit occurs. The Outreach Specialist will ask a few short questions regarding the details of garbage and recycling facilities on site and the current service level. The Outreach Specialists will perform a waste assessment and provide advice on how to increase recycling on site. Our Outreach Specialists are trained to recognize waste reduction opportunities. After conducting each assessment, we will identify a list of effective waste reduction strategies that appeal to each business and result in resource savings. The Outreach Specialists will be recording all data collected on site on a hand-held electronic tablet. The tablet will be synched with the main database, so that there is no need for additional manual data entry later, only a transfer to the main database from the tablet.

CAFE is currently sponsoring research on optimizing the effectiveness of the use of electronic communication technology in the field, supporting the theory that the technology use actually increases the rate of participation by the target audience, while also improving efficiency of data management, thereby bringing administrative costs down. CAFE believes that this approach will also leave a positive impression with the entity undergoing the on-site visit, and will allow for smoother follow-up at a later date to monitor implementation of suggested improvements and cost savings.

Whether on site, over the phone, or through email, we will provide specific strategies to reduce waste, which may include:

- Switching to recyclable alternatives
- Employing environmentally preferable purchasing decisions to minimize waste and packaging
- Setting up a “take-back” program with suppliers
- Strengthening business connections with the salvage industry and thrift stores
- Changing typical business practices to prevent waste
- Setting up organics composting programs
- Taking advantage of existing product stewardship programs for select materials

The CAFE Outreach Specialists will follow up with the site contact two to three months after the site visit to determine if measures are being implemented to improve recycling rates and reduce waste disposal costs. CAFE will provide a regular monthly report to the Agency summarizing the public outreach process and the Outreach Specialists' progress and performance.

In the early stages of the public outreach portion of the program, CAFE will release a press statement summarizing the goals of the program and highlighting external media sources where the public can go to find out more information on the program. CAFE will work closely with the Agency staff to maintain Facebook and Twitter social media sites. CAFE will also contact business license renewal offices and provide a fact sheet to distribute with new licenses.

CAFE will work with the haulers and the Agency to prepare an insert for the haulers' newsletters, community utility bills, disposal site customers, et al, that explains the new mandatory recycling regulations. CAFE will prepare case studies for the Agency's website showcasing successful site visits and discussing the ease and savings of adjusting to the new regulations. We will propose that the Business Environmental Alliance present the preliminary results of the project at the BEA's Annual Business Leaders' Breakfast in Spring 2012.

Finally, CAFE will present a project evaluation that includes follow-up communications with previously contacted businesses, multifamily, and public sector entities to quantify the effectiveness of the project. We will prepare a final written report and present to the Agency Board on activities accomplished on the project upon completion of the project.

Budget

As required by the Agency's RFP, the CAFE team proposal includes budget allocations for two scenarios: 1) outreach to business, multifamily and public entities in Sonoma County subject to the draft regulations, and 2) outreach to all business, multifamily and public entities in Sonoma County.

However, as the draft regulations from CalRecycle are still in development and it is possible Sonoma County may implement Mandatory Commercial Recycling regulations earlier and that may include a larger universe of facilities subject to more stringent recycling requirements, our goal and budget is based on the creation of a database that will include all businesses, multifamily complexes and public entities in Sonoma County (with the exception of those that have residential-level waste collection services).

The budget assumes we will send personalized letters to all on that database, and then our plan is to prioritize the telephone and personal contacts with the largest waste generators and continue working down the priority list until the budget is exhausted.

As requested, the unit price for each on-site waste assessment is \$34.23. This was calculated by dividing the total cost for Task 3, On-Site Waste Assessments by the total cost for that task ($648/\$22,180 = \34.23). This cost does not include the time spent under the Education/Outreach task

to call and make contact with ten businesses in order to achieve each on-site visit opportunity, nor the time for follow-up monitoring.

The RFP asked for the additional incremental cost for adding additional site consultations in the event additional funding becomes available. Recognizing that most of the preparation work has been accomplished, the CAFE team can commit to perform additional site consultations for \$75/visit. This includes follow-up monitoring and reporting.

The Budget Summary on the following page provides the budget allocations in hours and dollars for each task by team member, along with direct expenses for each task.

8) Are there any exceptions or changes to the requested services or contract language?

The CAFE team is prepared to provide all the services listed in the RFP and accepts all terms and conditions of the Agreement with the only proposed modification being the deletion or waiver of Section 6.4, Professional Liability Insurance.

The requested Professional Liability Insurance is in addition to the required General Liability and Automobile Insurance at similar limits. As none of the tasks included in the RFP require a professional license or certification (i.e., engineer, architect, etc.) nor does there appear to be any significant financial risks to the Agency from errors or omissions by the selected Contractor, the CAFE team proposes that this extra insurance coverage be deleted.

However, if the Agency believes it is essential that the selected Contractor carry this insurance, the CAFE team will acquire it, with the understanding that the additional cost will be covered by an equivalent reduction in the value of services provided to the Agency.



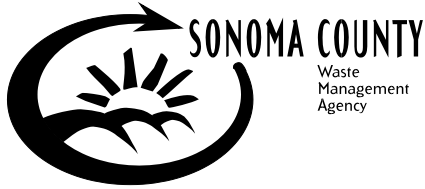
PROPOSAL FOR MANDATORY COMMERCIAL RECYCLING EDUCATION SERVICES

Budget Summary

	Dennis Rosatti \$70/hr	Ken Wells \$70/hr	Sara Sharp \$30/hr	Annie Dobbs-Kramer \$25/hr	Leticia Romero \$25/hr	Total Hours	Total Labor	Total' Expenses	Total Project
1. Database Development	16	8	400			424	\$13,680	\$570	\$14,250
2. Stakeholder Identification	48	32				80	\$5,600	\$230	\$5,830
3. On-Site Waste Assessments		60	216	216	48	540	\$17,280	\$4,900	\$22,180
4. Education/Outreach	36	8	284	468	72	868	\$25,100	\$13,250	\$38,350
5. Technical Assistance	8	16	72	72	24	192	\$6,240	\$400	\$6,640
6. Evaluation and Reporting	80	8	108	108		304	\$12,100	\$650	\$12,750
Total Hours	188	132	1,080	864	144	2,408			
Total Cost	\$13,160	\$9,240	\$32,400	\$21,600	\$3,600		\$80,000	\$20,000	\$100,000

Timeline

August 17 (assumed)	Project Award
August 18	Kick-Off Meeting
August	Begin Research for Database, Input Data, Prepare Outreach Materials
September	Meet with Stakeholders, Coordinate/Integrate with Hauler Education Programs
September – May	Contact Commercial, Multi-Family, Public Entities, Conduct On-Site Assessments
January – June	Follow-Up with Contacts to Measure Effectiveness
June	Prepare Final Report



Agenda Item #: 8
Cost Center: HHW/Education
Staff Contact: Chilcott
Agenda Date: 8/17/2011

ITEM: Contract with MDS for recycling and collection of residential spent fluorescent lamps collected with the 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 more than \$100,000 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. Grant monies were expended December 2010.

In 2011, Sonoma and Napa Counties were selected to receive funding from PG&E for a Fluorescent Lamp Recycling Regional Outreach Program. The program is intended to capture only residential waste, not business waste. 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. At the May 18, 2011 meeting, Board members approved the \$80,000 purchase order agreement between PG&E and the Agency. Funding through this program expires December 31, 2012.

Tasks and those performing the tasks are detailed in the agreement. Below is summary:

PG&E Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County			
		WHO PERFORMS THE WORK	GRANT FUNDED
Task 1	Administration	Staff	\$4,000
Task 2	Spanish language store recruitment and support	Contractor	\$4,000
Task 3	Outreach activities		
	Conduct promotion event with Business Leader's Breakfast	Contractor (EDB/BEA)	\$450
	English radio, newspaper and on-line media	Contractor (TBD)	\$14,750
	English radio, newspaper and on-line media	Contractor	\$4,000
Task 4	Enhance disposal infrastructure	Contractor (MDS)	\$52,000
Task 5	Final report	Staff	(Included in Task 1)
TOTAL			\$80,000

II. DISCUSSION

In order to fulfill the Agency's obligation to enhance disposal infrastructure for collection of spent fluorescent lamps generated by residences, it is necessary to enter into an agreement for Fluorescent Lamp Collection and Recycling Services. Mercury Disposal Systems (MDS) is the selected contractor to provide this service. Although there are many companies that provide fluorescent lamp recycling service, MDS provides unique services specific to this program:

1. Since 2005, PG&E has been working with public agencies throughout the state on similar partnerships. MDS has been the exclusive vendor in setting up retailer-based residential mail-back recycling collection infrastructure. The following lists the jurisdictions where MDS has worked with PG&E on similar programs: 2001 in Stanislaus County, 2005 in Santa Clara County, 2007 in Tehama County, 2007 in El Dorado County, 2008 in Humboldt and Santa Cruz Counties. In total, MDS currently has over 600 drop-off locations in California, all being funded by utility companies, CalRecycle or City and/or County general funds.
2. To the best of my knowledge, MDS is currently the only company that offers a complete package for collecting and recycling fluorescent lamps through retailers and public agencies.
3. MDS is the selected disposal vendor for Napa County, as well as the City of Napa, who are partners in this outreach program.
4. MDS was the selected collection and recycling contractor for the Agency's 2010 PG&E grant and Agency staff was pleased with their performance.
5. MDS is mentioned in the Scope of Work for Purchase Order for Services: Fluorescent Lamp Recycling Regional Outreach Program in Sonoma County. This purchase order was approved by Agency Board members at the May 18, 2011 meeting.

The Agreement for Service with MDS is for \$52,000, expiring December 31, 2012 in tandem with the expiration of the Agency's Purchase Order agreement with PG&E. Inspired by City of Napa contract with MDS, Section 2 in the agreement "Payment," includes a payment schedule and a 5% discount on pricing on monthly invoices. MDS is also required in the monthly invoices to track fluorescent lamps collected and recycled in order to fulfill PG&E tracking requirement in the Agency's agreement.

III. FUNDING IMPACT

There is no funding impact as this agreement amount is reimbursable to the Agency through PG&E. 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 an Agreement for Fluorescent Lamp Collection and Recycling Services and authorize the Chair to sign the agreement.

V. ATTACHMENTS

- Draft Agreement for Fluorescent Lamp Collection & Recycling Services

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

AGREEMENT FOR FLUORESCENT LAMP COLLECTION & RECYCLING SERVICES

This agreement ("Agreement"), dated as of August 17, 2011 ("Effective Date") is by and between the Sonoma County Waste Management Agency, (hereinafter "Agency"), and a Mercury Disposal Systems Inc., (hereinafter "Contractor").

RECITALS

WHEREAS, Contractor represents that it is duly qualified and experienced in collection and recycling of spent compact fluorescent lamps (CFLs) 4-foot, 6-foot and 8-foot tubes and related services; and

WHEREAS, in the judgment of the Board of Directors of Agency, it is necessary and desirable to employ the services of Contractor to perform collection and recycling services on behalf of the PG&E Fluorescent Lamp recycling Regional Outreach Program in Sonoma County.

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

AGREEMENT

1. Scope of Services.

1.1 **Contractor's Specified Services.** This Agreement is entered into for the purpose of establishing a contract for fluorescent lamp collection and recycling services. Contractor shall perform services as defined in Exhibit A, Scope of Services.

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

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

1.4 Assigned Personnel.

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

b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by Agency to be key personnel whose services are a material inducement to Agency to enter into this Agreement, and without whose services Agency would not

have entered into this Agreement. Contractor shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of Agency.

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

2. Payment.

2.1 Payments to Contractor shall not exceed \$52,000.00 during the term of this Agreement, for services rendered in accordance with tasks detailed in Section 1.1 above and in Exhibit A, upon monthly submission of progress reports, verified claims and invoices. Agency will make an initial monthly payment of \$12,000 upon execution of this Agreement. Subsequent monthly payments will be made based upon monthly submission of progress reports, verified claims and invoices and will be for an amount that ensures Agency's payments to Contractor do not result in Contractor maintaining more than \$3,000 in funds for services to be rendered. The final monthly payment will be for the amount necessary to reconcile the total work performed to the total monthly payments made to Contractor by Agency over the term of this Agreement. A five percent (5%) discount on monthly invoices shall be credited to Agency by Contractor for each monthly payment.

2.2 Monthly progress reports shall be submitted by Contractor and shall include a detailed summary of boxes sent and received per store for the prior month. Invoices shall also include, completion for the prior month of PG&E's tracking template as included in Exhibit A.

3. Term of Agreement. The term of this Agreement shall be from August 17, 2011 to December 31, 2012 unless terminated earlier in accordance with the provisions of Article 4 below.

3.1 The Agency Board of Directors authorizes the Executive Director the ability to extend the term of the agreement by up to six (6) months provided that the payment amount, as defined in Section 2, is unchanged.

4. Termination.

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

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

4.3 Delivery of Work Product and Final Payment Upon Termination. In the event of termination, Contractor, within 14 days following the date of termination, shall deliver to Agency all materials and work product subject to Section 9.9 and shall submit to Agency payment up to the date of termination.

5. Indemnification. Contractor agrees to accept all responsibility for loss or damage to any person or entity, including but not limited to Agency, and to defend, indemnify, hold harmless, reimburse and release Agency, its officers, agents, and employees, from and against any and all actions, claims, damages, disabilities, liabilities and expense including, but not limited to, attorneys' fees and the cost of litigation incurred in the defense of claims as to which this indemnity applies or incurred in an action by Agency to enforce the indemnity provisions herein, whether arising from personal injury, property damage or economic loss of any type, that may be asserted by any person or entity arising out of or in connection with the performance of Contractor hereunder, but, to the extent required by law, excluding liability due to the sole negligence or willful misconduct of Agency. If there is a possible obligation to indemnify, Contractor's duty to defend with legal counsel acceptable to Agency, exists regardless of whether it is ultimately determined that there is not a duty to indemnify. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Contractor or its agents.

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

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

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

6.2 General Liability Insurance. Commercial general liability insurance covering bodily injury and property damage using an occurrence policy form, in an amount no less than One Million Dollars (\$1,000,000.00) combined single limit for each occurrence. Said commercial general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy:

- a. The Agency, its Board of Directors and staff, is named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- b. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.
- c. The insurance provided herein is primary coverage to the Agency with respect to any insurance or self-insurance programs maintained by the Agency.
- d. This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the Agency.

6.3 Automobile Insurance. Automobile liability insurance covering bodily injury and property damage in an amount no less than One Million Dollars (\$1,000,000) combined single limit for each occurrence. Said insurance shall include coverage for owned, hired, and non-owned vehicles. Said policy shall be endorsed with the following language:

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

6.4 Documentation. The following documentation shall be submitted to the Agency:

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

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

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

7. Prosecution of Work. The funding source for this project is the City/County Payment Program administered by CalRecycle; AGENCY reserves the right to withhold the Notice to Proceed until sufficient funding is received from CalRecycle. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Contractor's performance of this Agreement shall be extended by a number of days equal to the number of days Contractor has been delayed.

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

9. Representations of Contractor.

9.1 Standard of Care. Agency has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of

applicable federal, state and local laws, it being understood that acceptance of Contractor's work by Agency shall not operate as a waiver or release.

9.1.1 Change in Information. Contractor shall notify Agency thirty (30) days prior to any change to the information provided pursuant to Section 10 of Exhibit A, Proposed Scope of Services, that is initiated by Contractor, or within seven (7) days of Contractor becoming aware of a change to the information provided pursuant to Section 10 of Exhibit A that was not initiated by Contractor.

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

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

9.4 Records Maintenance. Contractor shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement, as well as information provided pursuant to Section 10 of Exhibit A, Proposed Scope of Services, and shall make such documents and records available to Agency for inspection at any reasonable time. Contractor shall maintain such records for a period of four (4) years following completion of work hereunder.

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

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

9.7 AIDS Discrimination. Contractor agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment,

and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

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

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

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

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

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

Agency: Sonoma County Waste Management Agency
Attention: Karina Chilcott

2300 County Center Drive, Suite B 100
Santa Rosa, CA 95403
Phone: (707) 565-3668
FAX: (707) 565-3701

Contractor: Name: Mercury Disposal Systems
Attention: John Burnett
14731 Franklin Ave. Ste. G
Tustin, CA 92780
Phone: 714-505-6100

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

13. Miscellaneous Provisions.

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

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

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

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

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

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

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

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

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

AGENCY: SONOMA COUNTY WASTE MANAGEMENT AGENCY
By: _____
Chair

CONTRACTOR:
By: _____
Name: Margaret A. Burnett
Title: President

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

By: _____
Executive Director, SCWMA

APPROVED AS TO FORM FOR AGENCY:

By: _____
Agency Counsel

Exhibit A

Scope of Services

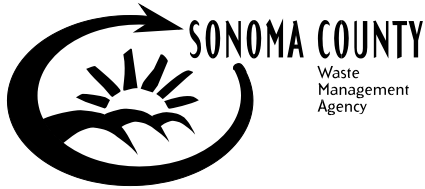
The purpose of this agreement is to clarify that the Sonoma County Waste Management Agency has contracted Mercury Disposal Systems Inc., a California Corporation, located at 14731 Franklin Ave. Ste G Tustin California for the following services:

- 1) MDS will mail collection containers and kiosks initially to each retailer location in quantities as indicated by Agency staff.
 - RP-CFL30 5 gallon (CFL's) compact fluorescent pails.
 - CFL collection kiosk (Printed on three sides + the top). Artwork to be supplied by Agency staff. Collection kiosks fit over the RP-CFL30 pails.
 - RB-4844 (pre-paid freight) box for lamps up to 4ft.
 - RB-9830 (pre-paid freight) box for lamps up to 6 ft. and 8ft.
 - Collection instructions and all shipping costs
- 2) MDS will monitor all drop-off locations, provide support for collection and the return of all recycle containers via pre-paid Fedex charges. Upon receipt of full containers, MDS will send replacement containers via Fedex.
- 3) MDS will certify that all lamps collected will be 100% recycled in accordance with California E.P.A. regulations by Lighting Recourses Inc.
- 4) MDS will track fluorescent lamps collected and recycled using the provided PG&E tracking template "Methodology to Determine 20% Collection Goal "and will provide an update of collection for the prior month when submitting monthly invoices to the Agency.

Pricing, terms and conditions

Collected items will be counted or weighed and invoiced to the Sonoma County Waste Management Agency as follows;

- RP-CFL30 5 gallon (CFL's) compact fluorescent pails @ \$.67.00 each (Holds 190 CFL bulbs and circulars)
- RB-4844 boxes for linear 4ft-tubes @ \$51.90 each (10"x10"x49" holds 44 T-12 or 91 T-8)
- RB-9830 boxes for linear 6ft and 8 ft-tubes @ \$69.00 each (5"x7"x98" holds up to 30 lamps)
- Floor model collection kiosk (15" x 15" x 30") printed as per client artwork. \$29.00 each printed on one side. Printed three sides and lid \$49.00 each
- All MDS collection pails and boxes will include pre-paid freight to and from collection point via Fedex ground service.
- Recycle fees for collected items will be invoiced at the end of each month.
- All invoices will have attached collection reports; date and location received from, weights, counts and man hours spent for processing.
- All collection containers will be properly marked as UNIVERSAL WASTE in accordance to DTSC and D.O.T. regulations.
- MDS carries a \$3,000,000 Liability Insurance policy and will submit additional insured certificate for amount in excess of that required by Section 6 upon Agency's request.



Agenda Item #: 10
Cost Center: Planning
Staff Contact: Carter
Agenda Date: 8/17/2011

ITEM: Carryout Bags Ordinance Direction

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. Since that meeting staff has researched developments within California and out-of-state legislation regarding paper and plastic carryout bags.

Staff developed and mailed a letter to 337 businesses outlining the SCWMA's interest to address the issues related to carryout bags on February 14, 2011 and requested a response by March 3, 2011. Three responses were received and were generally in favor of action on the issue.

At the May 18, 2011 SCWMA meeting, the Board directed staff to present the three options for addressing carryout bags developed by staff to the Board of Supervisors and nine councils so those decision-making bodies could give direction to their respective SCWMA representative regarding action on one of those options. A straw vote was expected to be taken at the August 17, 2011 SCWMA meeting as to which option, if any, would be explored further.

II. DISCUSSION

The schedule for meeting with jurisdictions is as follows:

<u>Jurisdiction</u>	<u>Date</u>
Cloverdale	8/10/2011
Cotati	7/13/2011
Healdsburg	8/15/2011
Petaluma	8/1/2011
Rohnert Park	7/14/2011 & 9/9/2011
Santa Rosa	9/13/2011
Sebastopol	7/19/2011
Sonoma	8/15/2011
Unincorporated	8/9/2011
Windsor	8/3/2011

As some of the meeting dates occurred after transmittal preparation, the results of direction given to SCWMA Board members will be discussed at the August 17, 2011 SCWMA meeting. If there is unanimous direction for the SCWMA to be involved in the ordinance drafting options, either a countywide ordinance or model ordinance and program EIR, staff will make arrangements for stakeholder meetings in preparation for drafting an ordinance. If there is not unanimous consent for an Agency-led action, Agency staff is willing to provide background information and contact information to any Sonoma County jurisdiction interested in pursuing the issue individually. If Agency staff is unable to present information to all Boards and Councils in Sonoma County before the August 17, 2011 meeting, action on this item may be continued to the September 21, 2011 SCWMA meeting.

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

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\$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 conservatively estimated at \$137,000 per year.

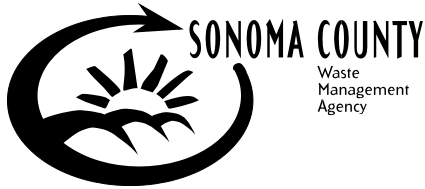
If each jurisdiction wished to pursue an ordinance individually, there would be a minimal (\$4,260 to \$8,520) funding impact to the SCWMA for staff support, but a \$116,760 to \$165,760 cost for CEQA, legal review, and staff for each jurisdiction. The cumulative funding impact of each jurisdiction pursuing 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 \$149,991 in funding at the end of FY 10-11, which may be 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 \$1,607,767 at the end of FY 10-11. This is approximately \$833,347 above the reserve goals for this reserve fund for the current fiscal year (\$734,420) and \$1,007,767 above the goals for the upcoming fiscal year (\$600,000) assuming the Board adopts the revised reserve policy.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff requests direction regarding single-use bag action.

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



Agenda Item #: 11
Cost Center: Reserves
Staff Contact: Mikus
Agenda Date: 8/17/2011

ITEM: Reserve Policy Revisions

I. BACKGROUND

There are four reserve funds required by SCWMA Board policies. They are the Organics Reserve, the Household Hazardous Waste Closure Reserve, the Household Hazardous Waste Facility Reserve and the Contingency Reserve.

In November 2000, staff was directed to present information pertaining to future financial options and obligations. In response, staff proposed the institution of reserve funds for specific purposes. The Compost Site Purchase Reserve would accumulate funds for the purchase of a compost site with a goal of \$1,300,000 at the end of five years. The Household Hazardous Waste Facility Closure Reserve would be accumulated at the rate of \$6,667 for fifteen years. The Contingency Reserve would be budgeted at 50% of the operating expenses and be accumulated over a four year period. These funding options were approved as a part of the Five-Year Program Budget developed for planning purposes in January 17, 2001.

Revisions that have been made to the policies are discussed in each of the reserve discussions that follow.

At the June 15, 2011 board meeting, staff was directed to present proposed policy revisions for consideration at the August meeting. These revisions were to include options for usage of funds that had accumulated over the stated limits or goals.

II. DISCUSSION

Organics Reserve (formerly the Compost Site Purchase Reserve) policy was amended at the February 15, 2006 Board meeting to

“Organics Program Reserve. The primary use of the funds in the Organics Program Reserve would be to accumulate funds for the development of a new composting site and other related uses.”

There is no stated limit for accumulation of funds, but as stated in Section 11 of the Agreement Between The Cities Of Sonoma County And Sonoma County For A Joint Powers Agency To Deal With Waste Management Issues (JPA Agreement)

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

This restricts the funds accumulated in the Organics Reserve for use only in conjunction with the organics program.

HHW Closure Reserve This reserve is mandated by the permit-by-rule for treatment of hazardous waste collected at the facility, which is owned by the County and occupied and operated by the SCWMA. The SCWMA is the permit holder of Permit No: 00-7161 issued by the Certified Unified Program Agency (Sonoma County Department of Emergency Services) and is responsible for

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establishing and maintaining a closure fund. The permit-by-rule states the “holder may establish the amount contained in the closure fund”. When the Board established the reserve policies in 2001, the amount for this reserve was established to have \$100,000 accumulated by FY 16-17 to coincide with the expiration of the JPA agreement.

This policy, however, was amended by the Board in May 2008 to accumulate \$62,000 (including a 20% contingency). This lower amount was based on a survey of other similar facilities coupled with preparation of an updated cost estimate.

At the June 2011 meeting, the goal was revised to \$68,000. It is estimated that there will be \$59,452 (including interest earned) at the end of FY 10-11. There were no transfers included in the FY 11-12 Budget due to lack of undesignated funds available for transfer from the HHW cost center.

This reserve fund does not include deconstruction of the HHW building, which would require an estimated \$450,000 (including a 20% contingency). These costs were not included as part of the HHW Closure Fund because the building could potentially have other beneficial uses for the County or a new owner. However, per the discussion at the June 2011 meeting, it was recognized the HHW Facility Reserve Fund (discussed next, below) would be sufficient to cover building deconstruction in the unlikely event that became necessary.

HHW Facility Reserve Fund was established by the SCWMA Board in 2006 when it became apparent with the opening of the facility in 2005 that the HHW program would use about 80% of the tipping fee surcharge funding, and that the amount of material processed (with concurrent costs) had the potential to increase significantly in short periods of time. The goal for the facility reserve was established at 50% of the HHW program operational expenses to be used for any unexpected costs, or a program change.

At the June 2011 Board meeting, a recommendation revising the policy limit for the HHW Facility Reserve Fund to either 33% of the budgeted annual HHW program operational expenses or \$600,000, whichever is greater, was presented and approved.

It is anticipated that the HHW Facility Reserve will contain approximately \$1,607,800 with no transfer budgeted in FY 10-11 or FY 11-12. Given the revision of the goal, the minimum reserve amount would be \$600,000 because 33% of the HHW FY 11-12 budget of \$1,780,756 is \$593,586, which is less. This leaves approximately \$1,007,800 in the reserve above the stated goal.

Contingency Reserve policy was established in 2001 with a goal of 50% of the annual operating expenses of the Education, Diversion and Planning surcharge cost centers. This goal was revised in 2006 to be 25% of the operating expenses (insurance liability, office expense, County services, contract services, accounting services, audit services, legal services, rent for spaces and events, computer system services and travel) of the three cost centers. Due to lack of activity, the Diversion cost center has been vacated and is no longer contributing or using any reserves from the Contingency Reserve.

The goal for FY 11-12 is \$103,765 and the anticipated fund amount will be \$149,990.

FUNDING IMPACT

There is no direct funding impact to SCWMA. Approval of this policy would allow the Board to exercise more discretion regarding use of excess reserve funds, such as providing funding to special one time projects or other unique needs.

III. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff has prepared the attached draft policy and, therefore recommends approval. Without approval of the revised policy the current guidelines will stay in effect for each of the four reserves.

ATTACHMENTS

Draft 2011 Revised Reserve Policy.

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

SONOMA COUNTY WASTE MANAGEMENT AGENCY 2011 REVISED RESERVE POLICY

I. Purpose

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

II. Policy

Organics Reserve

Collection

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

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

Treatment

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

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

Distribution

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

Household Hazardous Waste (HHW) Closure Reserve

Collection

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

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

Treatment

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

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

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

Distribution

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

HHW Facility Reserve

Collection

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

Treatment

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

Distribution

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

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

Contingency Reserve

Collection

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

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

Treatment

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

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

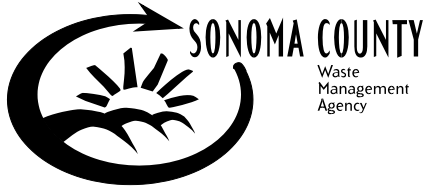
Distribution

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

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

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

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



Agenda Item #: 12
Cost Center: Administration
Staff Contact: Mikus
Agenda Date: 8/17/2011

Item: Civil Grand Jury Survey Response

I. BACKGROUND

At the end of June SCWMA received an information packet from the Sonoma County Civil Grand Jury regarding the need for a "Whistleblower Program" in Sonoma County. The Civil Grand Jury has deliberated regarding this subject. The packet contains background information on "Whistleblower Programs" and offers some options for potential courses of action. The packet has been issued to all government jurisdictions in Sonoma County; while the main thrust is to the County government and the nine incorporated cities, other groups such as SCWMA were also included.

A three page survey is part of the packet and per the instructions SCWMA is requested to answer survey page 3 entitled "Special Whistleblower Additional Response".

II. DISCUSSION

SCWMA contracts with County government for numerous services, including rental of office space and the utilization of the County system for Human Resources (HR). Thus we fall under County HR policies, and other such standards. Whatever "Whistleblower Programs" currently exist, or may be modified by the County as a result of the Grand Jury recommendations, would apply to SCWMA employees. There is no need for SCWMA to consider or adopt separate programs or policies related to the subject.

III. FUNDING IMPACTS

None.

IV. RECOMMENDED ACTION/ALTERNATIVES TO RECOMMENDATION

Consider approval of the attached Draft Response to the survey at the next SCWMA Board meeting. This would allow Board members to solicit input from our member jurisdictions if they deem that appropriate.

V. Attachments

Report, survey, and cover letter packet issued by the Sonoma County Civil Grand Jury regarding a "Whistleblower Program".

Draft Agency response to the survey.

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



August 08, 2011

Gary Nadler, Presiding Judge
Superior Court, State of California
County of Sonoma Hall of Justice
Santa Rosa, CA 95403

Subject: Response to "Whistleblower Program" Survey

Dear Sir:

We have received the packet from the Sonoma County Civil Grand Jury regarding "Whistleblower Programs" dated June 24, 2011, and offer this response to comply with the request to complete the packet's enclosed survey page 3 entitled "Special Whistleblower Additional Response".

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 related to diversion of solid wastes. As such SCWMA, via agreement, receives certain services from the Sonoma County Government. These include rental of office space in a County building, plus utilization of the County Human Resource (HR) system, and their financial accounting service. Thus SCWMA adheres to policies and procedures of Sonoma County Government in matters related to employees and finances, including Whistleblowing, and has no need to implement a separate system on the subject.

The appropriate responses to the survey special sheet would be that the county program covers SCWMA on this subject.

Very truly yours,

Henry J. Mikus, SCWMA Executive Director

cc: Foreperson, Sonoma County Civil Grand Jury



THE SONOMA COUNTY CIVIL GRAND JURY

P.O. Box 5109 · Santa Rosa · California · 95402 · (707) 565-6330
http://www.sonomasuperiorcourt.com/pages/gjury_info.php

June 24, 2011

JUN 27 '11 PM 1:41

SCWMA
2300 County Center Drive B100
Santa Rosa, CA 95403

Enclosed please find a copy of the above report by the Sonoma County Civil Grand Jury.

Note that Penal Code section 933.05(f) specifically prohibits any disclosure of the contents of this report by a public agency or its officers or governing body prior to its June 30, 2011 scheduled release to the public. You are herewith admonished not to disclose or discuss the contents of this report before that date.

The Grand Jury requests that you respond in writing to the Findings and Recommendations. You are requested to submit your responses to the Presiding Judge within the time frames identified in Penal Code 933, as follows:

Hard copy to: Gary Nadler, Presiding Judge
Superior Court State of California
County of Sonoma Hall of Justice
600 Administrative Drive Santa Rosa, CA. 95403

Hard copy to: Foreperson
Sonoma County Civil Grand Jury
P.O. Box 5109
Santa Rosa, CA 95402

Responses are public records. The clerk of the public agency affected must maintain a copy of your response. Should you have any questions, please contact me at 707 565-6330 or at the above address.

Sincerely,

Chris Christensen, Foreperson
2010-2011 Sonoma County Civil Grand Jury

WHAT WE DON'T KNOW COULD HURT US
The Need For A Whistleblower Program
In Sonoma County

SUMMARY

Whistleblower Tip Nets IRS \$20 Million¹
Glaxco Smith Kline Pays \$750 Million²
Tenet Healthcare Pays \$62,550,000³
\$6.89 Billion Returned to the U.S. Treasury⁴

It's no secret that waste, fraud and abuse exist, as evidenced in the recent news exposés listed above. All of the recovered money listed above was the result of whistleblowers coming forward to expose the waste, fraud or abuse in companies and/or government entities. A whistleblower is a person who exposes wrongdoing about an employer, business or government entity to the public, or to those in the organizations who are in a position of authority and who can affect change. "Whistleblowing" is an activity that requires the utmost confidentiality and trust. Absent the confidentiality and trust that the information will be well handled, whistleblowing will not occur and important information needed to effectively confront waste, fraud and abuse will not be available. In these cases, we can expect that what we don't know could hurt us as citizens and taxpayers.

Getting whistleblower information is also a matter of convenience and accuracy. That is, the ability to make a report at the right moment and having the ability to convey verbal or written information accurately and efficiently. The State of California offers a central whistleblower hotline, which requires public employers to publicize hotline contact information and also prohibits workplace retaliation. However, using the state system, the calling party is likely to be redirected to one or more local agencies where the complainants must repeatedly make their case and where confidentiality can be lost.

Many public entities in California have created their own whistleblower programs as a way to provide greater availability, responsiveness and anonymity for employees and citizens who make complaints within each county. We believe that the public entities in Sonoma County would be well served by implementing a single, central, local program.

This Grand Jury report is concerned with improving the mechanisms for receiving and dealing with complaints from employees or citizens about fraud, waste or abuse of authority against any regularly constituted district, council, board, commission or agency that provides services to the citizens of Sonoma County and is funded through locally collected fees, special assessments or taxes.

The Grand Jury recommends that all governmental units within Sonoma County cooperatively institute and publicize one inclusive whistleblower program that would provide an anonymous hotline, an annual reporting system and the assurance that consideration of the complaint will result from a single phone

¹ www.usatoday.com (04-08-11)

² www.nytimes.com (10-26-10)

³ www.hirst-chanler.com/10.html

⁴ www.phillipsandcohen.com

call. Absent such a program, there are many possibilities for either suppressing critical information and/or for career-altering retaliation against a whistleblower.

BACKGROUND

California Government Code section 8547 et. seq. and Labor Code section 1102.5 establish whistleblower legislation that protects employees who complain against their employers. Section 8547 et. seq., known as the California Whistleblower Protection Act, provides that “state employees should be free to report waste, fraud, abuse of authority, violation of law, or threat to public health without fear of retribution.” Section 1102.5 provides that “no employer shall retaliate against an employee for disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or violation or noncompliance with a state or federal regulation.”

During its investigation, the Grand Jury called the state hotline number to determine how complaints are received and handled. Employees of organizations other than state agencies can phone in or email their complaint to the State Attorney General’s office, while complaints related to state agencies are directed to the State Auditor/Controller’s whistleblower hotline. In either case, the receiving office attempts to understand the nature of the complaint and then directs the individual to the appropriate agency at the state or local level. The complaining individual subsequently must contact another office to get the complaint heard. It is likely that this complicated process deters people with valid complaints from following through with contacting more than one agency. Also, individuals who have complaints about a county or city employee may view the state’s hotline as too far removed from the city or county, thereby decreasing the chances that their complaints will be acted upon. Therefore a single, countywide hotline would address this issue.

If one of several available commercial hotline services were used, accessibility would be extended to “24/7/365,” and information captured would be complete and accurate because the caller would speak with a trained person (not an answering machine). Multiple (40+) languages would be accommodated, anonymity would be assured and costs (est. less than \$15,000/yr⁵) would be far less than attempting to staff one or more similar functions locally.

INVESTIGATIVE APPROACH

The Grand Jury gathered information on whistleblower legislation in the State of California. In addition, each of California’s 58 counties was contacted to determine its whistleblower approach. As detailed below, at least 11 counties have instituted their own whistleblower programs. Administrators and elected officials in Sonoma County were interviewed to gather historical perspectives and current thinking regarding a county-based whistleblower program. The Grand Jury researched available commercial ethics hotline companies and their case management programs.

DISCUSSION

A locally administered, independent and confidential whistleblower program for all of Sonoma County would provide governmental employees, elected board members and citizens the assurance that

⁵ Based on a written quote from a national company.

allegations of fraud, waste or abuse of authority can be anonymously reported and resolved without the threat of retaliation. Two options were considered by the Grand Jury.

The first option is the County Auditor/Controller's office could administer a central whistleblower program and that any governmental units within Sonoma County could agree to participate/cooperate. The County Auditor/Controller's office currently has an employee complaint evaluation system through its "Inappropriate Actions Committee," which could be expanded into a full-fledged whistleblower program. The complexity would come in getting voluntary participation from other governmental units operating within county borders. There are numerous examples of similar programs at the county or even city level around the state, but these generally do not reach across governmental boundaries. A SINGLE, CENTRAL reporting location in Sonoma County would greatly enhance the assurance of impartiality, confidentiality and citizen accountability.

The second option is for Sonoma County's Civil Grand Jury to administer the whistleblower program. The Civil Grand Jury is citizen-based, judicially supervised and empowered with special access and confidentiality. Although these are powerful advantages, the Grand Jury also has significant limitations in terms of investigative resources and the required annual turnover of membership. Nevertheless, the Grand Jury, as the central collection point in a countywide whistleblower program, could provide an umbrella that comfortably covers all governmental units and offers a high level of confidentiality and trust for the employees and citizens. In addition, the Grand Jury could give assurance that complaints are not forgotten by using a summary in regular annual reports to the general public.

Regardless of the option chosen, legal guidance would be needed as to whether issues may have criminal content. Credible reports, or complaints, would be referred to appropriate levels of government, with the understanding that status reports would be required and that a central open file would be maintained, pending final resolution.

The role of the central administrator for a whistleblower program would be to provide an additional layer of security and confidentiality and to extend the program's reach to include any governmental unit within the county. The Grand Jury may be better suited for this role because it already has a mandate for governmental oversight, and it has established investigative powers, including the ability to use subpoena to gain access to officials and records.

Our investigation revealed that the following counties have instituted their own local whistleblower programs: Alameda, Los Angeles, Orange, Sacramento, San Bernardino, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Stanislaus. A list of the websites for these programs is provided in Appendix 1.

The Grand Jury found that many of the counties had hotlines available 24 hours, 7 days a week. Others had lines available only during business hours. Variations were in the administration of the programs and whether or not they were inclusive on a regional basis. The Auditor-Controller's Internal Audit Division was a strong choice to investigate claims, as were the County Administrative Officer and County Counsel. Most California counties do not have whistleblower programs in place. Complaints are received by Human Resources and referred to the corresponding departments.

The number of complaints received by these local programs seemed to vary with population. One county had only 20 complaints in a year, while a large population county reported having 600+ pending complaints. If we assume that these numbers are typical, then a Sonoma County program might expect

to receive about 50+ complaints per year. All of the local programs included provisions for annual reports listing the number of complaints received, how many were investigated and the results of the investigations.

Although better than simply relying on the State Whistleblower Hotline, most of these programs target county employees and are limited to complaints about county government. As a result, citizens, municipalities, school districts and other special districts are still not well served. Therefore, we recommend that a Sonoma County Whistleblower program include all cities, districts and agencies operating within the county. A list of the Sonoma County cities, districts and agencies, not affiliated with county government, is provided in Appendix 2. There are 110!

At first, the mechanics and complexity of such a system appear overwhelming in terms of 24-hour access and the need for professional staff. However, our investigation has shown that these services are readily available by independent companies at a modest cost. These specialized companies provide a centralized service and have established track records with a variety of business and government clients. We believe that selecting one of these specialized service companies would enable an administrator to effectively implement the investigation, or referral, of all complaints and to track and report the results, using specialized software available through the company program.

FINDINGS

- F1. Sonoma County offices follow state law by posting the State Attorney General's hotline number on employee bulletin boards.
- F2. Many of the larger counties and several cities in California have created their own whistleblower programs. Most are provided only for their own employees.
- F3. There is no central administrator in Sonoma County to report evidence of waste, fraud and abuse among the multitude of local governmental organizations and to ensure that a fair and confidential investigation takes place.
- F4. The cost to implement a whistleblower program applicable to all governmental units in Sonoma County would be modest and initially focused on publicizing contact information and educating employees and citizens about its availability.

RECOMMENDATIONS

- R1. Every governmental unit: county, city, school board or special district should encourage employees and citizens alike to report suspected waste, fraud or abuse issues to a central county reporting location. This local whistleblower hotline should be administered by the Civil Grand Jury or the Auditor-Controller's office to provide anonymity and assurance that investigations will be thorough and impartial for any government entity in Sonoma County. Why would the Grand Jury want the County of Sonoma to provide this service and include cities and other government entities? We suggest this for the greater good of the citizens!
- R2. When a Sonoma County central whistleblower program and administrator is established, every governmental unit should provide clear, easily accessible information about the program and 24-hour hotline on their websites, in their employee training and as a notice on employee bulletin boards.

- R3. The county budget for 2011/2012 and forward, include the cost of a commercial whistleblower hotline service (est. less than \$15,000/ yr), either as part of the operating budget of the Civil Grand Jury or the office of the Auditor / Controller.
- R4. The designated office for Sonoma County should provide an annual report to the public on the whistleblower program including such information as the total number of whistleblower complaints received, the number of complaints that were formally investigated, and the dollar value (if applicable) that was recovered.

REQUIRED RESPONSES TO RECOMMENDATIONS AND THE QUESTIONS IN APPENDIX 3

From the following County officials:

- Chief Administrative Officer
- Auditor/Controller

From the following governing bodies:

- Board of Supervisors
- City Councils as listed in Appendix 2

REQUESTED RESPONSES TO RECOMMENDATIONS IN APPENDIX 3

From the following governing bodies:

School Districts Boards of Directors as listed on Appendix 2

Boards of Directors for special districts and agencies listed in Appendix 2

APPENDIX 1

List of whistleblower websites for California counties:

- <http://sfcontroller.org/index.aspx?page=31>
- <http://www.ocgov.com/ocgov/Internal%20Audit/OC%20Fraud%20Hotline>
- <http://www.lacountyfraud.org/>
- <http://www.finance.saccounty.net/Auditor/AuditFraudHotline.asp>
- <http://www.sbcounty.gov/acr/hotline.htm>
- <http://www.co.sanmateo.ca.us/portal/site/controller/menuitem.1f860392596ef25b74452b31d17332a0/?vgnextoid=2b5a0f68ed180210VgnVCM1000001d37230aRCRD&vgnnextfmt=DivisionsLanding>
- <http://www.sccgov.org/portal/site/wp/>
- <http://www.co.santa-cruz.ca.us/whistleblower.htm>
- <http://www.co.solano.ca.us/depts/auditor/whistleblower/default.asp>

APPENDIX 2

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

Independent Special Districts

Green Valley Cemetery	P.O. Box 678 Graton, CA 95444
Shiloh Cemetery	7130 Windsor Rd. Windsor, CA 95492
Bennett Valley Fire	6161 Bennett Valley Rd. Santa Rosa, CA 95404
Rancho Adobe Fire	11000 Main St. P.O. Box 1029 Pennngrove, CA 94951
Forestville Fire	6554 Mirabel Rd. P.O. Box 427 Forestville, CA 95436
Glen Ellen Fire	13445 Arnold Dr. Glen Ellen, CA 95442
Graton Fire	P.O. Box A Graton, CA 95444
Russian River Fire	14100 Armstrong Woods Rd. P.O. Box 367 Guerneville, CA 95446
Kenwood Fire	P.O. Box 249 Kenwood, CA 95452
Monte Rio Fire	9870 Main St P.O. Box 279, Monte Rio, CA 95462
Rincon Valley Fire	P.O. Box 530/8200 Old Redwood Hwy. Windsor, CA 95492
Roseland Fire	830 Burbank Ave. Santa Rosa, CA 95407
Schell-Vista Fire	22950 Broadway, Sonoma CA 95476
Gold Ridge Fire	4500 Hessel Rd. Sebastopol, CA 95472
Valley of the Moon Fire	630 Second St. West, Sonoma CA 95476
Bodega Bay Fire	510 Highway 1, P.O. Box 6 Bodega Bay, CA 94923
Windsor Fire	8200 Old Redwood Hwy. P.O. Box 530 Windsor, CA 95492
Geyserville Fire	P.O. Box 217, 20975 Geyserville Ave., Geyserville, CA 95441
Timber Cove Fire	30800 Seaview Rd. Cazadero, CA 95421
Cloverdale Fire	451 S. Cloverdale Blvd, Cloverdale, CA 95425
Cloverdale Hospital	P.O. Box 434 Cloverdale, CA 95425
Marin/Sonoma Mosquito Abatement	595 Helman Ln. Cotati, CA 94931
Camp Meeker Rec & Park	5240 Bohemian Hwy. P.O. Box 461 Camp Meeker, CA 95419
Del Rio Woods Rec & Park	C/O Don King, 1521 Fountaingrove Pkwy Santa Rosa, CA 95403
Monte Rio Rec & Park	P.O. Box 877 Monte Rio CA 95462
Russian River Rec & Park	15010 Armstrong Woods Rd P.O. Box 195 Guerneville, CA 95446
Gold Ridge Soil Conservation	P.O. Box 1064 Occidental, CA 95465
Sotoyome Resource Conservation	P.O. Box 11526 (95406) 2150 West College Ave Santa Rosa, CA 95401
Southern So Co	1301 Redwood Way Ste #170 Petaluma, CA 94954
ResourceConservation	
Occidental Community Services	C/O 3799 Bohemian Hwy P.O. Box 244 Occidental, CA 95465
Cazadero Community Services	P.O. Box 508 Cazadero, CA 95421
Graton Community Services	250 Ross Lane Sebastopol, CA P.O. Box 534 Graton, CA 95444
RCPA	490 Mendocino Ave Ste 206 Santa Rosa, CA 95401
Forestville Water	6530 Mirabel Rd. P.O. Box 261 Forestville, CA 95436
Valley of the Moon Water	P.O. Box 280 El Verano, CA 95433
Sonoma Mountain Co Water	5438 Alta Monte Dr Santa Rosa, CA 95404

SMART
 North Marin Water
 Russian River Co Water
 Sweetwater Springs Water
 Timber Cove Water
 Rains Creek Water
 Windsor Water (Town of Windsor)
 Bodega Bay Public Utilities
 SCPSA
 Palm Drive Health Care
 Bay Area Air Quality
 Sonoma Valley Health Care
 Coast Life Ambulance
 NCRA
 LAFCO
 REDCOM
 North Bay Coop Library
 Law Library
 SCERA-Retirement
 SCAVA Service Authority
 So Co Open Space Authority
 So Co Transportation Authority
 SCWMA

750 Lindaro St. Suite 200 San Rafael, CA 94901
 999 Rush Creek Pl P.O. Box 146 Novato, CA 94948
 P.O. Box 954 Forestville, CA 95436
 17081 Hwy 116 Suite B P.O. Box 48 Guerneville, CA 95446
 P.O. Box 118 Jenner, CA 95450
 P.O. Box 730 Forestville, CA 95436
 9291 Old Redwood Hwy Windsor, CA 95492
 265 Doran Park Rd. P.O. Box 70 Bodega Bay, CA 94923
 965 Sonoma Ave Santa Rosa, CA 95404
 501 Petaluma Ave. Sebastopol, CA 95472
 939 Ellis St. San Francisco, CA 94109
 347 Andrieux St. P.O. Box 600 Sonoma CA 95476
 P.O. Box 1056 38901 Ocean Dr. Gualala, CA 95445
 419 Talmage Road Suite M Ukiah, CA 95482
 575 Administration Dr. Rm 104A Santa Rosa, CA 95403
 2796 Ventura Ave Santa Rosa, CA 95403
 55 E. Street Santa Rosa, CA 95404
 2604 Ventura Ave Santa Rosa, CA 95403
 433 Aviation Blvd. Santa Rosa, CA 95403
 2550 Ventura Ave Santa Rosa, CA 95403
 747 Mendocino Ave Suite 100 Santa Rosa, CA 95401
 490 Mendocino Ave Ste 206 Santa Rosa, CA 95401
 2300 County Center Dr. B100 Santa Rosa, CA 95403

School Districts

Alexander Valley Union
 Bellevue Union
 Bennett Valley Union
 Cinnabar
 Cloverdale Unified
 Cotati-Rohnert Park Unified
 Dunham
 Forestville Union
 Fort Ross
 Geyserville Unified
 Gravenstein Union
 Guerneville
 Harmony Union
 Healdsburg Unified
 Horicon
 Kashia
 Kenwood
 Liberty
 Mark West Union
 Monte Rio Union
 Montgomery Elementary
 Oak Grove Union
 Old Adobe Union
 Petaluma City Elementary
 Petaluma Joint Union High
 Piner-Olivet Union
 Rincon Valley Union
 Roseland
 Santa Rosa City Elementary
 Santa Rosa City High

8511 Highway 128, Healdsburg, CA 95448
 3150 Education Drive, Santa Rosa, CA 95407
 2250 Mesquite Drive, Santa Rosa, CA 95405
 286 Skillman Lane, Petaluma, CA 94975-0399
 97 School Street, Cloverdale, CA 95425
 5860 Labath Avenue, Rohnert Park, CA 94928
 4111 Roblar Road, Petaluma, CA 94952
 6321 Highway 116, Forestville, CA 95436-9699
 30600 Seaview Road, Cazadero, CA 95421
 1300 Moody Lane, Geyserville, CA 95441
 3840 Twig Avenue, Sebastopol, CA 95472-5750
 14630 Armstrong Woods Rd, Guerneville, CA 95446
 1935 Bohemian Highway, Occidental, CA 95465
 1028 Prince Street, Healdsburg, CA 95448
 35555 Annapolis Road, Annapolis, CA 95412-9713
 Skaggs Springs Road, Stewarts Point, CA 95480
 230 Randolph Avenue, Kenwood, CA 95452
 170 Liberty School Road, Petaluma, CA 94952
 305 Mark West Springs Rd, Santa Rosa, CA 95404-1101
 20700 Foothill Drive, Monte Rio, CA 95462
 18620 Fort Ross Road, Cazadero, CA 95421
 5299 Hall Road, Santa Rosa, CA 95401
 845 Crinella Drive, Petaluma, CA 94954
 200 Douglas Street, Petaluma, CA 94952
 200 Douglas Street, Petaluma, CA 94952
 3450 Coffey Lane, Santa Rosa, CA 95403-1919
 1000 Yulupa Avenue, Santa Rosa, CA 95405
 1934 Biwana Drive, Santa Rosa, CA 95401
 211 Ridgway Avenue, Santa Rosa, CA 95401
 211 Ridgway Avenue, Santa Rosa, CA 95401

Sebastopol Union	7611 Huntley, Sebastopol, CA 95472
Sonoma Valley Unified	17850 Railroad Avenue, Sonoma, CA 95476
Twin Hills Union	700 Watertrough Road, Sebastopol, CA 95472
Two Rock Union	5001 Spring Hill Road, Petaluma, CA 94952
Waugh	1851 Hartman Lane, Petaluma, CA 94954
West Side Union	1201 Felta Road, Healdsburg, CA 95448
West Sonoma County High	462 Johnson Street, Sebastopol, CA 95472
Wilmar Union	3775 Bodega Avenue, Petaluma, CA 94952
Windsor Unified	9291 Old Redwood Hwy, Bldg 500, Windsor, CA 95492
Wright	4385 Price Avenue, Santa Rosa, CA 95407

APPENDIX 3

Requested Whistleblower Response

1. Do you post copies of the state whistleblower statutes and hotline number in your employee breakroom? ____ Yes ____ No
2. How would an employee allegation of significant wrongdoing be directed within your organization?

3. How would a citizen allegation of significant wrongdoing be directed within your organization?

4. Do you believe that present laws and practices provide an adequate safeguard for your organization and for those individuals who may wish to report wrongdoing? If yes, please explain.
____ Yes ____ No
5. Do you believe that a local twenty-four hour hot line, additional assurance of confidentiality and summary annual reports to the citizens would be of substantial value when managing increasingly scarce governmental resources? ____ Yes ____ No
6. Given time and adequate description of a proposed structure and process, would you consider formally adopting a resolution to participate in a countywide whistleblower program administered by either the Grand Jury or the County Auditor-Controller office? ____ Yes ____ No
7. Comments:

Response to Grand Jury Report Form

Report Title: _____

Report Date: _____

Response by: _____ Title: _____

FINDINGS

- I (we) agree with the findings numbered: _____
- I (we) disagree wholly or partially with the findings numbered: _____
(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

RECOMMENDATIONS

- Recommendations numbered _____ have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered _____ have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered _____ require further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)
- Recommendations numbered _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: _____ Signed: _____

Number of pages attached _____

Special Whistleblower Additional Response

1. Do you post copies of the state whistleblower statutes and hotline number in your employee break room? ☐ Yes ☐ No
2. How would an employee allegation of significant wrongdoing be directed within your organization?

3. How would a citizen allegation of significant wrongdoing be directed within your organization?

4. Do you believe that present laws and practices provide an adequate safeguard for your organization and for those individuals who may wish to report wrongdoing? If yes, please explain.
☐ Yes ☐ No
5. Do you believe that a local twenty-four hour hot line, additional assurance of confidentiality and summary annual reports to the citizens would be of substantial value when managing increasingly scarce governmental resources? ☐ Yes ☐ No
6. Given time and adequate description of a proposed structure and process, would you consider formally adopting a resolution to participate in a countywide whistleblower program administered by either the Grand Jury or the County Auditor-Controller office? ☐ Yes ☐ No

7. Comments:

By _____

For _____