

SONOMA COUNTY WASTE MANAGEMENT AGENCY

February 20, 2013
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

- | <u>Item</u> | <u>Action</u> |
|---------------------------------------------------------------------------------|-----------------------------------------|
| 1. Call to Order Regular Meeting | |
| 2. Agenda Approval | |
| 3. Public Comments (items not on the agenda) | |
| <u>Consent</u> (w/attachments) | Discussion/Action |
| 4.1 Minutes of January 16, 2013 (Pg. 3) | |
| 4.2 Minutes of January 22, 2013 "Special Meeting" (Pg. 8) | |
| 4.3 Recycle Guide 2013 Printing Contract (Pg. 9) | |
| 4.4 FY 12-13 Second Quarter Financial Report (Pg. 13) | |
|
<u>Regular Calendar</u> | |
| 5. Public Hearing for Carryout Bags Draft EIR (Pg. 26)
[Carter](Attachments) | Discussion/Action
Contingency |
| 6. Compost Contract & Site License (Pg. 30)
[Mikus](Attachments) | Discussion/Action
Organics |
| 7. FY 13-14 Draft Work Plan (Pg. 86)
[Carter](Attachments) | Discussion/Action
All |
| 8. CalRecycle Presentation (Pg. 103)
[Krysty Emery, CalRecycle](Attachments) | Discussion/Action
All |
| 9. EIR Process Explanation (Pg. 105)
[Coleson](Attachments) | Discussion/Action
All |

- | | | |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 10. | Engineering Services (Pg. 106)
[Mikus](Attachments) | Discussion/Action
Organics |
|
 | | |
| 11. | <u>Attachments/Correspondence:</u>
11.1 Director's Agenda Notes (Pg. 109)
11.2 Reports by Staff and Others:
11.2.a February and March 2013 Outreach Events (Pg. 112)
11.2.b Carryout Bag Comments (Pg 113) | |
|
 | | |
| 12. | <u>On file w/Clerk: for copy call 565-3579</u>
Resolutions approved in January 2013
2013-001 Election of 2012 Officers
2013-002 City/County Payment Program Authorization
2013-003 Purchase Order Resolution for Multi-Bag | |
|
 | | |
| 13. | Boardmember Comments | |
|
 | | |
| 14. | Staff Comments | |
|
 | | |
| 15. | Next SCWMA meeting: March 20, 2013 | |
|
 | | |
| 16. | Adjourn | |

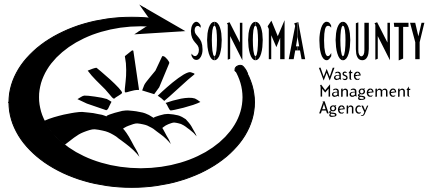
Consent Calendar: These matters include routine financial and administrative actions and are usually approved by a single majority vote. Any Boardmember may remove an item from the consent calendar.

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



Minutes of January 16, 2013 Regular Meeting

The Sonoma County Waste Management Agency met on January 16, 2013, at the City of Santa Rosa Council Chambers, 100 Santa Rosa Avenue, Santa Rosa, California

Present:

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

Nina Regor
Susan Harvey, Chair
Mike Kirn
Dan St. John
John McArthur
Jennifer Phillips
Sue Kelly
Steve Barbose
Shirlee Zane
Debora Fudge

Staff Present:

Counsel
Staff

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

Recorder

1. Call to Order Special Meeting

The meeting was called to order 8:37 a.m. The representative from County of Sonoma was not present for the Special Meeting.

2. Open Closed Session

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: 500 Mecham Road Petaluma, CA 94952

Agency Negotiator: Executive Director, Agency Counsel

Negotiating Parties: County of Sonoma, Deputy Director of Transportation and Public Works, County Counsel

Under negotiation: Both Price and Terms of Payment

3. Adjourn Closed Session & Introductions

Note: County of Sonoma representative Shirlee Zane was present for the start of the regular meeting.

4. Agenda Approval

Mike Kirn, City of Healdsburg, moved to approve the agenda. Steve Barbose, City of Sonoma, seconded. The motion passed with a unanimous vote. Agenda approved.

5. Public Comments (items not on the agenda)

None.

6. Election of 2013 Officers

The slate of officers proposed using the approved alphabetical rotation are: Chair, City of Cotati representative; Vice-Chair, City of Healdsburg representative; and Chair Pro Tempore, City of Petaluma representative. There was a discussion concerning the alphabetical rotation not being effective given the issues coming to the Board. Agency Counsel opined the rotation of Board members through the officer list is not on the agenda for this meeting, and could be considered at a later meeting by placement on the agenda. Consensus for placing the officer rotation on a future agenda was not reached.

Dan St. John, City of Petaluma, moved to approve the slate of officers as presented. John McArthur, City of Rohnert Park, seconded the motion. The motion carried with a unanimous vote.

Consent Calendar

- 7.1 Minutes of December 5, 2012 Adjourned Regular Meeting
- 7.2 City/County Payment Program Authorization

Jennifer Phillips, City of Santa Rosa, moved to approve the Consent Calendar as presented. Mike Kirn, City of Healdsburg, seconded the motion. The motion carried with a unanimous vote.

Regular Calendar

8. Compost Site License & Contract Report

Henry Mikus, Executive Director, reported the status of negotiations with the County with regard to a site license. Staff intended to present a draft compost site lease/license for consideration by the Board, but that document is not available for discussion at this time. Negotiations with the County are proceeding.

Public Comment

None.

Board Discussion

None.

9. New HHW Contract Report

Lisa Steinman reported that the County of Sonoma Board of Supervisors and Sonoma County Waste Management Agency (SCWMA) have had an Agreement with Clean Harbors Environmental Services, Inc., (Clean Harbors) to operate the Household Hazardous Waste Facility (HHWF) and accompanying mobile collection programs, which was approved June 11, 2002. There have been several extensions of the term; the most recent being the 9th Amendment to the Agreement, which extended the term to June 30, 2013.

Staff has been directed to develop a Request for Proposals (RFP) for a new contract to be effective July 1, 2013. The Scope of Work for a new contract is expected to remain the same as the current agreement. The SCWMA Board recommended the term of the new Agreement continue through February 2017, to coincide with the current expiration of the JPA. Staff will continue to work with the County to develop a site license agreement, using the model currently under development for the composting site.

Public Comment

None.

Board Questions

Dan St. John, City of Petaluma, asked if there was any activity towards a license site agreement for the HHW site. Henry Mikus reported there was some activity. With the compost site license agreement in process, it is assumed the HHW will be written using the compost site license as a model.

Shirlee Zane, County of Sonoma, inquired if the new two-party agreement would result in a reduction of expenses. The Executive Director responded there is an anticipated small increase in expense because of assessed utility costs, which are to be determined.

Board Discussion

None.

10. Carryout Bags Revised Ordinance

Patrick Carter detailed revisions to the Carryout Bag Ordinance, including changes requested by Board members. Changes included removal of the provision which would increase the paper bag charge to \$0.25 per bag in the future, warning sent prior to administrative fines, and a revision to reporting requirements. Also discussed were member jurisdiction enforcement, removal of business exemptions, and the appeal process. Staff anticipates having the Draft EIR completed ready in the near future and to hold a public hearing at the February meeting. Depending on comments received, it may be possible to certify the Final EIR at the April 2013 SCWMA meeting. Adoption of the ordinance must occur after the certification of the EIR.

Board Questions

Steve Barbose, City of Sonoma, asked if it would be possible to add restaurants later. Patrick Carter responded that it would be possible since restaurants have been analyzed in the EIR.

Mike Kirn, City of Healdsburg, inquired if restaurants were included now, then provided exemptions at a later date. Agency Counsel responded that at this time, including restaurants would probably trigger litigation.

City of Healdsburg also asked how many appeals have been made to other jurisdictions. Patrick Carter responded that there have been very few appeals. Agency Counsel commented that the appeal issue is an educational issue and Agency staff is prepared to address that concern.

Public Comment

None.

Board Discussion

None.

Dan St. John, City of Petaluma, moved to continue the ordinance process as described and presented in the agenda item. Steve Barbose, City of Sonoma, seconded the motion. The motion was approved with a unanimous vote.

11. Carryout Bags Public Distribution Plan

Karina Chilcott discussed the plan for the educational component of a carryout bag ordinance. Staff proposed concentrating bilingual education efforts to encourage the use of reusable bags. For the first campaign phase, tasks include purchasing 8,000 bags for distribution at a number of locations, including Agency events and at multifamily presentations anticipated for Phase 2 of the Mandatory Commercial Recycling education project. Activities would also include: a new Agency website page that lists locations where bags will get distributed,

offering tips for remembering one's bag, updates on the progress of the ordinance, and tests of social media approaches for advertising.

Staff has selected a woven bag suitable for grocery and retail purchases that are made out of 90% post-consumer recycled polypropylene plastic. Bags are hand washable, air dry. The Agency's catchy bilingual slogan "I've got a Bag Habit" appears on the bag and supports the education theme of "Get in the Habit. Bring your own bag." The purchase of 8,000 bags for \$12,340 would be funded from the Contingency Reserve Fund Cost Center using savings achieved from the lower-than-expected contractor costs for the carryout bags EIR process.

Board Questions

Debora Fudge, Town of Windsor, asked about bags specific for "retail" so that there would be no food residue. The Executive Director replied that would be considered in Phase II and this item pertains to Phase I.

Shirlee Zane, County of Sonoma, inquired if there were any local firms that could supply the bags. Ms. Chilcott replied that she had explored that option and had not been able to secure a source. Ms. Zane requested that more investigation be done. Ms. Zane expressed concern that the Agency's planned efforts could be competing with other companies selling bags. Ms. Chilcott stated that the Agency's goal was to give bags to targeted groups that would not necessarily be buying bags, such as clients visiting the social services offices at the County.

Steve Barbose, City of Sonoma, questioned the potential of partnering with the local Chambers of Commerce.

Staff responded that the issue of locally manufactured bags and partnerships would be explored.

Public Comment

None.

Board Discussion

Sue Kelly, City of Sebastopol, moved to approve the purchase, not to exceed \$12,340, of bags for Phase I of the Mandatory Commercial Recycling project. Dan St. John, City of Petaluma, seconded the motion with the amendment to use locally produced bags and to explore partnership possibilities for Phase II. Ms. Kelly agreed to the amended motion and the motion was approved with a unanimous vote.

12. Sonoma County/City Solid Waste Advisory

Steve Barbose, City of Sonoma, serves as a representative on the Solid Waste Advisory Committee for the County of Sonoma. He gave a report on the discussion held at the December 13, 2012, meeting of that group.

13. Attachments/Correspondence:

The Executive Director called attention to the Director's Agenda Notes, Reports by Staff in January and February 2013, Outreach Events, and letter to Lisa Steinman.

14. On file w/Clerk: for copy call 565-3579

Chair Harvey noted resolutions approved in December 2012, on file with the clerk.

15. Boardmember Comments

The entire Board joined in thanking Nina Regor for her work for the SCWMA and wished her well on her future endeavors.

16. Staff Comments

The recruitment for the vacant Senior Office Assistant position has begun. There was a reminder that there will be two public hearings at the February 2013 meeting.

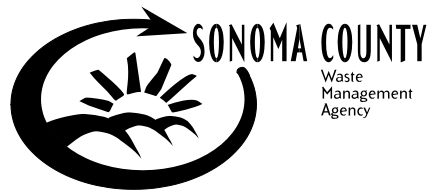
**17. Next SCWMA meeting: Special meeting January 22, 2013
 Regular meeting February 20, 2013**

18. Adjourn

A motion to adjourn was made by Nina Regor, City of Cloverdale, and seconded by Jennifer Phillips, City of Santa Rosa. The meeting was adjourned at 10:35 a.m.

Respectfully submitted,
Charlotte Fisher

DRAFT



Minutes of January 22, 2013 Special Meeting

The Sonoma County Waste Management Agency met on January 22, 2013, at the Sonoma County Department of Transportation and Public Works Main Conference Room, 2300 County Center Drive Suite B100, Santa Rosa, California

Present:

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

Susan Harvey, chair
Mike Kirn
Dan St. John
John McArthur
Jennifer Phillips
Sue Kelly
Steve Barbose
Susan Klassen

Absent:

City of Cloverdale
Town of Windsor

Staff Present:

Counsel
Staff

Janet Coleson
Henry Mikus

Facilitator:

Sherry Lund

1. **Call to Order Special Meeting**

The meeting was called to order 9:05 a.m. The representatives from the City of Cloverdale and the Town of Windsor were not present.

2. **Public Comment:** none

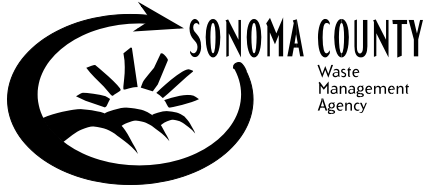
3. **Open Closed Session:**

Pursuant to Government Code Section 54957
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Agency Counsel

Pursuant to Government Code Section 54957
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director

4. **Adjourn Closed Session and Special Meeting:** 12:55 PM

Respectfully submitted,
Henry Mikus



Agenda Item #: 4.3
Cost Center: Education
Staff Contact: Chilcott
Agenda Date: 2/20/2013

ITEM: Recycling Guide 2013 Printing Contract

I. BACKGROUND

Historically, the Agency has printed stand-alone versions of the Recycling Guide (English and Spanish) for distribution at fairs, Chambers of Commerce, etc. In 2012, the Agency contracted with Barlow Printing, Cotati, for printing 32,000 English copies and 18,000 Spanish copies of the Sonoma County Recycling Guide. Increased demand for the Guides was expected because of outreach related to the Mandatory Commercial Recycling program. Post-distribution, the supply of English and Spanish Guides were slightly in excess. In 2013 Agency staff plans to print 30,000 English copies and 16,000 Spanish copies. See below for a historical summary:

Year	Name of printing company	Number English Guides printed	Number Spanish Guides printed	Total number Guides printed	Total amount	Each
2012	Barlow Printing, Inc., Cotati	32,000	18,000	42,000	\$12,974.01	\$.31
2011	Chromagraphics, Santa Rosa	25,000	10,000 (Note 1)	35,000	\$10,812.52	\$.31
2010	Delta Web Printing, Sacramento	20,000		20,000	\$5,715.40	\$.29
2009	Healdsburg Printing, Inc., Healdsburg	20,000		20,000	\$8,747.01	\$.44
2008	Healdsburg Printing, Inc., Healdsburg	26,000		20,000	\$8,903.38	\$.45
2007	American Lithographers, Sacramento	24,000		24,000	\$8,600.00	\$.36
2006	Healdsburg Printing, Inc., Healdsburg	22,000		22,000	\$8,135.64	\$.37
2005	Healdsburg Printing, Inc., Healdsburg	20,000		20,000	\$6,597.76	\$.33
2004	Healdsburg Printing, Inc., Healdsburg	20,000		20,000	\$6,343.18	\$.32

Note 1: The Spanish Guide was first printed in 2011.

Distribution of Guides coincides with outreach planned around Earth Day.

II. DISCUSSION

Employing a competitive Request for Proposal (RFP) process, staff distributed proposals to the following companies capable of printing on recycled newsprint via web press.

Sonoma County companies receiving RFPs	Out-of-County companies receiving RFPs
<ul style="list-style-type: none"> • Barlow Printing, Inc., Cotati • The Goode Company, Rohnert Park • Healdsburg Printing, Inc., Healdsburg • North Bay Publishing Solutions, Santa Rosa 	<ul style="list-style-type: none"> • Delta Web Printing, Sacramento • Paul Baker Printing, Sacramento • Print Partners.com, Novato • Western Web, Samoa • Planet Green, Eagle Rock

The RFP process required proposers to fill out a bid sheet detailing costs (image setting and proofs, printing, packaging and delivery). In addition proposers are asked to submit three samples of printed documents similar in quality to previous Recycling Guides and to provide three references. The sample requirement is waived for proposers that have previously worked for the Agency or that have previously submitted samples. Four proposals were received.

Name of proposer	English Guide Proposal	Number English Guides proposed	Spanish Guide Proposal	Number Spanish Guides printed	Total amount	Proposal complete
Western Web, Samoa	\$5,604.33	30,000	\$3,292.91	16,000	\$8,897.24	Yes
Barlow Printing, Inc., Cotati	\$7,210.83	30,000	\$3,845.78	16,000	\$11,056.61	Yes
North Bay Publishing Solutions	\$6,939.69	30,000	\$4,646.30	16,000	\$11,585.99	Yes
Plan It Green Printing		30,000		16,000	\$27,176.25	No, Samples of work were not submitted.

The lowest cost proposal was submitted by Western Web, Samoa, CA. If awarded, the Agency will pay \$8,897.24 or \$.19 each for 46,000 Guides. The caveat is that the maximum size Western Web can print is 8.125" x 10.25". Prior Guides have been sized 8.375" x 10.5", so this new size is slightly smaller. Western Web has five years experience printing the Cotati/Rohnert Park newspaper, The Community Voice. References phoned claim excellent, long-standing working relationships with Western Web.

III. FUNDING IMPACT

The proposed Purchase Order for printing and packaging of copies of the Recycling Guide 2013 (English and Spanish versions) is within the amount budgeted in the Education Contract Services 799411-6450 for FY 12-13.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Agency staff recommends the Chair sign the attached Purchase Order with Western Web for printing and packaging of copies of the Sonoma County Recycling Guide 2013 (English and Spanish versions).

V. ATTACHMENTS

Scope of Work utilized in RFP process

Resolution of the Sonoma County Waste Management Agency approving the Purchase Order with Western Web for Printing and Packaging of the Sonoma County Recycling Guide 2013 (English and Spanish versions).

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

SCOPE OF WORK**A. QUANTITY**

A total of 30,000 English Guides are to be printed.

A total of 16,000 Spanish Guides are to be printed.

46,000 Guides total.

B. IMAGE SETTING (English and Spanish versions)

The Agency will supply sixty-four (64) pages (32-page English Guide/32-page Spanish Guide) of camera ready copy sized 9.3125" x 10.8125" (the odd shape results from an initial printing in the AT&T Yellow Pages Phone book) to the Contractor on **MARCH 14, 2013**. Pages should be proportionally scaled to approximately 8 3/8" x 10 1/2" for printing. Artwork will be created using a combination of Illustrator CS3 and InDesign CS3.

C. PRINTING

1. **Stock:** 56 pages (28 pages each Guide) 34# at least 40% post-consumer waste recycled (Endurance)/ 8 pages front/back cover (4 pages each Guide) 60# 30% post-consumer waste recycled (Endurance).
Printing: 64 pages (32 pages each Guide) in 4 color process with bleed of color on all pages. For consistency of the product, it is important that the paper selected for the cover and for the inside pages have a similar tone.
2. The Guides are to be bound (staple or glue) in booklet form and trimmed.
3. The Agency requires a color proof of all pages on **MARCH 22, 2013** for review. Proofs should be an accurate representation of the final product. Delivery charges are to be the responsibility of the Contractor. Give at least 3 days for review by Agency staff.

D. PACKAGING AND DELIVERY**Packaging and labeling guidelines**

1. All materials must be packaged in cartons, with a maximum of 150 guides per carton clearly labeled "English" or "Spanish."
2. Each carton must be clearly labeled to identify the quantity contained in each carton.

Delivery

1. Guides should be delivered to the Agency's storage locker on or before **APRIL 11, 2013** between the hours of 10am-5pm at the following address:
 Lock It Up Storage
 3570 Airway Dr.
 Santa Rosa, CA 95403
 Please contact Agency staff to arrange exact delivery time.

RESOLUTION NO.: 2013-

DATED: February 20, 2013

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("AGENCY"),
APPROVING THE PURCHASE ORDER WITH BARLOW PRINTING INC. FOR PRINTING AND
PACKAGING OF THE SONOMA COUNTY RECYCLING GUIDE 2013 (ENGLISH & SPANISH) VERSIONS

WHEREAS, all Agency member jurisdictions in Sonoma County have committed to educating all residents in the county as to how they can reduce, recycle and reuse; and

WHEREAS, Sonoma County has provided extra copies of the Recycling Guide as a public service; and

WHEREAS, Agency staff has completed a competitive RFP process for printing services; and

WHEREAS, Western Web submitted a complete and cost-effective printing and packaging proposal; and

WHEREAS, the Agency wishes to contract with Western Web to print and package 30,000 English version Recycling Guides 2013 and 16,000 Spanish version Recycling Guides 2013 at a cost that shall not exceed \$8,897.24.

NOW THEREFORE, BE IT RESOLVED that the Sonoma County Waste Management Agency ("Agency") authorizes the Agency Chairman to sign the purchase order, subject to Agency counsel review and approval, in an amount that shall not exceed \$8,897.24.

MEMBERS:

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

AYES: - - NOES: - - ABSENT: - - ABSTAIN: - - SO ORDERED.

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

ATTEST:

DATE:

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



Agenda Item #: 4.4
Cost Center: All
Staff Contact: Mikus/Carter
Meeting Date: 2/20/2013

ITEM: FY 12-13 Second Quarter Financial Report

I. BACKGROUND

In accordance with the requirement in the joint powers agreement the Sonoma County Waste Management Agency (SCWMA) staff make quarterly reports to the Board of Directors of Agency operations and of all receipts to and disbursements from the SCWMA; this report covers the First and Second Quarters of FY 11-12 (July through December, 2012).

II. DISCUSSION

The Second Quarter Financial Report uses information from the County accounting system, Financial Account and Management Information System (FAMIS), for expenditures and revenues. The FY 12-13 Second Quarter Financial Report contains the actual amounts spent or received to date at the end of the quarter, the projected revenues and expenses, the adjusted budget, and the difference between the budget and the projections.

With regard to revenues, State-Other was reduced due to a clerical error described in the First Quarter Financial Report and Tipping Fee Revenue is estimated to be lower than budgeted. The majority of the below-expected Tipping Fee Revenue occurs in the Yard Debris cost center and is a function of less material entering the system than budgeted. This does not create a structural deficit in the Yard Debris cost center; funds are still anticipated to be transferred to the Organics Reserve. The decreased Tipping Fee Revenue is nearly completely negated by higher than anticipated revenues from Prior Year Sales and current year Other Sales. This is subject to change, depending on the agreement with Sonoma Compost Company. Using actual revenues of Donations/Reimbursements from the previous fiscal year, that sub-object is projected about \$38,000 more than budgeted.

With regard to expenditures, Contract Services is projected to be under budget due to more favorable pricing as a result of the series of 4 month agreements with Sonoma Compost Company, and from the better-than-expected costs from the agreement with Rincon Consultants to perform the carryout bag waste reduction EIR. Administrative costs are well below budgeted amounts due to two staff vacancies – Waste Management Specialist and Senior Office Assistant.

III. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approving the FY 12-13 Second Quarter Financial Report on the Consent Calendar.

IV. ATTACHMENTS

Second Quarter Financial Report FY 12-13 Revenue and Expenditure Comparison Summary

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

Second Quarter 12-13 Revenue and Expenditure Summary and Projection

Indices

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

Prepared by: Patrick Carter

E. D.:

Henry Mikus, Executive Director

A. Summary of Projections

	FY 12-13 Adopted Budget	Adjustment	FY 12-13 Adjusted Budget	FY 12-13 Projection	Over/(Under) Budget
Total Revenues	6,515,324	716,698	7,232,022	7,204,906	(27,116)
Total Expenditures	6,737,040	694,493	7,431,533	6,477,304	(954,229)
Net Cost	221,716	(22,205)	199,511	(727,602)	(927,113)

B. Summary of Revenues

	Actual July-Dec 12	Revenue Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/(Under) Budget
Interest on Pooled Cash	17,002	51,294	68,296	42,907	25,389
State-Other	0	332,256	332,256	372,457	(40,201)
Tipping Fee Revenue	1,944,187	2,778,794	4,722,981	4,965,015	(242,034)
Prior Year Sales	52,585	0	52,585	0	52,585
Other Sales	0	265,977	265,977	120,000	145,977
Miscellaneous Revenue	12,808	14,192	27,000	27,000	0
Donations/Reimbursements	139,477	301,045	440,522	409,354	31,168
OT-Within Enterprise	8,000	1,287,289	1,295,289	1,295,289	0
Total Revenues	2,174,059	5,030,847	7,204,906	7,232,022	(27,116)

C. Summary of Expenditures

	Actual Jul-Dec 12	Expenditure Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/(Under) Budget
Liability Insurance	9,227	0	9,227	8,999	228
Memberships	4,000	0	4,000	4,000	0
Miscellaneous Expenses	17,905	9,095	27,000	27,000	0
Office Expense	11,484	14,486	25,970	23,000	2,970
Professional Services	41,987	290,269	332,256	332,256	0
County Services	0	17,103	17,103	17,500	(397)
Contract Services	1,190,509	2,800,387	3,990,896	4,627,345	(636,449)
Administration Costs	198,692	358,246	556,938	853,076	(296,138)
Engineering Services	2,210	23,790	26,000	26,000	0
Legal Services	21,425	43,721	65,146	73,000	(7,854)
Accounting Services	0	5,596	5,596	8,738	(3,142)
Audit Services	0	20,000	20,000	21,000	(1,000)
Advertising	4,056	7,944	12,000	12,000	0
Rents/Lease - Equipment	1,022	1,435	2,457	2,340	117
Rents/Leases	4,823	23,577	28,400	28,400	0
Enforcement Agency	0	42,250	42,250	50,000	(7,750)
Professional Development	0	1,450	1,450	1,450	0

C. Summary of Expenditures (cont.)

	Actual	Expenditure Estimated	Total Estimated	Adjusted Budget	Over/(Under)
	Jul-Dec 12	Jan 13-June 13	FY 12-13	FY 12-13	Budget
Textbook/Tuition	0	2,300	2,300	2,300	0
County Car Expense	2,194	806	3,000	3,000	0
Travel Expense	0	2,000	2,000	2,000	0
Unclaimable County	4	0	4	0	4
Data Processing	4,249	5,954	10,203	10,116	87
Total Supplies and Services	1,513,787	3,670,409	5,184,196	6,133,520	(949,324)
OT-Within Enterprise	8,000	1,282,384	1,290,384	1,295,289	(4,905)
OT-Between Enterprise (ISD)	2,724	0	2,724	2,724	0
Total Other Charges	10,724	1,282,384	1,293,108	1,298,013	(4,905)
Total Expenditures	1,524,511	4,952,793	6,477,304	7,431,533	(954,229)

D. Summary of Net Costs

	Actual	Net Cost Estimated	Total Estimated	Adjusted Budget	Over/(Under)
	July-Sept 12	Jan 13-June 13	FY 12-13	FY 12-13	Budget
Net Cost	(649,548)	(78,054)	(727,602)	199,511	(927,113)

Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
Wood Waste Detail

799114

Revenues

Sub-object	Description	Actual Jul-Dec 12	Revenue Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
1700	Interest on Pooled Cash	399	1,833	2,232	179	2,053
2901	Tipping Fee Revenue	97,369	98,460	195,829	191,955	3,874
3980	Prior Year Sales	13,350	0	13,350	0	13,350
4020	Other Sales		66,269	66,269	40,000	26,269
4102	Donations/reimbursements		5,000	5,000	5,000	0
Total Revenues		111,118	171,562	282,680	237,134	45,546

Expenditures

Sub-object	Description	Actual Jul-Dec 12	Expenditure Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
6103	Liability Insurance	861	0	861	840	21
6521	County Services		1,627	1,627	1,700	(73)
6540	Contract Services	51,765	100,019	151,784	195,364	(43,580)
6573	Administration Costs	993	2,247	3,240	4,611	(1,371)
6629	Accounting Services		537	537	839	(302)
6630	Audit Services		500	500	500	0
7400	Data Processing	708	994	1,702	1,686	16
Total Services and Supplies		54,327	105,924	160,251	205,540	(45,289)
8624	OT-Within Enterprise		200,000	200,000	200,000	0
8648	OT-Between Enterprise	454	0	454	454	0
Total Other Charges		454	200,000	200,454	200,454	0
Total Expenditures		54,781	305,924	360,705	405,994	(45,289)

It was previously reported that the County was upgrading its computer system which would improve the timeliness of the transfers from the County to Agency. Payments have been much more quickly this fiscal year.

Expenditures

Contract Services is projected to be lower than the budget estimates due to new pricing in the agreement with Sonoma Compost

Overview

At this time, all other items are expected to meet budget.

Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
Yard Waste Detail

799213

Revenues		Actual	Revenue	Total	Adjusted	Over/
Sub-object	Description	Jul-Dec 12	Estimated Jan 13-June 13	Estimated FY 12-13	Budget FY 12-13	(Under) Budget
1700	Interest on Pooled Cash	1,883	5,296	7,179	2,653	4,526
2901	Tipping Fee Revenue	1,260,060	1,858,873	3,118,933	3,315,310	(196,377)
3980	Prior Year Sales	39,235	0	39,235	0	39,235
4020	Other Sales		199,708	199,708	80,000	119,708
4102	Donations/Reimbursement		5,000	5,000	5,000	0
Total Revenues		1,301,178	2,068,877	3,370,055	3,402,963	(32,908)

Expenditures		Actual	Expenditure	Total	Adjusted	Over/
Sub-object	Description	Jul-Dec 12	Estimated Jan 13-June 13	Estimated FY 12-13	Budget FY 12-13	(Under) Budget
6104	Liability Insurance	2,200	0	2,200	2,145	55
6400	Office Expense	1,113	1,857	2,970	0	2,970
6521	County Services		3,300	3,300	3,300	0
6540	Contract Services	769,453	1,653,593	2,423,046	3,026,546	(603,500)
6573	Administration Costs	33,876	36,487	70,363	111,853	(41,490)
6610	Legal Services	2,223	4,931	7,154	1,000	6,154
6629	Accounting Services		2,582	2,582	4,031	(1,449)
6630	Audit Services		4,000	4,000	5,000	(1,000)
6820	Rents/Leases - Equipment	1,022	1,435	2,457	2,340	117
7062	Enforcement Agency Fee		27,250	27,250	35,000	(7,750)
7110	Professional Development		1,450	1,450	1,450	0
7301	County Car	2,194	806	3,000	3,000	0
7309	Unclaimable County	4	0	4	0	4
7400	Data Processing	1,417	1,988	3,405	3,372	33
Total Services and Supplies		813,502	1,739,679	2,553,181	3,199,037	(645,856)
8624	OT-Within Enterprise		425,000	425,000	425,000	0
8648	OT-Between Enterprise (ISD)	908	0	908	908	0
Total Other Charges		908	425,000	425,908	425,908	0
Total Expenditures		814,410	2,164,679	2,979,089	3,624,945	(645,856)
Net Cost		(486,768)	95,802	(390,966)	221,982	(612,948)

Revenues

By December 31, 2012, the Agency had received payment for July - November 2012 for the Agency tip fees for yard debris. Tip fees are estimated to be below estimates, as tonnage appears to be slightly lower than the past fiscal year.

Expenditures

Contract Services is projected significantly below budget estimates due to reduced expenditures (compared to budget estimates) paid to Sonoma Compost Company.

Administration Costs is projected to be below budget estimates due to position vacancies.

Overview

Should the tonnages of yard waste coming to the composting facility in the first quarter of FY 12-13 continue, there would be more funds available for transfer to the Organics Reserve. No transfers will be made until after the end of the fiscal year.

Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
Household Hazardous Waste Detail

799312

Revenues		Revenue		Total	Adjusted	Over/
Sub-object	Description	Actual Jul-Dec 12	Estimated Jan 13-June 13	Estimated FY 12-13	Budget FY 12-13	(Under) Budget
1700	Interest on Pooled Cash	255	765	1,020	65	955
2500	State-Other		154,350	154,350	194,551	(40,201)
2901	Tipping Fee Revenue	460,605	644,847	1,105,452	1,144,334	(38,882)
4102	Donations/Reimbursement	124,282	269,772	394,054	355,744	38,310
4624	OT-Within Enterprise		315,756	315,756	315,756	0
Total Revenues		585,142	1,385,490	1,970,632	2,010,450	(39,818)

Expenditures		Expenditure		Total	Adjusted	Over/
Sub-object	Description	Actual Jul-Dec 12	Estimated Jan 13-June 13	Estimated FY 12-13	Budget FY 12-13	(Under) Budget
6104	Liability Insurance	4,013	0	4,013	3,914	99
6280	Memberships	4,000	0	4,000	4,000	0
6400	Office Expense	741	259	1,000	1,000	0
6500	Professional Services	38,323	116,027	154,350	154,350	0
6521	County Services		4,743	4,743	5,000	(257)
6540	Contract Services	345,293	970,632	1,315,925	1,240,800	75,125
6573	Administration Costs	73,458	110,148	183,606	210,352	(26,746)
6610	Legal Services	1,092	1,014	2,106	2,000	106
6629	Accounting Services		1,239	1,239	1,934	(695)
6630	Audit Services		7,500	7,500	7,500	0
6785	Advertising	4,056	7,944	12,000	12,000	0
6840	Rents/Leases - Buildings		23,000	23,000	23,000	0
7130	Textbook/Tuition Reimburse		600	600	600	0
7400	Data Processing	708	994	1,702	1,686	16
Total Services and Supplies		471,684	1,244,100	1,715,784	1,668,136	47,648
8648	OT-Between Enterprise (ISD)	454	0	454	454	0
Total Other Charges		454	0	454	454	0
Total Expenditures		472,138	1,244,100	1,716,238	1,668,590	47,648
Net Cost		(113,004)	(141,390)	(254,394)	(341,860)	87,466

Revenues

State-Other is expected to be under budget due to a clerical error which overstated grant funds available at the time of budget adjustment.

Tipping Fee Revenue is expected to be under budget due declining tonnages.

Overview

The HHW cost center is projected to have a structural deficit of approximately \$60,000 (excluding the transfer from reserves) due to declining tonnages and increased costs expected from contract services.

Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
Education Detail

799411

Revenues

Sub-object	Description	Actual Jul-Dec 12	Revenue Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
1700	Interest on Pooled Cash	277	778	1,055	83	972
2500	State-Other		177,906	177,906	177,906	0
2901	Tipping Fee Revenue	118,903	166,464	285,367	291,550	(6,183)
4040	Miscellaneous Revenue	12,808	14,192	27,000	27,000	0
4102	Donations/Reimbursement	14,145	19,803	33,948	40,567	(6,619)
4624	OT-Within Enterprise		45,841	45,841	45,841	0
Total Revenues		146,133	424,984	571,117	582,947	(11,830)

Expenditures

Sub-object	Description	Actual Jul-Dec 12	Expenditure Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
6103	Liability Insurance	1,292	0	1,292	1,260	32
6300	Miscellaneous Expense	17,905	9,095	27,000	27,000	0
6400	Office Expense	8,208	6,792	15,000	15,000	0
6500	Professional Services	3,664	174,242	177,906	177,906	0
6521	County Services		4,941	4,941	5,000	(59)
6540	Contract Services	4,335	18,519	22,854	32,114	(9,260)
6573	Administration Costs	48,141	103,661	151,802	248,185	(96,383)
6610	Legal Services	9,633	11,696	21,329	20,000	1,329
6629	Accounting Services		1,023	1,023	1,598	(575)
6630	Audit Services		3,000	3,000	3,000	0
6840	Rents/Leases - Buildings/Improve	4,823	577	5,400	5,400	0
7130	Textbook/Tuition Reimburse		1,100	1,100	1,100	0
7400	Data Processing	708	984	1,692	1,686	6
Total Services and Supplies		98,709	335,630	434,339	539,249	(104,910)
8648	OT-Between Enterprise (ISD)	454	0	454	454	0
Total Other Charges		454	0	454	454	0

Total Expenditures		99,163	335,630	434,793	539,703	(104,910)
---------------------------	--	---------------	----------------	----------------	----------------	------------------

Net Cost		(46,970)	(89,354)	(136,324)	(43,244)	(93,080)
-----------------	--	-----------------	-----------------	------------------	-----------------	-----------------

Expenditures

Expenditures are expected to meet projections except for administration costs due to vacancies.

Overview

The education cost center is expected to have a surplus of approximately \$136,000 due mainly to cost savings as a result of position vacancies.

**Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
Diversion Detail**

799510

Expenditures

Sub- object	Description	Actual Jul-Dec 12	Expenditure Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
8624	OT-Within Enterprise	727	0	727	728	(1)
	Total Other Charges	727	0	727	728	(1)
	Total Expenditures	727	0	727	728	(1)
	Net Cost	(727)	0	(727)	(728)	1

Overview

The only financial activity anticipated for this cost center in FY 12-13 is the transfer of the remaining funds into the Contingency Reserve.

Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
Planning Detail

799619

Revenues

Sub-object	Description	Actual Jul-Dec 12	Revenue Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
1700	Interest on Pooled Cash	49	109	158	157	1
2901	Tipping Fee Revenue	7,250	10,150	17,400	21,866	(4,466)
4102	Donations/Reimbursement	1,050	1,470	2,520	3,043	(523)
Total Revenues		8,349	11,729	20,078	25,066	(4,988)

Expenditures

Sub-object	Description	Actual Jul-Dec 12	Expenditure Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
6103	Liability Insurance	861	0	861	840	21
6521	County Services		1,500	1,500	1,500	0
6573	Administration Costs	11,456	5,153	16,609	16,609	0
6629	Accounting Services		215	215	336	(121)
6630	Audit Services		1,000	1,000	1,000	0
7130	Textbook/Tuition		600	600	600	0
7400	Data Processing	708	994	1,702	1,686	16
Total Services and Supplies		13,025	9,462	22,487	22,571	(84)
8624	OT-Within Enterprise		20,787	20,787	25,691	(4,904)
8648	OT-Between Enterprise (ISD)	454	0	454	454	0
Total Other Charges		454	20,787	21,241	26,145	(4,904)
Total Expenditures		13,479	30,249	43,728	48,716	(4,988)
Net Cost		5,130	18,520	23,650	23,650	0

Overview

At this time, revenues and expenditures are near projections.

Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
Organics Reserve Detail

799221

Revenues

Sub-object	Description	Actual Jul-Dec 12	Revenue Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
1700	Interest on Pooled Cash	10,259	30,202	40,461	28,595	11,866
4624	OT-Within Enterprise		625,000	625,000	625,000	0
Total Revenues		10,259	655,202	665,461	653,595	11,866

Expenditures

Sub-object	Description	Actual Jul-Dec 12	Expenditure Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
6400	Office Expense	992	4,008	5,000	5,000	0
6540	Contract Services	19,663	15,884	35,547	17,000	18,547
6573	Administration Costs	17,922	62,012	79,934	119,242	(39,308)
6590	Engineering Services	2,210	23,790	26,000	26,000	0
6610	Legal Services	3,920	6,080	10,000	10,000	0
6630	Audit Services		2,500	2,500	2,500	0
7062	Enforcement Agency Fees		15,000	15,000	15,000	0
7302	Travel Expense		2,000	2,000	2,000	0
Total Services and Supplies		44,707	131,274	175,981	196,742	(20,761)
Total Expenditures		44,707	131,274	175,981	196,742	(20,761)
Net Cost		34,448	(523,928)	(489,480)	(456,853)	(32,627)

Expenditures

Contract Services is projected to be \$18,547 over budget. The compost relocation project EIR is expected to be completed this fiscal year. An additional appropriation transfer would be necessary to pay the 10% retention, per the agreement with ESA.

Administration Costs is projected to be \$39,308 due to staff vacancies.

Overview

These reserve funds are restricted for use only for the organics program per the joint powers agreement. The reserve fund is estimated to grow by \$489,480 this year, slightly greater than budgeted.

Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
HHW Closure Detail

799320

Revenues

Sub-object	Description	Actual Jul-Dec 12	Revenue Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
1700	Interest on Pooled Cash	125	403	528	361	167
4624	OT-Within Enterprise	7,273	0	7,273	7,273	0
TOTAL REVENUES		7,398	403	7,801	7,634	167
TOTAL EXPENDITURES		0	0	0	0	0
NET COST		(7,398)	(403)	(7,801)	(7,634)	(167)

Overview

If interest payments meet projections, this cost center will meet its goal, per the SCWMA Reserve Policy.

**Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
HHW Facility Reserve Detail**

799338

Revenues

Sub- object	Description	Actual Jul-Dec 12	Revenue Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
1700	Interest on Pooled Cash	3,323	10,812	14,135	9,695	4,440
Total Revenues		3,323	10,812	14,135	9,695	4,440

Expenditures

Sub- object	Description	Actual Jul-Dec 12	Expenditure Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
8624	OT-Within Enterprise	7,273	590,756	598,029	598,029	0
Total Other Charges		7,273	590,756	598,029	598,029	0
Total Expenditures		7,273	590,756	598,029	598,029	0
Net Cost		3,950	579,944	583,894	588,334	(4,440)

Overview

The reserve goal for this fund was modified at the June 2011 Board meeting to be held at \$600,000 or 33% of the budgeted annual HHW program operational expenses, whichever is greater. The fund balance for this cost center at the end of the first quarter is \$1,604,539.

Sonoma County Waste Management Agency
FY 12-13 Second Quarter Revenue and Expenditure Summary and Projection
Contingency Reserve Detail

799718

Revenues

Sub-object	Description	Actual Jul-Dec 12	Revenue Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
1700	Interest on Pooled Cash	432	1,096	1,528	1,118	410
4624	OT-Within Enterprise	727	300,692	301,419	301,419	0
Total Revenues		1,159	301,788	302,947	302,537	410

Expenditures

Sub-object	Description	Actual Jul-Dec 12	Expenditure Estimated Jan 13-June 13	Total Estimated FY 12-13	Adjusted Budget FY 12-13	Over/ (Under) Budget
6400	Office Expense	430	1,570	2,000	2,000	0
6521	County Services		992	992	1,000	(8)
6540	Contract Services		41,740	41,740	115,521	(73,781)
6573	Administration Costs	12,846	38,538	51,384	142,224	(90,840)
6610	Legal Services	4,557	20,000	24,557	40,000	(15,443)
6630	Audit Services		1,500	1,500	1,500	0
Total Services and Supplies		17,833	104,340	122,173	302,245	(180,072)
8624	OT-Within Enterprise		45,841	45,841	45,841	0
Total Other Charges		0	210,219	245,455	45,841	0
Total Expenditures		17,833	314,559	367,628	348,086	(180,072)
Net Cost		16,674	12,771	64,681	45,549	(180,482)

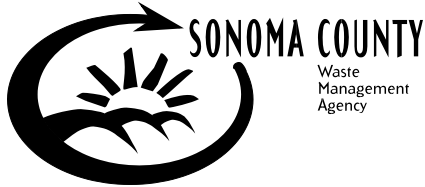
Expenditures

Contract Services is projected to be below budget due to the agreement with Rincon Consultants being lower than budgeted.

The Administrative Costs sub-object is projected to be below budget due to lower than anticipated staff participation in the carryout bag project and due to staff vacancies.

Overview

The Contingency Reserve is used to fund Board initiated and approved projects, such as the reduction in the of single use carryout bags.



Agenda Item #: 5
Cost Center: Contingency
Staff Contact: Carter
Agenda Date: 2/20/2013

ITEM: Public Hearing for Receiving Comments on the Draft Environmental Impact Report

I. BACKGROUND

On September 19, 2012, the Agency entered into an agreement with Rincon Consultants to prepare an Environmental Impact Report (EIR) to evaluate the potential environmental impacts of adopting an ordinance that would reduce the number of paper and plastic carryout bags designed for disposal and encourage the use of carryout bags designed for reuse.

Agency staff arranged for and attended four public scoping meetings to receive comments on the adequacy of the scope of the Environmental Impact Report. The meetings were held in Santa Rosa on October 30, Sonoma on November 1, Petaluma on November 2, and Windsor on November 7, all at 6 pm.

Incorporating the comments made during the scoping period, Rincon Consultants prepared the Draft Environmental Impact Report. Though not required by the California Environmental Quality Act (CEQA), public hearings, such as the one to be held for this item, allow the public to provide verbal comments to be addressed in the Final EIR. Verbal comments at this public hearing will be addressed, in addition to the written comments received during the comment period. The response to comments is included in the Final EIR.

II. DISCUSSION

On February 4, 2013, the Notice of Availability of the Draft EIR was mailed out to interested parties and relevant public agencies. The notice of completion was delivered to the California State Clearinghouse, beginning the 45 day comment period in accordance with CEQA guidelines. On February 5, 2013, a notice was published in the Press Democrat, a newspaper of general circulation, announcing the availability of the Draft EIR for the Carryout Bag Waste Reduction Ordinance, including the date, time and location of today's public hearing.

The Draft EIR is available for viewing at the SCWMA office at the address listed below, at all Sonoma County Public Libraries, and online at <http://www.recyclenow.org/agency/reports.asp>.

There is a 45 day commenting period, beginning February 4, 2013, and ending March 22, 2013, at 5:00 pm. Written comments can be mailed or emailed to the following addresses:

Sonoma County Waste Management Agency
ATTN: Patrick Carter
2300 County Center Drive, Suite B-100
Santa Rosa, CA 95403
Fax: (707) 565-3701
patrick.carter@sonoma-county.org

III. FUNDING IMPACT

There is no funding impact to the SCWMA for accepting comments on the Draft Environmental Impact Report during a public hearing.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the SCWMA Board open the public hearing to accept comments on the Draft EIR.

V. ATTACHMENTS

Notice of Availability

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



**NOTICE OF AVAILABILITY
OF A DRAFT ENVIRONMENTAL IMPACT REPORT
COUNTY OF SONOMA WASTE REDUCTION PROGRAM FOR CARRYOUT BAGS**

DATE: February 4, 2013

TO: State Clearinghouse, Responsible Agencies, Organizations and Interested Parties

LEAD AGENCY: Sonoma County Waste Management Agency

As the Lead Agency overseeing this project's environmental review, the Sonoma County Waste Management Agency has initiated the preparation of an Environmental Impact Report to determine the nature and extent of the project's potential impact on the surrounding environment. Pursuant to Sections 15086 and 15087, Title 14, California Code of Regulations, this Notice is given to advise interested parties that the Agency has completed a Draft Environmental Impact Report (Draft EIR) for the proposed project described above and that the Draft EIR is available for public review. The project description, location, and the potential environmental effects appear below.

PROJECT SPONSOR: Sonoma County Waste Management Agency
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403

PROJECT LOCATIONS: The Waste Reduction Program For Carryout Bags would apply to any retail establishment that sells perishable or nonperishable goods including, but not limited to, clothing, food, and personal items directly to the customer; and is located within or doing business within the geographical limits of the County of Sonoma, including the nine incorporated cities and town (County of Sonoma unincorporated areas; City of Cloverdale; City of Cotati; City of Healdsburg; City of Petaluma; City of Rohnert Park; City of Santa Rosa; City of Sebastopol; City of Sonoma; and Town of Windsor).

PROJECT DESCRIPTION: The proposed Waste Reduction Program for Carryout Bags (Proposed Ordinance) would regulate the use of paper and plastic single use carryout bags within the geographical limits of Sonoma County, including the nine incorporated cities and town, starting July 1, 2013. The intent of the ordinance is to reduce the environmental impacts related to the use of single use carryout bags, and to promote a shift toward the use of reusable bags. It is anticipated that by prohibiting single use plastic carryout bags and requiring a mandatory charge for each paper bag distributed by retailers, the Proposed Ordinance would provide a disincentive to customers to request paper bags when shopping at regulated stores and promote a shift to the use of reusable bags by retail customers, while reducing the number of single use plastic and paper bags within the participating municipalities.

The ordinance would (1) prohibit the free distribution of single use carryout paper and plastic bags and (2) require retail establishments to charge customers for recycled paper bags and reusable bags at the point of sale. The minimum charge would be ten cents (\$0.10). Single use plastic carryout bags are defined in the Proposed Ordinance as plastic bags that are less than 2.25 millimeters thick, other than a Reusable Bag, provided by the retail establishment for the purpose of transporting food or merchandise out of the establishment. Regulated bags would not include bags without handles provided to the customer (1) to transport produce, bulk food or meat within a store to the point of sale; (2) to hold prescription medication

dispensed from a pharmacy; or (3) to segregate food or merchandise that could damage or contaminate other food or merchandise when placed together in a reusable bag or recycled paper bag. The Proposed Ordinance would not apply to restaurants and other food service providers as defined in the proposed ordinance, allowing them to provide plastic bags to customers for prepared take-out food intended for consumption off of the food provider's premises.

As noted above, the Proposed Ordinance would require regulated retailers to impose a mandatory charge for each paper carryout bag provided. Retail establishments would be required to keep complete and accurate records.

POTENTIAL ENVIRONMENTAL EFFECTS:

- Air Quality
- Biological Resources
- Greenhouse Gas Emissions
- Hydrology/Water Quality
- Utilities and Service Systems

REVIEW PERIOD: As specified by the State CEQA Guidelines, the Draft Environmental Impact Report will be available for public comment for a 45-day review period. The public comment period for the Draft Environmental Impact Report will begin on February 4, 2013 and end on March 22, 2013. **Comments may be submitted, in writing, by 5:00 p.m. on March 22, 2013** and addressed to:

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

email: patrick.carter@sonoma-county.org
fax: (707) 565-3701

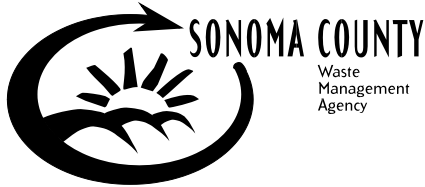
DOCUMENT AVAILABILITY: The Draft EIR is available for public review at the locations listed below during regular business hours:

Sonoma County Waste Management Agency, 2300 County Center Drive, Suite B100, Santa Rosa
Santa Rosa Central Library, 211 E Street, Santa Rosa
Petaluma Regional Library, 100 Fairgrounds Drive, Petaluma
Sonoma Valley Regional Library, 755 West Napa Street, Sonoma
Windsor Regional Library, 9291 Old Redwood Highway, Building 100, Windsor
Rohnert Park - Cotati Regional Library, 6250 Lynne Conde Way, Rohnert Park

The Draft EIR may also be accessed from the Agency website, www.recyclenow.org.

SCHEDULED PUBLIC HEARINGS:

The Sonoma County Waste Management Agency Board of Directors will hold a public hearing at 9:00 AM on February 20th, 2013 to take public comment on the Draft EIR and to discuss details of the proposed ordinance. For more information and updates on upcoming hearings, please visit http://www.recyclenow.org/agency/current_packet.asp.



Agenda Item #: 6
Cost Center: Organics
Staff Contact: Mikus
Agenda Date: 2/20/2013

ITEM: Compost Contract & Site License

I. BACKGROUND

Summary: The Sonoma County Waste Management Agency (Agency) contract with Sonoma Compost Company (SCC) to operate the compost facility located on the Central Landfill property, currently is under an extension to the original contract, which requires further action due to a “cease accepting materials” date of March 15, 2013. The current contract is a three-party agreement between Agency as permit holder/responsible entity, SCC as operator, and the County of Sonoma as property owner. A new contracting arrangement is contemplated, with a “Site License” between the Agency and Sonoma County for use of the property, and a new contract between the Agency and SCC for facility operations. The license and contract are presented for Board discussion and approval.

Joint Powers Agency Agreement: One of the Agency’s primary responsibilities is to ensure the proper treatment of wood and yard wastes in Sonoma County. The Joint Powers Agreement contains a number of provisions regarding the SCWMA’s role in dealing with wood and yard wastes including the following:

“Section 11. Role of Participants in Collection of Wood, and Yard Waste
Each Participant shall cause wood waste and yard waste generated within its jurisdiction (that could not be diverted otherwise) to go to the Central Landfill to be delivered to the Treatment System and shall take such actions as are appropriate and necessary to accomplish that result. The Joint Powers Agency shall establish standards for the quality of yard and wood waste acceptable for delivery to the Treatment System and may also approve diversions of wood waste and yard waste to alternative treatment systems.”

This work is done via operation of a compost facility located at the County’s Central Disposal Site on Meham Road near Cotati and Petaluma. The Agency holds the operating permit while operations are conducted by a contractor, SCC. Wood and yard wastes are delivered to the site, then processed into useable products rather than disposed of via landfill burial. In recent years, the materials managed through the compost site have approached 100,000 tons per year. The Agency conducted a Waste Characterization Study in 2007 that identified an additional 80,000 tons of materials currently still in the landfill-bound waste stream that could be otherwise processed.

Three Party Agreement for Composting Services: An Agreement between the County of Sonoma (County), the SCWMA, and the Sonoma Compost Company (Contractor) for Organic Material Processing, Composting and Marketing Services (Agreement) was entered into on September 28, 1999. This Agreement fulfills part of the SCWMA’s obligation to provide a regional composting program to convert yard debris and wood waste into organic marketable products at the composting facility currently located at the Central Disposal Site. The Agreement also allows the County to meet its obligation to provide a site at Central for this program.

Agreement History: Since 1999 the compost contract has been amended numerous times; the last was the Tenth amendment, approved October 2012, which was a four-month extension containing a “stop accepting materials” provision for March 15, 2013. This was the second four-month extension in a row, done in order for the Agency and the County to come to agreement on a separate Site License.

New Contract Proposed: Beginning in late 2011, Agency staff conducted a competitive procurement process to enter into a new contracting arrangement with a compost facility operator. Sonoma Compost Company was selected as the recommended successful contractor. The new contract contained different pricing which was advantageous to the Agency. Parallel to the procurement process, a new Site License was developed. However, in June 2012 the new contract was not enacted due to a failed vote for approval, and the Site License had yet to be accepted by the County. The County also indicated concerns regarding the term of the new compost contract.

County Landfill Agreement: Also during 2012, the County entered into negotiations to establish a Master Operations Agreement (MOA) with a contractor for operation of the County Landfill facility. This complicated the ongoing discussions regarding a new compost contract and the compost site license, since one of the items discussed in the MOA negotiations was the possibility to remove the compost responsibility from SCWMA and make it part of the County's contractor duties. However, recently that compost discussion has been put in abeyance and the compost operation, initially at least, will not be part of the MOA. The County has proposed allowing a suitable length of time (18 months from the date the MOA is effective) for SCWMA and its member jurisdictions to make a determination as to the compost program future.

II. DISCUSSION

Compost Site License: Staff from both the Agency and the County have recently reached agreement for a new, updated version of the compost Site License from what was originally presented to the Board in 2012; this document is included as an attachment. This Site License is presented for the Board to discuss, and approve.

Compost Operating Contract: The new contract as developed for June 2012 is presented with minor changes. The alterations are in the pricing, done to reflect the passage of nearly a year since SSC developed its cost proposal and the reduction of the contract term by a year (which affects the effect of amortizing capital expenses). County staff have indicated the concerns related to the term length of the new contract have been resolved.

Financial Terms: The original new contract proposed in June 2012 included new, advantageous pricing for the contract services to be provided by SCC. The net effect of the new prices was a reduction from the existing contract of \$3.71 per ton. SCC chose to honor the new prices for the two four-month current contract extensions. However, in the year since the new prices were developed, circumstances have changed, requiring some modification to the pricing structure. First, the original new pricing was formulated predicated on a nearly five year period for amortization of capital improvement expenses. However, the ensuing delay in implementing the new contract has shortened the amortization period to four years; this has increased the per-ton cost of these expenses. Second, the new compost site license will require us to pay utility expenses, such as for electricity and water, which had not been the case previously. Third, the framework for sale of a product called "overs" to the biofuel market have changed, mainly due to environmental alterations in the biofuel industry and several plant closures. The quality requirements and the income structure for this market have been altered with a negative impact on SCC operations. Equipment investment not previously contemplated is required to address the biofuel materials issues.

Staff has negotiated pricing modifications with SCC to address the above-listed issues. The net result has been an increase of \$1.70 per ton in fees to SCC. However, this still will leave the new pricing at \$2.01 per ton lower than the old contract.

III. FUNDING IMPACTS

\$3,221,910 was included in the SCWMA's FY 2012-13 Budget for Contract Services in the Wood Waste and Yard Debris cost centers. Most of the expenditures in that sub-object are payment to Sonoma Compost Company. The amount paid to Sonoma Compost Company for the first six months of the fiscal year was \$1,100,989. Staff believes, with the implementation of the attached agreement, expenditures in the Contract Services sub-object will be below the budgeted amount at year end.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the Board 1) approve the compost Site License with the County of Sonoma, and 2) approve the new compost operating agreement with Sonoma Compost Company.

V. ATTACHMENTS

Compost Site License

Compost Operating Agreement

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

**LICENSE AGREEMENT
FOR USE OF COUNTY FACILITIES
BETWEEN**



**COUNTY OF SONOMA
AND
SONOMA COUNTY WASTE MANAGEMENT AGENCY
FOR
COMPOST PREMISES
LOCATED AT
SONOMA COUNTY CENTRAL LANDFILL
PETALUMA, CALIFORNIA**

DATED: _____, 20____

LICENSE AGREEMENT FOR USE OF COUNTY FACILITIES

This Agreement ("Agreement"), made and entered into on February ___, 2013 ("Effective Date"), by and between the COUNTY OF SONOMA, a political subdivision of the State of California (hereinafter called the "County"), and the Sonoma County Waste Management Agency, a Joint Powers Agency (hereinafter called the "Licensee"). County and Licensee are sometimes collectively referred to herein as the "parties" and singularly, as "party."

R E C I T A L S

WHEREAS, County is the owner of certain real property located at 500 Meecham Road, Petaluma, California ("Landfill Property"); and

WHEREAS, the County and the cities entered into that certain Agreement between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues (Wood Waste, Yard Waste, Household Hazardous Waste, and Public Education) dated as of February 2, 1992 ("JPA Agreement"); and

WHEREAS, Section 5 of the JPA Agreement states in part: "Provided that all regulatory requirements of Federal and State agencies are first met, the County agrees to provide, free of charge as a subsidy, sites at its Central Landfill Site for the purpose of household hazardous waste collection and storage and for a wood and yard waste Treatment System..."; and

WHEREAS, pursuant to the JPA Agreement, Licensee currently uses 27 acres of the Landfill Property to conduct Composting Operations (as defined in Section 6.1 below) as more particularly depicted on Exhibit A to this Agreement ("Premises"); and

WHEREAS, County and Licensee wish to enter into an agreement in order to set forth the terms and conditions for Licensee's use of the Premises.

NOW THEREFORE, in consideration of the promises and covenants set forth below, the parties agree as follows:

A G R E E M E N T

1. License. County hereby grants Licensee a license, subject to all the terms and conditions of this Agreement, to use the Premises.
2. Premises. By this Agreement, County does hereby license to Licensee, and Licensee does hereby take and hire from County:

(a) that certain real property consisting of 27 acres on the Landfill Property and commonly known as the composting operations, said real property being depicted on Exhibit A ("the Premises"); and

(b) a non-exclusive right to use the access road to the Premises; and

(c) all improvements and fixtures located on the Premises which are owned by County, including, without limitation, all buildings and structures presently located on the Premises, including the cement treated base, all apparatus, equipment and appliances used in connection with the operation or occupancy of the Premises, such as facilities used to provide any utility services, or other services on the Premises, (all of which are collectively referred to as the "Improvements").

3. Non-Exclusive License. The license herein granted is non-exclusive. County continues to maintain and control the Premises including, without limitation, leasing, sub-leasing and granting of additional licenses, provided, however, that any such leasing, subleasing or licensing shall not interfere with Licensee's operation and maintenance of the Premises.

4. Term/Termination

4.1 Commencement of Term. The term of this Agreement shall commence on the "Effective Date", and shall terminate on February 11, 2017 ("Expiration Date"), unless sooner terminated as provided for in this Agreement.

4.2 Licensee's Duty to Surrender. At the expiration or earlier termination of the term, Licensee shall surrender to County, in good condition and repair and consistent with Licensee's obligations under the JPA Agreement, the possession of the Premises. Notwithstanding the foregoing, no termination of this Agreement shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination, or date of surrender if it be later. In addition, the parties acknowledge that the County shall have the right under Section 5 of the JPA Agreement to require Licensee to perform monitoring tests to examine the condition of the Premises to ensure the site is left in a completely clean condition.

4.3 Termination for Convenience. Licensee may terminate this Agreement upon 30 days' prior written notice to County.

5. Consideration. Pursuant to the JPA Agreement, County is providing the use of the Premises at no cost to Licensee.

6. Uses, Purposes

6.1 Permitted Uses. Licensee shall use and permit the use of the Premises for the purpose of operating the Treatment System (as defined in the JPA Agreement). Such use shall include the right to: (i) maintain administrative offices for

the Treatment System operator through the use of portable trailers or other temporary structures; and (ii) conduct retail sales of Products (as defined in the JPA Agreement).

6.2 Operational Requirements of Licensee. Licensee agrees throughout the term to abide by the following conditions and requirements:

6.2.1 Hazardous Materials.

(a) Licensee shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept or used in or about the Premises by Licensee, its agents, employees, contractors or invitees, without the prior written consent of County, which County shall not unreasonably withhold as long as Licensee demonstrates to County's satisfaction that such Hazardous Materials: (i) are necessary or useful to Licensee's business and will be used, kept and stored in a manner that complies with all laws, statutes, ordinances, rules, regulations, orders, requirements, and policies of any and all governmental agencies and authorities and any fire insurance underwriters applicable to any such Hazardous Materials ("Hazardous Materials Laws") and (ii) do not otherwise, due to the quantity, nature or use of such Hazardous Materials, substantially increase the risk of fire or other casualty to the Premises.

(b) To the extent any Hazardous Materials are used, kept, or are present in or on the Premises after the Effective Date, Licensee shall ensure that all such Hazardous Materials, and all uses thereof, are in full compliance with all Hazardous Materials Laws.

(c) If Licensee breaches the obligations stated in subparagraphs (a) or (b) of this Section 6.2.1 or if the presence of Hazardous Materials on the Premises after the Effective Date results in contamination of the Premises, or if Hazardous Materials are otherwise discharged or released from the Premises after the Effective Date, then Licensee shall indemnify, defend (with counsel approved by County) and hold County harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the term of this Agreement as a result of such breach, contamination, discharge, or release. This indemnification of County by Licensee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision, except County, because of Hazardous Materials present in, on or under the Premises. Upon the termination of this Agreement, Licensee shall surrender the Premises to County free of any and all Hazardous Materials brought upon, kept or used in or about the Premises by Licensee or any subcontractor of Licensee. This indemnification shall survive the termination or expiration of this Agreement.

(d) For the purpose of this Section 6.2.1, the term "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and

Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §6901 et seq.), Section 25117 of the California Health & Safety Code, Section 25316 of the California Health & Safety Code, and in the regulations adopted and publications promulgated pursuant to them, or any other federal, state, or local environmental laws, ordinances, rules, or regulations concerning the environment, industrial hygiene or public health or safety now in effect or enacted after this date.

(e) Notwithstanding anything stated to the contrary herein, Licensee shall not be responsible for any existing or pre-existing Hazardous Materials located in the landfill underneath the Premises or any Hazardous Materials brought upon the Premises by anyone other than Licensee or Licensee's contractor or agents.

6.2.2 Compliance with Laws. Licensee shall comply with all Laws and Orders concerning the Premises or Licensee's use of the Premises. For purposes of this Agreement, the term "Laws and Orders" includes all federal, state, or California State agency laws, statutes, ordinances, permits, standards, rules, regulations, requirements, or orders now in force or hereafter enacted, promulgated, or issued. The term also includes government measures regulating or enforcing public access, occupational health, or safety standards for employers, employees, landlords or Licensees but does not include County adopted laws, statutes, ordinances, permits, standards, rules, regulations, requirements or orders unless included in this Agreement or currently existing and applicable to Licensee. Licensee shall not allow the Premises to be used for any improper, unlawful or objectionable purpose.

6.3 Reservations to County.

6.3.1 Easements, Rights-of-Way and Permits. County shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections; water, oil and gas pipelines; and telephone and telegraph power lines and such other appliances and appurtenances necessary or convenient to use in connection therewith, over in, upon, through, across and along the Premises or any part, thereof, as will not interfere with Licensee's operations hereunder and to enter thereupon for any and all such purposes, County also reserves the right to grant easements, rights-of-way and permits in, over, and upon, along or across any and all portions of said Premises as County may elect. County will cause the surface of the Premises to be restored to its original condition upon the completion of any construction done pursuant to this Section. County agrees that any right set forth in this Section 6.3.1 shall not be exercised unless a prior written notice of ten (10) days is given to Licensee. However, if such right must be exercised by reason of emergency, County will give such notice in writing as soon as is possible under the existing circumstances.

6.3.2 Gate Fees. As of the Effective Date, the current processing fees for wood waste and yard debris are set forth in Exhibit B. Licensee shall provide County with 60 days advance written notice of its intention to change the processing fees

for either wood waste or yard debris. County reserves the right to pass through additional costs and fees on all materials delivered to the County landfill and transfer stations, including without limitation, a County concession payment on all wood waste and yard debris. County shall provide Licensee with 60 days advance written notice of any such charges or fees. County agrees to collect all processing fees for the Treatment System and provide them to Licensee on a monthly basis.

7. Licensee's Program Obligations. County and Licensee will enter into negotiations regarding shared use of the existing leachate pipeline for disposal of surface water.

8. Records and Audits; Inspections of Premises.

8.1 Maintenance of Records. Licensee shall keep and maintain full and complete documentation and accounting records concerning this License. Licensee shall maintain the accounting records in conformity with generally accepted accounting principles.

8.2 Examination of Records. County shall have the right, at County's sole cost and expense, at any reasonable time and from time to time after giving 15 days prior written notice to Licensee, to do or cause to be done any or all of the following: to audit the records; to make abstracts from the records; and to make copies of any or all records. Licensee shall make all records specified in the notice available at the time specified in the notice, if reasonable, and at the place where the records are to be kept.

8.3 County's Right to Inspections. County shall have the right to enter upon the Premises at any and all times throughout the term of this License for the purpose of inspecting the same and posting any notices required or permitted under law.

9. Condition, Maintenance, Utilities, Repairs

9.1 As-Is Condition. Licensee hereby acknowledges that neither the County nor anyone acting for or on behalf of the County, has made any representation, warranty or promise to Licensee concerning the physical aspects or condition of any portion or part of the Premises or improvements, the feasibility, desirability or convertibility of the Premises into any particular use, the zoning, building or land use restrictions applicable to the Premises, projected income or expenses for any of the Premises, the conditions of the soil, subsoils, ground water, or surface waters or the presence or absence of any toxic waste or hazardous substances or material, and that by entering into this License has not relied on any representation, statement or warranty of the County, or anyone acting for or on behalf of the County, and that all matters concerning the Premises shall be independently verified by Licensee, and that Licensee shall use and occupy the Premises on Licensee's own examination thereof, AND THAT LICENSEE IS LICENSING THE PREMISES IN "AS-IS" PHYSICAL CONDITION AND "AS-IS" STATE OF REPAIR. Licensee does hereby waive and the County does hereby disclaim all warranties of any type or kind of description but not limitation, those of fitness for particular purpose, tenantability, habitability and use. Licensee hereby

expressly waives any and all claims for damages or for rescission or cancellation of this License because of any representations made by the County or by any agent of the County. Licensee acknowledges that it has had sufficient time to conduct all inspections, reviews and studies of the Premises that Licensee may deem necessary. Licensee hereby expressly assumes the risk that adverse physical conditions and the full extent thereof, may not be revealed by Licensee's inspections, reviews and studies of the Premises. It is an expressly bargained-for agreement herein that Licensee shall be responsible, at Licensee's sole cost and expense, for maintaining the Premises in a manner that complies in all respects with all Laws and Orders.

9.2 Licensee's Duty to Maintain Premises. Throughout the term, Licensee shall, at Licensee's sole cost and expense, maintain the Premises, including the cement treated base and all utilities, in good condition and repair and in accordance with all Laws and Orders. It is the specific, bargained-for intent of the parties that Licensee's maintenance and repair obligations shall be absolute and total, that County shall have no obligation or responsibility for such work, and that this provision has been specifically negotiated by the parties and the consideration for this License reflects this negotiation. With the exception of the access road, County shall not have any responsibility whatsoever to maintain the Premises

9.3 Utilities. Licensee shall bear the costs for all utilities furnished to the Premises at the rates of _____ per hour for electricity, _____ per (hour?) for water, and disposal of garbage at current rates, as revised from time to time. County will install meters for all utilities upon 24 hours notice to Licensee. Licensee will reimburse County for the costs of the meters.

9.4 Damage and Destruction. It is the intent of the parties that Licensee shall be responsible for the repair and restoration of the Premises, and any part thereof, in the event of any casualty, injury, damage, or destruction to the Premises or any part thereof, regardless of when it occurs during the term. No damages, compensation or claim shall be payable by County for any inconvenience, any interruption or cessation of Licensee's business, or any annoyance, arising from any damage to or any destruction of all or any portion of the Premises.

9.5 Equipment Installation and Operation. Licensee or Licensee's contractor shall install any equipment, at its sole cost and expense. Licensee's equipment shall be installed, operated and maintained in accordance with the highest standards now or hereafter generally employed for similar equipment. In the event the installation, operation or maintenance of said equipment causes any direct or indirect interference with the operation of County's facilities, equipment or the equipment of County's agents, tenants, or other governmental agencies, Licensee shall correct said interference, at its sole cost and expense, to the reasonable satisfaction of County. In the event said interference cannot be corrected, Licensee shall promptly remove said equipment.

10. Waste. Licensee shall not commit, suffer, or permit the commission by others of: (i) any waste on the Premises; (ii) any action or use of the Premises which interferes or conflicts with the use of the Premises by County or any authorized person

unless expressly permitted; or (iii) any action on the Premises in violation of any Laws or Orders.

11. Financing. Licensee shall not encumber any interest Licensee may have in the Premises.

12. Extent of Grant of License. This License herein granted is valid only to the extent of County's jurisdiction as a land owner or tenant of the Premises. Acquisition of any other necessary permits or entitlements for use is the responsibility of Licensee. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED AS A RELINQUISHMENT OF ANY RIGHTS NOW HELD BY COUNTY.

13. Insurance; Indemnification

13.1 Duty to Maintain Insurance. Licensee shall meet all insurance requirements set forth in Exhibit C.

13.2 Indemnity by Licensee. Licensee will indemnify, hold harmless and defend County, its agents and employees, from and against any and all actions, claims, damages, disabilities or expenses including, without limitation, attorneys' fees, witness costs and court costs that may be asserted by any person or entity, including Licensee, arising out of or in connection with any of the following circumstances:

13.2.1 Use of Premises. Use of the Premises in any manner by Licensee, its agents, employees, invitees, sublicensees and contractors, and the agents, employees, patrons, contractors and invitees of Licensee's contractor, including any use of the Premises not allowed under this Agreement.

13.2.2 Breach by Licensee. Any breach by Licensee of the terms, covenants or conditions herein contained.

13.2.3 Approval of License. The approval of this License by County.

13.2.4 Other Activities. Any other activities of Licensee, its agents, employees and contractors whether or not there is concurrent negligence on the part of the County, but excluding liability due to the sole active negligence or sole willful misconduct of County. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for Licensee or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

13.3 Indemnity by County. County will indemnify, hold harmless and defend Licensee, its agents and employees, from and against any and all actions, claims, damages, disabilities or expenses including, without limitation, attorneys' fees, witness costs and court costs that may be asserted by any person or entity, including Licensee,

arising out of County's operations on the remaining portions of the rest of the Landfill Property.

13.4 Liability for Loss or Damage to County Property. Licensee shall be liable to County for any loss or damage to the Premises arising from or in connection with Licensee's performance hereunder or any of Licensee's officers, agents, employees or contractors.

14. Nondiscrimination. In the performance of this License, Licensee shall comply with all applicable federal, state and local laws, rules and regulations regarding nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition, pregnancy, disability, or AIDs or HIV status, including without limitation, the County's Non-Discrimination Policy.

15. Provisions are Conditions of Use/Occupancy. Each provision of this License shall be deemed a condition of the right of Licensee to use or continue to occupy the Premises. If Licensee fails to comply with any Laws and Orders related to the Premises and Licensee's operations thereon, and does not correct such failure within 90 days of written notice from County, County may at its option terminate this License by written notice to Licensee; this right to terminate shall be cumulative to any other legal right or remedy available to County.

16. Licensee to Act in Independent Capacity. Licensee, its officers, agents, and employees shall act in an independent capacity and shall not represent themselves to be or be construed to be officers, agents, or employees of County.

17. License Not a Lease. This License does not constitute a lease, but constitutes a mere revocable license and Licensee is limited to the use of the Premises expressly and specifically described above. Excepting the access road to the Premises and except as otherwise allowed under the JPA Agreement, Licensee shall have no right or privilege in any respect whatsoever to use any other part of the Landfill Property of County for any purpose whatsoever. Licensee disclaims any interest that when coupled with the License herein granted would render it irrevocable.

18. Notices. All notices (including requests, demands, approvals, or other communications) under this License shall be in writing.

18.1 Method of Delivery. Notice shall be sufficiently given for all purposes as follows:

(a) When personally delivered to the recipient, notice is effective on delivery.

(b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.

(c) When mailed by certified mail with return receipt requested, notice is effective on receipt if delivery is confirmed by a return receipt.

(d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective on delivery if delivery is confirmed by the delivery service.

(e) When sent by fax to the last fax number of the recipient known to the party giving notice, notice is effective on receipt evidenced by fax confirmation as long as (1) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery or (2) the receiving party delivers a written confirmation of receipt. Subject to the foregoing requirements, any notice given by fax shall be considered to have been received on the next business day if it is received after 5 p.m. (recipient's time) or on a non-business day.

18.2 Refused, Unclaimed, or Undeliverable Notices. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities, messenger, or overnight delivery service.

18.3 Addresses. Addresses for purposes of giving notice are set forth below:

COUNTY: County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Suite ____
Santa Rosa, CA 95403
Attn: _____

LICENSEE: Sonoma County Waste Management Agency
2300 County Center Drive, Suite B-100
Santa Rosa, CA 95403
Attn: Henry Mikus, Executive Director

Any party may at any time change its address for notices by giving written notice of such change to the other party in the manner provided in this paragraph.

19. No Continuing Waiver. The waiver by County of any breach of any of the provisions of this License shall not constitute a continuing waiver of any subsequent breach of the same, or of any other provision of this License.

20. General Provisions. Licensee shall not either voluntarily or by operation of law assign, sublet, hypothecate or otherwise transfer Licensee's interest in this License without the prior written consent of County in each instance. A consent by County to one assignment, sublease, hypothecation or transfer shall not be construed as a consent to any subsequent assignment, sublease, hypothecation or transfer, or as releasing Licensee from any liability or obligation hereunder whether or not then accrued. Any assignment, sublease, hypothecation or transfer which is not in compliance with this section shall be void and shall, at the option of County, terminate this License.

21. Improvements.

21.1 Ownership of Improvements During Term. County owns the existing cement treated base on the Premises. Licensee or Licensee's contractor shall own all fixtures and improvements it places or constructs on the Premises until the expiration or termination of this License Agreement.

21.2 Licensee's Duty to Remove. At the expiration or sooner termination of this License, Licensee shall remove from the Premises all of its personal property. If it fails to do so, County may retain ownership of such personal property or dispose of it as County sees fit. Notwithstanding anything stated to the contrary in this License, County shall have the right to require Licensee to remove all such fixtures and improvements and return the Premises to the County in a completely clean condition as required under Section 5 of the JPA Agreement, with the exception of the removal of the cement treated base.

22. Miscellaneous Provisions

22.1 Time of Essence. Time is and shall be of the essence of this License and of each and every provision contained in this License.

22.2 Amendments. This License may be modified in writing only, signed by the parties in interest at the time of the modification, and this sentence may not be modified or waived by any oral agreement, whether executed or unexecuted.

22.3 Binding Effect; Choice of Law. This License shall be binding upon and inure to the benefit of the parties, their personal representatives, successors, and assigns. This License shall be governed by the laws of the State of California and any action to enforce the terms of this License or for the breach thereof shall be brought and tried in the County of Sonoma.

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

22.5 Construction of License; Severability; Venue. To the extent allowed by law, the provisions in this License shall be construed and given effect in a manner that avoids any violation of statute, regulation, or law. County and Licensee

agree that in the event any provision in this License is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such provision shall in no way affect any other provision in this License. Licensee and County acknowledge that they have each contributed to the making of this License and that, in the event of a dispute over the interpretation of this License, the language of the License will not be construed against one party in favor of the other. Licensee and County further acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this License.

22.6 Relationship. The parties intend by this License to establish the relationship of Licensor and Licensee only, and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that of Licensor and Licensee.

22.7 Captions. The captions in this License are for convenience only and are not a part of this License. The captions do not in any way limit or amplify the provisions hereof, and shall have no effect upon the construction or interpretation of any part hereof.

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

AGENCY/LICENSEE:

By: _____

Print Name: _____

Title: _____

APPROVED AS TO FORM
FOR AGENCY:

Janet E. Coleson
Agency Counsel

APPROVED AS TO SUBSTANCE
FOR AGENCY:

Henry J. Mikus
Executive Director

County/Licensors: COUNTY OF SONOMA, a political
subdivision of the State of California

By: _____

APPROVED AS TO FORM
FOR COUNTY:

Sheryl L. Bratton
Assistant County Counsel

APPROVED AS TO SUBSTANCE
FOR COUNTY:

Exhibit A

Depiction of 27 Acre Compost Parcel “Premises”
[ATTACH MAP]

Exhibit B

[ATTACH YARD AND WOOD PROCESSING FEES]

Exhibit C

Licensee shall maintain insurance as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*.

1. Workers Compensation and Employers Liability Insurance

- a. Required if Licensee has employees.
- b. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- c. Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- d. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against County.
- e. Required Evidence of Insurance:
 - i. Subrogation waiver endorsement, and
 - ii. Certificate of Insurance

If Licensee currently has no employees, Licensee agrees to obtain the above-specified Workers Compensation and Employers Liability insurance should any employees be engaged during the term of this Agreement or any extensions of the term.

2. General Liability Insurance

- a. Commercial General Liability Insurance on a standard occurrence form, no less broad than ISO form CG 00 01.
- b. Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; the General Aggregate shall apply separately to each location.
- c. Licensee shall disclose any deductible or self-insured retention in excess of \$25,000 and such deductible or self-insured retention must be approved in advance by County. Licensee is responsible for any deductible or self-insured retention.
- d. County of Sonoma shall be additional insureds for liability arising out the ownership, maintenance or use of that part of the premises licensed to Licensee (ISO endorsement CG 20 11 or equivalent).
- e. The insurance provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by them.
- f. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against County.
- g. The policy shall cover inter-insured suits between County and Licensee and include a "separation of insureds" or "severability" clause which treats each insured separately.
- h. Required Evidence of Insurance:
 - i. Copy of the additional insured endorsement or policy language granting additional insured status, and
 - ii. Certificate of Insurance.

3. Property Insurance for Business Personal Property and Licensees' Improvements *(Required only during the Post-Construction Period)*

- a. Property insurance on a "special form" or "all risks" basis.
- b. Minimum Limit: the full current combined replacement cost of Licensee's Business Personal Property and Licensee's improvements.
- c. The insurance shall apply on a replacement cost basis, without deduction for depreciation.
- d. Licensee shall disclose any deductible or self-insured retention in excess of \$25,000 and such deductible or self-insured retention must be approved in advance by County. Licensee is responsible for any deductible or self-insured retention.
- e. Required Evidence of Insurance:
 - i. Certificate of Property Insurance *or* Evidence of Commercial Property Insurance.

4. Automobile Liability Insurance

- a. Minimum Limits: \$1,000,000 combined single limit per accident.
- b. Insurance shall apply to all owned autos. If Licensee currently owns no autos, Licensee agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions of the term.
- c. Insurance shall apply to hired and non-owned autos.
- d. Required Evidence of Insurance:
 - i. Certificate of Insurance

5. Licensees Pollution Liability Insurance

- a. Minimum Limits: \$1,000,000 per pollution Incident; \$1,000,000 Aggregate;
- b. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by County. Licensee is responsible for any deductible or self-insured retention and shall fund it upon County's written request, regardless of whether Licensee has a claim against the insurance or is named as a party in any action involving the County.
- c. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of work.
- d. Insurance shall be continued for one (1) year after completion of the Work. If the insurance is on a Claims-Made basis, the continuation coverage may be provided by: (a) renewal of the existing policy; (b) an extended reporting period endorsement; or (c) replacement insurance with a retroactive date no later than the commencement of the work.
- e. County of Sonoma, shall be additional insureds for liability arising out of operations by or on behalf of the Licensee in the performance of this agreement. The foregoing shall continue to be additional insureds for (1) year after completion of the Work.

6. Standards for Insurance Companies

- a. Insurers shall have an A.M. Best's rating of at least A:VII.

7. Documentation

- a. The Certificate of Insurance must include the following reference: Central Landfill Compost License Agreement.
- b. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Licensee agrees to maintain current Evidence of Insurance on file with County for the required period of insurance.
- c. The name and address for Additional Insured endorsements and Certificates of Insurance is:

County of Sonoma
Department of Transportation and Public Works
2300 County Center Drive, Suite ____
Santa Rosa, CA 95403
Attn: _____

- d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- e. Licensee shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

8. Policy Obligations

Licensee's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

Exhibit B - Payment Matrix

Product	Net Cost Per Ton
Wood Debris - Fuel Market	\$20.50
Wood Debris - Non Fuel Market	\$22.19
Yard Debris - Processed at Central, >=250 TPD	\$25.17
Yard Debris - Prepared Yard Debris or <250 TPD	\$27.73

ORGANIC MATERIAL PROCESSING,
COMPOSTING AND MARKETING SERVICES
AGREEMENT BY AND BETWEEN
THE SONOMA COUNTY WASTE MANAGEMENT AGENCY
AND SONOMA COMPOST COMPANY

February 20, 2013

DRAFT

Contents

1. DEFINITIONS	1
2. SCOPE OF SERVICES	5
2.1 Receiving, Weighing and Handling	5
2.2 Disposal of Contaminants	6
2.4 Time of Operation	6
2.5 Employee Training	6
2.6 Standard of Care; Compliance with Laws	6
2.7 Prevailing Wages	6
3. TERM OF AGREEMENT	7
3.1 Term	7
3.2 Termination by Agency	7
4. COMPENSATION FOR SERVICES	7
4.1 Compensation	7
4.2 Adjustments in Compensation	8
4.3 Determination of Compensation	8
4.4 Agency Product Distribution	9
4.5 Taxes	9
4.6 Liability for Compensation	9
4.7 Financial Offset for Transportation Costs	9
5. PROCESSING FACILITY	10
5.1 Facility Design	10
5.2 Facility Improvements	10
5.3 Facility Operation	11
5.4 Facility Maintenance	12
6. FINISHED PRODUCT STANDARDS	13
6.1 Production of Finished Products	13
6.2 Process Testing	13
6.3 Finished Product Standard	13
7. CONTAMINANTS	13
7.1 Separation of Contaminants	13
7.2 Hazardous Materials	13
8. MARKETING PLAN	13
8.1 Approval of Marketing Plan	14
8.2 Deviations from Approved Marketing Plan	14
9. ACCOUNTING AND RECORDS	14
9.1 Maintenance and Audit of Records	14

9.2	Over-Payments to Contractor	14
9.3	Under-Payments to Contractor	15
9.4	Inspection of Accounts and Records	15
10.	REPORTS	15
10.1	Daily Reports	15
10.2	Monthly Reports and invoicing	15
10.3	Annual Reports	16
10.4	Final Report	16
10.5	Reports Required by Law	17
11.	CONTRACTOR REPRESENTATIONS	17
11.1	Organization and Good Standing	17
11.2	Authority and Authorization	17
11.3	Litigation	17
11.4	Binding Obligation	17
12.	INSURANCE; PERFORMANCE BOND	17
12.1	Insurance Requirements	17
12.2	Faithful Performance Bond	20
13.	NOTICE	20
13.1	Notices	20
13.2	Refused, Unclaimed, or Undeliverable Notices	20
13.3	Addresses	21
14.	INDEMNIFICATION	21
15.	EVENTS OF DEFAULT; REMEDIES	21
16.	EXPIRATION OF AGREEMENT	22
16.1	Normal Expiration	22
16.2	Termination of Agreement	23
16.3	Condition of Facility	23
17.	ARBITRATION	23
18.	ATTORNEYS' FEES	24
19.	GENERAL PROVISIONS	24
19.1	Assignment	24
19.2	Amendments	24
19.3	Nondiscrimination	24
19.4	No Waiver of Breach	24
19.5	Construction	25
19.6	No Third Party Beneficiaries	25
19.7	Applicable Law and Forum	25

19.8	Captions	25
19.9	Merger	25
19.10	Time of Essence.....	25

LIST OF EXHIBITS

Facility Map	Exhibit "A"
List of Operating Equipment	Exhibit "B"
Payment Matrix	Exhibit "C"
Marketing Plan – To be provided by respondent	Exhibit "D"

ORGANIC MATERIAL PROCESSING, COMPOSTING AND MARKETING SERVICES
AGREEMENT BY AND BETWEEN THE SONOMA COUNTY WASTE MANAGEMENT AGENCY
AND SONOMA COMPOST COMPANY

This Agreement is made and entered into this 20th day of February, 2013, by and between the SONOMA COUNTY WASTE MANAGEMENT AGENCY, a joint powers agency, and Sonoma Compost Company, a California General Partnership. Agency and Contractor are sometimes collectively referred to as the “parties” and singularly, a “party.” Unless otherwise stated, all terms shall have the meanings ascribed to them in Section 1 below.

R E C I T A L S

WHEREAS, Agency desires to continue its Yard Debris Composting and Wood Debris Diversion Program (the “Program”) for the handling and processing of segregated Yard Debris and Wood Debris diverted from the solid waste stream; and

WHEREAS, Contractor represents that it directly has the necessary experience and expertise to receive municipal Yard Debris and Wood Debris, process such materials into marketable products, and market the products; and

WHEREAS, Contractor is willing to operate and maintain a Yard Debris composting and Wood Debris diversion processing facility to receive, handle, and process Agency Yard Debris and Wood Debris for a fee and market the products therefore; and

WHEREAS, Agency and Contractor desire to fulfill part of Agency’s obligation to divert recyclable materials from landfill disposal by converting Agency’s Yard Debris and Wood Debris into valuable commodities thus enhancing the environment and preserving our natural resources; and

WHEREAS, an initial study and mitigated negative declaration have been prepared for the Program in accordance with the California Environmental Quality Act; and

WHEREAS, the County adopted the mitigated negative declaration on March 24, 1992 and a Notice of Determination was filed; and

WHEREAS, Agency and Contractor desire to enter into this Agreement whereby Contractor shall perform Yard Debris composting and Wood Debris diversion processing services related to Agency’s Yard Debris Composting and Wood Debris Diversion Program.

NOW, THEREFORE, Agency and Contractor do hereby agree as follows:

A G R E E M E N T

1. DEFINITIONS

As used in this Agreement, the following terms shall have the meaning set forth below. Any term may be used in the plural or past tense.

“Aeration.” Aeration shall mean the process of exposing composting material to oxygen in

the air.

“Agency.” Agency shall mean the Sonoma County Waste Management Agency, a joint powers agency comprised of the following members: City of Cloverdale, City of Cotati, City of Healdsburg, City of Petaluma, City of Rohnert Park, City of Santa Rosa, City of Sebastopol, City of Sonoma, County of Sonoma, and Town of Windsor.

“Agency Representative.” Agency Representative shall mean a person or persons assigned by the Agency to manage or oversee the Program.

“Central Disposal Site.” Central Disposal Site shall mean the landfill located on 500 Mechem Road, west of Cotati, which is operated by the County.

“Collector.” Collector shall mean the contractor or contractors who perform collection services for Yard Debris and Wood Debris pursuant to agreements with the Agency’s members.

“Compost.” Compost shall mean stable humus-like product of the composting process that results from having the organic components of the Yard Debris metabolized to a relatively stable intermediates (i.e., the material can be stored without producing a nuisance or can be applied to the soil and not inhibit vegetative development).

“Composting.” Composting shall mean the controlled biological decomposition of organic solid waste.

“Contaminants.” Contaminants shall mean any material not normally produced from gardens or landscapes including, without limitation, brick, rocks, gravel, large quantities of dirt, concrete, sod, and non-organic wastes (i.e., metal, glass or plastic). Contaminants shall not include any Hazardous Materials.

“Contract Year.” Contract Year shall mean the twelve (12) month period from the Start Date, in any calendar year of the term of the Agreement, to the Start Date anniversary in the next calendar year.

“Contractor.” Contractor shall mean Sonoma Compost Company.

“Contractor Improvements.” Contractor Improvements shall mean the improvements made to the Facility by Contractor which are more specifically depicted on Exhibit A attached hereto and incorporated herein.

“County.” County shall mean the County of Sonoma, a political subdivision of the State of California.

“CPI.” CPI shall mean the Consumer Price Index for All Urban Consumers for San Francisco-Oakland-San Jose based on the year 1982-1984 = 100 as published by the U.S. Department of Labor’s Bureau of Labor Statistics.

“Dimensional Lumber.” Dimensional lumber is one type of processed wood used for building, manufacturing, landscaping, and packaging.

“Effective Date.” Effective Date shall mean February 20, 2013.

“Facility.” Facility shall mean the Yard Debris composting and Wood Debris diversion processing facility located at the Central Disposal Site as more particularly depicted on Exhibit A attached hereto and incorporated herein.

“Finished Products.” Finished Products shall mean wood chips, mulch, compost, and other usable and/or marketable products produced from Yard Debris and Wood Debris.

“Finished Product Revenue.” Finished Product Revenue shall mean the sum of the revenue from Wood Debris Products and Yard Debris Products.

"Food Scraps" means any material that was acquired for animal or human consumption, is separated from the municipal solid waste stream, and that does not meet the definition of "agricultural material." Food material may include material from food facilities as defined in Health and Safety Code section 113785, grocery stores, institutional cafeterias (such as, prisons, schools and hospitals) or residential food scrap collection.

“Hazardous Materials.” Hazardous Materials shall mean any substance, chemical, waste or other material which is listed, defined or otherwise identified as “hazardous” or “toxic” under any federal, state, local or administrative agency ordinance or law or any material that because of its quantity, concentration, or physical or chemical characteristics, poses a significant, present or potential hazard to human health or safety or to the environment if release into the environment, or any regulation, order, rule or requirement adopted thereunder, as well as any formaldehyde, polychlorinated biphenyl, petroleum, petroleum product or by-product, crude oil, natural gas, natural gas liquids liquefied natural gas or synthetic gas usable for fuel or mixture thereof, radon, asbestos, pressure treated wood and “source,” “special nuclear” and “by-product” material as defined in the Atomic Energy Act of 1985, 42 U.S.C. section 3011, et seq.

“LEA.” LEA shall mean the Local Enforcement Agent representing and certified by the California Department of Resource Recycling and Recovery to enforce state solid waste facility regulations.

“Marketing Plan.” Marketing Plan shall mean the marketing plan submitted by Contractor and approved by Agency in accordance with Article 8 below.

“New Compost Site.” Alternate site from “Facility” that will be established by the Agency to replace “Facility” at a future date.

“Other Haulers.” Other Haulers shall mean individuals or entities, other than Collectors, who deliver Yard Debris and/or Wood Debris to the Central Disposal Site.

“Operating Days.” Operating Days shall mean all days of the year except New Years Day, Easter Sunday, Independence Day, Labor Day, Thanksgiving and Christmas Day.

“Operating Equipment.” Operating Equipment shall mean the equipment supplied by the Contractor and located at the Facility which is more specifically described in Exhibit B attached hereto and incorporated herein.

“Operating Term.” Operating Term shall mean the period of time from the Start Date to February 1, 2017

“Permit.” CalRecycle Solid Waste Information System permit number 49-AA-0260.

“Post-Operating Term.” Post Operating Term shall mean the period of time from February 1, 2017 to July 1, 2017.

“Pre-Operating Term.” Pre-Operating Term shall mean the period of time between the Effective Date and the Start Date.

“Prepared Yard Debris.” Prepared Yard Debris shall mean green plant debris including grass clippings, leaves, prunings, weeds, branches, brush, portions of wood and other forms of organic waste generated from landscapes and gardens. Prepared Yard Debris shall be processed through a grinder to reduce the delivered yard debris to particles and then shall be passed through a screen to remove foreign material (non-organic) contaminants and producing an average particle size mutually agreeable for use by the City of Santa Rosa as a bulking agent for composting the biosolids remaining after treatment of sewage.

“Program.” Program shall mean the Agency’s Yard Debris Composting and Wood Debris Diversion program for diverting material from the solid waste stream by receiving and processing Yard Debris and Wood Debris into Finished Products.

“RWQCB.” RWQCB shall mean the North Coast Regional Water Quality Control Board.

“Reuse Service.” Reuse service is the recovery of a material, such as dimensional lumber and pallets, for sale for uses similar or identical to its originally intended application.

“Specialty Products.” Specialty Products are new products which entail labor or mechanical processing in excess of that entailed in the manufacture of Finished Products or which involve distinct types of additives or amendments not used in Finished Products described in the Marketing Plan.

“Start Date.” Start Date shall mean March 16, 2013.

“TPD.” TPD shall mean tons per day.

“Test Products.” Test Products are products undergoing a market test prior to inclusion in the marketing plan as Specialty Products.

“Vegetative Food Scraps.” Vegetative Food Scraps shall mean Food Scraps that do not contain any meat or dairy products.

“Windrow.” Windrow shall mean an elongated pile of Composting material.

“Wood Debris.” Wood Debris shall mean dimensional lumber, pallets, shipping dunnage, and similar discarded wood materials.

“Wood Debris Products.” Wood Debris Products shall mean products made from the woody

fractions of Yard Debris or Wood Debris which have been mechanically reduced in size and screened for use as various finished bedding, mulch, soil amendments, decorative uses or as fuel to generate electricity.

“Yard Debris.” Yard Debris shall mean green plant debris including grass clippings, leaves, prunings, weeds, branches, brush, tree portions and other forms of organic waste generated from landscapes and gardens. Yard debris may include vegetative food materials up to tonnage/percentage limits set forth in the Permit.

“Yard Debris Products.” Yard Debris Products shall mean Yard Debris that has been processed to generate compost, mulch, or soil amendment.

2. SCOPE OF SERVICES

2.1 Receiving, Weighing and Handling.

2.1.1 Accounting for Materials Delivered. All materials delivered by Collectors and Other Haulers for processing by Contractor shall be accounted for by the Agency at the Central Disposal Site. Such material will be categorized by the Agency into one of the following two categories: (1) Wood Debris; or (2) Yard Debris. The Agency will also account for the jurisdictional source for all material delivered to the Central Disposal Site. Wood Debris and Yard Debris will be measured by weight or volume at the Central Disposal Site gate and will be delivered by Collectors and Other Haulers to the Contractor’s receiving area. The load volumes will be converted to tons using mutually agreed upon conversion factors. The conversion factors shall be tested with a frequency and methodology mutually agreed upon by the parties. Should additional material types be permitted for composting in the future, these material types will be categorized appropriately for accounting purposes (e.g. Food Scraps).

2.1.2 Acceptance of Materials. Contractor shall accept all materials delivered to the Facility and shall process such materials into Yard Debris Products or Wood Debris Products. With Agency approval, additional materials such as Food Scraps, or other organics feedstock acceptable for composting, may be accepted at the Facility. In the event that Contractor is unable to receive and process acceptable material, Contractor shall be responsible for the cost of removal, transport, disposal and any other costs incurred by the Agency to divert acceptable organic material to other locations as designated by the Agency Representative, provided, however, that Contractor shall not be responsible where Contractor’s inability to receive and process such material is: (i) not caused by either the acts or omissions of Contractor, its employees or agents, or (ii) caused by events beyond Contractor’s reasonable control.

2.1.3 Determination of Acceptability of Materials. In the event Contractor believes delivered material is unacceptable for processing due to the presence of Contaminants, Contractor shall first attempt to reach agreement with the individual Collector or Other Hauler who delivered such materials to the Facility. Should Contractor be unable to reach agreement with the particular Collector or Other Hauler responsible for delivering the Contaminants, Contractor shall set the disputed materials in an area adjacent to the processing area so that the Agency Representative can inspect the materials. The Agency Representative shall have forty-eight (48) hours to inspect such materials from the time the Agency Representative receives notice of the disputed materials. Agency Representative shall determine, in his or her sole discretion, the fractions of Wood Debris,

Yard Debris and Contaminants. Once the Agency Representative has made such a written determination, Contractor shall be responsible for the appropriate disposition of the delivered material in a timely manner. Contractor reserves the right to reject Contaminated loads from entry onto the processing area of the Facility.

2.2 Disposal of Contaminants. Contractor, at Contractor's sole cost and expense, shall properly dispose of all Contaminants which remain after processing of Yard Debris and Wood Debris; provided, however, that Contractor shall be allowed to dispose of Contaminants at the Central Disposal Site at no cost to Contractor. Contaminants shall not exceed that allowed by the Permit or as allowed by the LEA. Where Contaminants are disposed of at a disposal site other than the Central Disposal Site, Contractor shall dispose of such materials at its own cost and shall insure that the hauling operation for Contaminants is at all times performed in compliance with all federal, state and local permit requirements, laws and regulations.

2.4 Time of Operation. Contractor shall accept delivery of Yard Debris and Wood Debris on Operating Days during the hours that the Central Landfill Site is open to the public. Contractor may process Yard Debris and Wood Debris on Operating Days in accordance with the times listed in the Permit.

2.5 Employee Training. Contractor shall train processing crews and office staff regarding the requirements of this Agreement before commencing operations. Contractor shall regularly conduct safety training of all employees, particularly those involved in equipment operation. Contractor shall conduct an education program which will train Contractor's employees in the identification of Hazardous Materials. Contractor shall maintain written records of such training.

2.6 Standard of Care; Compliance with Laws. Agency has relied upon the special expertise and experience of Contractor as a material inducement to enter into this Agreement. Contractor hereby warrants that all its work will be performed in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, including without limitation, health and safety requirements, labor requirements, and requirements (including permit conditions) of the California Regional Water Quality Control Board, the Bar Area Air Quality Management District, the California Department of Resources Recycling and Recovery, the LEA, and the County, it being understood that acceptance of Contractor's work by Agency shall not operate as a waiver or release. It is expressly understood and acknowledged by Contractor, that subject to Section 4.2.2, Contractor shall be fully responsible for all environmental compliance related to the Facility or composting operations.

2.7 Prevailing Wages. Contractor shall pay to persons performing labor for "public works", as such term is defined in Section 1720(a) of the Labor Code, an amount equal to or more than the general prevailing rate of per diem wages for (1) work of a similar character in the locality in which the work is performed and (2) legal holiday and overtime work in said locality. The per diem wages shall be an amount equal to or more than the stipulated rates contained in a schedule that has been ascertained and determined by the Director of the State Department of Industrial Relations and County to be the general prevailing rate of per diem wages for each craft or type of workman or mechanic needed to execute this Agreement. Contractor shall also cause a copy of this determination of the prevailing rate of per diem wages to be posted at each site work is being performed. Copies of the prevailing wage rate of per diem wages are on file at the Sonoma County Department of Transportation and Public Works office and will be made available to any person upon request.

Contractor shall insert in every subcontract or other arrangement which Contractor may make for performance of work or labor on such "public works" provided for in the Agreement, provision that subcontractor shall pay persons performing labor or rendering service under subcontract or other arrangement not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed in the Labor Code. Pursuant to Labor Code Section 1775(b)(1), Contractor shall provide to each subcontractor a copy of Sections 1771, 1775, 1776, 1777.5, 1813 and 1815 of the Labor Code.

Contractor stipulates that it shall comply with all applicable wage and hour laws, including without limitation Labor Code Sections 1775, 1776, 1777.5, 1813 and 1815.

3. TERM OF AGREEMENT

3.1 Term. The term of this Agreement shall commence on the Effective Date and terminate on July 1, 2017, unless terminated earlier in accordance with the provisions of Section 3.2 below.

3.2 Termination by Agency. Agency may terminate or modify this Agreement: (a) for an Event of Default in accordance with the procedures set forth in Article 15; (b) in the event a third party regulator orders a shutdown of sixty (60) days or more of the Facility, (c) with at least twelve (12) months advanced written notice in the event the current site is required to be vacated, or (d) with at least twelve (12) months advanced written notice in the event a new site is to be developed. If termination occurs under 3.2.(c) above, Contractor and Agency shall negotiate in good faith to secure a financial settlement, not to exceed \$300,000.00 during the term of the contract, to reimburse Contractor for unamortized capital expenses incurred by Contractor for the remaining contract period through February 1, 2017.

4. COMPENSATION FOR SERVICES

4.1 Compensation. Contractor shall be paid for its services in accordance with the payment matrix which is attached hereto as Exhibit C (hereinafter referred to as the "Payment Matrix"). The applicable rate to use from the Payment Matrix to determine the amount of compensation depends upon the amount of materials received at the Facility each month. Agency shall pay Contractor within twenty five (25) days of receiving an invoice from Contractor in accordance with Section 10.2 below.

4.1.1 Compensation for Yard Debris. Compensation for Yard Debris depends upon the use of the Yard Debris Products and the amount processed. Agency shall compensate Contractor for Yard Debris on actual tonnage times the rate identified for the use of the Yard Debris Products.

4.1.2 Compensation for Wood Debris. Compensation for Wood Debris depends upon the use of the Wood Debris Products and the amount processed. Agency shall compensate Contractor for Wood Debris on actual tonnage times the rate identified for the use of the Wood Debris Products.

4.2 Adjustments in Compensation.

4.2.1 Unforeseen Events Concerning Environmental Regulations. In the event that requirements imposed on the Facility by state or local agencies, that are the result of new or revised regulations or requirements proposed and enacted after the Start Date of this Agreement, cause Contractor to have to expend more than Fifty Thousand Dollars (\$50,000) per calendar year during the Operating Term, the excess over Fifty Thousand Dollars (\$50,000) shall be considered pass through costs to the Agency; provided, however, that Agency shall have the right to renegotiate the terms of the Agreement if the new or revised regulations or requirements: (a) require the parties to expend more than One Million Dollars (\$1,000,000) during the first three (3) years of the Operating Term; or (b) are imposed during the final two (2) years of the Agreement, and the estimated amount of the pass through costs to the Agency will create significant impacts to the viability of the organics diversion program (i.e., proposed pass through costs result in a Ten and No/100 Dollar (\$10.00) or greater increase in the tipping fee). Contractor shall have the burden of proving to the Agency, the amount of expense incurred as a result of such new or revised regulation.

4.2.2 Annual Adjustments. The rates specified in the Payment Matrix shall be adjusted every twelve (12) months on the first anniversary of the Start Date. The adjustment shall be calculated by increasing the rates set forth in the Payment Matrix by the CPI; provided, however, that in no event shall adjustments in rates exceed three percent (3%) in any twelve (12) month period. In the event that the parties cannot agree on the amount of adjustment under this Section 4.2.2, the dispute shall be resolved in accordance with Section 17 of this Agreement.

4.2.3 Revenue from Finished Products.

(1) Yard Debris and Wood Debris Products. Finished Product Revenue shall be accounted for and allocated between Wood Debris and Yard Debris materials in accordance with the approved Marketing Plan. Contractor and Agency shall equally share any revenue generated from the sale of finished products where gross revenue exceeds \$367,547 during the period of April 1 to March 31. The annual revenue sharing payment (if any) shall be made by Sonoma Compost Company no later than June 1 of each year this agreement is effective.

(2) Specialty Products. Specialty Products will be described in the Marketing Plan submitted by the Contractor annually or more frequently for approval by the Agency. Specialty Products are new products which entail labor or mechanical processing in excess of that entailed in the manufacture of Finished Products or which involve distinct types of additives or amendments not used in Finished Products described in the Marketing Plan. Revenue allocation for Specialty Products will be identified for each individual Specialty Product in the Marketing Plan.

(3) Test Products. Prior to including a product in the Marketing Plan as a Specialty Product, the Contractor will have the opportunity to market test products for viability. The Agency Director will be notified of market testing prior to release of Test Products and commencement of market test. Contractor may conduct a market testing for a maximum of four months with no revenue sharing obligation. Upon completion of successful test marketing of a product, Contractor and Agency Director will negotiate the revenue sharing formula. Payment of the Agency's share of revenue shall begin at the earliest of either: (1) four months after testing begins or (2) notification of the Agency by the Contractor that the product will be included in the next Marketing Plan. Contractor shall include the successful Test Product in the next Marketing Plan submitted to Agency for approval, in the sections pertaining to product description and allocation of revenue.

4.3 Determination of Compensation. Wood Debris and Yard Debris delivered for

processing will be measured by the County at the Central Disposal Site gate. Material delivered by Collectors or Other Haulers identified as material gathered in a residential yard debris collection program will be weighed and accounted for as Yard Debris, with appropriate compensation to Contractor. Material delivered by Collectors or Other Haulers identified at the gate as Wood Debris will be weighed and accounted for as Wood Debris, with appropriate compensation to Contractor.

4.4 Agency Product Distribution. Contractor shall make available to the Agency ten percent (10%) of the Finished Products, as set forth in the Marketing Plan, for Agency use. Distribution shall be among Agency members at the Facility as agreed upon by a majority vote of the Agency. Finished Products allocated to Agency in accordance with this Section and not claimed within forty-five (45) days of notice by Contractor of its availability, shall be marketed by Contractor in the same manner as set forth in the Marketing Plan. In the event unclaimed materials are marketed by Contractor, Contractor shall account for revenue generated from such materials by allocating such revenue to the 50/50 revenue share with the Agency.

4.5 Taxes. Contractor shall be fully responsible for and agrees to pay for any and all lawful taxes, general and special assessments, and other charges of every description. Contractor shall make all such payments directly to the assessing authority, before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for their nonpayment. If, however, the law expressly permits the payment of any, or all, of the above items, in installments (whether or not interest accrues on the unpaid balance), Contractor may, at Contractor's election, utilize the permitted installment method, but shall pay each installment, with any interest, before delinquency. It is expressly understood by the parties that Contractor shall be responsible for those taxes directly related to Contractor's operations and the revenue generated on Contractor's behalf. In no event shall Contractor be responsible for taxes directly related to County Improvements.

4.6 Liability for Compensation. Contractor hereby acknowledges that pursuant to Section 18 of Article 16 of the California Constitution, there are certain limits on the Members of the Agency incurring liability under this Agreement. Therefore, notwithstanding anything stated to the contrary herein, Contractor hereby understands, acknowledges and agrees to look solely to the special funds of the Agency which are generated from the collection of tipping fees for Agency programs. In no event shall Agency's obligation to pay Contractor hereunder extend beyond the tipping fees collected by the Agency. It is the intent of the parties that the aforesaid limitation shall not apply to liability that arises from: (a) activities outside the scope of this Agreement; or (b) a breach of this Agreement by Agency that is unrelated to Agency's obligation to compensate Contractor. Agency covenants to take such action as may be necessary to include all monetary obligations due hereunder in its annual budget and annually appropriate an amount necessary to make such compensation payments. In addition, Agency shall have the right to cancel and terminate this Agreement at the end of any fiscal year of the Agency if the Agency is not authorized by state or federal law or regulation to appropriate moneys sufficient to pay the compensation required under this Agreement, provided however, that the parties have a reasonable belief that such future funding will not be forthcoming in the first half of the next fiscal year. The Agency may effect such termination by giving Contractor sixty (60) days prior written notice of termination unless the giving of such advance notice is impractical under the circumstances.

4.7 Financial Offset for Transportation Costs. Contractor shall reimburse the Agency Ten Thousand and No/100 Dollars (\$10,000.00) each fiscal year to help offset the cost of transporting yard debris and wood waste from the County transfer stations to the Program at the Central Disposal

Site. Contractor shall make bi-annual payments beginning sixty (60) days after the effective date of this Agreement.

5. PROCESSING FACILITY

5.1 Facility Design. It is understood that Agency and Contractor have collaborated on the design of the Facility and are hereby satisfied that it will perform as required, subject to the provisions of Section 5.4 below.

5.1.1 Existing Facility. Contractor hereby represents and warrants to Agency that it has reviewed the design of the Facility and is satisfied that, it will perform as required and accommodate an average monthly throughput capacity of 300 tons per day and a peak throughput capacity of 623 tons per day.

5.2 Facility Improvements.

5.2.1 Minimum Requirements. Contractor shall not make any changes to the Facility that would impair any of the following design parameters:

(a) Throughput Capacity. The Facility shall have a throughput capacity of at least three hundred (300) tons per day (TPD) of total material during each Operating Day. The Facility design must incorporate allowances for scheduled maintenance and repair throughout the year. Facility design shall allow for a peak throughput capacity of six hundred twenty three (623) TPD.

(b) Delivery Area. The tipping area for organic materials delivered by Collectors shall be designed to accommodate any common waste hauling vehicle (packer trucks, roll-offs, etc.) excluding tractor-trailers requiring delivery site hydraulic tippers. The Facility layout shall provide space separate from the primary tipping area where Collector vehicles and Other Hauler vehicles can safely deposit Wood Debris and Yard Debris.

(c) On-site Storage. The Facility shall include adequate storage and transfer equipment for all products generated as a result of the Composting process. The Facility shall have adequate site storage capacity to accept and store unprocessed organic material in the event of processing equipment failure and during routine equipment maintenance. The Facility receiving area will also have a designated site to temporarily store reusable lumber. The Facility shall provide load-out points for Finished Products and Contaminants. Contractor shall maintain the Finished Products storage areas. The storage areas shall be capable of accommodating, subject to the physical constraints of the size of the processing area provided to Contractor, a minimum of: (a) one month of Yard Debris Products at a delivery rate of 288 TPD; and (b) one month of Wood Debris Products at a delivery rate of 12 TPD. The Facility shall incorporate designated storage facilities and receiving areas, including associated processing equipment for nutrient source materials, if deemed necessary by the Contractor. The cost of such nutrient source storage and pumping/handling equipment shall be included in the Payment Matrix.

(d) Minimization of Odors. The Facility shall be designed to minimize odors, especially the migration of odors off-site to adjacent property. It is specifically acknowledged by the Agency, that by their nature, even well designed and operated aerobic composting facilities may occasionally generate odors, perceived by some to be offensive. The Contractor shall not be considered in default if offensive odors are generated occasionally, provided the Facility is operated

according to the provisions of the Agreement and the requirements of applicable permits and regulations. In the event that offensive odors are generated occasionally which result in complaints and Contractor is operating the Facility in accordance with this Agreement and applicable permits and regulations, Contractor shall assist Agency in resolving such complaints.

(e) Fire Control Program. The design of the Facility shall be such that a fire control program can be implemented. The fire control program shall be implemented in accordance with requirements of the appropriate local fire agency, insurance underwriters requirements and all local rules.

(f) Product Test Area. The Facility shall include one or more product test plot areas where growth tests and soil improvement tests can be conducted.

(g) Engineering Standards. The Facility, including, without limitation, the Operating Equipment, shall be designed and constructed to comply with all applicable industrial codes and all applicable code requirements of the American Society of Mechanical Engineers and other technical societies, either as stated or as is standard in industry practice.

5.3 Facility Operation. Contractor shall operate the Facility in accordance with the following minimum standards.

5.3.1 Processing. Contractor shall provide sufficient equipment for the efficient receipt, handling, and loading of Wood Debris, Yard Debris, reusable lumber, recyclable materials, and Contaminants. Contractor shall operate the Facility and provide equipment redundancy and replacement as necessary to ensure a smooth, continuous operation.

5.3.2 Housekeeping; Storage. Contractor shall conduct daily inspections of the Facility for litter, and as needed, Contractor shall clean up the litter at the Facility. To minimize internal and external dust, Contractor shall apply water to the Facility area to control dust. Contractor shall also supply systems for safety and public health protection, including without limitation, a fire control program and provision for vector control. The Compost shall be maintained in an aerobic condition to avoid odors produced by anaerobic conditions. Contractor shall ensure that all materials are only stored as specified in this Agreement and Permit. Unprocessed Yard Debris or Wood Debris shall be stored on-site in accordance with the Permit. Storage is only acceptable to the extent that satisfactory odor, vector, dust, and fire control measures are employed to eliminate nuisance, health, and safety problems. In the event Contractor fails to store materials in an acceptable manner as set forth in this Agreement, Contractor shall defend and indemnify Agency and County from all liability and expense resulting from such failure, including, without limitation, nuisance claims by neighboring land owners.

5.3.3 Health and Safety. Contractor shall operate the Facility so as to minimize potential health and safety problems for Contractor and County employees at the Central Disposal Site, users of the Center Disposal Site and neighboring properties. Contractor shall operate and maintain the Facility in a neat and orderly manner and shall police daily, or more frequently if necessary, to prevent litter from blowing off the grounds of the Facility.

5.3.4 Testing. Contractor shall be equipped with the necessary testing instruments and shall submit samples of finished product to a state certified laboratory in order to monitor the composting process as required by this agreement as well as applicable state requirements.

5.3.6 Educational Opportunities. The Facility shall be operated in a manner that will provide public education opportunities and other appropriate activities as described in the Operating Plan and as mutually agreed upon by the parties.

5.3.7 Environmental Requirements. Contractor shall ensure that operation of the Facility will be in compliance with all permit conditions issued for the Program, including without limitation, permits issued by the California Department of Resources Recycling and Recovery, the RWQCB, the Bay Area Air Quality Management District, the LEA, and the County. Contractor shall be responsible for handling any and all inquiries and requests from the various regulatory agencies, including but without limitation, the California Department of Resources Recycling and Recovery, the RWQCB, the Bay Area Air Quality Management District, the LEA, and the County. Notwithstanding anything stated to the contrary herein, a County representative shall be present at any scheduled Facility inspections by the RWQCB.

5.4 Facility Maintenance.

5.4.1 Maintenance Obligations of Contractor. Contractor shall be responsible for maintaining and repairing the Facility, including the working surface on a daily basis. Contractor shall be responsible for repair costs of up to twenty-five thousand dollars (\$25,000) per calendar year. Repairs in excess of twenty-five thousand dollars (\$25,000) shall be reimbursed to Contractor by Agency. Such obligation shall include maintenance and repair to the Facility that is made necessary as a result of damage caused by third parties, except as specifically excluded in this Section 5.4.

5.4.2 Maintenance of Working Surface. The parties hereby understand and acknowledge that the working surface for the Facility has been placed on a landfill and as a result may be prone to maintenance problems resulting from settlement and subsidence that is typically associated with landfills. Contractor shall be responsible for maintaining and repairing the working surface, including damage caused by landfill settling. Contractor shall be responsible for prevention of ponding on any area within the Facility. Contractor shall be responsible for repairing problems with the working surface that are directly related to the structural integrity or performance of the working surface.

5.4.3 Maintenance of Perimeter Road. Contractor shall be responsible for maintaining, repairing and replacing all roads within the Facility, except damage directly caused by County employees or contractors. Contractor shall notify County in writing, within forty-eight (48) hours of any damage cause by County employees or its contractors.

5.4.4 Storm Water Management. Contractor shall be responsible for maintaining and repairing all culverts, ditches, pipes and ponds within the Facility. Contractor shall not be responsible for providing repairs to the existing two sedimentation ponds due to catastrophic failure or structural flaws (e.g., failure to perform as intended). Maintenance of the ponds shall include regular removal of sediments in order to: (a) comply with regulatory requirements; and (b) ensure the ponds perform as designed. Contractor shall perform daily inspections of the drainage system during the winter season (e.g., October to May) to confirm that the system if functioning properly (e.g., ditches are clean). Contractor shall perform thorough ditch cleaning prior to October 15 of every year.

5.4.5 Utilities. Contractor shall be responsible for electricity and water use costs

and maintaining, repairing and replacing all utilities within the Facility, except damage directly caused by County employees or contractors. Contractor shall notify County in writing, within forty-eight (48) hours of any damage caused by County employees or its contractors.

6. FINISHED PRODUCT STANDARDS

6.1 Production of Finished Products. Contractor shall produce marketable Finished Products on a continuous basis and in such a manner that a market for the total amount of Finished Products from the Yard Debris and Wood Debris received for processing at the Facility can be developed. The marketing and distribution of Finished Products, with the exception of the ten percent (10%) provided to Agency, shall be the sole responsibility of the Contractor and shall be in accordance with the approved Marketing Plan.

6.2 Process Testing. The Facility shall be equipped with the necessary analytical instruments and equipment to carry out the following, ongoing, routine composting process tests: (a) measuring moisture content; (b) temperature readings; and (c) other tests, mutually agreed upon the parties, to optimize the marketability of the Finished Products. Finished compost product testing and analysis shall include moisture content, organic and inorganic contaminants analysis, maturity/stabilization testing, macro- and micro-nutrient analyses, and microbiological tests which shall be performed by a qualified, independent laboratory. Agency reserves the right to observe sample collections and to collect samples of Finished Product for its own use.

6.3 Finished Product Standard. The finished compost product shall maintain physical and chemical specifications such as to: (a) achieve the results required under the Marketing Plan; and (b) comply with all applicable laws, ordinances, regulations, and permit conditions.

7. CONTAMINANTS

7.1 Separation of Contaminants. Contractor shall visually inspect each load of materials for Contaminants as the load is delivered to Contractor's processing area and shall proceed in strict accordance with this Agreement.

7.2 Hazardous Materials. If Hazardous Materials are contained in any of the materials that are accepted at the Facility, Contractor shall remove all identified Hazardous Materials. Where Contractor can identify the individual or entity responsible for bringing the Hazardous Materials to the Facility, Contractor shall request the customer deliver Hazardous Materials to an approved hazardous waste treatment, storage and disposal facility. In the event Contractor and Agency are unsuccessful in getting the individual or entity responsible for delivering the Hazardous Materials to retrieve such materials and properly dispose of the same, Contractor shall be responsible for properly disposing of the Hazardous Materials and the portions of Yard Debris and/or Wood Debris that are contaminated, at Contractor's sole cost and expense, at an approved hazardous waste treatment, storage and disposal facility. In the event Contractor fails to use reasonable diligence in identifying and/or disposing of Hazardous Materials, Contractor shall defend and indemnify Agency and County from all liability and expense resulting from such failure

8. MARKETING PLAN

8.1 Approval of Marketing Plan. Contractor shall submit a detailed Marketing Plan to Agency for its review and approval at least one hundred twenty (120) days prior to the Start Date. The detailed Marketing Plan shall include: (a) definition of products to be sold; (b) allocation by percentage weight of products produced from Wood Debris and Yard Debris; (c) records to be generated on product sale revenue and distribution; and (d) allocation of revenue to Contractor and Agency. The approved Marketing Plan shall be revised by Contractor on an annual basis and submitted to the Agency no later than sixty (60) days prior to the commencement of the next Contract Year for its review and approval.

8.2 Deviations from Approved Marketing Plan. In the event Contractor deems it necessary to deviate from the approved Marketing Plan, in a manner resulting in a material change affecting revenue to the Agency or the diversion rate resulting from this Program under AB 939, Contractor shall first obtain Agency's prior written consent by submitting documentation to the Agency, at least fourteen (14) calendar days prior to a regular scheduled Agency meeting, which sets forth Contractor's justification for the need to deviate from the approved Marketing Plan. Agency shall consider such request and shall have the absolute discretion to determine, by majority vote, whether to allow Contractor to deviate from the approved Marketing Plan.

9. ACCOUNTING AND RECORDS

9.1 Maintenance and Audit of Records. Contractor shall maintain, in its principal office in Sonoma County, full and complete accounting records, prepared in accordance with generally accepted accounting principles, separately reflecting Contractor's revenue and inventory from the receipt of Yard Debris and Wood Debris at the Facility. Contractor shall maintain its accounting records in a manner which clearly and separately identifies the revenues and inventory and separately identifies the tonnage of both Yard Debris and Wood Debris. Such records shall include, without limitation, shipping documents, receiving and delivery logs, invoices, and other documents for revenues and inventory. Such books and records shall be subject to audit and inspection by Agency and its authorized representatives, agents or employees, at any reasonable time as determined by Agency, at Contractor's principal office, for the primary purpose of reviewing operations, verifying tonnages disposed and processed, and substantiating payments made to Contractor by Agency. In the event such audit or inspection reveals that Contractor does not maintain adequate and separate records in accordance with the terms of the Agreement, Agency shall notify Contractor in writing of any alleged deficiencies in the accounting. Contractor shall have fifteen (15) calendar days to correct said deficiencies. If Contractor fails to correct said deficiencies to Agency's reasonable satisfaction, then Agency or its authorized representative, may create such adequate and separate records and Contractor shall reimburse Agency for the costs of such services. All records of Contractor that are not needed to verify compliance with this Agreement and to audit figures used in formula determinations shall be considered confidential and the private property of Contractor. Contractor shall have a reciprocal right to audit County gate records and any other information that directly relate to performance under this Agreement and/or formula determinations.

9.2 Over-Payments to Contractor. In the event that an audit or inspection reveals that the amount of compensation paid to Contractor by Agency is greater than the amount actually due to Contractor under the terms of this Agreement, Contractor shall remit such excess compensation to Agency, including interest from the date of over payment at the rate of five percent (5%) per year, within thirty (30) days of invoice by Agency of such excess. If such reimbursement is not made by Contractor within the specified time period, Agency may deduct the monies due to Agency from

Contractor's next monthly payment.

9.3 Under-Payments to Contractor. In the event an audit or inspection reveals an error on the part of Agency, such that the amount of compensation paid to Contractor by Agency is less than the amount actually due to Contractor under the terms of this Agreement, Agency shall remit to Contractor such compensation due, including interest from the date of under-payment at the rate of five percent (5%) per year, within thirty (30) days of invoice by Contractor of such under-payment. Interest shall not be due to Contractor if under-payment is due to an incorrect invoice submitted by Contractor or dispute over compensation adjustments.

9.4 Inspection of Accounts and Records. Contractor's accounting records as described above, shall be available at Contractor's principal office in Sonoma County at any time during regular office hours for inspection and/or audit by Agency or its authorized representatives, for a period of three (3) years following the termination of this Agreement.

10. REPORTS

10.1 Daily Reports. Contractor shall have available for inspection by Agency Representative at the Facility daily logs that are used to support the information contained in all reports.

10.2 Monthly Reports and invoicing. The County will provide a monthly tonnage report, on a monthly basis, which shall include information on the following categories of materials: total tons of Yard Debris delivered to the Agency and the Contractor that includes a log of loads of Yard and Wood Debris delivered to the Central Compost site. This tonnage report shall be distributed within 15 days of the end of the month. The Contractor shall submit an invoice to the Agency Representative within 7 days of receiving the tonnage report from the County. The Agency Representative will review Contractor's monthly report and invoice, and notify Contractor of any deficiencies in writing within fifteen (15) working days of receipt of the report. Contractor shall have fifteen (15) working days from Contractor's receipt of notice of deficiencies to correct such deficiencies and resubmit the information to the Agency. Once the Agency Representative has approved the invoice the Agency will submit and pay the agreed upon amount within 15 days Following Agency review of the invoice and after payment of the invoice by the Agency.

Contractor shall submit the monthly report including the following:

- (a) A summary of tonnages for each material received per day;
- (b) Explanation of any changes from the operating plan including the type and amount of processing required by Finished Products. The Composting process report shall also include a brief discussion of operations including moisture addition, additives, amendments, temperature measurements and fluctuations, and type and frequency of aeration;
- (c) A description of any highlights or anomalies associated with this data, including, weather, operations, equipment shutdowns, Yard Debris and Wood Debris material delivered and processed;
- (d) Results of testing programs to include the date and the locations of samples taken, moisture content;

(e) A summary of the sale and distribution of Finished Products organized by the types of materials sold. Although destination records shall be deemed confidential and shall remain in Contractor's possession, Agency shall have the right to review and inspect such records for purposes of verifying compensation records or other auditing functions;

(f) Quantities (in tons) of Contaminants landfilled, recovered or recycled;

(g) Record of complaints regarding environmental concerns and Contractor's steps taken to research and resolve complaint;

(h) Record of other problems associated with the Facility and associated operations and considerations and accounts of what is being done to resolve the problem;

(i) Tonnage, volume and composition of Finished Products produced by type;

(j) Volumes of Finished Products due to Agency delivered to Agency by type.

Contractor shall submit all reports to the Local Enforcement Agency, as required by the Permit.

Contractor shall submit monthly invoices. The invoices shall include at a minimum the following:

(a) Tonnage information provided by Agency in Agency's monthly tonnage report;

(b) Processing fees derived from the Payment Matrix and associated with the respective materials;

(c) Total due to Contractor.

10.3 Annual Reports. Contractor shall submit annual reports to the Agency Representative within sixty (60) calendar days of the end of each Contract Year. The Agency Representative will review Contractor's annual report and notify Contractor of any deficiencies in writing within thirty (30) working days of receipt of the report. Contractor shall have thirty (30) working days from receipt of notice of deficiencies to correct such deficiencies and resubmit the report to the Agency. The annual report shall include, at a minimum, the following:

(a) A summary of the information contained in the monthly reports and total weight and volume of material processed;

(b) A discussion of the Program, along with measures taken to resolve problems, increase efficiency and increase quality of Finished Products; and

(c) A discussion of the markets for Finished Products and the types of marketing approaches used.

10.4 Final Report. Within sixty (60) calendar days of the end of the term of this Agreement, or within sixty (60) calendar days of the earlier termination of this Agreement, Contractor shall submit

to Agency Representative a final report. Agency Representative will review Contractor's final report and notify Contractor of any deficiencies in writing within thirty (30) working days of receipt of the report. Contractor shall have thirty (30) working days from the receipt of notice of deficiencies to correct such deficiencies and resubmit the report to the Agency. The final report shall include at a minimum the following:

(a) A summary of all the preceding year's data and annual reports; and

(b) A discussion of the Program, including highlights, problems, and problem resolution.

10.5 Reports Required by Law. Contractor shall assist Agency in the preparation of all reports that are required under applicable law concerning the Program.

11. CONTRACTOR REPRESENTATIONS

In order to induce Agency to enter into this Agreement, Contractor represents and warrants, as of the Effective Date, to Agency that the following statements are true, correct and complete:

11.1 Organization and Good Standing. Contractor is a duly formed general partnership and that Contractor is in good standing under the laws of the State of California, and that Contractor has all requisite power and authority to carry on the business of the Contractor, to enter into the Agreement and to consummate the transactions hereby contemplated.

11.2 Authority and Authorization. Contractor has requisite power and authority to enter into the Agreement and that the execution, delivery and performance of the Agreement have been duly authorized by the governing authority, if any, of Contractor and no other action is requisite to the execution, delivery and performance of the Agreement.

11.3 Litigation. There are no actions, suits or proceedings pending or threatened against or affecting Contractor in any court of law or in equity, or before or by any governmental department, commission, board, bureau, agency or instrumentality that might adversely affect the ability of any such person or entity to perform its respective obligations under the Agreement. In addition, Contractor represents and warrants there are no actions, suits, or proceedings pending or threatened against the Facility or operations thereof.

11.4 Binding Obligation. The Agreement has been duly authorized, executed and delivered and is valid and legally binding on Contractor.

12. INSURANCE; PERFORMANCE BOND

12.1 Insurance Requirements. With respect to the performance of the work hereunder, Contractor shall take out prior to the Start Date and maintain at all times thereafter during the life of the Agreement, and shall require of all its subcontractors, consultants and other agents to maintain, the following policies of insurance:

12.1.1 Workers' Compensation. Workers' Compensation Insurance to cover its employees, with statutory limits as required by the Labor Code of the State of California. Each such policy shall be endorsed with the following specific language:

(a) This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to the Sonoma County Waste Management Agency by registered mail.

12.1.2 Commercial/Comprehensive General Liability. Commercial or comprehensive general liability insurance covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than Two Million Dollars (\$2,000,000) combined single limit for each occurrence. Said comprehensive or commercial general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy.

(a) The Sonoma County Waste Management Agency its members, officers and employees, are named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.

(b) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

(c) The insurance provided herein is primary coverage to the Sonoma County Waste Management Agency with respect to any insurance or self-insurance programs maintained by the Agency.

(d) This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to the Sonoma County Waste Management Agency by registered mail.

12.1.3 Automobile. 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:

(a) The Sonoma County Waste Management Agency its members, officers and employees, are named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.

(b) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

(c) The insurance provided herein is primary coverage to the Sonoma County Waste Management Agency with respect to any insurance or self-insurance programs maintained by the Agency.

(d) This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to the Sonoma County Waste Management Agency by registered mail.

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

(a) The Sonoma County Waste Management Agency its members, officers and employees, are named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.

(b) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

(c) The insurance provided herein is primary coverage to the Sonoma County Waste Management Agency with respect to any insurance or self-insurance programs maintained by the Agency.

(d) This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to the Sonoma County Waste Management Agency by registered mail.

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

(a) On or before the Effective Date, Contractor shall provide satisfactory proof that it will be able to obtain all of the insurance, including, endorsements, required hereunder by the Start Date.

(b) Properly executed Certificates of Insurance clearly evidencing all coverage, limits, and endorsements required above. Said Certificates shall be submitted ninety (90) days prior to the Start Date.

(c) Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted with the Certificates of Insurance required under Section 12.1.5(b) above.

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

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

12.1.7 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 contract. Agency at 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 the Agency.

12.2 Faithful Performance Bond. Contractor shall provide the Agency with a faithful performance bond in the amount of \$1,000,000 in order to secure the Contractor's performance obligations under the Agreement. Such bond shall be executed by a surety company licensed to do business in the State of California. The initial term of the faithful performance bond shall be for one year commencing with the Start Date and shall be renewed on an annual basis until the termination of the Agreement. The condition of the foregoing bond shall be such that if Contractor shall well and truly perform the covenants, promises, undertakings and obligations under the terms of this Agreement, then the obligation of said bond shall be void; otherwise it shall remain in full force and effect. Agency shall be able to collect on said bond for discrepancies or other covered losses discovered up to the time when all Yard Debris and Wood Debris delivered to Contractor under the terms of this Agreement have been processed into Finished Products and all other obligations of Contractor under this Agreement have been satisfied. On or before the Effective Date, Contractor shall provide satisfactory proof that it will be able to obtain the faithful performance bond required hereunder.

13. NOTICE

13.1 Notices. All notices (including requests, demands, approvals, or other communications) under this Agreement shall be in writing.

13.1.1 Method of Delivery. Notice shall be sufficiently given for all purposes as follows:

- (a) When personally delivered to the recipient, notice is effective on delivery.
- (b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.
- (c) When mailed by certified mail with return receipt requested, notice is effective two (2) days following mailing.
- (d) When delivered by overnight delivery with charges prepaid or charged to the sender's account, notice is effective one day following mailing.
- (e) When sent by fax to the last fax number of the recipient known to the party giving notice, notice is effective on transmission as long as (1) a duplicate copy of the notice is promptly given by certified mail, return receipt requested, or by overnight delivery, or (2) the receiving party delivers a written confirmation of receipt. Subject to the foregoing requirements, any notice given by fax shall be considered to have been received on the next business day if it is transmitted after 4 p.m. (recipient's time) or on a non-business day.

13.2 Refused, Unclaimed, or Undeliverable Notices. Any correctly addressed notice that is delivered pursuant to Section 13.1.1(b), (c), or (d) that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities, messenger, or overnight delivery service.

13.3 Addresses. Addresses for purposes of giving notice are set forth below:

CONTRACTOR: Sonoma Compost Company
550 Mecham Road
Petaluma, CA 94952

AGENCY: Sonoma County Waste Management Agency
2300 County Center Drive, Suite B 100
Santa Rosa, CA 95403

14. INDEMNIFICATION

Contractor agrees to accept all responsibility for loss or damage to any person or entity, and to defend, indemnify, hold harmless and release Agency, its members, officers, agents and employees, from and against any and all actions, claims, damages, liabilities or expenses that may be asserted by any person or entity, including Contractor, arising out of or in connection with the performance of Contractor hereunder, whether or not there is concurrent negligence on the part of the Agency, but excluding liability due to the sole active negligence or sole willful misconduct of the Agency. 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 under workers' compensation acts, disability benefits acts or other employee benefit acts. In addition, Contractor shall be liable to Agency and its members for any loss or damage to Agency property or Agency's members' property arising from or in connection with Contractor's performance hereunder.

15. EVENTS OF DEFAULT; REMEDIES

Upon an event of default, Agency shall have the right to foreclose upon the performance bond and may elect at its option to terminate this Agreement, purchase the Operating Equipment and operate the Facility. These remedies shall not be exclusive and Agency shall have the right to seek specific performance of the Agreement. For purposes of this Agreement, an event of default shall be deemed to have occurred upon the happening of any one or more of the following events:

(a) Failure of Contractor to accept Wood Debris and/or Yard Debris on more than:
(i) thirty (30) Operating Days during any twelve (12) month period; or (ii) ten (10) or more consecutive Operating Days; provided, however, that any failure of the Contractor to accept materials due to problems directly caused by problems with infrastructure at the Central Disposal Site that Agency is specifically required to maintain under the terms of this Agreement, shall not be considered cause for default.

(b) Failure of Contractor to operate the Facility in compliance with the terms of the Agreement.

(c) Receipt by Contractor of any order or notice from any governmental agency that all or any portion of the Contractor Improvements or Operating Equipment have been or are proposed to be performed or used contrary to the terms of any law, ordinance or regulation, which order or notice is not complied with by Contractor within ten (10) days following the issuance thereof, provided that if such order or notice cannot be reasonably complied with within such ten (10) day period, an Event of

Default shall not be deemed to have occurred unless Contractor fails to commence compliance within such ten (10) day period or to diligently and in good faith prosecute compliance thereafter, or to complete such compliance within thirty (30) days following written notice from the governmental agency of such order or notice; or to complete such within a lesser time period if the failure to do so would, in the reasonable determination of the Agency, cause Contractor to be unable to accept Wood Debris and/or Yard Debris for a period of ten (10) or more consecutive Operating Days.

(d) Any failure on Contractor's part to comply with any other covenant or agreement contained in this Agreement (which does not constitute a breach of default that could become an event of default under any other subparagraph of this Section), which failure remains uncured for ten (10) days following written notice thereof by Agency, provided that if any such failure to comply or breach is capable of cure but cannot reasonably be cured within such ten (10) day period, an event of default shall not be deemed to have occurred unless Contractor fails to commence the cure of such failure or breach within such ten (10) day period or to diligently and in good faith prosecute the cure thereafter, or to complete such cure within thirty (30) days following written notice from Agency of such failure or breach.

(e) (i) Contractor shall voluntarily commence any case, proceeding or other action (A) under the Federal Bankruptcy Code, as amended from time to time, or under any other existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, seeking to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, custodian or other similar official for it or for all or any substantial part of its assets, or Contractor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Contractor any involuntary, proceeding or other action of a nature referred to in clause (i) of this subparagraph (g) which (A) results in the entry of an order for relief of any such adjudication or appointment or (B) remains unstayed and undismissed for a period of sixty (60) days; or (iii) there shall be commenced against Contractor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged or stayed or bonded pending appeal within thirty (30) days from the entry thereof; or (iv) Contractor shall take any action in furtherance of, or indicating its consent to approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) of this subparagraph (g); or (v) Contractor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) any termination or voluntary suspension of the transaction of business of Contractor, or any attachment, execution or other judicial seizure of all or any substantial portion of Contractor's assets which attachment, execution or seizure is not discharged within thirty (30) days.

(f) Any substantial change shall occur in the management or control of Contractor without the prior written approval of Agency.

(g) Any representation or disclosure made to the Agency by Contractor proves to be false or misleading in any material respect on the date as of which made.

16. EXPIRATION OF AGREEMENT

16.1 Normal Expiration. Effective upon February 1, 2017, Agency shall stop accepting

Yard Debris and Wood Debris. Contractor shall finish processing all existing material on site and to conclude its on-site operations during the Post-Operating Term. Agency shall pay Contractor for processing of materials delivered up to the date that Agency stops accepting such materials.

16.2 Termination of Agreement. Should the Agreement be terminated early for an Event of Default, Contractor shall have seven (7) days to vacate the Facility.

16.3 Condition of Facility. At the normal expiration or earlier termination of the Agreement, Contractor shall surrender to Agency the possession of the Facility. Contractor shall leave the surrendered Facility and any other property in good condition and repair, normal wear and tear excepted. At the expiration or sooner termination of the term, Contractor shall remove all of the Operating Equipment. The duty imposed by this provision includes, without limitation, the duty to leave the Facility safe and free from debris and hazards. All property that Contractor abandons shall, at Agency's election, become Agency's property at termination. If Contractor fails to surrender the Facility at the expiration or sooner termination of this Agreement, Contractor shall defend and indemnify Agency and County from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding contractor based on or resulting from Contractor's failure to surrender.

17. ARBITRATION

Arbitration may be required for matters for which arbitration is mentioned in this Agreement or where this Section 17 is expressly referred to in this Agreement. For other matters, the party served with notice of arbitration may reject the notice by failing to respond to it, by giving notice of rejection, or by taking action inconsistent with arbitration. Arbitration is initiated and required by giving notice specifying the matter to be arbitrated. If action is already pending on any matter concerning which the notice is given, the notice is ineffective unless given from the expiration of ten (10) days after service of process on the person giving the notice. Arbitration shall be in conformity with and subject to applicable rules and procedures of the American Arbitration Association or JAMS/Endispute, as the parties may agree. If the American Arbitration Association or JAMS/Endispute are not then in existence or for any reason fail or refuse to act, the arbitration shall be in conformity with and subject to provisions of the California Code of Civil Procedure relating to arbitration as they stand amended at the time of the notice. The arbitrator shall be bound by this Agreement. Pleadings and any action pending on the same matter shall, if the arbitration is required or consented to, be deemed amended to limit the issues to those contemplated by the rules prescribed above. Each party shall pay half the cost of arbitration including arbitrator's fees. Attorneys' fees shall be awarded as provided in Section 18 of this Agreement. To the extent permitted by the rules of the American Arbitration Association, JAMS/Endispute, or, if applicable, the California Code of Civil Procedure, in effect at the time of the notice, the parties have hereby established their own rules for selecting arbitrators. There shall be one arbitrator appointed as follows:

(i) A panel of retired judges shall be provided by the American Arbitration Association or JAMS/Endispute. Each party may strike any names up to a maximum, if afforded to both parties would leave one arbitrator for appointment. If less than the maximum are struck, the American Arbitration Association or JAMS/Endispute shall randomly choose from the names remaining.

(ii) If the parties fail to choose an arbitrator, the appointment shall be made by the then presiding Judge of the Superior Court for Sonoma County, acting in his or her individual and non-official capacity, on the application of either party and on ten (10) days notice to the other party.

The arbitrator shall issue written findings of fact and conclusions of law, in accordance with California law.

18. ATTORNEYS' FEES

If either party brings any claim, suit, action or proceeding (including arbitration) against the other to enforce, protect, or establish any right or remedy arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees.

19. GENERAL PROVISIONS

19.1 Assignment.

19.1.1 Assignment by Contractor. The experience and expertise of Contractor are material considerations for this Agreement. Contractor shall not assign or transfer, whether voluntarily, involuntarily, or by operation of law, its interest in this Agreement or any part thereof without the prior written approval of Agency. No such assignment or transfer for which Agency's prior written consent is required shall be valid or binding without said prior written approval, and then only upon the condition as such assignee or other successor in interest shall agree in writing to be bound by each and all of the covenants, conditions and restrictions of the Agreement. An attempted assignment or transfer not in compliance with the provisions of this Section 19.1 shall be grounds for Agency's termination of the Agreement. Consent to any assignment or transfer shall not be deemed a waiver of this requirement as to any subsequent assignment or transfer. As used in this Section the term "assignment" shall include a "more than 34% change in ownership of Contractor." A "more than 34% change in ownership of Contractor" shall mean, the transfer of the right to share in more than 34% of the profits of the general partnership or corporation.

19.1.2 Assignment by Agency. The Agency, at its sole discretion, reserves the right to assign Agency's rights and obligations under this Agreement to a successor agency or other party.

19.2 Amendments. Only the Members of the Agency, by a majority vote, may authorize major extra or changed work or amend this Agreement. The parties expressly recognize that Agency personnel are without authorization to order extra or changed work or waive contract requirements. Failure of Contractor to secure Agency authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the compensation due to such unauthorized work and thereafter the Contractor shall be entitled to no compensation whatsoever for the performance of such work. Contractor further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without the express and prior written authorization of the Agency.

19.3 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, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

19.4 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.

19.5 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.

19.6. 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.

19.7 Applicable Law and Forum. This Agreement shall be construed and interpreted according to California law and any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in the County of Sonoma.

19.8 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.

19.9 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.

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

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of all parties.

“Agency”: SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____
Chairperson, SCWMA Board of Directors

“Contractor”: SONOMA COMPOST COMPANY
a California General Partnership

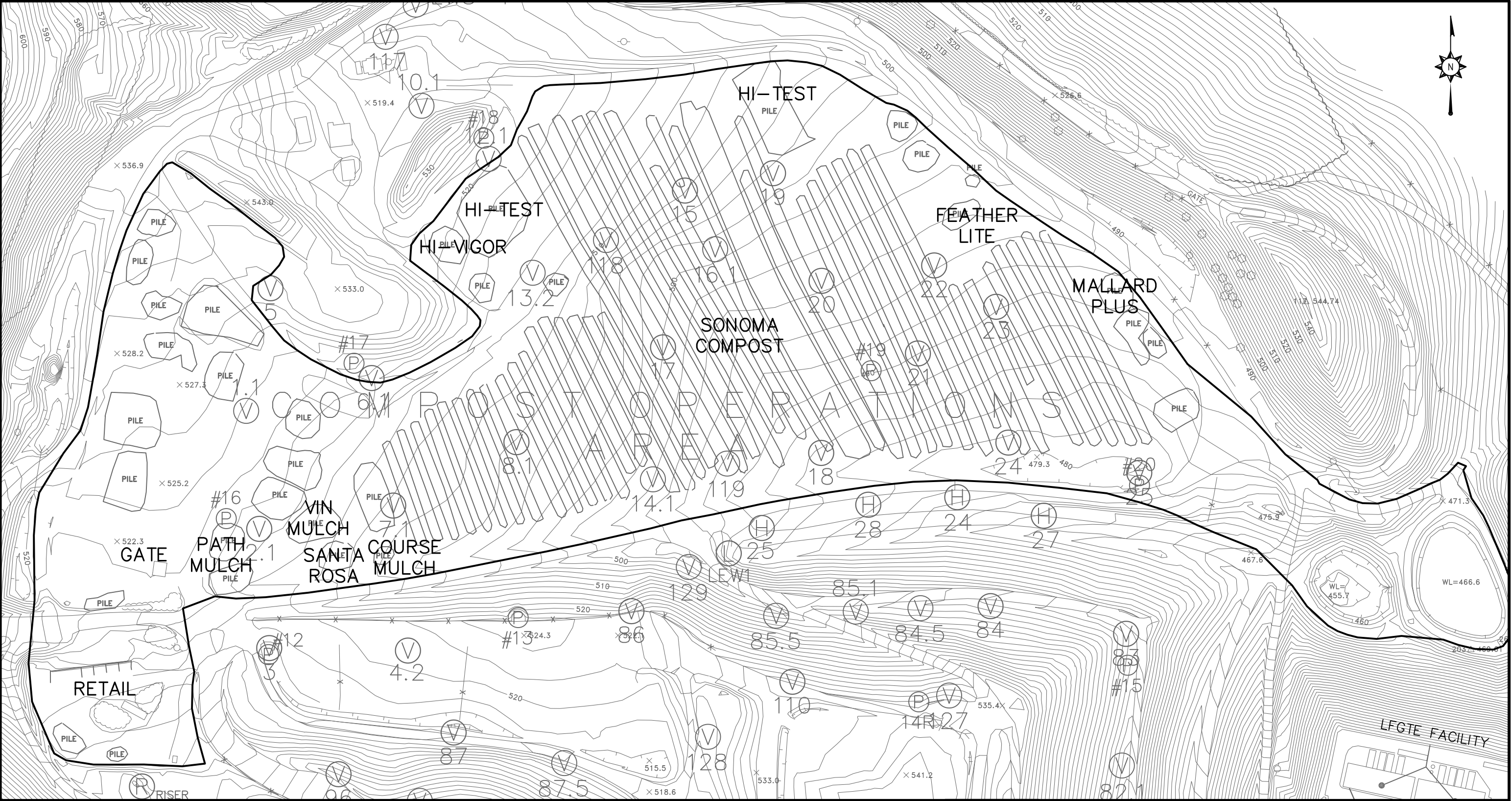
By: _____

APPROVED AS TO FORM FOR AGENCY:

Agency Counsel

APPROVED AS TO SUBSTANCE FOR AGENCY:

Agency Executive Director




DESIGNER: DATE: DRAFTER: KJF DATE: 6/30/11 CHECKER: DATE: SCALE: 1" = 150'			SITE PLAN	
			SONOMA COMPOST SONOMA COUNTY, CALIFORNIA	

Exhibit A

Exhibit B

List of Operating Equipment

Equipment

Equipment utilized under the current Agreement includes:

- 1 1000 hp Zehr grinder
- 1 Scarab windrow turner
- 2 Screens + 1 backup Screen
- 6 3-10 cy Front end loaders
- 3 roll-off trucks and numerous debris boxes
- 2 water trucks
- 1 fork lift
- 1 sweeper
- 2 1 cy front end loader (retail)

Proposed New Equipment

- 1 loader

Additional new environmental controls related to water quality enhancements include:

- Additional sediment traps
- Pond Aeration system

For future consideration:

- Aerated Static Pile (ASP) demonstration project

Exhibit C - Payment Matrix

Product	Net Cost Per Ton
Wood Debris - Fuel Market	\$20.50
Wood Debris - Non Fuel Market	\$22.19
Yard Debris - Processed at Central, >=250 TPD	\$25.17
Yard Debris - Prepared Yard Debris or <250 TPD	\$27.73



Agenda Item #: 7
Cost Center: All
Staff Contact: Mikus/Carter
Meeting Date: 2/20/2013

ITEM: FY 13-14 Draft Work Plan

I. BACKGROUND

Summary: Because costs for Agency projects usually are allocated to multiple budget cost centers, the initial step in the Agency budget process is development of a project-based Work Plan. This document then is used to formulate the actual budget into the county accounting format. This year in a change to past practice a discussion of anticipated revenues is included in the Work Plan analysis.

Beginning in FY 06-07, as a part of the budget process, a project list (Work Plan) was prepared for consideration and approval by the Board in order to have a detailed planning document containing a description of the SCWMA projects, contractor costs, and staff costs. The Work Plan, once approved, is used as the guidance document for preparation of the SCWMA's annual draft budget.

The FY 13-14 Work Plan includes the Organics Program (composting operations, food and home composting education, and Christmas tree recycling projects), the Surcharge cost centers (HHW, Education, and Planning cost centers), a section on General Administration, and a section describing projects where Agency staff time is billed directly to the County. The headings for the Work Plan include contractor cost, staff cost, the goal or justification for the program/project, and a schedule for the program or project, as well as the routine work that is done on a regular basis.

The goal/justification heading identifies whether the program/project is "MANDATED", "CoIWMP" or "BOARD DIRECTED".

The documents that provide a "MANDATE" for SCWMA activities include:

- Statute – The most definitive document is the Assembly Bill 939 passed in 1989, which required each city and county to prepare solid waste management planning documents that demonstrate reduction of the amount of solid waste landfilled, long-term ability to ensure the implementation of countywide diversion programs, and provision of adequate disposal capacity for local jurisdictions through the siting of disposal and transformation facilities.
- Agreement – The JPA agreement, approved in 1992, contains the provisions which establish the core mission of the SCWMA which are to provide four regional programs (household hazardous waste, wood waste, yard waste and public education). The First amendment to the JPA, made in 1995, added regional planning and reporting duties by making SCWMA the AB 939 Regional Planning Agency.

The document that provides "CoIWMP" Programs for SCWMA activities is the Countywide Integrated Waste Management Plan (CoIWMP), which includes the Source Reduction and Recycling Element (SRRE), Household Hazardous Waste Element (HHWE), Non-Disposal Facility Element (NDFE), and the Siting Element. This planning document identifies programs for implementation that address household hazardous waste, organic waste and public education. The plan is used as a guidance document for SCWMA programs.

There are some programs which are neither “MANDATED” nor programmed in the “ColWMP” which were started at Board direction, these are identified in the Work Plan as “BOARD DIRECTED.”

At the January 10, 2013 Special Meeting of the AB 939 Local Task Force (LTF), the LTF requested the Work Plan include more language showing preference toward waste reduction and reuse before recycling and disposal, that the Agency consider performing a waste characterization study, that the Agency set aside funds on a regular basis to perform periodic waste characterization studies, and that the LTF be allowed to perform an annual review of the Work Plan.

II. DISCUSSION

The FY 13-14 Draft Work Plan is organized into restricted funds and the individual surcharge cost centers. Restricted Funds are: Wood Waste and Yard Debris, restricted by the JPA agreement, Section 13, and the Reserves (Organics, HHW Closure, HHW Facility and Contingency) from the Surcharge Cost Centers. Restrictions on the Reserves were established by Board policy in 2002 and continue to be revised at Board discretion, most recently in August 2011. Board policy sets goals for the reserves, defines the appropriate use of funds, and states that these funds are to be used for one-time expenditures and not for on-going operational expenses.

Organics (Wood Waste and Yard Debris)

The programs remain essentially the same for the Organics cost centers. There is a decrease in contractor costs as a result of the expected more favorable pricing from the agreement with Sonoma Compost Company. This Work Plan also acknowledges costs that are typically allocated to the Education cost center but also have an Organics connection, including the recycling guide, Eco-Desk, Spanish Language Outreach, and the website. Though staff has historically allocated time toward these tasks, it had not been specifically identified in the Work Plan previously.

Organics Reserve

The compost relocation process will continue through FY 13-14. The existing compost site at the Central Disposal Site has always been considered a temporary site, and relocation of the composting operation is required. The environmental studies have progressed, and certification of the Final EIR is expected at the March 20, 2013 SCWMA meeting. New tasks would include site selection and securing the necessary permits for the new site.

Contingency Reserve

With the Joint Powers Authority (JPA) agreement set to expire in 2017, the Board directed staff to include the JPA renewal or revision in the FY 13-14 Work Plan. The lack of a long term JPA agreement is beginning to impact some of the operations of SCWMA, such as contract renewals or negotiations.

The Board has directed staff to continue work on decreasing carryout bag waste. The public hearing for the Draft Environmental Impact Report is expected for this SCWMA meeting, and certification of the Final EIR could occur as early as April 2013. Ordinance adoption, if that is the will of the Board, could happen in late Spring or Summer 2013. If adopted, staff proposes public and retailer education and assistance in advance of the implementation date. It is expected that the education would be most effective at the beginning of the project, which is why this project is proposed for the contingency reserve rather than education. Subsequent fiscal year education efforts would be incorporated into the Education cost center instead of the Contingency Reserve.

Another project proposed in the Work Plan is a waste characterization study. A waste characterization study is essentially a large-scale survey of disposed materials at transfer stations or landfills. Representative samples of garbage loads are sorted into material categories (metal, plastic, paper, organics, etc.) and projected up to the total garbage disposal for the county to determine the

composition of the county's garbage. These studies have been proposed by audience members at Agency meetings and the LTF. Agency staff believes there is value in determining what material is still landfilled so that programs can be put in place to reduce, reuse, or otherwise divert those materials from landfill disposal. The previous waste characterization study was completed in 2007, and was based upon 2005-2006 data. Tonnage has dropped significantly since that time, possibly due to the economic downturn; a waste characterization study would help identify whether material types were reduced proportionally or if there is a segment of the waste stream that requires more attention.

Surcharge Tipping Fee Cost Centers

The revenues for the cost centers funded by the surcharge on the tipping fee are expected to be slightly lower than FY 12-13. Though the tonnage of waste entering the County's system of transfer stations appears to be stabilizing after several years of decreases, staff is projecting the surcharge revenue to be slightly below the FY 12-13 Budget. As a result, the budget revenue estimate for FY 13-14 will be slightly lower than FY 12-13.

Household Hazardous Waste

The operation of the Household Hazardous Waste Facility continues to be the most expensive program in the surcharge cost centers. Costs are expected to rise as a result of the RFP process that is planned to occur in the current fiscal year. The rationale behind the cost increase is that we are currently in an agreement with Clean Harbors for which labor rates are set at their 2005 amounts. It is expected that a new agreement would contain labor rates higher than we currently pay.

Education

Though most of the education programs are the same as last fiscal year, two new programs are proposed and would be funded from the City/County Payment Program grant. These programs include additional SCWMA staff time to continue mandatory commercial recycling education and a new program to aid the County's Adopt-A-Road program. That program would involve providing equipment to aid litter removal, which is an allowed task under the City/County Payment Program.

Planning

A new program added to the Planning cost center is Ordinance Enforcement. This would cover staff time to enforce a potential Carryout Bag Waste Reduction Ordinance and the Agency's Administrative Penalties Ordinance, if adopted by the SCWMA Board of Directors.

General Administration

The activities in General Administration remain the same as last year.

County Projects

An additional program that would be funded by the County would cover a Waste Management Specialist's time to aid in the preparation of an annual stormwater report. Staff currently assists with this, but adding this program to the Work Plan brings it to the Board's attention.

Projected Revenues and Fund Balances

Though the Work Plan has historically focused on projects instead of budgets, staff must acknowledge that revenue is projected to be insufficient to cover all expenditures associated with these programs. The table below illustrates the beginning and ending fund balances for Fiscal Year 13-14 with all programs contained in the Work Plan.

Table 1: FY 13-14 Estimated Fund Balances, All Proposed Programs

Cost Centers	Beginning FB	Net Cost	Ending FB
Wood	\$ 50,092	\$ -	\$ 50,092
Yard	\$ 756,104	\$ -	\$ 756,104
HHW	\$ 290,421	\$ 51,084	\$ 239,337
Education	\$ 80,888	\$ 29,034	\$ 51,854
Planning	\$ 3,385	\$ 3,915	\$ (530)
Organics	\$ 5,428,346	\$ (120,541)	\$ 5,548,887
HHW Closure	\$ 68,000	\$ (408)	\$ 68,408
HHW Facility	\$ 1,023,478	\$ (6,141)	\$ 1,029,619
Contingency	\$ 161,741	\$ 229,293	\$ (67,552)

Of special note is the Contingency Reserve, with a negative balance expected at the end of FY13-14. Funds could be transferred from the HHW Facility Reserve which would be approximately \$400,000 over the fund's reserve goal, but continually drawing down that reserve will exhaust that surplus. If the Board is interested in a waste characterization study or setting policy for periodic waste characterization studies, funds can be set aside each fiscal year toward that project and then staff would have more certainty of the funding for the project. For example, the budget for the 2007 waste characterization study was \$100,000. If the surcharge funding was sufficient, \$20,000 could be transferred to reserves for five fiscal years, and then sufficient funding would exist for the project.

Another alternative would be to partially fund a waste characterization study with funds from the Organics Reserve, as organics are a portion of the waste stream that would be analyzed in a waste characterization study. Use of these funds would mitigate the impact to the contingency reserve. Table 2 illustrates that scenario. While it does not eliminate the negative balance to the Contingency Reserve, the reduction is mitigated.

Table 2: FY 13-14 Estimated Fund Balances, Organics Partially Funding Waste Characterization Study

Cost Centers	Beginning FB	Net Cost	Ending FB
Wood	\$ 50,092	\$ -	\$ 50,092
Yard	\$ 756,104	\$ -	\$ 756,104
HHW	\$ 290,421	\$ 51,084	\$ 239,337
Education	\$ 80,888	\$ 29,034	\$ 51,854
Planning	\$ 3,385	\$ 3,915	\$ (530)
Organics	\$ 5,428,346	\$ (65,541)	\$ 5,493,887
HHW Closure	\$ 68,000	\$ (408)	\$ 68,408
HHW Facility	\$ 1,023,478	\$ (6,141)	\$ 1,029,619
Contingency	\$ 161,741	\$ 174,293	\$ (12,552)

Another important feature of the above tables is that there is a structural deficit in the surcharge cost centers, most significantly in the HHW cost center. The main cause of the deficit is the expected increase cost of the operator of the HHW facility. Were it not for that increase, staff believes the surcharge revenue (at \$5.95/ton) would be sufficient, as depicted in the table below.

Table 3: FY 13-14 Estimated Fund Balances, HHW Agreement Extension and Organics Partially Funding Waste Characterization Study

Cost Centers	Beginning FB	Net Cost	Ending FB
Wood	\$ 50,092	\$ -	\$ 50,092
Yard	\$ 756,104	\$ -	\$ 756,104
HHW	\$ 290,421	\$ -	\$ 290,421
Education	\$ 80,888	\$ -	\$ 80,888
Planning	\$ 3,385	\$ -	\$ 3,385
Organics	\$ 5,428,346	\$ (65,541)	\$ 5,493,887
HHW Closure	\$ 68,000	\$ (408)	\$ 68,408
HHW Facility	\$ 1,023,478	\$ (6,141)	\$ 1,029,619
Contingency	\$ 161,741	\$ 133,325	\$ 28,416

The scenario in Table 3 is only valid if expenditures for the HHW facility operation are kept near current levels. Staff believes that if the current agreement with Clean Harbors Environmental Services was extended for an additional year to June 30, 2014, the current favorable labor rates would keep our costs down and allow additional cost savings measures through the PaintCare program to be implemented and properly budgeted.

Staff recommends the scenario from Table 3 as it fully implements the programs in the Work Plan, allows for the Agency Surcharge to remain at \$5.95/ton, maintains positive fund balances for all cost centers, and corrects the structural deficit presented in Tables 1 and 2.

III. FUNDING IMPACT

There is no direct funding impact of the FY 13-14 Work Plan. This document is informational and used for planning purposes and to complement the proposed FY 13-14 Draft Budget.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends adoption of the FY 13-14 Draft Work Plan as a guide for the FY 13-14 Draft Budget.

If the Board is interested in further discussion of waste characterization studies and/or the HHW Facility RFP, staff can prepare agenda items for a future Agency Meeting.

It must be noted that approval of the Work Plan as crafted requires that the HHW contract be extended for a year in order for revenues to balance expenses.

V. ATTACHMENTS

FY 13-14 Draft Work Plan

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

SCWMA

FY 13-14 Draft Work Plan

Organics (Wood Waste and Yard Debris)						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
1.1	Composting Program	Manages contract for composting operation, reconcile and process monthly invoices for payment. Processes revenue sharing and product allocations.	\$2,364,516 (FY 12-13 \$2,762,217)	\$53,567 (FY 12-13 \$58,070)	MANDATED Major diversion program in the Joint Powers Agreement and Section 4.5.2 of the ColWMP.	Monthly
1.2	Organics Hauling	Agreement with County to reimburse for the transportation of yard debris and wood waste from the transfer stations to the composting facility	\$443,658 (FY 12-13 \$424,482)	\$3,344 (FY 12-13 \$1,301)	BOARD DIRECTION Agency assumed the responsibility for organic hauling in 2005.	Monthly
1.3	Debris Box Pilot Project	Explore the opportunity for increased diversion in conjunction with construction and demolition debris boxes delivered to the Sonoma and Healdsburg transfer stations. Agency would be responsible for organics processing of recovered materials.	\$0	\$1,282 FY 12-13 \$1,301)	BOARD DIRECTION Agency is exploring the increased diversion resulting from participating in the proposed pilot project.	Monthly (two year project, expected to be renewed)
1.4	Food Waste Education	Supports residential and commercial pilot food waste collection programs as needed. <ul style="list-style-type: none"> Develops messages, performs graphic design and incorporates information into Agency promotional materials Coordinates with stakeholders (e.g., Sonoma Compost Company, garbage companies, etc.) 	\$0	\$8,784 (FY 12-13 \$6,666)	ColWMP/Section 4.3.1.2 Provide recycling information to all County residents and businesses	Ongoing
1.5	Christmas Tree Recycling	Provides education to the public about Christmas tree recycling options. <ul style="list-style-type: none"> Coordinates with local non-profit organizations to provide convenient Christmas tree composting Coordinates drop-off sites with haulers Updates information on Agency's web site and establish/record seasonal voice message system on 565-3333 and on the Eco-Desk 565-3375.	\$0	\$3,030 (FY 12-13 \$3,248)	ColWMP/Section 4.7.2.10 Diversion program that adds organic feedstock	November, December, and January, Annually

Approved _____

SCWMA

FY 13-14 Draft Work Plan

Organics (Wood Waste and Yard Debris) (Cont.)						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
1.6	Home composting education (UCCE)	In order to reduce the Agency's compost program costs, the Agency has supported an educational program teaching home composting through the Master Gardeners.	\$16,660 (FY 12-13 \$16,660)	\$1,798 (FY 12-13 \$1,823)	CoIWMP/Section 4.3.1.2 Reduce organics being landfilled and compost program costs	Ongoing
1.7	Organics Education Tasks	Many of the Agency's educational programs involve organics (Recycling Guide, Eco-Desk, Spanish Language Outreach, website, etc.). This item allocates a portion of those programs' staff time to organics.	\$0	\$3,538 (Not in previous work plan)	Mandated – JPA Account for expenditures for the wood waste and yard debris cost centers separately	Ongoing
	Total	FY 13-14	\$2,824,834	\$75,343		
	Prior Year	FY 12-13	\$3,203,359	\$72,409		

Reserves (Restricted by Board Policy)						
2.1	Compost Site Relocation Project	Environmental document completed using existing FY 07-08 funds. Requested amounts will allow staff to issue an RFP for permitting site design, and site operator. Site purchase/lease is expected to occur in FY 13-14, though the amount is too speculative to include in this plan and will be appropriated separately.	\$10,000 Legal (FY 12-13 \$24,000)	\$76,544 (FY 12-13 \$78,162)	CoIWMP/Section 4.5.3	One Time Use

SCWMA

FY 13-14 Draft Work Plan

Reserves (Restricted by Board Policy) (cont.)						
2.2	Carryout Bags Education	<p>At the request of the Board staff will:</p> <ul style="list-style-type: none"> Continue Agency member and community outreach If adopted, begin implementation of a carryout bag ordinance <p>Implement public education tasks which could include the following:</p> <ul style="list-style-type: none"> Purchase and coordinate distribution of reusable bags to targeted low-income groups, at farmers markets, at Agency events, and at city offices. Prepare press releases and public service announcements suitable for print, broadcast and online media. Update/maintain dedicated web page <p>Implement retailer education tasks which could include the following:</p> <ul style="list-style-type: none"> Develop in-store retailer signage. Develop dedicated web page for retailers. Maintain list of reusable bag manufacturers. 	\$2,000 Legal	\$22,532 (FY 12-13 \$36,729)	PROPOSED	One Time Use
2.3	JPA Renewal	<ul style="list-style-type: none"> Obtain Board direction whether to seek amendment to original or rewrite a regional charter to satisfy AB 939 Prepare a model resolution for use by the Board of Supervisors/City Councils Attend regularly scheduled meetings to present new/revised document Follow up with representatives to obtain the necessary documentation for passage of a revised/new joint powers authority agreement 	\$10,000 Legal	\$63,278 (FY 12-13 \$60,936)	BOARD DIRECTED (recognizing the expiration date of 2017)	One Time Use
2.4	Waste Characterization Study	Determine what material types are destined for landfill disposal to evaluate the effectiveness of Agency and other countywide diversion programs, and to provide a focus for future waste reduction, reuse, and other diversion programs.	\$110,000	\$20,954	PROPOSED	One time Use

SCWMA

FY 13-14 Draft Work Plan

Household Hazardous Waste						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
3.1	HHW Collection Program	Manages contract for collection of hazardous waste from residents and CESQG (businesses) at the Household Toxics Facility (HTF), Community Toxics Collections (CTC), and Toxics Rover. Provides education resources for the program as needed.	\$1,300,000 (FY 12-13 \$1,157,000)	\$89,834 (FY 12-13 \$100,638)	MANDATED - JPA Comply with regulations, contract administration/oversight (Section 5.3 of the ColWMP)	Ongoing
3.2	E-waste Collection at Disposal Sites– (Subsidized by State)	Covered Electronic Wastes (CEW and UWED's) are accepted at all of the County disposal sites for recycling. This program is subsidized by the State through the Electronics Recycling Act of 2003. State subsidy is based on pounds received for recycling.	\$0	\$7,587 (FY 12-13 \$17,170)	MANDATED - JPA Required by regulation, contract administration/oversight (Section 5.4.1.8 of the ColWMP).	Ongoing
3.3	E-waste Transport	Covered Electronic Wastes (CEW and UWED's) are accepted at all of the County disposal sites for recycling. Covered Electronic Wastes are transported by a Licensed Hauler from the County Transfer Stations to the Central Disposal Site. The Agency funds the e-waste transportation operations.	\$70,000 (FY 12-13 \$70,000)	\$2,212 (FY 12-13 \$2,297)	MANDATED - JPA Required by regulation, contract administration/oversight (Section 5.4.1.8 of the ColWMP).	Ongoing
3.4	Oil & Filter Recycling (Grant funded)	This program includes a wide variety of efforts from reporting and auditing to collection and education. Funding is provided through the California Department of Resources Recycling and Recovery's (CalRecycle) Oil Payment Program (OPP). Actual projects vary year to year depending on State funding levels.	\$119,788 (Grant Funded- \$102,825 for FY 12-13)	\$15,482 (FY 12-13 \$13,325)	BOARD DIRECTED	Consultant contract expires February 11, 2017

Approved _____

SCWMA

FY 13-14 Draft Work Plan

Household Hazardous Waste (con.t.)						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
3.5	Spanish Language Outreach (79% funded from the State's UBG and OPP)	Outreaches to Spanish speaking residents about used motor oil and disposal of hazardous waste community based social marketing strategies including call-in radio, Eco-Desk telephone, events, labor center talks, etc.	\$18,886 (Grant Funded- FY 12-13 \$18,886)	\$2,635 (FY 12-13 1,638)	BOARD DIRECTED	Consultant contract expires June 30, 2014
3.6	303 Reporting	The State requires reporting and quantification of HHW collection efforts annually.	\$0	\$6,263 (FY 12-13 \$6,311)	MANDATED Required by regulation.	November 2014
3.7	Product Stewardship (Extended Producer Responsibility) Education and Outreach	<ul style="list-style-type: none"> Participates in statewide and national Extended Producer Responsibility efforts. Develops and incorporates information for local take-back opportunities into Agency promotional materials (e.g., Recycling Guide, fliers and online) Community outreach at events. 	\$4,000	\$7,271 (FY 12-13 \$2,827)	BOARD DIRECTED EPR Implementation Plan (CoIWMP/Section 4.3.3.3)	Ongoing

Approved _____

SCWMA

FY 13-14 Draft Work Plan

Household Hazardous Waste (cont.)						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
3.8	E-waste Recycling Events	<p>This program accepts electronics that are defined as hazardous waste. This program is subsidized by the State through the Electronics Recycling Act of 2003. State subsidy is based on pounds received for recycling. A contractor conducts electronic recycling events under contract with the Agency.</p> <ul style="list-style-type: none"> Provides supports for coordination of e-waste event. Performs graphic design and placement of advertising (e.g., utility bill inserts, fliers, radio, newspaper ads, on-line, etc.) Administers the contract. 	\$0	\$13,474 (FY 12-13 \$12,917)	CoIWMP/Section 5.4.1.8 Provide recycling information to all County residents	Consultant contract expires June 17, 2014
3.9	Out-of-County Hazardous Waste (Mendocino County)	Sonoma County residents living in the north/west part of the County can dispose of hazardous waste close to their homes. Agency staff produces educational materials to help publicize disposal opportunities. Agency reimburses Mendocino County for disposal.	\$13,800 (FY 12-13 \$13,800)	\$489 (FY 12-13 \$492)	MANDATED - JPA	Spring, Summer, and Fall
	Total	FY 13-14	\$1,531,001	\$145,247		
	Prior Year	FY 12-13	\$1,419,036	\$160,806		

Approved _____

SCWMA

FY 13-14 Draft Work Plan

Education						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
4.1	Recycling Guide English/Spanish versions	<p>The annual 32-page Recycling Guide (English and Spanish versions) is a comprehensive resource for recycling, reuse and hazardous waste disposal options in Sonoma County. Researches and designs all pages.</p> <ul style="list-style-type: none"> Coordinates consultants as needed for illustrations and cover artwork. Coordinates review of publication among stakeholders (e.g., garbage companies, CalRecycle staff, listers, etc.). Prepares publication for on-line viewing. Arranges for graphics and printing of 30,000 English copies and 16,000 Spanish copies. 	<p>\$18,900 (FY 12-13 \$15,000)</p>	<p>\$27,777 (FY 12-13 \$39,734)</p>	<p>MANDATED -JPA Provide recycling information to all County residents and businesses (Section 4.7.2.1 of the ColWMP)</p> <p>BOARD DIRECTED (Spanish Guide)</p>	<p>December 2013 to April 2014</p>
4.2	Eco-Desk phone number 565-3375 (English and Spanish)	<p>Telephone and email response to questions from the public on recycling, disposal and hazardous waste.</p> <ul style="list-style-type: none"> Listens to messages daily, logs call into the Access database and returns phone calls/emails within one business day. Manages the voice tree system. Researches topics to help foster more opportunities (e.g., carpet, formed Styrofoam, plastic bags, etc.) as needed. Information gets recorded in the Access Eco-Desk database. Prepares annual reports summarizing activity on the English and Spanish Eco-Desk. Coordinates with Spanish language contractor as needed. 	<p>\$0</p>	<p>\$24,879 (FY 12-13 \$22,979)</p>	<p>MANDATED - JPA Provide recycling information by phone to all County residents and businesses (Section 4.7.2.2 of the ColWMP)</p>	<p>Daily</p>

Approved _____

SCWMA

FY 13-14 Draft Work Plan

Education (cont.)						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
4.3	Spanish Language Outreach (21% funded from Education)	<p>A contractor provides outreach to Spanish speaking residents about recycling issues employing community based social marketing strategies including call-in radio, Eco-Desk telephone, events, labor center talks, etc.</p> <ul style="list-style-type: none"> Manages the contract for services Provides support for educational materials as needed. 	<p>\$5,114</p> <p>(FY 12-13 \$5,114)</p>	<p>\$2,748</p> <p>(FY 12-13 \$2,179)</p>	<p>MANDATED - JPA</p> <p>Provide recycling information in Spanish (Section 4.7.3.4 of the ColWMP).</p>	<p>Consultant contract expires June 30, 2014</p>
4.4	Grants	<p>Applying for grants as they become available have become a substantial funding source for educational programs.</p>	<p>\$0</p>	<p>\$8,893</p> <p>(FY 12-13 \$13,507)</p>	<p>MANDATED - JPA</p> <p>Leverage limited Agency resources (Section 4.9.3.2 of the ColWMP)</p>	<p>As available</p>
4.5	Web site www.recyclenow.org	<p>www.recyclenow.org is a comprehensive web site including topics for toxics, recycling, business, multifamily, schools, disposal, compost, resources, newsroom and agency. The web site is ADA section 508 compliant and accommodates multiple user types (e.g. mobile device users).</p> <ul style="list-style-type: none"> Updates the content for the pages as needed with County ISD staff. Posts .pdfs, articles, news, etc. to the web site and create new pages as needed. Converts all web posted documents to ADA compliancy. Updates the Eco-Desk Access database to the web site. Manages contract for Guide on-line booklet. Manages administering the domain name registration. Updates resources/links on related web sites such as www.KeepSonomaClean.org, www.Earth911.org, etc. Prepares annual reports on web site activity. 	<p>Service Provided by County Information Systems Department and are included in the budget with all the other ISD charges</p>	<p>\$19,256</p> <p>(FY 12-13 \$33,281)</p>	<p>MANDATED - JPA</p> <p>Communicate recycling information using the web (Section 4.7.2.3 of the ColWMP)</p>	<p>Ongoing</p>

Approved _____

SCWMA

FY 13-14 Draft Work Plan

Education (cont.)						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
4.6	Green Building	Staff maintains the Agency's Green Building Products Showcase and participates as needed on the Build It Green Public Agency Council and other similar efforts.	\$0	\$866 (FY 12-13 \$953)	MANDATED - JPA Reduce waste and increase recycled product purchasing (Section 4.7.3.5 of the ColWMP)	Ongoing
4.7	Outreach Partnerships	The Agency provides staff support to the groups engaged in complementary environmental educations (e.g., Business Environmental Alliance (BEA), Russian River Water Association, Sonoma County Water Agency, GoLocal, etc.),	\$0	\$4,916 (FY 12-13 \$2,922)	BOARD DIRECTED Expand Agency outreach to businesses (BEA), as well as the general public	Ongoing
4.8	Non-profit grant awards	As Board directed, non-profits will apply for small grants (\$500-\$2,000) to fund activities that promote the mandate of AB 939.	\$0 (FY 12-13 \$5,000)	\$3,270 (FY 12-13 \$3,370)	BOARD DIRECTED Providing funding opportunities to non-profits in Sonoma County for further outreach	Ongoing
4.9	Fairs	Each year the Agency picks a new outreach theme that responds to current topics. The outreach theme for 2013 is encouraging reusable bags, Coordinates vendor registration and makes up calendar. <ul style="list-style-type: none"> Graphic design and production for table-top and 10'x10' displays and any auxiliary displays (e.g., backdrop, floor, information panels, brochure holders, etc.) Coordinates staffing for events Coordinates fair set up and tear down. Orders supplies Refurbishes display materials Designs and procures giveaway promotional items 	\$4,050 (FY 12-13 \$4,000)	\$16,191 (FY 12-13 \$10,750)	MANDATED - JPA (Section 4.7.2.9 of the ColWMP)	Summer and Fall
4.10	Social Community Based On-line Marketing Outreach	Online marketing and access to information is an important tool in the Agency's education program. <ul style="list-style-type: none"> Manages no cost on-line marketing options for Agency topic using services such as Twitter, Facebook, YouTube, Blogs, - etc. 	\$0	\$7,236 (FY 12-13 \$7,805)	BOARD DIRECTED	Ongoing

Approved _____

SCWMA

FY 13-14 Draft Work Plan

Education (cont.)						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
4.11	Beverage Container Recycling (Grant funded)	Grant money from the California Department of Resources Recycling and Recovery to increase beverage container recycling is expected, though the amount is unknown.	\$102,232 (Not in previous work plan)	\$6,510 (FY 12-13 \$6,797)	BOARD DIRECTED Make recycling bins convenient for public consuming containerized beverages at events and outdoors	Ongoing
4.12	Landfill Tours	Provides tours for the public at the Central Disposal Site. This includes an overview of HHW collection, recycling wall, reuse area, garbage tipping floor, active landfill, power plant, and composting area.	\$0	\$2,724 (FY 12-13 \$2,930)	CoIWMP/Section 4.7.2.7 DTPW staff provide tours of the Central Disposal Site	Ongoing
4.13	Mandatory Commercial Recycling Measure (Grant funded)	Provide support for implementing CalRecycle's Mandatory Commercial Recycling program which will focus on education, monitoring and reporting. Potential activities could include convening stakeholder workshops, educational videos, coordinating with garbage company staff, outreach to businesses, development of resources, etc.	\$0	\$20,017 (FY 12-13 \$29,712)	PROPOSED Under state law, local jurisdictions are responsible for reporting progress on commercial recycling to CalRecycle.	Ongoing
4.14	Adopt-A-Road (Grant funded)	Coordinate with the Department of Transportation and Public Works on launching an Adopt-A-Road litter cleanup program.	\$10,000	\$5,680	PROPOSED	
	Total	FY 13-14	\$140,296	\$150,963		
	Prior Year	FY 12-13	\$62,114	\$184,058		

SCWMA

FY 13-14 Draft Work Plan

Planning						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
5.1	AB 939 Reporting Requirements	Annual Report writing consists of: <ul style="list-style-type: none"> Collect and enter data from: the haulers, transfer stations, Central Landfill, out-of-county landfills, biomass facilities, large venues/events, HHW program Update text description of programs. Submit report to California Department of Resources Recycling and Recovery (CalRecycle) 	\$0	\$6,339 (FY 12-13 \$6,707)	MANDATED – AB 939 Compliance with State regulations (Section 4.7.2.12 of the ColWMP)	2012 Annual Report due August 2013
5.2	Legislative Research & Ordinance Development	Staff researches information relevant to products and policies of Board interest.	\$0	\$4,541 (FY 12-13 \$4,884)	BOARD DIRECTED	Ongoing
5.3	Ordinance Enforcement	Staff responds to complaints about non-compliant retailers, if the carryout bag waste reduction ordinance is adopted.	\$10,000 Legal	\$9,689	PROPOSED	
	Total	FY 13-14	\$10,000	\$20,569		
	Prior Year	FY 12-13	\$0	\$11,591		

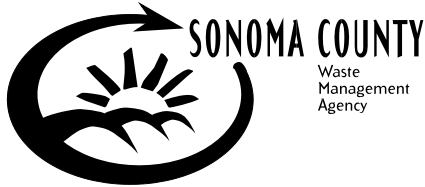
General Administration						
6.1	Agency Meetings	<ul style="list-style-type: none"> Prepare agendas/packets Attend meetings Research and document development Prepare and file minutes, resolutions, agreements 	\$0	\$100,752 (FY 12-13 \$73,400)	MANDATED-JPA	Ongoing
6.2	SCWMA Financial Management	<ul style="list-style-type: none"> Approve invoices/journal vouchers Prepare financial statements to Board Prepare budget and facilitate approvals Respond to audits (internal and external) 	\$0	\$102,023 (FY 12-13 \$119,647)	MANDATED-JPA	Ongoing
6.3	Monitoring legislation	Examines recent and pending legislation relevant to current and projected Agency projects	\$0	\$2,266 (FY 12-13 \$2,338)	BOARD DIRECTED	Ongoing
	Total	FY 13-14	\$0	\$205,041		
	Prior Year	FY 12-13	\$0	\$195,385		

Approved _____

SCWMA

FY 13-14 Draft Work Plan

County Projects						
	Program	Program Description	Contractor Cost	Staff	Goal/Justification	Schedule
A	Disposal Site support	Assist as needed with education efforts including signage, fliers, fee schedules, information requests, etc.	\$0	\$1,549 (FY 12-13 \$1,601)	Requests by County staff	As needed
B	AB 939 Local Task Force (LTF)	Provide staff support and administrative functions, as needed, to the AB 939 Local Task Force.	\$0	\$7,150 (FY 12-13 \$7,422)	Agency staff has historically provided this service.	Ongoing
C	Annual Stormwater Reporting	Provide information annually to be included in the County's National Pollution Discharge Elimination System (N.P.D.E.S.) Phase I and Phase II annual reports for small Municipal Separate Storm Sewer Systems (M.S.4's).	\$0	\$1,587	Agency staff has historically provided this service, as Agency efforts contribute to prevention of storm water pollution in Sonoma County.	Ongoing
	Total	FY 13-14	\$0	\$10,286		
	Prior Year	FY 12-13	\$0	\$9,023		
	Grand Total	FY 13-14	\$4,638,131	\$790,757		
	Prior Year	FY 12-13	\$4,898,509	\$809,099		



Agenda Item #: 8
Cost Center: All
Staff Contact: Mikus
Agenda Date: 2/20/2013

ITEM: CalRecycle Presentation

I. BACKGROUND

SCWMA works on a routine basis with the California Department of Resources, Recycling, and Recovery (CalRecycle) in many areas. At one end of the spectrum of mutual activities are Grant funds which support our programs, such as the City/County Payment Program and Oil Payment Program. Another example of our work with CalRecycle is their role in issuing Solid Waste Facility permits, such as the one we hold for our composting operation. Numerous of our regional reporting obligations involve CalRecycle. Most recently we have implemented our Mandatory Commercial Recycling Outreach Programs in coordination with and grant funded by CalRecycle. Further information about CalRecycle is available here: <http://www.calrecycle.ca.gov/>

Ms. Krysty Emery, a CalRecycle Integrated Waste Management Specialist, has been key to many of our mutually beneficial projects and interactions with CalRecycle. She will address the Board to reflect on CalRecycle's work with our region through SCWMA and other local government bodies, regarding solid waste and recycling regulations and goals, by discussing programs and successes.

Ms. Emery holds a Bachelor of Science degree from the University of California at Davis, and has been practicing in the environmental resource and waste management field for over 15 years. Her professional experience includes project siting and CEQA analysis, stakeholder engagement and facilitation, business process improvement, and research in biomass and emerging technologies. For both the public and the private sector, Ms. Emery has lead teams in the development of landfill planning projects, and directed staff conducting environment impact analyses of power plants and water management projects. At CalRecycle, Ms. Emery is currently responsible for assisting Bay Area jurisdictions with recycling program implementation and reporting and market development. Ms. Emery is also involved in special projects as a Senior Technical Advisor in projects relating to Long Term Solid Waste and Recycling State Planning requirements for Jurisdictions, Recycled Market Development Zones, and Household Hazardous Waste Facilities.

II. DISCUSSION

Listed below are the planned topics for the presentation:

- CalRecycle's Local Assistance Mission and Responsibility as defined in Statute
- Residential Programs: Accomplishments and Examples
- Commercial Programs and Mandatory Commercial Recycling Accomplishments and Examples
- Governmental Programs and Policies Accomplishments and Examples
- Construction and Demolition Programs Accomplishments and Examples
- Household Hazardous Waste Program Accomplishments and Examples
- State Agency Programs Accomplishments and Examples
- Regional Agency Accomplishments and Examples
- Programs and activities moving forward

III. FUNDING IMPACTS

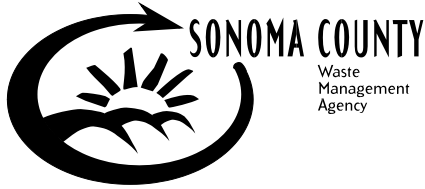
None

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Not applicable to this report

V. ATTACHMENTS

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



Agenda Item #: 9
Cost Center: All
Staff Contact: Coleson
Agenda Date: 2/20/2013

ITEM: EIR Process Explanation

I. BACKGROUND

The California Environmental Quality Act ("CEQA"), adopted in 1970, applies to most public agency decisions to carry out, authorize, or approve projects that could have adverse effects on the environment. Unlike most environmental laws, CEQA does not prohibit an agency from approving projects with adverse environmental effects. Rather, CEQA requires that agencies study and provide information about the environmental effects of proposed actions, consider all relevant information prior to action, give the public an opportunity to comment on the environmental issues and incorporate avoidance, reduction or mitigation of significant environmental impacts when feasible.

II. DISCUSSION

SCWMA is currently engaged as the Lead Agency in preparing an EIR for each of two separate projects. The first involves analyzing prospective sites for constructing a new compost operations facility. The second is development of a Single-Use Carryout Bag Ban Ordinance.

The EIR documents for these two projects will be going through their own separate approval process in the next several months. Because this could include some unfamiliar steps for the Agency Board, Agency Counsel has prepared a basic explanation of the EIR process with particular focus on the two types of EIRs that will be coming before the Agency Board in the near future.

III. FUNDING IMPACTS

None

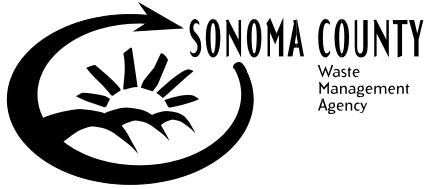
IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Not applicable to this report.

V. ATTACHMENTS

None

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



Agenda Item #: 10
Cost Center: Organics
Staff Contact: Mikus
Agenda Date: 2/20/2013

ITEM: Engineering Services

I. BACKGROUND

SCWMA operates a composting operation at the Central Disposal Site. Although the Agency is the permit holder for the Solid Waste Facility Permit (through CalRecycle and the Local Enforcement Agency), a water permit that covers our operation is held by the County through the North Coast Regional Water Quality Control Board (NCRWQCB).

As part of the County effort to extend the life of the current landfill, an Amended Joint Technical Document (JTD) was submitted to NCRWQCB on July 27, 2012 in order to obtain a permit that included provisions for expansion and closure of portions of the landfill. As a result, the NCRWQCB released a draft of its Waste Discharge Requirements (WDR) December 7, 2012 and conducted an informational session January 9, 2013.

The draft WDR contains new water management requirements, including one that applies directly to our compost operation. The requirement is that our facility achieve "zero-discharge" which means that any wastewater resulting from storm water run-off cannot be released off-property. Currently, storm water is allowed to discharge off-property via Stemple Creek during storm events at the landfill parcel south boundary. Unfortunately this storm water is of concern because of the sediment and other materials it collects by draining from compost operation materials. The draft WDR contains a requirement that a plan be submitted to the NCRWQCB by May 15, 2013 detailing how our compost facility will achieve "zero-discharge" of these storm waters drained from compost materials.

II. DISCUSSION

The only practical solution that presents for achieving "zero-discharge" from the compost site would be to reroute the flow of the storm water into the existing pipeline that conveys landfill leachate to the Laguna Regional Waste Water Treatment Plant (Laguna Plant) for processing. Topography and space constraints on the landfill property preclude constructing additional water impoundments of any size capable of holding the storm water volumes that the compost site generates. A consideration is that the water issue is really of limited time frame, as within about three years the compost site should be moved to a new location.

We have corresponded and met with County staff, since they are the permit holder with NCRWQCB. However, responsibility for the "zero-discharge" plan rests with us since it concerns our facility and its run-off. We have had some fruitful discussions regarding use of the pipeline, how to tie in, and how to manage our flow of water.

A meaningful plan, that would also examine potential alternatives, would develop a time-line, and include reasonably accurate cost estimates, would best be developed by an engineering firm. However, given the short time frame, which would include County review of our plan (as the permit holder the submittal to NCRWQCB would be by the County), makes it difficult to go through normal involved procurement process. Time is of the essence, so direct negotiations with a qualified, reputable engineering firm should commence directly.

SCS Engineers is a consulting firm specializing in solid waste facility design that has been working on the County's efforts to secure permits for landfill expansion, including the JTD that was submitted to the NCRWQCB. Thus they already have the greatest familiarity with the landfill site, the expansion permit documents, and particularly the WDR that stipulates the Zero-Discharge requirement and plan. Staff has already had initial discussions with SCS regarding the need for a Zero-Discharge Plan, and it is clear that utilizing SCS Engineers for this work would save considerable time, effort, and expense. SCS has also performed other work previously for the Agency quite successfully.

III. FUNDING IMPACTS

As a non-budgeted single-time expense, provide for \$25,000.00 from the Organics Reserve to cover this expense. At the time of transmittal preparation, the fund balance for the Organics Reserve was \$4,941,087.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Because a number of issues related to this work are still under consideration for optimum solution, and because of the short timeline imposed by the regulatory agency, staff recommends the following actions be approved by the Board:

1. Authorize the Executive Director to negotiate and enter into an agreement with SCS Engineers to perform the work to produce an acceptable Zero-Discharge Plan.
2. In case an agreement cannot be achieved with SCS, authorize the Executive Director to negotiate and enter into an agreement with an alternate engineering firm.
3. Set a "not-to-exceed" cap on any such engineering agreement at \$25,000.
4. In the event that \$25,000 proves to be insufficient for this project, authorize the Board's Executive Committee to work with the Executive Director to secure an agreement for engineering services for a Zero-Discharge Plan up to a maximum of \$50,000. A unanimous vote of the Board would be required if the engineering expense were to exceed \$50,000.

V. ATTACHMENTS

Appropriations Transfer

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

**SPECIAL DISTRICTS GOVERNED BY
LOCAL BOARDS - BUDGETARY REVISIONS**

Resolution No.

District Name: Sonoma County Waste Management Agency (JPA)
Address: 2300 County Center Dr., Rm. 100B
Santa Rosa, CA 95403
Phone: 565-2413
FY: 2010-11

Auditor's Office Use Only

DOCUMENT #
BATCH #
BATCH DATE

	TC	INDEX	SUB-OBJECT	PROJECT	SUB-OBJECT TITLE	AMOUNT
TO:	203	799221	6540	Compost Site Relocation	Contract Services	\$25,000
FROM:		799221	4624	Same as Above	Retained Earnings	\$25,000

WHEREAS, it is desirous to the Agency to enter into an agreement with an engineering firm to perform the necessary work to achieve "zero-discharge" at the Agency's composting operation; and

WHEREAS, this scope of work and accompanying expense was not anticipated and, therefore, not budgeted in the Sonoma County Waste Management Agency budget for FY 12-13; and

WHEREAS, it is would create greater efficiencies, both in location and purchasing options, to direct the contractor to proceed with the exploration and appropriate the necessary funds from the Organics Reserve Fund to cover the unanticipated expenditures.

NOW, THEREFORE, BE IT RESOLVED, the County Auditor is hereby authorized and directed to make all necessary operating transfers and the above transfer within the authorized budget of the Sonoma County Waste Management Agency (JPA).

The foregoing resolution was introduced by DIRECTOR (x) TRUSTEE ()

_____, who moved its adoption, seconded by

_____, and adopted on roll call by the following vote:

<u> </u> Cloverdale	<u> </u> Cotati	<u> </u> Healdsburg	<u> </u> Rohnert Park	<u> </u> Petaluma
<u> </u> Santa Rosa	<u> </u> Sebastopol	<u> </u> Sonoma	<u> </u> Windsor	<u> </u> County

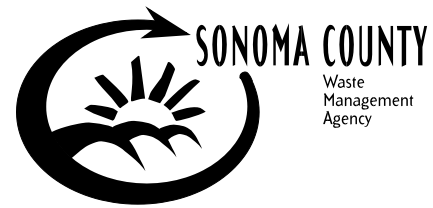
WHEREUPON, the Chairperson declared the foregoing resolution adopted, and SO ORDERED.

Date: _____

Attested: _____

Signature: _____
Secretary/Clerk of the Board

Signature: _____
Susan Harvey, Chairperson



To: Sonoma County Waste Management Agency Board Members

From: Henry Mikus, Executive Director

Subject: February 20, 2013 Agenda Notes

Consent Calendar

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

- 4.1 & 4.2 Minutes of the January 16, 2013 Board meeting and Minutes of the January 22, 2013 "special Meeting": regular approval.
- 4.3 Recycle Guide 2013 Printing Contract: This is an annual event & expense, so routine, thus its inclusion under "consent".
- 4.4 FY 12-13 2nd Quarter Financials: a required report, thus its inclusion under "consent". There are no financial issues of note at this, the half-way point, of the current fiscal year.

Regular Calendar

- 5. Public Hearing for Carryout Bags Draft EIR: The draft EIR for our single-use carryout bags ban ordinance is complete, and has been issued for the 45-day public comment period. Our consultant will do a brief presentation, then we will entertain public comments. Asuming a reasonable number of comments requiring attention, the plan is to have the final EIR back to the Board in April.
- 6. Compost Contract & Site License: The current four-month extension to the compost contract has a "stop-material acceptance" date of March 15. The county has indicated it has resolved its concerns on the new compost contract term, and the new "site license" with the County has been worked out with County staff. Thus the "site license" and new contract are presented for approval. SCC had honored the new contract pricing across the two recent old contract four-month extensions. However, in the year since the new contract terms, including pricing, were agreed to, some circumstances have altered. The

new contract has prices \$1.70 per ton higher as a consequence. But, these revised prices are still \$2.01 per ton lower than in the old contract.

7. Draft Work Plan: The first step in our annual budget formulation and approval process has been to prepare a draft Work Plan which outlines projects, tasks and associated costs. This is done because most projects include expenses from multiple cost centers. Once the Work Plan is approved, it is used to prepare the actual budget in the format needed to fit the County accounting system. However, this year we are altering the process somewhat. As part of the Work Plan discussion we are presenting an analysis of revenues, and comparing them to likely expenses. It is our belief that in order to develop a realistic Work Plan we must start with knowing just what money is available to spend. This analysis showed a deficit potential for the work done using tip fee surcharge funds, specifically related to anticipated increases in HHW costs. However, we have also identified a means to deal with this shortfall. Most of the HHW increase stems from the plan to rebid the HHW contract this spring for an effective date of July 1. Thus, if we were to extend the current HHW contract for another year, we would negate the budget shortfall. I do not make this suggestion lightly, especially since we have been rather relentless in rebidding all our contracts in the past year; in fact, HHW is the sole remaining old contract. However, there is merit to doing the contract extension beyond just budget-balancing. The state has required the implementation of a paint disposal effort funded by paint manufacturers called PaintCare. This program is just starting and has the reasonable likelihood to significantly reduce our paint disposal expenses. We are very certain the program's net positive effect on our HHW finances will be realized within the next year, which would allow a bid for a new HHW contract to happen in a more sensible environment.
8. CalRecycle Presentation: Ms. Krysty Emery, a CalRecycle Integrated Waste Management Specialist, has been key to many of our mutually beneficial projects and interactions with CalRecycle. She will address the Board to reflect on CalRecycle's work with our region through SCWMA and other local government bodies, regarding solid waste and recycling regulations and goals, by discussing programs and successes.
9. EIR Process Explanation: Over the next several months our Board will be discussing two EIR related projects: a new compost site, and the carry-out bags ordinance. There are several decisions, with consequences or choices to follow, to be made through this process. At the suggestion of the Executive Committee Agency Counsel Janet Coleson will provide background on the EIR process and an explanation of next steps and choices.
10. Engineering Services: We recently learned we will be required to achieve "Zero-Discharge" status for our storm-water runoff from our compost site at Central. The regulatory authority is requiring that a plan to achieve "Zero-Discharge" be submitted by May 15, 2013, which is a scant few months away. We have already begun to address this project. It has become clear engineering services are needed to prepare this plan, including estimated expenses for the work. Given the short time frame, we recommend working with SCS Engineers, who already have a presence on the landfill site.

1. Attachments/Correspondence: There are several items this month presented under “Reports by Staff and Others” in addition to this “Director’s Agenda Notes” report:
 - 11.2.a Outreach Events Calendar: This is our regular, updated listing of Outreach Events listing events planned for February and March 2013.
 - 11.2.b Carryout Bag Comments: a letter from concerned citizens about our proposed Carry-out Bag Ordinance

February 2013 Outreach Events

<u>Day</u>	<u>Time</u>	<u>Event</u>
4	1 PM	Park Master Gardeners Class, Teach Compost Unit, Rohnert Park
5	4 - 8 PM	Community Toxics Collection, Healdsburg
5	4 - 7 PM	Windsor Business Expo, Mary Agatha Furth Center, Agency booth
6	10 AM	Compost Site Tour for Master Gardeners Class, Sonoma Compost Company
6	1 – 2 PM	Eco Literacy Recycling Loteria at Flowery Elementary School, Sonoma
7	9 – 10 AM	Spanish Language Outreach, Graton Labor Center, Graton
12	4 – 8 PM	Community Toxics Collection, Rincon Valley
15-18	12 – 8 PM	Cloverdale Citrus Fairgrounds, Cloverdale
19	4 - 8 PM	Community Toxics Collection, Larkfield
23, 24	8 AM – 4 PM	Electronics Waste & Styrofoam Collection Event, Cloverdale Park & Ride
26	4 - 8 PM	Community Toxics Collection, Rohnert Park

March 2013 Outreach Events

<u>Day</u>	<u>Time</u>	<u>Event</u>
5	4 – 8 PM	Community Toxics Collection, Santa Rosa NW
12	4 – 8 PM	Community Toxics Collection, Monte Rio
14	4:45 – 5:45 PM	Bay Friendly Landscaping, Compost Presentation, San Rafael
19	TBD	NCRA Recycling Update, Biodynamic Compost Presentation, Berkeley
19	4 – 8 PM	Community Toxics Collection, Sebastopol
21	4 – 7 PM	Sonoma Valley Business Expo, Sonoma, Agency booth
23, 24	8 AM – 4 PM	Electronics Waste Collection Event, Graton Fire Station
26	4 – 8 PM	Community Toxics Collection, Cloverdale
26, 27	9 AM – 12 PM	Agricultural Day, Farm Bureau Activity Booth, Santa Rosa

Standard Events: Oil outreach via booths at area DMV offices most Wednesdays and Fridays weather permitting.

Item 11.2.b - Carryout Bag Comments

From: [Jim and Bambi Tyler](#)
To: [Patrick Carter](#)
Subject: Carryout Bag Ordinance
Date: Sunday, January 27, 2013 2:38:24 PM
Importance: High

Dear Mr. Carter,

My husband and I read the January 13, 2013 *Press Democrat* article on the proposed plastic bag ban and have some questions and concerns regarding this proposal. If you are not the person responsible for receiving input, our apologies in advance, and would you please forward this email to the appropriate person? We would also appreciate it if you could relay our concerns to the voting board or provide us with these members' emails so we can contact them (we saw the board member roster names on your agency's web site but did not see any email addresses for them).

The article and the Sonoma County Waste Management Agency's web site stated that this ban "would affect a wide range of outlets, including grocery, clothing, hardware and drug stores, electronic vendors, convenience and liquor stores." Do these establishments include stores such as Target, department stores, clothing outlets at the malls, toy stores and the like? If so, how is it possible to transport large purchase items in reusable tote bags? It would be a major hassle to consumers for these types of stores not to be able to provide bags for these purchases.

In addition, why should there even be an imposed fee on paper bags? Paper is biodegradable and was used even before plastic bags came into the picture. We always reuse our plastic bags to line garbage cans, clean cat litter, transport wet bathing suits, etc. Not everyone discards these bags.

Mandating that consumers bring their own tote bags and imposing fees for requesting paper bags seems like an intrusive government trying to exert control over our individual rights. Many of us face financial hardship, and requiring us to either purchase our own reusable bags or charging us for bags only creates further economic hardships. Aren't we being taxed enough? Why don't stores then provide the tote bags to the consumers? Here's a scenario: what if one goes into a store and did not anticipate that the reusable bags they brought with them were not enough to transport all their goods? Is it really fair to subject them to a paper bag fee?

Thank you for hearing our concerns, and we look forward to your response.

Sincerely,

Bambi and James Tyler
bohica4076@sbcglobal.net