



# **MEETING OF THE BOARD OF DIRECTORS**

April 16, 2014  
9:00 a.m.

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

Meeting Agenda and Documents

# **SONOMA COUNTY WASTE MANAGEMENT AGENCY**

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

April 16, 2014  
9:00 a.m.

### Table of Contents

Description	Page
Agenda	1
Executive Summary,	3
Director's Notes	4
Item 4.1: Minutes of February 19, 2014 ( <i>Consent</i> )	8
Item 4.2: Minutes of March 19, 2014 ( <i>Consent</i> )	18
Item 5: June and July Strategic Planning Meetings	33
Item 6 Reserve Policy	35
Item 7 FY 14-15 Final Budget <b>Unanimous Vote</b>	41
Item 8 Compost Zero Discharge Report	74
Item 9 Compost Capacity Discussion	80
Item 10 Sonoma Compost Agreement 1 <sup>st</sup> Amendment <b>Unanimous Vote</b>	86
Item 11 Engineering Consultant Selection <b>Unanimous Vote</b>	101
Item 12.1.a April 2014 and May 2014 Outreach Events	112
Item 12.1.b Letter of Support, AB 1893, Sharps (EPR Program)	114
Item 12.1.c Letter of Support, SB 1014, Medicine Disposal (EPR Program)	116
Item 12.1.d Carryout Bag Ordinance Outreach Information: Mailer and Fairs	119

*Note: This packet is 120 pages total*



## **SONOMA COUNTY WASTE MANAGEMENT AGENCY**

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

**April 16, 2014**

**9:00 a.m.**

**Estimated Ending Time 11:30 a.m.**

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

**\*\*\* UNANIMOUS VOTE ON ITEMS #7, #10, #11 \*\*\***

## **Agenda**

<u>Item</u>	<u>Action</u>
1. Call to Order Regular Meeting	
2. Agenda Approval	
3. Public Comments (items not on the agenda)	
<b><u>Consent</u></b> (w/attachments)	Discussion/Action
4.1 Minutes of February 19, 2014	
4.2 Minutes of March 19, 2014	
<b><u>Regular Calendar</u></b>	
5. June and July Strategic Planning Meetings [Mikus](Attachments)	Discussion/Action <b>Planning</b>
6. Reserve Policy [Carter](Attachments)	Discussion/Action <b>All</b>
7. FY 14-15 Final Budget	<b>Unanimous Vote</b>

- |     |  |  |
|-----|--|--|
|     | [Carter](Attachments)  | <b>All</b>                               |
| 8.  | Compost Zero Discharge Report<br>[Mikus](Attachments)              | Discussion/Action<br><b>Organics</b>     |
| 9.  | Compost Capacity Discussion<br>[Carter](Attachments)               | Discussion/Action<br><b>Organics</b>     |
| 10. | Sonoma Compost Agreement 1st Amendment<br>[Carter](Attachments)    | <b>Unanimous Vote</b><br><b>Organics</b> |
| 11. | Engineering Consultant Selection<br>[Mikus](Attachments)           | <b>Unanimous Vote</b><br><b>Organics</b> |
| 12. | <u>Attachments/Correspondence:</u>                                 |  |
|     | 12.1 Reports by Staff and Others:                                  |  |
|     | 12.1.a April 2014 and May 2014 Outreach Events                     |  |
|     | 12.1.b Letter of Support, AB 1893, Sharps (EPR program)            |  |
|     | 12.1.c Letter of Support, SB 1014, Medicine Disposal (EPR program) |  |
|     | 12.1.d Carryout Bag Ordinance Outreach Information: Mailer & Fairs |  |
| 13. | Boardmember Comments   |  |
| 14. | Staff Comments   |  |
| 15. | Next SCWMA meeting: May 21, 2014                                   |  |
| 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](http://www.recyclenow.org)

Date: March 19, 2014  
To: SCWMA Board Members  
From: Henry J. Mikus, SCWMA Executive Director



**Executive Summary Report for the SCWMA Board Meeting of March 19, 2014**

We welcomed two new Board members this morning: Santa Rosa Council Member Jake Ours, and Sebastopol City Manager Larry McLaughlin.

**Item 4: Consent:** The Consent Agenda contained but one item, the Minutes of the February 19, 2014 Regular Board Meeting. This item was continued until the April meeting, due to questions that can only be resolved by checking the February meeting tape recording. At the February meeting the items were not taken in numerical order, while the minutes did list the items numerically.

**Item 5: FY 14-15 Draft Budget:** For the first time in several years, balancing revenues and expenses for the budget has challenges. Higher cost are expected resulting from the ongoing bid process for a HHW contractor, and from possible expenses from service and operational improvements plus the new "Zero-Discharge" requirements. Staff presented several possible means to balance the budget, all of which are policy decisions for the Board to make. These included use of fund balance excess, use of reserves, or increased user fees. The user fee changes suggested by staff were limited to yard and wood waste fees, NOT the tip fee surcharge. The Board directed staff to return with a balanced budget; staff plans to do so by putting together several versions. The Board also wished to discuss the Reserve Policy at the next meeting.

**Item 6: Sonoma Compost Agreement 1<sup>st</sup> Amendment:** Sonoma Compost had proposed some service and operational improvements, and had requested an amendment to their contract with the Agency regarding financing. This item was continued to the Agency April Board meeting. The Board asked Sonoma Compost to provide answers to several questions, and to provide additional information including a "Business Plan" on how the proposed improvements would increase facility capacity and add revenue. The Board also indicated that the Agency's share of residual or resale value of new equipment should be 100% if financed by the Agency.

**Item 7: Compost Site Selection: Draft RFP for Engineering:** Members of the Board's Technical Subcommittee have suggested that the Agency have engineering design and analysis work done to bring clarity and more certainty to some of the difficult technical, practical, and financial issues involved with selecting a site for a new compost facility. The draft scope of work was presented for Board discussion. The Board approved the scope of work and directed staff to conduct the RFP process.

**Item 8: June and July Strategic Planning Meetings:** This item was not discussed because of meeting time constraints. It will be listed on the April meeting agenda.

**Item 9: Attachments/Correspondence:** The attachments were the March & April 2014 Outreach Calendar, the "Extended Producer Responsibility" Report (typically given every 6 months), and a fact sheet from an imminent CalRecycle organics grant program.



**To:** Sonoma County Waste Management Agency Board Members

**From:** Henry Mikus, Executive Director

**Subject:** April 16, 2014 Board Meeting Agenda Notes

**Packet Content Comment:** As part of the new/revised agenda packet format employed for the most recent Board meetings, staff have prepared a Summary, separate from this document (the Director's Agenda Notes). With the recognition that the Summary and Notes are largely a duplicate effort, staff had asked for Board input on keeping both or just doing one or the other. No significant comment was received either way. Thus for this packet just the Director's notes will be furnished.

## Consent Calendar

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

- 4.1 **Minutes of the February 19, 2014 Board meeting:** The February minutes were continued because of questions that could only be resolved by checking back with the meeting recording. That has occurred, and the February minutes revised to reflect that. One error regarding voting was corrected. The question about who voted on a particular item was resolved; as suspected the confusion was because of the meeting's items not being taken in numerical order. The question regarding the "biosolids" observation by the Petaluma Board member was addressed by noting the comment in the appropriate place.
- 4.2 **Minutes of the March 19, 2014 Board meeting:** regular approval.

## Regular Calendar

- 5. **June and July Strategic Planning Meetings:** The Board had contemplated additional Strategic Planning Work Sessions beyond the most recent such meeting in December, and asked that the next session be held once the consultant report evaluating Agency functions and service delivery options was done. With that report due to be presented to the Board in May, staff has adjusted upcoming draft agendas to free up the June meeting date for a strategy session. July would also be available for a follow-up session. Staff recommends the Board designate both the June and July meetings as Strategic Planning Work Sessions.

6. **Reserve Policy:** As part of the discussion on the draft budget at most recent (March) Board meeting, the Board asked staff to provide an explanation of the Reserve Policy as a pre-cursor to the final budget discussion. The Reserve Policy was last reviewed, revised, and adopted by the Board in August 2011.
7. **FY 14-15 Final Budget:** Last month the Board discussed the draft budget, thus this month the final budget is presented for approval. Staff took into consideration the board's comments, plus additional information, in crafting the final budget. The draft budget contained funding versus spending shortfalls primarily in the HHW and organics program cost centers. The HHW situation rises from the new contract RFP with likely cost increases, and the increased compost expenses from new environmental standards (zero discharge) plus some service and operating enhancements proposed by our contactor.

Since the draft budget discussion staff has some likely cost efficiencies for the HHW cost center. The proposals for the new HHW contact have been received. Even though the proposal do include cost increases, they will likely not be as great as initially believed. In addition, while still new, the PaintCare program has finally generated enough cost data to where staff feels recognizing savings from the program is reasonable. Thus for the HHW cost center the disparity between revenue and expenses had been severely reduced.

For organics program finances, staff has revised the budget to show proposed expenses for the Sonoma Compost First Amendment to be funded by using the fund balance excess, and for the Zero Discharge expenses to use the Organics Reserve. The initial proposal to adjust organics tip fees has been removed.

8. **Compost Zero Discharge Report:** Nearly coincident with the March Board meeting the NCRWQCB issued a letter to the County (as permit holder) setting October 1, 2014 as the date for compliance with Zero Discharge from the compost site. Finding a way to collect and store the huge volume of storm contact water generated by the compost facility has been key to solving this issue. Although the options to develop storage capacity listed in the initial Zero Discharge Plan have been found to be unworkable, an alternate location for building a storage pond of sufficient capacity has been proposed by Republic Services, that appears suitable to both the County and Agency staff. Republic is taking the lead in developing the design, meeting CEQA requirements, and construction. Although Republic gains benefit of considerable "borrow" of soil for landfill management needs, there would still be considerable expense for the pond the Agency would be expected to cover.
9. **Compost Capacity Discussion:** At the March meeting, the Board requested a discussion regarding current compost site capacity and alternatives for handling organic materials such as overhaul. The Board wished to have this information to aid in their discussion with the Sonoma Compost Company proposed First Amendment to their contract.
10. **Sonoma Compost Agreement 1<sup>st</sup> Amendment:** With their proposal that resulted in the

current operating contract with Sonoma Compost Company (SCC), effective in early 2013, SCC included recommendations for several possible future program improvements. At that point, the plan was to implement these enhancements when circumstances were deemed appropriate, and finances were worked out. SCC has requested to implement two of their original proposals, to install a sort line followed by a screening machine, to allow much more efficient removal of contaminants (trash). SCC has also proposed obtaining a new windrow turner that would enable much improved use of space for compost windrows. SCC is asking for Agency financial assistance, but has also agreed to a shared distribution of any residual or resale income if the program does not continue beyond the Agency 2017 term date. Staff has prepared several options for addressing the SCC request. Given the major benefits in safety, operational efficiency, regulatory compliance, and environmental concerns, staff recommends full funding for the improvements.

11. **Engineering Consultant Selection:** The Board asked staff to conduct the RFP process to select an engineering firm to do analysis and design work on both prospective new compost sites to provide more clear and accurate information for use in selecting a preferred site. The key focal points for the work are preliminary site designs and construction cost estimates, analysis of storm contact water handling options, and transportation costs away from Central. Three proposals were received, then evaluated. One firm's approach was to determine a preferred site and do the design and analysis just for that one site. That approach is incompatible with the Board's wish for information on both sites so they – the Board – can decide which site is the best choice. The second proposal, by Tetra Tech BAS, is the recommended one to accept, as this firm provided the best combination of approach, complete scope, experience, price, and time to complete. The third firm, although with acceptable approach, scope, and experience, had a lengthy duration and much higher price. Tetra Tech BAS offered a price of \$221,493 and would be complete with the work by mid September. Although it is clear having this information developed, particularly by a third party, will be vital to the Board's decision making process, Staff is very concerned about the cost.
12. **Attachments/Correspondence:** Other than the Director's notes, there are only two items this month presented under "Reports by Staff and Others":
  - 12.1.a **Outreach Events Calendar:** This is our regular, updated listing of Outreach Events listing events planned for April, and May 2014. Please particularly note the planned dates for Carryout Bag Ordinance merchant fairs May 13 – May 15, which are being conducted as part of this program's outreach and education efforts.
  - 12.1.b **Letter of Support:** AB 1893 (Stone/Eggman) is currently being considered by the State Assembly. It puts forth a framework for a program to safely manage sharps (used medicinal needles). As this is an EPR based proposed program, and within the agency's mission, we have sent a Letter of Support.
  - 12.1.c **Letter of Support:** SB 1014 (Jackson) is currently being considered by the State Assembly. It puts forth a framework for a program to safely manage used medicines. As this is an EPR based proposed program, and within the agency's mission, we have sent a Letter of Support.



- 12.1.d **Carryout Bag Ordinance Information:** Staff has prepared a letter for retail merchants to announce our Carryout Bag Ordinance. Included in the latter are the merchant fair dates and locations.



## Minutes of February 19, 2014 Meeting

The Sonoma County Waste Management Agency met on February 19, 2014, 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

Bob Cox  
Susan Harvey  
Jim Wood  
Dan St. John  
John McArthur  
Jennifer Phillips  
Sue Kelly  
Steve Barbose  
Susan Klassen  
Debora Fudge

### Staff Present:

Counsel  
Staff

Janet Coleson  
Henry Mikus  
Patrick Carter  
Karina Chilcott  
Lisa Steinmann

Clerk

Rebecca Lankford

### 1. Call to Order

The meeting was called to order at 9:03 a.m.

### 2. Agenda Approval

Henry Mikus, Agency Executive Director, suggested moving Agenda Items 9 and 10 ahead of Items 6, 7, 8 and 5.

Jim Wood, Chair from City of Healdsburg, inquired if any board members were opposed to the suggested changes. With no opposition Mr. Wood confirmed the suggested changes to the regular calendar.

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

Ann Hancock, representing the No Name Garbage Group (N.N.G.G), reported on a meeting of the group on February 6, 2014. Ms. Hancock stated the group discussed how they could support the Agency in taking action. The N.N.G.G believes that the Agency is a viable and valuable organization and wants the expiration date looked at immediately. While the N.N.G.G believes the expiration date is the most important issue to be addressed they would also like to see the Agency's unanimous vote requirements reconsidered.

*Deb Fudge, Town of Windsor, arrived at 9:08am*

Jens Kullberg, owner and operator of Stage Gulch Vineyards, stated he does not believe Site 40 should be selected as the new compost site. Mr. Kullberg believes that the increased fuel costs, increased labor costs, increase in road damage, greenhouse gas emissions, and, taking productive farmland out of production should be adequate reasons to not select the site. Mr. Kullberg noted that compost facilities pose many issues to vineyards such as airborne diseases, dust, insects, odor and particulate that may produce off flavored grapes which wineries are not accepting of. Mr. Kullberg indicated as a farmer the compost facility would devalue his grapes and put him out of business.

Roger Larsen, Happy Acres, presented a video to Board Members of a recent rain event and runoff at the Central Landfill Site. Mr. Larsen noted a large volume of water runoff that he believes is not compliant with the Site's zero-discharge requirement. Mr. Larsen described the pond runoff as black and odorous.

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

4.1 Minutes of January 15, 2014

4.2 Recycle Guide Printing

4.3 2nd Quarter Financial Report

4.4 HHW Contract Draft RFP

4.5 Storm Drain Label Purchase

4.6 City/County Payment Program Authorization

**Susan Harvey, City of Cotati, abstained from the vote of Item 4.1 the Minutes of January 15, 2014 due to her absence.**

**Dan St. John, City of Petaluma, moved to approve the Consent Calendar. Steve Barbose, City of Sonoma, seconded the motion. The motion passed, with the noted abstentions.**

**4.1 Vote Count:**

Cloverdale- Aye	Cotati- Abstain
County- Aye	Healdsburg- Aye
Petaluma- Aye	Rohnert Park- Aye
Santa Rosa- Absent	Sebastopol- Aye
Sonoma – Aye	Windsor- Aye

AYES -8- NOES -0- ABSENT -1- ABSTAIN -1-

**4.2-4.6 Vote Count:**

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

AYES -9- NOES -0- ABSENT -1- ABSTAIN -0-

**Regular Calendar**

**5. FY 14-15 Draft Work Plan**

Patrick Carter, Agency staff, presented the Fiscal Year 2014-2015 Draft Work Plan, noting it provides an insight into the programs Agency staff are looking at and planning for the upcoming fiscal year. Mr. Carter informed Board Members that staff would be looking for feedback regarding the programs and projects included in the plan. Mr. Carter highlighted several items included in the Work Plan. New and on-going projects forecasted for Organic Reserves include compost site relocation and the acquisition of a General Industrial Storm Water Permit. Agency renewal and the Waster Characterization Study are projects which have been accounted for under Contingency Reserve. Mr. Carter noted that the on-going expense of the Household Hazardous

Waste Facility is the largest planned expenditure for HHW, however, he noted funds and staff time have been allocated for a possible Extended Producer Responsibility Grant CalRecycle may offer. Mr. Carter also reported that consideration is being given to filling the vacant Waste Management Specialist position with an increased focus on education. The implementation of a program certifying C&D facilities has also been included in the FY14-15 Work Plan. Mr. Carter noted that the general administrative tasks as well tasks billed directly to the County of Sonoma remain relatively unchanged from the FY13-14 budget.

### **Board Questions**

Mr. St. John asked what is being done or planned for the selection of a new compost site.

Mr. Mikus responded that he intends to have a draft RFP for engineering services prepared for Board approval by the April 2014 meeting; noting that the funding would come from the Organics Reserve as presented in 2.1 of the FY14-15 Work Plan.

Ms. Harvey stated that working on the Agency renewal is a top priority. She expressed concern over hiring a new staff member given the uncertainty of the Agency and asked if thought had been given to filling the position via a contractor until the future of the Agency is resolved.

Mr. Mikus acknowledged Ms. Harvey's concern. He explained that when the Waste Management Specialist position was left vacant two years ago its primary focus was on the compost program, which at the time was facing uncertainty. Mr. Mikus stated that a vacancy that was planned to last less than a year has now exceeded two years and has become a hardship on Agency Staff.

Ms. Fudge agreed with Ms. Harvey noting the Agency renewal should be a top priority,

### **Public Comments**

Ernie Carpenter expressed his desire to ensure the Waste Characterization Study focuses on all waste, including that which goes out of the County and C&D.

Ken Wells strongly encouraged the Board to support the C&D Certification Program noting that it would provide consistency throughout the County and ensure the processing facilities are accurately reporting debris amounts. Mr. Wells also suggested the Agency engage the Local Task Force (LTF) for assistance with establishing the program.

### **Board Discussion**

Sue Kelly, City of Sebastopol, asked for clarification regarding the storm water permit issues.

Mr. Mikus replied that the County of Sonoma currently holds a General Industrial Discharge Permit which covers the entire Central Landfill Site, however, it has been indicated tenants at the Site may become responsible for obtaining their own permits; this would include the Compost Facility and the HHW Facility.

Steve Barbose, City of Sonoma, asked Agency Staff to address the points raised by Mr. Carpenter regarding the Waste Characterization Study.

Mr. Carter explained that there is self-haul debris and debris from C&D processing facilities being taken out of the county system, which neither the County or the Agency receive funds for. Mr. Carter reported that in 2012 the County generated approximately 300,000 tons of garbage; about

240,000 tons were part of the county system, about 30,000 tons was generated in Petaluma and sent directly to the Redwood Landfill and the remaining 30,000 tons of material was taken to other landfills. Mr. Carter believes that at the direction of the Board, Agency staff could work with neighboring agencies to determine the source of the 30,000 tons taken out of the County.

Mr. St. John inquired about the required reporting the Agency completes on behalf of the cities, specifically regarding the diversion of C&D debris.

Mr. Carter indicated the Annual Report the Agency submits to CalRecycle focuses on the amount of material generated, what type of waste was generated and what diversion programs are in place in the jurisdiction; where the waste goes is not a focus of the report. Mr. Carter noted that there is information available to determine what material is going where and who is taking it there, but, at this time, how that information would be used has not been determined. Agency Staff would need direction from the Board regarding what to do with the information once it is obtained.

Mr. St. John clarified that CalRecycle does not require the Agency to address the flow of C&D debris in terms of reporting.

Mr. Carter responded affirmatively.

Mr. Mikus stated that there are a lot of materials that are not required to be reported.

Mr. St. John noted that the tonnage of biosolids shadows 30,000 tons per year yet it is not being counted.

#### **Mr. Wood Reopened Public Comment**

*Jennifer Phillips, City of Santa Rosa, arrived at 9:30am.*

Nea Bradford reported on her attendance at the Integrated Waste Management Meeting in Cotati on January 22, 2014. She believed the main point the neighbors of the Central Landfill Site wish to stress is that they do not want their neighborhood to become the slum of Sonoma County noting that they already have a landfill and recycling facility and should not have to have a compost facility as well.

**Mr. Barbose, moved to approve the FY 14-15 Draft Work Plan. Ms. Harvey seconded the motion. The motion passed unanimously.**

#### **Vote:**

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

AYES -10-

NOES -0-

ABSENT -0-

ABSTAIN -0-

## **6. Evaluation of Delivery Options of Agency Services**

Mr. Mikus reported that at the December Strategic Planning Session Agency Staff received direction from the Board to acquire the services of a consultant to evaluate the Agency's function and delivery options of the Agency's current functions including those that are legally required,

those that may have a negative impact if ceased and those which are necessary for health and safety. Mr. Mikus stated the Agency received four responses to the Request for Proposals which had been issues; these were from: HDR, SCS Engineers, R3 Consulting and D. Edwards, Inc. Based on the firms' responses to the RFP and references Agency Staff recommends the Board authorize entering into an agreement with R3 Consulting for evaluation services.

### **Board Questions**

None

### **Public Comments**

Ken Wells, speaking as the Sierra Club's representative to the LTF, stated that the LTF believes the renewal of the JPA is of the highest importance and is willing to offer its services to the Agency as needed.

### **Board Discussion**

Ms. Fudge noted that the Town of Windsor has contracted the services of R3 Consulting and was pleased with their methodical, unbiased work.

Mr. St. John also noted his satisfaction with R3 Consulting as the City of Petaluma has contracted their services as well.

Mr. Mikus stated that R3 Consulting has experience with multiple Agency jurisdictions in various capacities. Included in the proposal received from R3 Consulting they offered to engage members regarding their jurisdiction's ability to take on Agency provided tasks.

**Ms. Harvey moved to approve the authorization of the Agency to enter into an agreement with R3 Consulting. Bob Cox, City of Cloverdale seconded the motion. The motion passed unanimously.**

### **Vote:**

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

AYES -10-

NOES -0-

ABSENT -0-

ABSTAIN -0-

## **7. Administrative Penalties Ordinance Second Reading**

Mr. Carter reported this was the Second Reading of the Administrative Penalties Ordinance, which if passed, would allow the Agency the ability to enforce any ordinance it may enact. Mr. Carter reported that at the January 15, 2014 Board Meeting the ordinance was introduced and the reading was waived with a unanimous vote for approval. Mr. Carter reiterated this would be the second reading and formal adoption of the Administrative Penalties Ordinance.

Mr. Carter indicated Agency Staff recommends the Board vote to waive a full reading and adopt, by title only, AN ORDINANCE OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY RELATING TO ADMINISTRATIVE PENALTIES.

## **Board Questions**

None

## **Public Comments**

None

## **Board Discussion**

**Susan Klassen, County of Sonoma, moved to waive the full reading and adopt by Title only the Ordinance of the Sonoma County Waste Management Agency Relating to Administrative Penalties. Ms. Harvey seconded the motion. The motion passed unanimously.**

## **Vote:**

Cloverdale- Aye

Cotati- Aye

County- Aye

Healdsburg- Aye

Petaluma- Aye

Rohnert Park- Aye

Santa Rosa- Aye

Sebastopol- Aye

Sonoma – Aye

Windsor- Aye

AYES -10-

NOES -0-

ABSENT -0-

ABSTAIN -0-

## **8. Carryout Bags Draft Outreach Program**

Karina Chilcott, Agency Staff, provided a report highlighting the Agency's plans for conducting necessary retailer and public outreach for successful implementation of the Agency's proposed Carryout Bag Ordinance. Ms. Chilcott indicated Agency Staff recommends the Board direct staff to proceed with public and retailer education outreach.

## **Board Questions**

None

## **Public Comments**

None

## **Board Discussion**

Based on a voice vote conducted by Mr. Wood, Agency Staff received direction to proceed with the necessary outreach.

## **9. Reusable Bags Project Purchase**

Ms. Chilcott reported that at the January 16, 2013 SCWMA Board meeting, reusable bag public education activities took place in 2013 regardless of whether a carryout bag ordinance would be adopted by the Agency. At that time the Board approved the purchase of 8,000 polypropylene bags for \$12,340; Board member comments indicated that should it become necessary to reorder bags there would be a preference for a local or USA-made bag. Ms. Chilcott noted that after extensive research she found 14 reusable bag manufacturers in the United States with the bags costing on average triple that of their China-made counterparts.

Ms. Chilcott noted that the only local quote received for the proposed nylon bag design was from Bijan's Protective Equipment (BPE) locating in Santa Rosa, CA. BPE has proposed to use nylon fabrics located in the United States. Their cost for 20,000 bags would be approximately \$59,000. The lowest big received for a similar nylon bag came from Simply + Green Solutions, Inc. which has offices in Alhambra, CA and manufacturing plants in China. Simply + Green Solutions, Inc. quoted

the cost of 20,000 bags between approximately \$30,000 and \$35,000.

Ms. Chilcott presented quotes she received from manufactures for Woven Polypropylene bags, noting all manufacturing of these bags take place in China.

Ms. Chilcott presented the Board with five scenarios for the purchase of the bags; she asked the Board for direction in the selection bags for purchasing, giving consideration to: location of manufacturing and material.

### **Board Questions**

Mr. Mikus clarified that the funds for this purchase had originally been allocated for the for the Carryout Bag Ordinance EIR, however, the report came in significantly under what had been budget so the remaining funds were set aside for the purchase of reusable bags.

Mr. St. John asked if it was the intention of the Agency to give the bags away; suggesting a nominal fee as those receiving the bag may then place a higher value on it.

Mr. Mikus responded that one concern many jurisdictions expressed was the accessibility of reusable bags to members of the population who could not afford them; noting that Agency staff have partnered with human services to distribute bags to clients.

Mr. St. John indicated that he is not suggesting not giving them to people with a need but reiterated his concern that when products are given away typically little value is placed on them.

Mr. Carter explained that the Agency has historically used different “buy-in” tools ranging from suggested donations to signing a pledge sheet.

### **Public Comments**

June Michaels expressed her excitement over a local manufacturer being able to produce reusable carryout bags. Ms. Michaels noted Bijian is a well-established company that contract primarily with the military to make padding and other equipment. Ms. Michaels believes that the company's prices, turnaround time and ability to store and deliver product as needed make them a superior option.

### **Board Discussion**

Ms. Fudge noted that the need for two types of bags exists, as people will likely not want to take their polypropylene bag into a department store or other similar retail establishment. Ms. Fudge also indicated she would like to see labeling on the nylon bag encouraging people to take it when shopping for things other than groceries.

Ms. Harvey also expressed her support of providing two different types of bags, noting that people will not want to put clothing in the same bag they put their groceries in. Additionally Ms. Harvey expressed her appreciation for Agency staff finding a local manufacturer.

Ms. Klassen expressed her support of providing two different types of bags as well. Ms. Klassen inquired if it would be possible with the nylon bag to include an attached pocket to stuff the bag itself into.

Ms. Chilcott replied that it is a concept she could explore if it were the desire of the Board.



Mr. St. John inquired if the purchase of the bags required a formal competitive bid.

Ms. Coleson noted that proposals were obtained by Agency staff in a manner compliant with the rules for the Agency.

Mr. Wood noted that the products are not all comparable, some are distinctly different.

Mr. Cox recommended Agency staff reach out to the Sonoma County Tourism Board to partner with them on the purchase of the nylon bag.

Mr. St. John asked why staff had not present a scenario where half the purchase was China made nylon bags and the other half was China made polypropylene.

Ms. Chilcott noted it was merely an oversight; she had created scenarios which she believed would best meet the Board's previously expressed preferences.

Mr. St. John stated that he had never seen a situation where the cost of a locally manufactured commodity opposed to an imported one has been so substantial. Mr. St. John noted his support of the overall goal but that he could not support the significant price difference.

Mr. Mikus stated when Agency staff proposed the initial reusable bag purchase there were interest from the Board in finding a local or domestic manufacturer for any subsequent purchases. Mr. Mikus noted that while the Bijian nylon bags are more expensive than the China-made nylon bags they are significantly more economical than other types of domestically made reusable bags. Mr. Mikus indicated at this time the Board is being asked to make a policy decision, to buy locally and more expensive or foreign and less expensive.

Ms. Fudge addressed Mr. St. John asking that if it be the general will of the Board to opt for a local manufacturer that he consider voting affirmatively to allow staff to proceed.

Mr. Wood clarified that currently the consensus of the Board is to proceed with the purchase of both the polypropylene bags and the nylon bags. He inquired if the vote could be split into two votes, one for each type of bag.

**Mr. Barbose motioned to approve the purchase of 10,000 locally made nylon bags and 10,000 China-made polypropylene bags. Ms. Harvey seconded the motion.**

**Mr. St. John offered an amendment to the motion to change the quantity of bags purchased to 5,000 locally made nylon bags and 15,000 China-made bags instead of 10,000 locally made nylon bags/10,000 China-made recycled Woven Polypropylene bags.**

Mr. Barbose asked for staff input regarding the need for the nylon bag, noting that many people already have bags for grocery shopping.

Ms. Chilcott responded that purchasing 10,000 of each type of bag would work best for outreach plans, also reiterating that bag preferences vary from person to person.

Ms. Coleson inquired if the amendment to the motion was accepted.

Mr. Barbose rejected the amendment to the motion.

Ms. Coleson recommended as the amendment to the motion was rejected that the Board vote on the motion and second currently presented.

**Vote:**

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

AYES -9-

NOES -1-

ABSENT -0-

ABSTAIN -0-

**The motion carried with nine aye votes and one nay vote.**

**10. Carryout Bag Ordinance Second Reading**

Mr. Carter indicated that the ordinance being presented to the Board is identical to the one approved unanimously at the January 15, 2014 Board Meeting except that the Carryout Bag Ordinance would become Ordinance 2014-02 instead of Ordinance 2014-01. Mr. Carter indicated that Agency Staff recommends the Board vote to waive full reading and adopt by Title only AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ESTABLISHING A WASTE REDUCTION PROGRAM FOR CARRYOUT BAGS. As this would be considered a major program expansion, per the JPA agreement, approval of this ordinance requires a unanimous vote.

**Board Questions**

None

**Public Comments**

None

**Board Discussion**

**Ms. Harvey motioned to waive full reading and adopt by Title only AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ESTABLISHING A WASTE REDUCTION PROGRAM FOR CARRYOUT BAGS, establishing Ordinance 2014-02. Mr. Cox seconded. The motion passed unanimously.**

**Vote:**

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

AYES -10-

NOES -0-

ABSENT -0-

ABSTAIN -0-

**11. Attachments/Correspondence:**

11.1 Reports by Staff and Others:

11. 1. a February, March, and April 2014 Outreach Events

**12. Board member Comments**

Ms. Fudge thanked Agency Staff for preparing and issuing the RFP for the HHW contract. Ms. Fudge also expressed her pleasure with the new agenda form, noting it was easier to read.

Ms. Phillips announced that at the February 25, 2014 Santa Rosa City Council Meeting the Council would be considering an item which would replace her position on the SCWMA Board with a Council Member while making her the Alternate.

Ms. Harvey acknowledged the time and effort Agency Staff have dedicated to the Carryout Bag Ordinance.

**13. Staff Comments**

Mr. Mikus noted that changed format of the Agenda and asked Board Members to provide any feedback to him at their convenience.

Mr. Mikus also indicated that he would be discussing the Strategic Planning Session process with the Executive Committee and formulating a plan to bring to the Board.

Lisa Steinman, Agency Staff, announced three new PaintCare sites: Peterson Paints and Sherwin Williams both located in Petaluma, as well as Garrett Ace Hardware in Windsor.

**14. Next SCWMA meeting: March 19, 2014**

**15. Adjourn**

The meeting was adjourned at 11:10 A.M.

Submitted by  
Rebecca Lankford



## Minutes of March 19, 2014 Meeting

The Sonoma County Waste Management Agency met on March 19, 2014, 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

Bob Cox  
Susan Harvey  
Jim Wood  
Dan St. John  
John McArthur  
Jake Ours  
Larry McLaughlin  
Steve Barbose  
Shirlee Zane  
Debora Fudge

### Staff Present:

Counsel  
Staff

Janet Coleson  
Henry Mikus  
Patrick Carter  
Lisa Steinmann

Clerk

Rebecca Lankford

### 1. Call to Order

The meeting was called to order at 9:02 a.m.

### 2. Agenda Approval

There were no changes to the Agenda.

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

Roger Larsen, Happy Acres, noted that at last month's SCWMA board meeting he misspoke when he accused the compost operation of violating the zero-discharge requirement. Mr. Larsen stated that after speaking with the North Coast Regional Water Quality Control Board he learned of the grace period allowed before compliance was mandatory. Mr. Larsen apologized for potentially misleading the Board about a violation; however, he noted he believes the spirit of the requirement was violated.

Trathen Heckman, Executive Director of Daily Acts, spoke in favor of Sonoma Compost Company which has been an essential partner in making Daily Acts effective at serving Sonoma County residents. Mr. Heckman stated that Sonoma Compost donates one yard of compost for every

resident that registers for Daily Act's Home and Garden Challenge. There is a significant amount of power and influence involved with public-private partnerships like SCC and the Agency.

Adam Goldberg, Global Student Embassy, spoke in favor of Sonoma Compost Company. Mr. Goldberg noted that SCC provides all schools in Sonoma County with up to 10 yards of free compost per year for their gardening ventures.

Nea Bradford, Central Landfill Site Neighbor, inquired if Sonoma Compost Company is only able to operate at the Central Landfill Site or if they will also be able to operate an alternative site. Ms. Bradford noted that a public speaker last month expressed concern regarding how the dust and other compost particulate will affect his grapes; Ms. Bradford asked how will these things affect the children at Dunham school near the Central Site. Ms. Bradford noted her desire to have particulate monitors throughout the neighborhoods near Central.

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

4.1 Minutes of February 19, 2014

Susan Harvey, City of Cotati, noted several discrepancies in the minutes to be reviewed by Agency Staff.

Dan St. John, City of Petaluma, asked for his comments regarding Item 5: FY 14-15 Draft Work Plan be reviewed.

**Item continued to the April 16, 2014 Agency meeting.**

#### **Regular Calendar**

#### **5. FY 14-15 Draft Budget**

Patrick Carter, Agency Staff, presented the Draft Fiscal Year (FY) 14/15 budget, which was noted as a deficit budget due to two uncertainties the Agency faces with its two largest contracts: the cost of labor to run the Household Toxics Facility and the operational needs at the current compost site. With the potentially significant cost increases and knowing that the Agency has sufficient fund balances which would not require the use of Reserve Funds, a deficit budget is being presented. Mr. Carter urged input and feedback from the Board to develop an understanding of what the Board would like to see on the FY 14/15 Final Budget at the April Agency Board Meeting. Mr. Carter noted the proposed budget is currently being presented to draw down existing fund balances with minor tipping fee increases to wood waste and yard debris.

Mr. Carter reported as the budget is presented four of the Agency's five cost centers would remain above their balance goals with the exception of Household Hazardous Waste; noting that does not mean there is a deficit in the HHW cost center, simply that it would be below its fund balance goal.

Henry Mikus, Agency Executive Director, explained the process of how the draft budget is developed, include the analysis of actual expenses versus budgeted expenses from previous years. Mr. Mikus stated that Agency Staff are concerned about the labor rates that will be presented in the new HHW Contract and are anticipating a significant increase; clarity regarding these rates should be available in April.

## Board Questions

Jake Ours, City of Santa Rosa, asked for clarity regarding the Agency's Reserve Policy as well for a copy of it.

Mr. Carter responded that surplus funds from the Education and Planning cost centers are deposited into the Contingency Reserve Fund which is used for general one-time uses as directed by the Board. Surplus funds from the HHW cost center are first transferred to the Facility Closure Fund then to a Facility Reserve Fund. From the Wood Waste and Yard Debris cost centers surplus funds are transferred to the Organics Reserve; the specific fund goals for all cost centers range from 15%-25% of our annual expenditures in the specific cost center.

Mr. Ours noted there seems to be reserve accounts for the reserve accounts.

Mr. Carter agreed the Agency does have a substantial number of Reserve Accounts as contingency planning has been a focus.

Mr. St. John asked to confirm that the goals for the five cost centers in based on 15%-25% of the budgeted expenditures, or about three months of operating costs.

Mr. Carter responded affirmatively.

Mr. St. John asked for the distinction between the two HHW reserve funds.

Mr. Carter explained that the HHW Facility Closure Fund is for the future deconstruction of the facility while the Facility Reserve Fund is for any incident or catastrophe at the HHW facility.

Mr. St. John asked if the projected 9% increase in tip fee revenues was based solely on the proposed tip fee increases.

Mr. Carter responded that the proposed wood waste and yard debris tip fee increase is included in the revenue increase but that it also included tip fees for education, planning and HHW which will remain at \$5.95 per ton.

Mr. St. John noted that contract service costs are being projected to increase 17%. He inquired if the 17% (\$700,000) increase includes the anticipated increase in HHW contract cost and the proposed Sonoma Compost (SCC) Amendment.

Mr. Carter responded affirmatively.

Shirlee Zane, County of Sonoma, asked if staff is estimating having over \$1,000,000 in reserve funds at the end of FY 14/15 and the policy is \$600,000 why a balanced budget is not being presented.

Mr. Carter responded in the present draft budget it was the intention of staff to not draw down reserve funds. Mr. Carter noted drawing down reserve funds would be a viable option to balance the HHW cost center, however, not Wood Waste or Yard Debris; Organics would ultimately still experience a structural deficit due to the tip fee discrepancies.

Ms. Zane asked that assuming that Board approved the 1<sup>st</sup> Amendment to the SCC Agreement wouldn't they be able to increase production and sales which would in turn increase Agency revenues from the operation.

Mr. Carter stated the assumption of increased revenues from SCC as a result of an approved 1<sup>st</sup> Amendment to their agreement was not calculated into the draft budget; noting that while an increase in revenue is likely determining an anticipated amount would be speculative.

Ms. Zane state that she would like to see a balanced budget for approval, noting she believes it is the Agency's obligation to the public.

Ms. Harvey asked for clarification as to why the wood waste tip fee increase is \$1.30 opposed to yard debris tip fee increase of \$5.80.

Mr. Carter explained that the difference is primarily based on the price sensitivity of wood waste, historically when the wood waste tipping fee has increased the amount of incoming material has decreased due other disposal options for wood.

Mr. Mikus noted that about 90% of the material taken in is yard debris, while the remaining 10% is wood waste, significantly increasing the tip fee for wood would have provided minimal impact due to the small amount of material.

Ms. Harvey inquired about the Agency's liability insurance rate, noting that it seems to consistently increase. She also asked if insurance is something the Agency regularly rebids.

Mr. Carter stated that liability insurance is not something the Agency has bid recently, but would be feasible at the direction of the Board. He also noted that last year the Agency's liability insurance increased due to the addition of Cyber Liability Coverage.

Ms. Harvey asked about the increase membership fee for the California Product Stewardship Council (CPSC) as it has nearly doubled.

Lisa Steinmann, Agency Staff, responded that the CPSC fee is now based on population. Ms. Steinmann explained the CPSC has been a valuable partner to the Agency, particularly with EPR programs.

Ms. Harvey asked if the increase in EFS costs due to the modernization of the County's accounting system would be a recurring expense.

Mr. Carter explained that program modules will be implemented at different times throughout upcoming years and at this time it is unclear if additional module implementation will incur new costs.

Ms. Zane stated that she believe the budget for marketing the Carryout Bag Ordinance should be increased from \$22,000. She also inquired why there is such a large increase in expenditures for contract services and asked if they are negotiable.

Mr. Carter responded that the contracts are negotiable, noting that the Agency could also set a maximum not to exceed limit, then asking what services are available at that amount opposed to proposing desired service then asking for costs.

Ms. Zane expressed her belief that staff should be able to negotiate contracts but does think a not to exceed limit could help maintain costs.

Mr. Ours confirmed that the labor rates in the current HHW contract are from 2005, noting that a not to exceed limit cannot realistically be set without knowing what the new labor rates may be. He also expressed his belief that an increase in labor rates is to be expected in order to complete the job.

Mr. Carter explained that the costs being presented are considered to be the worst case scenarios, Agency Staff have predicted high expenditures to ensure adequate appropriations are made at the beginning of the fiscal year instead of having to present and approve budget amendments and appropriations transfers throughout the fiscal year.

Jim Wood, City of Healdsburg, stated that when he hears the term structural deficit he hears “problems going forward”; he asked what is being done now to ensure these deficits are not issues for FY 15/16

Mr. Mikus responded that Agency Staff has started conversations about the FY 15/16 budget, noting that by that time the Agency’s largest contracts will have been settled which will allow staff to better understand what changes, such as tip fee surcharge increases, need to be addressed.

### **Public Comments**

None.

### **Board Discussion**

Mr. St. John asked is the current HHW contract has escalator labor rates.

Ms. Steinmann responded that they do not; the Agency is currently paying the exact same labor rates as it did in 2005, there have been no increases.

Mr. St. John noted that the Agency has four reserve funds which all meet or exceed their goals. He believes the Agency should draw down reserves to goal levels *or* readjust goal amounts; he favors raising goal levels to support more than three months of operating costs however would also be comfortable drawing down reserve funds to help balance the budget. He would also like to have a discussion regarding the Reserve Account Policies.

Mr. Carter stated that Agency Staff would bring up the Reserve Policy for discussion at the April Board Meeting prior to the presentation of the budget for approval.

Deb Fudge, Town of Windsor, agrees with the thoughts discussed by other board members so far. She noted that she would like to see the wood waste tip fee increased to cover the actual service cost. Ms. Fudge also noted her appreciation for staff’s candidness in presenting the draft budget; however, she would like to see a balance budget.



Steve Barbose, City of Sonoma, stated that he is in general agreement with what has been discussed by other board members. Mr. Barbose stated that he would not be opposed to raising transfer station yard debris tip fees a little more than suggested in the presented draft budget. Mr. Barbose inquired what the allocation between HHW and wood waste on the tip fee surcharge.

Mr. Carter responded that the HHW tip fee surcharge is \$5.95 per ton, the yard debris tip fee at the transfer stations is \$36.20 per ton and \$34.10 at Central

Mr. Barbose suggested increasing the HHW tip fee surcharge from \$5.95 as a way to increase HHW revenues.

Ms. Harvey noted her agreement with the thoughts which have been brought forward. She believes the issues faced are two-fold, the upcoming fiscal year's issues have to be addressed as well as the future financial health of the Agency.

Bob Cox, City of Cloverdale, noted he is inclined to go along with the policy of drawing down reserve funds whether it is to balance the budget or to remain at the set goal levels of the established policy, or, revise the policy.

Mr. Ours stated that he would like to have a thorough discussion about the reserve policies as he was surprised by the number of reserve accounts. Mr. Ours noted he supported drawing down the reserve funds.

Larry McLaughlin, City of Sebastopol, stated his general agreement with the rest of the Board as well as supporting the need for a discussion regarding the reserve policy.

Ms. Zane stated that it is hard to raise tipping fees when accounts have such a significant surplus. Ms. Zane inquired how often contracts are renegotiated, as they are a significant expenditure.

Mr. Mikus replied that in the last two years nearly all of the Agency's contracts have been rebid, with HHW being the final one. Mr. Mikus explained that to date most of the Agency's contracts had been set for five years, however, with the future of the Agency unknown they are all set to expire in February 2017.

Mr. Mikus noted that in late 2011 the Reserve Policy was reviewed and revised. He suggested staff present the reserve policy as a discussion item in April prior to the presentation of the budget.

Mr. Carted indicated he believe he had adequate direction to move forward.

## **6. Sonoma Compost Agreement 1<sup>st</sup> Agreement**

Mr. Carter provided the staff report noting that Sonoma Compost Company (SCC) has been the compost contractor for the Agency for many years and was awarded the contract most recently after a rebid in 2013. During the bid process SCC proposed a number of site improvements they would perform; the inclusion of a mechanical sort-line and another screen were included in the proposals as equipment for later consideration

Currently SCC is having difficulty meeting certain conditions of its Solid Waste Facility Permit in relation to the amount of time the material is onsite before it is processed. Mr. Carter noted that SCC's permit conditions are the most stringent in California, however, this does not negate them

from compliance. Agency Staff along with SCC have identified two strategies for addressing the current permit conditions: changing internal processes and acquiring additional equipment. The additional equipment needed as identified by SCC would be a new mechanical sort-line and screen as well as a larger windrow turner. The Agency and SCC have been working with the Local Enforcement Agency (LEA) to identify and implement internal processes to help obtain permit compliance. The implementation of new processes and new equipment will aid in permit compliance, overall site efficiency and employee safety. The mechanical sort-line and screen will allow for more efficient and effective sorting in turn making a better quality product. The windrow turner would result in an increased amount of material in each windrow, increasing site capacity. Mr. Carter presented five scenarios, ranging from complete acceptance of SCC's request, which would involve an additional payment to SCC of \$420,000 per year for three years, acceptance of just one of the pieces of requested equipment, a reduced/ negotiated payment or complete rejection of the proposal. Mr. Carter reported that Agency Staff recommends the approval of the complete request using a combination of fund balances and increased tipping fees. Mr. Carter noted that if nothing is done it is essential for the Board to understand the consequences which include continued permit issues. Mr. Carter informed the Board that they have no obligation to act or approve the appropriation of Agency funds for this request; noting that zero-discharge requirements will also require significant financial contributions from the Agency.

### **Board Questions**

Mr. Barbose noted that in Scenario 3, the purchase of just a windrow turner, ease of permit compliance is used as a justification; Scenario 2, purchase of just a sort-line and screen, ease of permit compliance is not addressed. Mr. Barbose asked if this meant the sort-line and screen will does not aid in permit compliance.

Mr. Carter explained that contaminated product, known as "overs", have become increasingly problematic for permit compliance as they stay on site and take up space. The purchase of a sort-line and screen would aid in permit compliance by helping produce less contaminated, better quality product, in turn producing more revenue to be shared with the Agency.

Ms. Zane noted that the purchase of this equipment may be a business investment; however, it is a significant amount of money. Ms. Zane asked how this equipment will address the zero-discharge requirements being imposed.

Mr. Carter responded that the zero-discharge requirements will not be specifically addressed by this equipment.

Ms. Zane stated that the zero-discharge requirements are a high priority for the Board and purchasing new equipment would ultimately mean a decreased fund balance to address zero-discharge issues. Ms. Zane asked if the proposed equipment would be applicable at a new compost site.

Mr. Carter responded that SCC has indicated the sort-line and screen would likely be applicable at any new site; the new site as envisioned would have no need for a windrow turner, therefore the Amendment being presented has a clause that will provide the Agency with 50% of the revenue from the sale of the windrow turner.

Ms. Zane asked what the projections are in terms of increased revenues.

Mr. Carter asked to defer Ms. Zane's question to a SCC representative.

Mr. Barbose asked what the rationale was behind the Agency receiving only 50% of the revenues from the sale of the windrow turner.

Mr. Carter replied that the percentage is primarily arbitrary and can be negotiated, 50% was presented as a reasonable share as SCC will be investing in maintenance and needed repairs to the equipment.

Mr. St. John asked to confirm that the compost operator contract was not awarded solely to the lowest bidder; it was also based on qualifications. Mr. St. John also inquired what the tonnage requirements are in the contract between SCC and the Agency.

Mr. Carter responded that there are no requirements in the contract noting that the operating permit allows for 108,000 tons and that SCC processed about 100,000 tons in 2013.

Mr. St. John stated that his understanding of SCC's sale is that they actually have such high demand that they sell futures in advance of product being completed.

Mr. Carter confirmed that the sales of futures are quite common, occasionally with wait times as long as weeks.

Mr. St. John asked what the current contract with SCC says about amendments.

Mr. Carter responded that it states the contract may be amended from time to time by mutual agreement.

Mr. St. John inquired about what has changed since the project bid on and awarded.

Mr. Carter responded that the overs have become a major issue on the site for a variety of reasons and the site is at capacity for optimal operation.

Mr. St. John asked if staff had reviewed the other proposal received during the bid process and whether any of them included a sort-line and screen as well as a windrow turner while SCC's did not.

Mr. Carter responded that the proposals were all very similar. Mr. Carter also clarified that SCC does currently have two screens on-site, the third would be dedicated to processing incoming material.

Mr. St. John asked how much the Agency spent on the SCC contract in FY 12/13.

Mr. Carter responded about \$2,500,000.

Ms. Fudge noted that within the last couple of years SCC has made it clear that without a new site the capacity constraints at the current site would become an issue that would ultimately lead them to ask the Agency for additional assistance, funds, equipment or something.

Mr. Wood inquired to what extent site capacity would be increased.

Mr. Carter responded that manufacturers report up to a 30% increase in capacity, noting that even half of that amount would be significant.

Mr. Mikus emphasized the fact the SCC's proposal had addressed items that would be needed in the future, including the sort-line and additional screen, all of which were presented to the Board. Mr. Mikus also emphasized how the overs that were once a profitable product are now a liability.

Mr. Wood asked if somebody from SCC would address the Board.

Pam Davis, Sonoma Compost Company, addressed the Boarding noting that the overs situation on the site cannot be overstated. Ms. Davis reiterated that the utilization of a sort-line and screen to eliminate contaminants would produce additional compost for sale, and limit the amount of overs which produce a loss. Ms. Davis also reported that SCC currently has five fulltime employees who sort incoming materials which are spread out on the ground, the sort-line and screen would dramatically increase worker safety and the cleanliness of the material to be processed. Ms. Davis believes the windrow turner will be the most significant piece of equipment for SCC, by making higher and wide windrow piles the capacity of the site will increase and allow SCC to process incoming material in compliance with their permit. Ms. Davis noted that SCC has been working with the local fire department, Republic Services and the Agency to find additional locations to store finished products. Ms. Davis also noted that new increased distance requirements for piles and the on-site methane have negatively impacted site capacity. Ms. Davis stated that the LEA has indicated that the violations that have occurred at the compost facility are indicative of limited site capacity, equipment and regulatory challenges.

Ms. Davis addressed a previously asked question regarding an increase in revenue due to the potential purchase of new equipment. Ms. Davis noted that it is easy and realistic to believe there would be an increase in revenues; however, she predicts it to be less than 10%.

Ms. Harvey asked if SCC would consider increasing the Agency's share of revenues from the windrow turner once it is no longer needed.

Ms. Davis indicated SCC would be comfortable potentially increasing the amount from 50% to 55% or 60%.

Ms. Zane stated that SCC is asking the Agency to invest a large amount of money and indicated her desire to see a business plan specifically addressing the return on the investment.

Ms. Davis indicated she was not certain what the dollar amount increase would be as she did not have the company's financial information with her.

Ms. Zane asked if alternatives, other than asking the Agency to purchase the equipment, have been considered.

Ms. Davis responded that a loan is something that could be considered by the company, however, SCC has purchased nearly \$1,000,000 in equipment and is now looking for the Agency to match it.

Ms. Zane asked which piece of requested equipment would be the highest priority for the site.

Ms. Davis indicated that the windrow turner as it will assist in site capacity issues.

Mr. St. John noted that he had met with Ms. Davis earlier in the week. Mr. St. John inquired what operational conditions have changes and what expenses have been incurred by SCC due to these changes.

Ms. Davis responded that the contract indicated that SCC is responsible for the first \$50,000 of environmental costs per year, noting that they paid for nearly \$40,000 already and are on track to contribute the entire \$50,000.

Mr. Barbose asked to confirm that the windrow turner is \$750,000.

Ms. Davis responded affirmatively.

Mr. St. John stated that he does not see an increase in the volume of incoming materials that would justify the purchase of this new equipment.

Ms. Davis responded that there had been an increase in volume but not necessarily the reported tonnage, noting that regardless of any projected increases or not the operation and site are having difficulties processing the amount of materials they are currently receiving.

John McArthur, City of Rohnert Park, asked who will be responsible for the actual purchase of the equipment.

Ms. Davis indicated SCC would be.

Mr. McArthur asked to clarify if the dollar amounts being presented were “not to exceed” amounts.

Mr. Carter responded affirmatively.

Mr. McArthur confirmed that the windrow turner is SCC’s highest priority for the current site, noting that it would not be needed at a new compost site.

Ms. Davis responded affirmatively, noting that SCC has looked to purchase a used windrow turner to meet their needs and save money, however, they have been unsuccessful.

Mr. McArthur inquired what the life expectancy of the equipment is.

Ms. Davis responded that the current windrow turner on site is more than 20 years old.

Mr. McArthur asked to see a spec sheet for the proposed equipment.

Ms. Davis indicated she would send it to him via email.

Mr. Wood asked if any of the environmental costs incurred by SCC has been related directly to the zero-discharge requirements.

Ms. Davis responded affirmatively.

Mr. Wood asked if a LEA representative would address questions from the Board.

Mr. Wood asked the LEA representative about the violations SCC has incurred and if the purchase of the requested equipment would help mitigate their issues.

Leslye Choate, LEA, responded that the LEA is very supportive of anything that can be done to increase site the efficiency of the operation as well as positively impacting the welfare of individuals and the environment.

Mr. Wood stated that the sort-line and screen has a significant capital cost but also noted there is a safety issue involved with manually sorting material.

Ms. Choate concurred with Mr. Wood's statement noting that in the past couple of years there have been two accidents on site.

Mr. St. John inquired about Agency Staff's statement that the SCC operation has the most stringent permit conditions of any site in California.

Ms. Choate indicated that is a topic that is difficult to address, however, she would be willing to respond in writing to the Board.

Mr. St. John asked if there is any flexibility in the permit conditions, specifically regarding the 72 hour processing constraints.

Ms. Choate responded that the conditions of the permit are not easily changed, it would require revising the permit. Ms. Choate indicated that she would be willing to develop a written response to address all of the questions pertaining to permit conditions. Ms. Choate also indicated that if she could change the conditions of the permit and know that health and safety were protected she would.

Mr. St. John asked if there had been discussions between the LEA and SCC regarding what flexibility the LEA does have in assisting SCC with permit compliance.

Ms. Choate responded the two organizations have had many meetings; however, the issues revolve around not having a sufficient operating area.

Mr. Wood asked if the violations SCC has received are due to site constraints.

Ms. Choate responded affirmatively.

Ms. Zane stated the health and safety of employees is a very complex issue which involves OSHA requirements as well as the LEA and there is no strong evidence to indicate that the requested equipment will in fact improve health or safety.

Ms. Zane inquired how many accidents on site have involved the actual use of equipment opposed to regulations, operations and the day- to- day activities of the employee.

Ms. Choate indicated that LEA representatives are not professionals in the area of composting; they are a regulatory agency and cannot say for certain that new equipment will promote better health and safety on site only that it has the potential to.

Ms. Zane inquired if any of the employee safety issues that have occurred on site have been significant enough to trigger an OSHA review.

Ms. Davis responded that there have been two incidents which OSHA has responded to; for one of the incidents the proposed equipment would have had no impact, the other which resulted in a fatality occurred during the sorting process and may have been avoided with a sort-line and screen.

Mr. Wood asked if the stringent permit conditions are due to the site constraints.

Mr. Choate responded that she would be willing to research the question and respond in writing.

Ms. Davis reported that the current permit took effect in 1998, with five year reviews performed with the LEA and CalRecycle. When the permit was written there were few industrial compost facilities so it was drafted with the best professional judgment of LEA and SCC employees.

### **Public Comments**

Roger Larsen, Happy Acres, stated that based on his research the higher the windrow piles the higher the fire hazard, noting there has been a fire on the site every year. Mr. Larsen also stated that if the piles are closer together, any fire that does occur will be more difficult to battle. Mr. Larson also expressed that he does not understand the environmental benefits presented in the staff reporting, noting that more compost will not benefit his environment.

Rick Downey, Republic Services, stated that the equipment being requested by SCC is needed at the site, however, there are other alternatives the Board could consider, including diverting wood waste and yard debris to other sites in order to address capacity issues.

Stu Clark, Environmental Consultant, addressed the implications of having a differential rate at Central and the transfer stations. It is a policy change that would impact each jurisdiction differently.

### **Board Discussion**

Mr. Wood inquired if the Board was ready to make a decision.

Zane indicated that she is not ready to make a decisions noting that she believes the Agency needs to receive 100% of the revenues from the windrow turner when it is sold. Ms. Zane also disclosed she is uncomfortable with SCC asking for \$1.2 million dollars without providing a business plan.

Mr. Barbose agrees with Ms. Zane's position that the Agency receives 100% of the revenues from the sale of the windrow turner, noting there is not reasonable justification not to. Mr. Barbose also indicated he wants to ensure that the zero-discharge issues will be dealt with prior to agreeing to \$1.2 million expenditure for the operation.

Ms. Fudge agrees the Agency should receive 100% of the revenues from the sale of the equipment

Mr. McArthur echoes the belief the Agency should receive 100% of the revenues generated by the sale of the equipment. Mr. McArthur also noted he did not understand where the urgency is in purchasing this equipment.

Mr. St. John stated that through his experience it is rare for a contractor to ask for such an increase in the contract without any substantial changes in conditions. Mr. St. John believes for the Agency to move forward with the funding for these purchases SCC needs to present a business plan and better explain what conditions have changed to justify the purchases.

Ms. Harvey agrees with the positions of the other board members and does not believe she has enough information to make a decision.

Mr. Cox agrees with the points made by the other board members and will need more information before making a decision.

Mr. Ours stated that he cannot support the purchases without obtaining additional information especially with the potential operations could cease due to an inability to meet the zero discharge requirements.

Mr. McLaughlin stated that he believes at this time it would be fair for the Agency to assist SCC, however, he does understand some of the uncertainties and would need more information addressing them prior to making a decision.

**Mr. Wood stated that this item would be continued.**

Ms. Zane stated that at some time she would like compost diversion to be discussed by the Board.

Mr. Wood indicated his belief that the biggest issue facing the compost operation is that there are currently too many unknown items, such as: the Agency's future, SCC's future, the site's future. Mr. Wood noted that he would bring up for discussion at a future meeting the possibility of a working group.

## **7. Compost Site Selection: Draft RFP for Engineering**

Mr. Mikus addressed a letter from the North Coast Regional Water Quality Control Board (NCRWQCB) which had been referenced by a speaker during a public comment session. Mr. Mikus reported that the day before the board meeting the County received a letter from the NCRWQCB, the Agency received a copy of the letter as well. The letter included some information Mr. Mikus indicated may not be accurate. Mr. Mikus informed the Board the Agency has participated in meetings with Republic Services, SCC and the County to address water quality issues.

Mr. Wood stated that he had recently met with the NCRWQCB regarding a separate issue; however, he did mention the zero discharge requirements for the compost site and got the impression that October 1, 2014 is a firm date for compliance.

Mr. Mikus reported that at the end of 2013 the Board asked for the formation of a technical subcommittee to address some of the issues with the compost site selection and other technical issues. The subcommittee has recommended that the Agency contact with a firm to provide detailed engineering site design and in-depth and accurate site analysis. Mr. Mikus noted that the scope of work includes different analysis for each site and provided detail information regarding them. Mr. Mikus also reported that Agency Staff became aware of a grant opportunity, Greenhouse Gas Reduction Grant, through CalRecycle that will be aimed towards projects similar to the Agency's plan for a new compost site. Mr. Mikus noted it has been indicated the closer to shovel ready an applicant is the better their chances for an award.



## **Board Questions**

Ms. Fudge asked why water supply analysis is not included in the scope of work for Site 40.

Mr. Mikus responded that the water supply for the site is addressed in the EIR.

Ms. Zane inquired how long the RFP process will take.

Mr. Mikus responded that Agency Staff will be able to start the process tomorrow assuming there are no significant changes to the scopes of work.

Ms. Zane noted that engineering services are available through the County and she would like to ensure they are included in the RFP distribution.

Mr. Ours expressed his skepticism that the Agency will be shovel ready enough to be receive funds.

Mr. St. John inquired why the CEQA document has not been certified since it is in final form.

Janet Coleson, Agency Counsel, responded that ultimately the selection of a site should occur before certifying the document. Ms. Coleson noted the document could be certified now but may require being reopened and revised if sites change.

Mr. St. John indicated that he believes the scope of work is adequate, however, air quality issues are not being analyzed.

Mr. Mikus addressed Mr. St. John's air quality concern stating that there will not be any significant difference pertaining to air quality between the two sites.

Mr. St. John inquired if there were still land use issues at Site 40.

Mr. Mikus responded that Agency Counsel has provided information regarding the land use at Site 40 and that the owner of the property is in the process of obtaining a use permit.

Mr. St. John asked if composting bio-solids would require reopening the EIR.

Mr. Mikus replied affirmatively.

Mr. St. John noted his belief that the Agency should focus on Central until it is determined whether it is a viable option or not.

## **Public Comments**

Margaret Kullberg, Site 40 neighbor, stated that in the scope of work there is no mention of increased traffic, despite it having tripled while the roads continue to deteriorate. Ms. Kullberg noted there is not a viable amount of water on Site 40 for a compost operation and the neighboring farms desperately need the reclaimed pond water. Ms. Kullberg also noted zoning issues with Site 40 and the fact that the site is only 3.5 miles away from an airport.

## Board Discussion

Dan St. John, City of Petaluma, moved to approve the Draft RFP for Engineering Service. Mr. McArthur seconded the motion. The motion passed unanimously.

### Vote:

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

AYES -10-

NOES -0-

ABSENT -0-

ABSTAIN -0-

## 8. June and July Strategic Planning Meetings

Item continued to the April 16, 2014 Agency meeting.

## 9. Attachments/Correspondence:

9.1 Reports by Staff and Others:

9.1.a March, and April 2014 Outreach Events

9.1.b. EPR Report

9.1.c Organics Grant Program Overview

## 10. Board member Comments

## 11. Staff Comments

## 12. Next SCWMA meeting: April 16, 2014

## 13. Adjourn

The meeting was adjourned at 12:08 P.M.

Submitted by  
Rebecca Lankford



Agenda Item #: **5**  
Cost Center: **All**  
Staff Contact: **Mikus**  
Agenda Date: **4/16/2014**

ITEM: **June and July Strategic Planning Meetings**

**I. BACKGROUND**

The Board has begun a strategic planning process, via a dedicated “work session” meeting December, 18, 2013. As contemplated by our session Facilitator, Sherry Lund, and further discussed by the Board, the plan for developing strategic plans for the Agency contemplated at least three work sessions.

Per the Board’s direction, a consulting firm, R3 Consulting Group, Inc. was retained to perform evaluations of Agency functions and service delivery methods. The Board agreed to hold its second strategic planning work session after the report from the consultant was received. As listed in their proposal for this work, R3 has indicated their report will be available for distribution and presentation for the May 21, 2014 Board meeting. Thus per the Board’s desire, the next strategic session could be scheduled beginning June 2014 or after.

**II. DISCUSSION**

Staff has mapped out the next several months’ projected Board meeting discussion items, and believes these can be dealt with across the April and May meetings. This would free the June Board meeting, scheduled for June 18, 2014, to be the second and next strategic planning work session.

The Board often takes a summer meeting break by skipping a monthly meeting; typically this would be July. If the July 16, 2014 meeting were to be retained, it could be used for the third strategic planning work session. A benefit of doing so would be enhanced continuity, as the board would be able to have two strategy sessions in a row.

At this time, staff does not see any upcoming problems from waiting after the May Board meeting until August to conduct regular business.

Also, some discussion has occurred promoting making at least the next strategy session longer than just a morning, to include the afternoon too.

Facilitator Sherry Lund’s initial work and pricing only included the first December 2013 work session. In the interests of continuity, staff believes she should be retained for the next two sessions. Ms. Lund has indicated her availability for both the June and July dates if the Board agrees for her to act as facilitator for those meetings.

**III. FUNDING IMPACT**

The funding for Ms. Lund’s Facilitator services would have to be drawn from the Contingency

Reserve. Based on her fee for the December meeting, the cost for two additional meetings is estimated to be between \$35,000 and \$40,000. Staff believes there are sufficient appropriations in the Contingency Reserve to accommodate the expenditures for this fiscal year.

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

Staff recommends the Board decide to use both the June 18, 2014 and July 16, 2014 meeting dates as "Strategic Planning Work Sessions."

Staff also recommends that the Board authorize the Executive Director to enter into agreement with Sherry Lund Associates to provide Facilitator Services for both meetings, at a cost not to exceed \$45,000.

Finally, if the Board approves having the June meeting as a strategy session, staff recommends the Board make a determination as to whether the meeting shall be just the morning or of longer duration.

#### **V. ATTACHMENTS**

None

Approved by: \_\_\_\_\_  
Henry J. Mikus, Executive Director, SCWMA



Agenda Item #: **6**  
Cost Center: **All**  
Staff Contact: **Carter**  
Agenda Date: **4/16/2014**

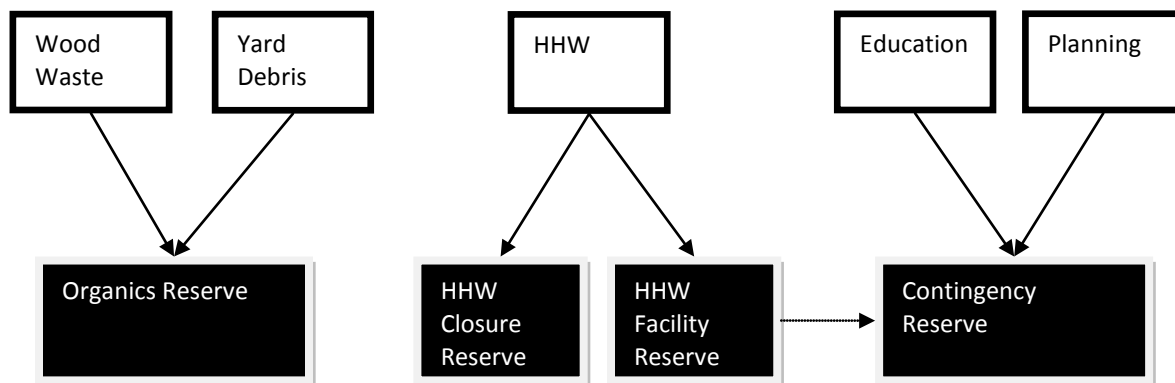
ITEM: **Reserve Policy**

**I. BACKGROUND**

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

The Organics Reserve is used to accumulate funds for the purchase, development, and construction of a compost site; there is no specified goal for this Reserve Fund. The Household Hazardous Waste Closure Reserve was created to set funding aside for the eventual decommissioning of the Household Toxics Facility at the Central Disposal Site (assuming the buildings would remain); the target for this reserve fund was set at the June 2011 Agency meeting to be \$68,000. The Household Hazardous Waste Facility Reserve was created for situations where expenditures exceed revenues in the HHW Cost Center; the policy cites as an example of an emergency resulting in the need to process unusual amounts of HHW materials. The target for this reserve is the greater of 33% of the annual budgeted amount in the HHW Center, or \$600,000. On Board approval, transfers from this reserve can be made to the Contingency Reserve. The Contingency Reserve would be budgeted at 50% of the operating expenses and be accumulated over a four year period.

The chart below is a visual representation of which operating cost centers contribute to the specified reserves.



The Agency's Reserve Policy was last revised at the August 17, 2011 Agency meeting.

**II. DISCUSSION**

The table below summarizes the projected fund balances, carryover percentages, goals, and the difference between the projections and the goals.

Cost Center	FY 13 14 Projected Year End Fund Balance	Fund Balance Carryover	Reserve Policy Fund Balance Goal	Difference
Wood Waste	\$186,126	15%	\$26,242	\$159,884
Yard Debris	\$1,168,327	15%	\$563,874	\$604,453
HHW	\$422,468	15%	\$242,412	\$180,056
Education	\$189,072	10%	\$43,058	\$146,014
Planning	\$31,911	10%	\$3,713	\$28,198
Organics Reserve	\$5,534,680	N/A	\$0	\$5,534,680
HHW Closure Reserve	\$68,621	N/A	\$68,000	\$621
HHW Facility Reserve	\$1,033,418	N/A	\$600,000	\$433,418
Contingency Reserve	\$192,161	N/A	\$116,926	\$75,235

In all cost centers above, the projected fund balance is greater than the Reserve Policy fund balance goals.

### **Operating Cost Centers**

#### **Wood Waste and Yard Debris**

For the Wood Waste and Yard Debris cost centers, the fund balances that are greater than the policy goal were accumulated intentionally by staff. In FY 11-12 and early FY 12-13, payments to the Agency by the County were sometimes three months overdue, so to ensure a negative balance was never reached, staff created a buffer greater than the 15% in the reserve policy. Payments in FY 13-14 are much timelier, and staff believes there is less of a need to maintain the extra buffer it had maintained previously.

#### **Household Hazardous Waste**

With regard to the HHW Cost Center, a transfer from the HHW Facility Reserve to the HHW Cost Center was made in FY 12-13 to maintain the fund balance goal, and the annual expenditures were not as high as anticipated, which had a cumulative effect of a fund balance above the policy goal. As the FY 14-15 Final Budget showed expenditures exceeding revenues in this cost center, staff does not recommend transfer of funds to the HHW Facility Reserve; instead staff recommends use of this difference to bridge the funding gap for FY 14-15.

#### **Education**

The Education Cost Center was also facing a fund balance in FY 12-13 that was lower than the policy goal, and funds were transferred to bring it up to goal. As a result of staff vacancies in FY 12-13, expenditures were less than budgeted, resulting in a net surplus in this cost center, which also resulted in a fund balance greater than the policy goal.

#### **Planning**

The Planning Cost Center contains funds greater than the reserve policy goals. These funds may be transferred to the Contingency Reserve.

### **Reserve Cost Centers**

#### Organics Program Reserve

Undesignated balances from the SCWMA's Wood Waste and Yard Debris programs are transferred into the Organics Program Reserve at the end of each fiscal year, leaving a 15% fund balance carryover in the Wood Waste and Yard Debris cost centers. These funds are to be used for the lease, purchase, or development of a new organics composting site or other related purposes as determined by the Board. It is anticipated that the Organics Program Reserve balance at the end of FY 13-14 will be approximately \$5,534,680.

#### HHW Facility Closure Reserve

A funding source is mandated by the Permit-by-Rule for treatment of hazardous waste collected at the facility. The facility is owned by the County and occupied and operated by the SCWMA. The SCWMA is the permit holder of Permit No: 00-7161, issued by the Certified Unified Program Agency (Sonoma County Department of Emergency Services), and is responsible for establishing and maintaining a closure fund. Regulations allow the permit holder to establish the amount contained in the closure fund. The funding goal is \$68,000, which was fulfilled in FY 12-13. No transfers are projected to be made to this reserve, though the fund balance increases due to interest.

#### HHW Facility Reserve Fund

Now that the HHW Facility Closure Reserve has met its target, the Household Hazardous Waste cost center distributes any undesignated fund balance, aside from a 15% carryover, into the HHW Facility Reserve Fund. This reserve has a goal of either 33% of the budgeted annual HHW program operational expenses or \$600,000, whichever is greater. For FY 13-14, the HHW Facility Reserve goal would be \$600,000. The FY 13-14 year-end projected balance is \$1,034,768. Therefore this reserve fund is projected to be \$434,768 over its target balance.

#### Contingency Reserve

The policy for Contingency has a goal of 25% of the operating expenses of the Education and Planning cost centers. According to the reserve policy, the reserve for FY 13-14 the Contingency Reserve should contain \$96,155. A fund balance of \$192,160 is estimated at the end of FY 13-14. Projects proposed in the FY 14-15 Draft Budget are expected to decrease the balance to \$100,123, which is slightly above the goal for this reserve.

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

Staff recommends the Board consider the parameters of the Reserve Policy including fund balance goals in preparing the upcoming fiscal year budget for the operating cost centers and reserves.

The Board may also choose to direct staff to return at a future Agency meeting with an appropriations transfer to adjust existing fund balance levels closer to the Reserve Policy goals.

### **IV. ATTACHMENTS**

SCWMA Reserve Policy

Approved by: \_\_\_\_\_  
Henry J. Mikus, Executive Director, SCWMA

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

### **I. Purpose**

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

### **II. Policy**

#### **Organics Reserve**

##### **Collection**

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

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

##### **Treatment**

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

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

##### **Distribution**

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

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

##### **Collection**

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



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

#### Treatment

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

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

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

#### Distribution

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

#### HHW Facility Reserve

##### Collection

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

##### Treatment

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

##### Distribution

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

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

## Contingency Reserve

### Collection

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

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

### Treatment

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

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

### Distribution

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

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

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

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



Agenda Item #: **7**  
Cost Center: **All**  
Staff Contact: **Carter**  
Agenda Date: **4/16/2014**

ITEM: **FY 14-15 Final Budget**

**I. BACKGROUND**

The approval of the Work Plan outlining the contractor and staff costs for individual programs and planned projects is the first step in the budget development process. That document was approved by the Board at the February 19, 2014 Agency meeting.

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

**II. DISCUSSION**

Information for this discussion can be found in the Revenue, Expenditure and Fund Balance History sections of the FY 14-15 Final Budget. The attached Final Budget resolves many of the issues presented to the Board in the Draft Budget.

Two major areas of uncertainty mentioned in the staff report for the Draft Budget were 1) the cost of labor to run the Household Toxics Facility and, 2) issues with the operation of the Central Compost Facility – the contractor's request for additional revenue to purchase equipment and the capture and proper disposal of storm water runoff at the site. These are the Agency's two largest programs in terms of contractor cost and fluctuations in the cost of those programs can have significant impacts on providing a balanced budget.

With regard to the Household Hazardous Waste Cost Center, staff analyzed actual disposal costs over the past 8 months, and observed an unmistakable decrease in paint disposal costs since the Agency's contractor, Clean Harbors Environmental Services, entered into an agreement with PaintCare, a product stewardship organization responsible for a paint take-back program in California. The resulting cost decrease since July 2013, when PaintCare began accepting paint from the Agency's Household Toxics Facility, has been over \$20,000 per month. As any future agreement with an operator of the Agency's HHW program would maintain the relationship with PaintCare, Agency staff has made a reduction on disposal costs of \$200,000 in the HHW section of the budget.

Staff also analyzed proposals from potential Household Hazardous Waste program operators. While the overall costs have increased, the increase in the worst case scenario would be less than

the estimated \$200,000 reduction in disposal costs described above. As a result, the deficit predicted for this cost center is \$39,770, which can be absorbed by using the existing fund balance in that cost center without needing to transfer funds from Reserves. In the best case scenarios, the HHW cost center may generate a small net surplus, so staff does not recommend transfers from the Reserves to balance this cost center.

The situation with the Yard Debris Cost Center is not as easily balanced. Staff has removed a tipping fee increase from this Final Budget, due to Board feedback and examined how to balance the Yard Debris cost center with existing fund balances and the Organics Reserve. As explained in the Agenda Item in the packet on the Reserves Policy, the fund balances in the Wood Waste and Yard Debris cost centers are larger than the Reserve Policy describes; this was done consciously by Agency staff for cash flow reasons that are no longer present. As such, Agency staff recommends drawing the fund balance down to levels described in the Reserve Policy. Balancing new expenditures with the existing fund balance this Fiscal Year would better align the balances in the Wood Waste and Yard Debris cost centers with those Reserve Policy Goals for FY 14-15. If the expenditure levels are to be maintained in FY 15-16, staff recommends the Board examine increasing the tipping fees during the preparation of that Budget.

As mentioned in the Draft Budget discussion in March, appropriating funding does not guarantee the funding will be spent. Staff believes it has demonstrated its commitment to conservatively spend the ratepayer's money such that actual expenditures are often below budget requests. If additional costs in the composting program are not realized, staff would adjust spending targets accordingly.

The table below shows the fund balance projections if the budget is implemented as presented:

Cost Centers	Beginning FB	Net Cost	Ending FB	Goal	Difference
Wood	\$186,127	\$0	\$186,382	\$26,242	\$159,885
Yard	\$1,168,327	\$457,057	\$711,270	\$563,874	\$147,396
HHW	\$422,468	\$39,770	\$382,698	\$242,412	\$140,285
Education	\$189,072	\$0	\$189,072	\$43,058	\$146,014
Planning	\$31,911	\$0	\$31,911	\$3,713	\$28,198

To address specific questions asked by the Board at the March 2014 Agency meeting, EFS Costs, which are new this year, are expected to be recurring, and could potentially increase in the future. Regarding Liability Insurance, staff will examine multiple companies for a potential cost reduction, though staff still recommends allocating the \$12,000 in funding.

### **Conclusion**

For the reasons described above, staff recommends a combination of allocating expenditures for the worst case scenario of higher operating costs at the composting operation and drawing down non-Reserve funds to balance the FY 14-15 Budget. Expenditures related to Zero Discharge will be allocated in the Organics Reserve.

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

Staff recommends approval of the FY 14-15 Sonoma County Waste Management Agency Final Budget. Per requirement of the Joint Powers Authority agreement, approval of this budget requires a unanimous vote.

#### **IV. ATTACHMENTS**

Explanations and Details  
History and Fund Balances  
Resolution

Approved by: \_\_\_\_\_  
Henry J. Mikus, Executive Director, SCWMA

**FY 14-15 SONOMA COUNTY WASTE MANAGEMENT AGENCY  
SUMMARY**

	Wood Waste 799114	Yard Debris 799213	H H W 799312	Education 799411	Diversion 799510	Planning 799619	Organics Reserve 799221	Facility Closure 799320	Facility Reserve 799338	Contin. 799718	Total All Divisions	FY 13-14 Budget	% Diff.
<b>REVENUES</b>													
1700 Interest/Pooled Cash	1,117	7,010	2,535	1,134	0	191	33,208	412	6,201	1,153	52,961	47,175	12%
2500 State-Other	0	0	151,512	135,000	0	0	0	0	0	0	286,512	285,473	0%
2901 Tipping Fee Revenue	170,850	3,281,000	1,100,423	262,871	0	34,956	0	0	0	0	4,850,100	4,675,400	4%
4020 Sale of Material	5,000	10,000	0	0	0	0	0	0	0	0	15,000	15,000	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0	0	0	0	0	5,000	-100%
4102 Donations/Reimburse	5,000	5,000	322,297	32,439	0	4,314	0	0	0	0	369,050	379,050	-3%
4624 OT-Within Enterprise	0	0	0	0	0	0	6,568	0	0	2,294	8,862	156,495	-94%
<b>TOTAL REVENUES</b>	<b>181,967</b>	<b>3,303,010</b>	<b>1,576,766</b>	<b>431,445</b>	<b>0</b>	<b>39,461</b>	<b>39,776</b>	<b>412</b>	<b>6,201</b>	<b>3,447</b>	<b>5,582,485</b>	<b>5,563,593</b>	<b>0%</b>
<b>EXPENDITURES</b>													
<b>SERVICES AND SUPPLIES</b>													
6103 Liability Insurance	360	7,200	3,660	720	0	60	0	0	0	0	12,000	9,689	24%
6280 Memberships	0	0	10,000	150	0	0	0	0	0	0	10,150	5,650	80%
6300 Miscellaneous Expense	0	0	0	0	0	0	0	0	0	0	0	5,000	-100%
6400 Office Expense	0	5,000	2,000	17,730	0	0	1,000	0	0	2,000	27,730	16,850	65%
6500 Professional Services	0	0	138,158	78,474	0	0	0	0	0	0	216,632	237,223	-9%
6521 County Services	596	11,928	6,063	1,193	0	99	0	0	0	0	19,880	17,501	14%
6540 Contract Services	164,123	3,397,856	1,193,800	27,414	0	0	750,880	0	15,000	20,000	5,569,073	4,424,037	26%
6573 Administration Costs	5,525	215,209	195,220	242,069	0	22,387	63,447	0	11,266	61,570	816,692	800,483	2%
6590 Engineering Services	0	5,000	0	0	0	0	12,500	0	0	0	17,500	7,500	133%
6610 Legal Services	0	5,000	10,000	25,000	0	10,000	10,000	0	0	10,000	70,000	62,000	13%
6629 Accounting Services	310	6,197	3,150	620	0	52	0	0	0	0	10,328	9,946	4%
6630 Audit Services	500	6,000	7,500	3,000	0	1,000	2,500	0	0	1,500	22,000	21,000	5%
6697 EFS Costs	0	4,192	0	0	0	0	0	0	0	0	4,192	0	100%
6785 Advertising	0	0	12,000	22,250	0	0	0	0	0	0	34,250	12,000	185%
6820 Rents/Leases - Equip	0	2,460	0	0	0	0	0	0	0	0	2,460	2,460	0%
6840 Rental Bldg/Improve	0	0	30,000	7,225	0	0	0	0	0	0	37,225	36,625	2%
7062 Enforce Agency Fees	0	82,000	400	0	0	0	40,000	0	0	0	122,400	35,400	246%
7110 Professional Development	0	1,500	0	0	0	0	0	0	0	0	1,500	1,500	0%
7130 Textbook/Tuition	0	600	600	1,200	0	0	0	0	0	0	2,400	2,400	0%
7301 County Car Expense	0	3,000	0	0	0	0	0	0	0	0	3,000	3,000	0%
7302 Travel Expense	0	0	0	0	0	0	0	0	0	0	0	0	0%
7400 Data Processing	3,531	6,017	3,531	3,531	0	3,531	0	0	0	0	20,141	18,310	10%
<b>SUBTOTAL</b>	<b>174,944</b>	<b>3,759,159</b>	<b>1,616,082</b>	<b>430,576</b>	<b>0</b>	<b>37,129</b>	<b>880,327</b>	<b>0</b>	<b>26,266</b>	<b>95,070</b>	<b>7,019,553</b>	<b>5,728,574</b>	<b>23%</b>
<b>OTHER CHARGES</b>													
8624 OT-Within Enterprise	6,568	0	0	415	0	1,879	0	0	0	0	8,862	13,097	-32%
8648 OT-Between Enterprise	454	908	454	454	0	454	0	0	0	0	2,724	2,724	0%
<b>SUBTOTAL</b>	<b>7,022</b>	<b>908</b>	<b>454</b>	<b>869</b>	<b>0</b>	<b>2,333</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,586</b>	<b>15,821</b>	<b>-27%</b>
<b>TOTAL EXPENDITURES</b>	<b>181,966</b>	<b>3,760,067</b>	<b>1,616,536</b>	<b>431,445</b>	<b>0</b>	<b>39,462</b>	<b>880,327</b>	<b>0</b>	<b>26,266</b>	<b>95,070</b>	<b>7,031,139</b>	<b>5,744,395</b>	<b>22%</b>
<b>NET COST</b>	<b>(0)</b>	<b>457,057</b>	<b>39,770</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>840,551</b>	<b>(412)</b>	<b>20,065</b>	<b>91,623</b>	<b>1,448,654</b>	<b>180,802</b>	

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**WOOD WASTE - 799114**

---

**REVENUES**

**1700 Interest on Pooled Cash**

The interest on the Pooled Cash is calculated on the cash balance within the cost center for cash flow. The rate used for budgeting purposes is 0.6%.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$186,127	0.6%	\$1,117

**2901 Tipping Fee Revenue**

Revenues from fees collected at County disposal sites for wood waste processing are dedicated toward the operations of the Wood Waste cost center. The tipping fees have not increased since FY 07-08.

The projected tonnage remains at 6,000 tons per year based on actual tonnage for FY 12-13. For budgeting purposes the assumptions are 3,500 tons of material is coming to Central and 2,500 tons is coming to the transfer stations.

	FY 13-14 Budget		
	Central	Transfer Stations	Total
Wood Waste Tonnage	3,500	2,500	6,000
Tonnage Rate (including transportation)	\$ 27.60	\$ 29.70	
Total Revenue FY 13-14	\$ 96,600	\$ 74,250	\$ 170,850
	FY 14-15 Request		
	Central	Transfer Stations	Total
Wood Waste Tonnage	3,500	2,500	6,000
Tonnage Rate (including transportation)	\$ 27.60	\$ 29.70	
<b>Total Revenue FY 14-15</b>	<b>\$ 96,600</b>	<b>\$ 74,250</b>	<b>\$ 170,850</b>

**4020 Sale of Materials**

The agreement with Sonoma Compost Company requires revenue sharing on finished products sold by the company after sales revenue exceeds \$367,547. The estimated revenue sharing for FY 14-15 is \$5,000.

**4102 Donations and Reimbursements**

Sonoma Compost Company contributes \$5,000 per year toward the cost of transporting wood waste from the other transfer stations to the Central Disposal Site.

**EXPENDITURES - SERVICES AND SUPPLIES**

**6103 Liability Insurance**

Insurance costs are estimated annual premium costs for public official errors and omissions coverage of \$2 million and general liability/non-owner automobile liability with a \$2 million limit. The Wood Waste cost center portion of the premium for FY 14-15 is 3% of the total premium cost to SCWMA. This insurance is supplemented by the contractor for this program, which carries primary coverage with SCWMA endorsed as an additional insured.

Annual premium \$12,000 X 3% = \$330

**6521 County Services**

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

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**WOOD WASTE - 799114**

**6540 Contract Services**

It is estimated 6,000 tons of wood waste will be delivered to the wood processing contractor during FY 14-15. According to the agreement with Sonoma Compost approved on February 20, 2013, processing fees will be \$21.12/ton for wood waste used as fuel and \$22.86/ton for non-fuel wood waste.

Included in the Contract Services expense is the organics hauling charges from the transfer stations to the composting operation at the Central Disposal Site. The hauling expense contract has been restructured as an independent agreement. The rate is expected to increase to \$12.16 per ton of material transported and will be increased annually using an inflator calculation based on the same components as has been used in the past, CPI and a fuel factor.

	<u>Tonnage</u>	<u>Rates</u>	<u>Estimated Cost</u>
Fuel	2,000	\$ 21.12	\$ 42,240
Non-fuel	4,000	\$ 22.86	\$ 91,440
Hauling (Transfer Stations)	2,500	\$ 12.18	\$ 30,450
<b>Total Processing and Hauling</b>			<b>\$ 164,130</b>

**6573 Administration Costs**

This sub-object reflects the staffing services provided by the County Department of Transportation and Public Works to SCWMA.

<u>Budgeted FY 13-14</u>	<u>Requested FY 14-15</u>	<u>Difference</u>	<u>% Difference</u>
\$ 6,752	\$ 5,525	\$ (1,227)	-18%

**6629 Accounting Services**

The estimated charge for accounting services provided by the County Auditor-Controller's staff is \$10,328 for this fiscal year. The cost center allocation is based on the level of effort necessary to provide services for this cost center relative to the other SCWMA cost centers.

The wood waste cost center allocation is \$ 310

**6630 Audit Services**

This expense of \$500 reflects an allocated portion of the estimated \$22,000 cost of the audit performed by the County's Audit Division.

**7400 Data Processing**

This sub-object covers the cost of computer maintenance, network access, and the website. The estimated SCWMA cost for FY 14-15 is \$20,141, an increase from the \$18,310 from FY 13-14.

The Wood Waste cost center will be charged \$ 3,531

**8624 OT-Within Enterprise**

The contribution to the Organics Reserve this fiscal year is \$ 6,568

**8640 OT-Between Enterprises**

The Information Systems Department has instituted a computer replacement fund, which will allow the computers to be replaced every five years. This is the fourth year of contributing \$454 to the replacement fund.



**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**YARD DEBRIS- 799213**

**REVENUES**

**1700 Interest on Pooled Cash**

The interest on the Pooled Cash is calculated on the cash balance within the cost center for cash flow. The rate used for budgeting purposes is 0.6%.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$ 1,168,327	0.6%	\$ 7,010

**2901 Tipping Fee Revenue**

Revenues from fees collected at County disposal sites for yard waste processing are dedicated toward the operations of the Yard Debris cost center. The tipping fees have not increased since FY 07-08.

The projected tonnage of 94,000 tons per year is based on actual tonnages for the past twelve months. For budgeting purposes 62% of material is coming to Central and 38% is coming to the transfer stations.

	FY 13-14 Budget		
	<u>Central</u>	<u>Transfer Stations</u>	<u>Total</u>
Yard Debris	55,000	34,000	89,000
Tonnage Rate	\$ 34.10	\$ 36.20	
	\$ 1,875,500	\$ 1,230,800	\$ 3,106,300

	FY 14-15 Request		
	<u>Central</u>	<u>Transfer Stations</u>	<u>Total</u>
Yard Debris	58,000	36,000	94,000
Tonnage Rate	\$ 34.10	\$ 36.20	
<b>Total Revenue FY 14-15</b>	<b>\$ 1,977,800</b>	<b>\$ 1,303,200</b>	<b>\$ 3,281,000</b>

**4020 Sale of Materials**

The agreement with Sonoma Compost Company requires revenue sharing on finished products sold by the company after sales revenues exceed \$367,547. The estimated revenue sharing for FY 14-15 is \$10,000.

**4102 Donations and Reimbursements**

Sonoma Compost Company contributes \$5,000 per year toward the cost of transporting yard debris from the other transfer stations to the Central Disposal Site.

**EXPENDITURES - SERVICES AND SUPPLIES**

**6103 Liability Insurance**

Insurance costs are estimated annual premium costs for public official errors and omissions coverage of \$2 million and general liability/non-owner automobile liability with a \$2 million limit. The Yard Debris Cost Center portion of the premium for FY 13-14 is 60% of the total premium cost to SCWMA. This insurance is supplemented by the contractor for this program, which carries primary coverage with SCWMA endorsed as an additional insured.

Annual premium \$12,000 X 60% = \$7,200

**6400 Office Expense**

This reflects costs for office expenses such as telephone, postage, printing, and other general expenses related to the compost operation.

**6521 County Services**

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

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**YARD DEBRIS- 799213**

**6540 Contract Services**

It is estimated that 89,000 of yard debris will be processed into compost products by the compost contractor during FY 14-15. The rates are \$28.56/ton for material used at Laguna for biosolids composting and \$25.93/ton for yard debris composted for sale. The Contract Services expense includes a \$12.18/ton transportation charge for the material coming to the facility from the transfer stations. The University of California Cooperative Extension home composting contract is in the second year of a three year agreement. Additional funding was allocated in this sub-object for reimbursement to Sonoma Compost Company for the First Amendment.

Operation	Tonnage	Rate	Operation Total
Laguna	10,000	\$ 28.56	\$ 285,600
SCC facility	84,000	\$ 25.93	\$ 2,178,120
Hauling (Transfer Stations)	36,000	\$ 12.18	\$ 438,480
Equipment Reimbursement			\$ 419,104
Compost Site Utilities			\$ 60,000
UCCE Home Composting			\$ 16,660
<b>Total Processing Expense for</b>	<b>94,000 tons</b>		<b>\$ 3,397,964</b>

**6573 Administration Costs**

This sub-object reflects the staffing services provided by the County Department of Transportation and Public Works to SCWMA.

	Budgeted FY 13-14	Requested FY 14-15	Difference	% Difference
Total	\$ 210,374	\$ 215,209	\$ 4,835	2%

**6590 Engineering Services**

This sub-object is reserved for any environmental analysis that may be necessary through PRMD. The amount budgeted is \$5,000.

**6610 Legal Services**

This sub-object reflects an estimation of legal services provided by Agency Counsel in FY 14-15 to the SCWMA at \$195/hour. \$5,000 has been budgeted.

**6629 Accounting Services**

The estimated charge for accounting services provided by the County Auditor-Controller's staff is \$10,328 for this fiscal year. The cost center allocation is based on the level of effort necessary to provide services for this cost center relative to the other SCWMA cost centers.

The yard debris cost center allocated amount is \$ 6,197

**6630 Audit Services**

This \$5,000 expense reflects an allocated portion of the estimated \$22,000 cost for required audits performed by the County Audit Division.

**6820 Rents/Leases Equipment**

This account is used to document the funds spent on renting or leasing equipment for the SCWMA. At the present time, the only equipment is a copier located in the SCWMA office resulting in a rental charge of \$2,460.

**7062 Enforcement Agency Fees**

This account covers monitoring and inspection fees associated with the composting operation; \$30,000 is for LEA inspections and \$52,000 is for monitoring the storm water runoff. SCWMA is the permit holder for this operation.

**7110 Professional Development**

Reimbursement available to employees for professional and educational growth related to their job. This reimbursement covers expenditures such as classes and seminars, professional memberships, registration fees, educational materials, tools and equipment.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**YARD DEBRIS- 799213**

---

**7130 Textbook/Tuition**

Reimbursement available to employees for professional and educational growth related to their job. This reimbursement covers expenditures such as classes and seminars, professional memberships, registration fees, educational materials, tools and equipment.

**7301 County Car**

The budgeted \$3,000 reflects the expense associated with the SCWMA vehicle. Expenses include both leasing and maintenance of one vehicle.

**7400 Data Processing**

This sub-object covers the cost of computer maintenance, network access, and the website. The estimated SCWMA cost for FY 14-15 is \$20,141 , an increase from the \$18,310 from FY 13-14.

The Yard Debris cost center will be charged                      \$            6,017

**8624 OT-Within Enterprise**

Due to the projected deficit in the yard debris cost center, there is no expected contribution to the Organics Reserve this fiscal year.

**8640 OT-Between Enterprises**

The Information Systems Department has instituted a computer replacement fund, which will allow the computers to be replaced every five years. This is the fourth year of contributing \$908 to the replacement fund.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**HOUSEHOLD HAZARDOUS WASTE - 799312**

**REVENUES**

**1700 Interest on Pooled Cash**

This sub-object reflects interest earned on Agency funds held by the County Treasurer.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$ 422,468	0.6%	\$ 2,535

**2500 State - Other**

SCWMA is expected to continue to receive grants from funds collected and distributed by CalRecycle. These funds are restricted to reimbursement of costs related to the proper management of used motor oil. For FY 14-15, the Oil Payment Plan revenue is expected to be \$151,512.

**2901 Tipping Fee Revenue**

The County collects a disposal fee of \$5.95/ton on behalf of the Agency for the Household Hazardous Waste, Education and Planning programs. Estimated tonnage for FY 14-15 is 235,000, including 6,000 tons for the C&D diversion program.

	FY 13-14 Budget	FY 14-15 Request
Disposed Tons	235,000	235,000
Surcharge	\$ 5.95	\$ 5.95
Tip. Fee Rev. Subtotal	\$ 1,398,250	\$ 1,398,250
 Tipping Fee Revenue	 \$ 1,398,250	
HHW Cost Center Percentage	78.70%	
HHW Tipping Fee Allocation	\$ 1,100,423	

**4102 Donations and Reimbursements**

The City of Petaluma has an agreement to pay for their Agency services directly. The tonnage is based on the actual quantities. The rate is \$5.95/ton, which is the same rate being collected on all the solid waste coming to the County System. E-waste revenue sharing is the result of a state operated program that subsidizes collectors and recyclers who in turn share with the agencies of record. SCWMA has contracts with ECS Refining, Inc. and Goodwill Industries of the Redwood Empire.

	FY 13-14 Budget	FY 14-15 Request
Petaluma Surcharge Fee Payment	\$ 144,942	\$ 138,040
E-waste revenue sharing payment	\$ 190,000	\$ 180,000
Battery Collections (HHT facility)	\$ 6,500	\$ 6,500
 Donations/Reimbursement Total	 \$ 341,442	 \$ 324,540

**EXPENDITURES - SERVICES AND SUPPLIES**

**6103 Liability Insurance**

Insurance costs are estimated annual premium costs for public official errors and omissions coverage of \$2 million and general liability/non-owner automobile liability with a \$2 million limit. The HHW Cost Center portion of the premium for FY 14-15 is 30.5% of the total premium cost to SCWMA.

Annual premium \$12,000 X 30.5% = \$3,660

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**HOUSEHOLD HAZARDOUS WASTE - 799312**

**6280 Memberships**

There are two memberships this fiscal year, California Product Stewardship Council (CPSC) and the Product Stewardship Institute (PSI). Both of these organizations are promoting extended producer responsibility and SCWMA staff benefits from the contacts and information provided. The requested amount is \$10,000 for this fiscal year.

**6500 Professional Services**

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

**6521 County Services**

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

**6540 Contract Services**

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

	FY 13-14 Budget	FY 14-15 Request
HHW Collection Program	\$ 1,157,000	\$ 1,100,000
E-waste Collection	\$ 70,000	\$ 65,000
HTF Storm Water Monitoring	\$ -	\$ 15,000
Out-of-County Hazardous Waste	\$ 13,800	\$ 13,800
<b>Total</b>	<b>\$ 1,240,800</b>	<b>\$ 1,193,800</b>

**6573 Administration Costs**

This sub-object reflects the staffing services provided by the County Department of Transportation and Public Works to SCWMA.

	FY 13-14 Budget	FY 14-15 Budget	Difference	% Increase
<b>Total</b>	<b>\$ 213,889</b>	<b>\$ 195,220</b>	<b>\$ (18,669)</b>	<b>-9%</b>

**6610 Legal Services**

This sub-object reflects an estimation for legal services provided by Agency Counsel to the SCWMA at \$195/hour. The budgeted amount is \$10,000.

**6629 Accounting Services**

The estimated charge for accounting services provided by the County Auditor-Controller's staff is \$10,328 for this fiscal year. The cost center allocation is based on the level of effort necessary to provide services for this cost center relative to the other SCWMA cost centers.

The HHW cost center allocated amount is \$ 3,150

**6630 Audit Services**

The budgeted \$7,500 reflects an allocated portion of the estimated \$22,000 cost for auditing services performed by the County's Audit Division.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**HOUSEHOLD HAZARDOUS WASTE - 799312**

---

**6785      Advertising**

Staff is continuing to advertise the E-waste events sponsored by SCWMA. The budgeted \$12,000 will be used to reach residents through local media informing them of upcoming opportunities for E-waste collection.

**6840      Rents/Leases-Building/Improvements**

This expense reflects the annual payment to Sonoma County for use of the HHW facility. The County has requested \$23,000, which is the same payment that has been made the previous five years. Also included in this sub-object is \$7,000 to rent locations for Community Toxics Collection events.

**7062      Enforcement Agency Fees**

The SCWMA is charged fees annually by the Certified Unified Protection Agency (CUPA) for the hazardous waste permit-by-rule.

**7130      Textbook/Tuition**

Reimbursement available to employees for professional and educational growth related to their job. This reimbursement covers expenditures such as classes and seminars, professional memberships, registration fees, educational materials, tools and equipment.

**7400      Data Processing**

This sub-object covers the cost of computer maintenance, network access, and the website. The estimated SCWMA cost for FY 14-15 is \$20,141, an increase from the \$18,310 from FY 13-14.

The HHW cost center will be charged	\$            3,531
-------------------------------------	---------------------

**8624      OT-Within Enterprise**

When revenues exceed expenditures in the HHW cost center, funds are transferred to either the HHW Facility Closure Reserve or the HHW Facility Reserve. Since the HHW Closure Reserve has met its fund balance goal, transfers would be made to the HHW Facility Reserve. There is no contribution to Reserves this Fiscal Year.

**8640      OT-Between Enterprises**

The Information Systems Department has instituted a computer replacement fund, which will allow the computers to be replaced every five years. This is the fourth year of contributing \$454 to the replacement fund.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**EDUCATION - 799411**

---

**REVENUES**

**1700 Interest on Pooled Cash**

The interest on the Pooled Cash is calculated on the cash balance within the cost center for cash flow. The rate used for budgeting purposes is 0.6%.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$ 189,072	0.6%	\$ 1,134

**2500 State - Other**

SCWMA expects to continue to receive grant funds from CalRecycle for beverage container recycling (City/County Payment Program). It is planned these funds will be used for the mandatory commercial recycling education, Adopt-A-Road, and purchase of additional recycling containers to assist beverage container recycling.

**2901 Tipping Fee Revenue**

The County collects a disposal fee of \$5.95/ton on behalf of the Agency for the Household Hazardous Waste, Education and Planning programs. Estimated tonnage for FY 14-15 is 235,000, including 6,000 tons for the C&D diversion program.

	FY 13-14 Budget	FY 14-15 Request
Disposed Tons	235,000	235,000
Surcharge	\$ 5.95	\$ 5.95
Tip. Fee Rev. Subtotal	\$ 1,398,250	\$ 1,398,250
 Tipping Fee Revenue	 \$ 1,398,250	
Education Cost Center Percentage	18.80%	
Education Tipping Fee Allocation	\$ 262,871	

**4102 Donations and Reimbursements**

The City of Petaluma has an agreement to pay for their SCWMA services directly. The tonnage is based on the actual quantities disposed monthly. The rate is \$5.95/ton, which is the same rate being collected on all the solid waste coming to the County System.

Petaluma Surcharge Fee Payment	\$ 32,439
--------------------------------	-----------

**EXPENDITURES - SERVICES AND SUPPLIES**

**6103 Liability Insurance**

Insurance costs are estimated annual premium costs for public official errors and omissions coverage of \$2 million and general liability/non-owner automobile liability with a \$2 million limit. The Education cost center portion of the premium for FY 13-14 is 6% of the total premium cost to SCWMA.

Annual premium \$12,000 X 6% = \$720

**6280 Memberships**

These are expenses related to membership in organizations assisting educational outreach options. \$150 is requested to join GoLocal.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**EDUCATION - 799411**

**6400 Office Expense**

This reflects costs for office expenses such as telephone, fax, postage, printing, stationery, copy paper and other general expenses.

	FY 13-14 Budget	FY 14-15 Request	Difference
Phone and Fax	\$ 1,500	\$ 1,500	\$ -
Postage	\$ 1,500	\$ 1,500	\$ -
Fair Supplies	\$ 700	\$ 1,200	\$ 500
Reprographics	\$ 3,000	\$ 3,000	\$ -
Records Storage	\$ 2,400	\$ 2,400	\$ -
Office Supplies	\$ 1,500	\$ 5,480	\$ 3,980
Fair Promotional Items	\$ 2,300	\$ 2,300	\$ -
Fair Passes for Booth Workers	\$ 350	\$ 350	\$ -
TOTAL	\$ 13,250	\$ 17,730	\$ 4,480

**6500 Professional Services**

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

**6521 County Services**

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

**6540 Contract Services**

This sub-object covers the cost of the Agency's education program contracts as listed below:

	FY 13-14 Budget	FY 14-15 Request	Difference
Recycling Guide Translation and Printing	\$ 15,900	\$ 16,600	\$ 700
Spanish Language Outreach	\$ 5,114	\$ 5,114	\$ -
Manpower Assistance	\$ 4,000	\$ 2,700	\$ (1,300)
AT&T Advertising	\$ 3,000	\$ 3,000	\$ -
TOTAL	\$ 28,014	\$ 27,414	\$ (600)

**6573 Administration Costs**

This sub-object reflects the staffing services provided by the County Department of Transportation and Public Works to SCWMA.

	FY 13-14 Budget	FY 14-15 Request	Difference	% Increase
Total	\$ 164,467	\$ 242,069	\$ 77,602	47%

**6610 Legal Services**

This sub-object reflects an estimation for legal services provided by Agency Counsel to the SCWMA at \$195/hour. The budgeted amount for education is \$25,000.



**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**EDUCATION - 799411**

---

**6629     Accounting Services**

The estimated charge for accounting services provided by the County Auditor-Controller's staff is \$10,328 for this fiscal year. The cost center allocation is based on the level of effort necessary to provide services for this cost center relative to the other SCWMA cost centers.

The education cost center allocated amount is                      \$                      620

**6630     Audit Services**

The budgeted \$3,000 reflects an allocated portion of the estimated \$22,000 cost for auditing services performed by the County's Audit Division.

**6785     Advertising**

The budgeted \$22,250 reflects the additional expenditures necessary to advertise and provide outreach for the carryout bag waste reduction ordinance.

**6840     Rents/Leases-Building/Improvements**

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

**7130     Textbook/Tuition**

Reimbursement available to employees for professional and educational growth related to their job. This reimbursement covers expenditures such as classes and seminars, professional memberships, registration fees, educational materials, tools and equipment.

**7400     Data Processing**

This sub-object covers the cost of computer maintenance, network access, and the website. The estimated SCWMA cost for FY 14-15 is \$20,141 , an increase from the \$18,310 from FY 13-14.

The Education cost center will be charged                                      \$                      3,531

**8624     OT-Within Enterprise**

The Agency Board of Directors has established a policy for accumulating reserve funds for specific purposes. The Contingency Reserve is to be used for operational expenses when there is an unforeseen need.

The projected contribution to the Contingency Reserve is                                      \$                      415

**8640     OT-Between Enterprises**

The Information Systems Department has instituted a computer replacement fund, which will allow the computers to be replaced every five years. This is the fourth year of contributing \$454 to the replacement fund.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**DIVERSION - 799510**

---

The Diversion cost center was vacated in FY 11-12. The remaining undesignated funds were transferred to the Contingency Reserve.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**PLANNING - 799619**

---

**REVENUES**

**1700 Interest on Pooled Cash**

The interest on the Pooled Cash is calculated on the cash balance within the cost center for cash flow. The rate used for budgeting purposes is 0.6%.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$ 31,911	0.6%	\$ 191

**2900 State - Other**

There are no anticipated grant awards in FY 14-15 for this cost center.

**2901 Tipping Fee Revenue**

The County collects a disposal fee of \$5.95/ton on behalf of the Agency for the Household Hazardous Waste, Education and Planning programs. Estimated tonnage for FY 14-15 is 235,000, including 6,000 tons for the C&D diversion program.

	FY 13-14 Budget	FY 14-15 Request
Disposed Tons	235,000	235,000
Surcharge	\$ 5.95	\$ 5.95
Tip. Fee Rev. Subtotal	\$ 1,398,250	\$ 1,398,250
 Tipping Fee Revenue	 \$ 1,398,250	
Planning Cost Center Percentage	2.50%	
Planning Tipping Fee Allocation	\$ 34,956	

**4102 Donations and Reimbursements**

The City of Petaluma has an agreement to pay for their SCWMA services directly. The tonnage is based on the actual quantities disposed monthly. The rate is \$5.95/ton, which is the same rate being collected on all the solid waste coming to the County System.

Petaluma Surcharge Fee Payment	\$ 4,314
--------------------------------	----------

**EXPENDITURES - SERVICES AND SUPPLIES**

**6103 Liability Insurance**

Insurance costs are estimated annual premium costs for public official errors and omissions coverage of \$2 million and general liability/non-owner automobile liability with a \$2 million limit. The Planning cost center portion of the premium for FY 13-14 is 0.5% of the total premium cost to SCWMA.

Annual premium \$12,000 X 0.5% = \$60

**6521 County Services**

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

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**PLANNING - 799619**

**6573 Administration Costs**

This sub-object reflects the staffing services provided by the County Department of Transportation and Public Works to SCWMA.

	Budgeted FY 13-14	Requested FY 14-15	Difference	% Increase
Total	\$ 21,693	\$ 22,387	\$ 694	3%

**6610 Legal Expenses**

This sub-object reflects an estimation for legal services provided by Agency Counsel to the SCWMA at \$195/hour. The budgeted amount for planning is \$10,000.

**6629 Accounting Services**

The estimated charge for accounting services provided by the County Auditor-Controller's staff is \$10,328 for this fiscal year. The cost center allocation is based on the level of effort necessary to provide services for this cost center relative to the other SCWMA cost centers. The planning cost center allocated amount is \$ 52

**6630 Audit Services**

The budgeted \$1,000 reflects an allocated portion of the estimated \$22,000 cost for auditing services performed by the County's Audit Division.

**7400 Data Processing**

This sub-object covers the cost of computer maintenance, network access, and the website. The estimated SCWMA cost for FY 14-15 is \$20,141, an increase from the \$18,310 from FY 13-14.

The Planning cost center will be charged \$ 3,531

**8624 OT-Within Enterprise**

The Agency Board of Directors has established a policy for accumulating reserve funds for specific purposes. The Contingency Reserve is to be used for operational expenses when there is an unforeseen need.

The contribution to the Contingency Reserve is \$ 1,879

**8640 OT-Between Enterprises**

The Information Systems Department has instituted a computer replacement fund, which will allow the computers to be replaced every five years. This is the fourth year of contributing \$454 to the replacement fund.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**ORGANICS RESERVE - 799221**

---

**REVENUES**

**1700 Interest on Pooled Cash**

The interest on the Pooled Cash is calculated on the cash balance within the cost center for cash flow. The rate used for budgeting purposes is 0.6%.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$ 5,534,680	0.6%	\$ 33,208

**4624 OT-Within Enterprise**

This operational transfer (OT) is contributions from the operations of the Wood Waste and Yard Debris cost centers at the end of FY 13-14. Board established reserve policy restricts these funds for future composting site acquisition for continued SCWMA diversion of organic materials efforts.

Wood Waste	\$ 6,568
Yard Debris	\$ -
Subtotal	\$ 6,568

**EXPENDITURES - SERVICES AND SUPPLIES**

**6540 Contract Services**

Tasks budgeted for this sub-object include finishing the Waste Characterization Study (\$20,000), Zero Discharge Engineering (\$45,000), storm water hauling (\$211,250), and storm water disposal (\$474,630).

**6573 Administration Costs**

This sub-object reflects the staffing services provided by the County Department of Transportation and Public Works to SCWMA.

	Budgeted FY 13-14	Requested FY 14-15	Difference	% Increase
Total	\$ 76,544	\$ 63,447	\$ (13,097)	-17%

**6590 Engineering Services**

The SCWMA utilizes staff from the Department of Transportation and Public Works and the Sonoma County Permit and Resource Management Department to assist with required environmental studies, General Plan amendments, permit acquisition, and other development requirements associated with the planned compost site development and acquisition. The anticipated expense for FY 14-15 is \$12,500 for the Compost Site Relocation Project.

**6610 Legal Services**

This sub-object reflects an estimation for legal services provided by Agency Counsel to the SCWMA at \$195/hour. The budgeted amount is \$10,000.

**6630 Audit Services**

The budgeted \$2,500 reflects an allocated portion of the estimated \$21,000 cost for auditing services performed by the County's Audit Division.

**7062 Enforcement Agency Fees**

If a compost site is selected for construction, a new solid waste facility permit will be necessary. The application fee would be paid with these funds.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**HHW CLOSURE RESERVE - 799320**

---

**REVENUES**

**1700 Interest on Pooled Cash**

The interest on the Pooled Cash is calculated on the cash balance within the cost center for cash flow. The rate used for budgeting purposes is 0.6%.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$ 68,621	0.6%	\$ 412

**EXPENDITURES - SERVICES AND SUPPLIES**

There are no budgeted expenditures for FY 13-14.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**HHW FACILITY RESERVE - 799338**

---

**REVENUES**

**1700 Interest on Pooled Cash**

The interest on the Pooled Cash is calculated on the cash balance within the cost center for cash flow. The rate used for budgeting purposes is 0.6%.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$ 1,023,478	0.6%	\$ 6,201

**4624 OT-Within Enterprise**

Transfers from the HHW cost center are detailed by this sub-object.  
There is no transfer requested this fiscal year.

**EXPENDITURES - SERVICES AND SUPPLIES**

**6540 Contract Services**

This sub-object would cover necessary storm water improvements at the Household Toxics Facility. The requested amount is \$15,000.

**6573 Administrative Services**

This sub-object would include staff time related to storm water improvements at the Household Toxics Facility. The requested amount is \$11,266.

**SONOMA COUNTY WASTE MANAGEMENT AGENCY  
FY 14-15 DRAFT BUDGET  
EXPLANATIONS AND DETAILS**

**CONTINGENCY FUND - 799718**

**REVENUES**

**1700 Interest on Pooled Cash**

The interest on the Pooled Cash is calculated on the cash balance within the cost center for cash flow. The rate used for budgeting purposes is 0.6%.

Estimated Year End FY 13-14 Cash	Rate	Interest Earned
\$ 192,161	0.6%	\$ 1,153

**4624 OT-Within Enterprise**

This operational transfer (OT) is an on-going contribution from the Education and Planning cost centers to fund the Contingency Reserve established by Board policy to cover unforeseen expenses and one-time projects. There are no transfers to this reserve fund expected this Fiscal Year.

Education	\$ 415
Diversion	\$ -
Planning	\$ 1,879
<u>Subtotal</u>	<u>\$ 2,294</u>

**EXPENDITURES - SERVICES AND SUPPLIES**

**6400 Office Expense**

This reflects costs for office-related expenses associated with the waste characterization study and the JPA renewal discussion.

	FY 13-14 Budget	FY 14-15 Request	Difference
Phone, fax	\$ 100	\$ 100	\$ -
Postage	\$ 100	\$ 100	\$ -
Reprographics	\$ 800	\$ 800	\$ -
Office supplies	\$ 1,000	\$ 1,000	\$ -
<b>TOTAL</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ -</b>

**6540 Contract Services**

\$20,000 is requested for the Contingency Reserve's contribution to a waste characterization study.

**6573 Administration Costs**

This sub-object reflects the staffing services provided by the County Department of Transportation and Public Works to SCWMA.

	Budgeted FY 13-14	Requested FY 14-15	Difference	% Increase
Total	\$ 106,764	\$ 61,570	\$ (45,194)	-42%

**6610 Legal Services**

This sub-object reflects an estimation for legal services provided by Agency Counsel to the SCWMA at \$195/hour. The budgeted amount is \$10,000 for assistance with the JPA renewal issue and waste characterization study.

**6630 Audit Services**

The budgeted \$1,500 reflects an allocated portion of the estimated \$22,000 cost for auditing services performed by the County's Audit Division.

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Summary

	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	69,474	68,139	63,700	47,175	52,961	5,786	12%
2500 State - Other	354,594	189,711	230,097	285,473	286,512	1,039	0%
2901 County	4,873,336	4,888,290	4,938,625	4,675,400	4,850,100	174,700	4%
3980 Revenues-Prior Year	0	0	443	0	0	0	0%
4020 Sale of Materials	346,453	128,640	15,000	15,000	15,000	0	0%
4040 Miscellaneous Revenue	49,620	52,585	0	5,000	0	(5,000)	-100%
4102 Donations and Reimbursements	413,798	444,103	384,154	379,050	369,050	(10,000)	-3%
SUBTOTAL	6,107,275	5,771,468	5,632,019	5,407,098	5,573,623	166,525	3%
4624 OT-Within Enterprise	673,046	1,223,756	155,145	156,495	8,862	(147,633)	-94%
4648 OT-Between Enterprise	11,807	0	0	0	0	0	0%
SUBTOTAL	684,853	1,223,756	155,145	156,495	8,862	(147,633)	-94%
TOTAL REVENUES	6,792,128	6,995,224	5,787,164	5,563,593	5,582,485	18,892	0%
<b>EXPENDITURES</b>							
6040 Communications	0	540	0	0	0	0	0%
6103 Liability Insurance	8,915	9,227	10,205	9,689	12,000	2,311	24%
6280 Memberships	4,000	4,000	4,000	5,650	10,150	4,500	80%
6300 Miscellaneous Expense	53,900	42,067	0	5,000	0	(5,000)	-100%
6400 Office Expense	73,503	24,157	17,600	16,850	27,730	10,880	65%
6500 Professional/Spec Svcs	309,758	167,061	214,615	237,223	216,632	(20,591)	-9%
6521 County Services	16,748	13,866	17,501	17,501	19,880	2,379	14%
6540 Contract Services	4,375,327	4,078,553	4,326,294	4,424,037	5,569,073	1,145,036	26%
6573 Administrative Costs	678,475	666,320	705,029	800,483	816,692	16,209	2%
6590 Engineering Services	2,032	6,601	7,410	7,500	17,500	10,000	133%
6610 Legal Expenses	71,186	65,783	55,197	62,000	70,000	8,000	13%
6629 Accounting Services	8,333	10,017	9,848	9,946	10,328	382	4%
6630 Audit Services	20,000	20,000	21,000	21,000	22,000	1,000	5%
6697 EFS Costs	0	0	0	0	4,192	4,192	100%
6785 Advertising	19,484	9,423	12,000	12,000	34,250	22,250	185%
6820 Rents/Lease Equipment	2,419	2,869	2,390	2,460	2,460	0	0%
6840 Rents/Leases-Bldgs/Impv	26,550	31,243	36,625	36,625	37,225	600	2%
7062 Enforcement Agency Fees	30,861	25,341	35,400	35,400	122,400	87,000	246%
7110 Professional Development	0	0	1,500	1,500	1,500	0	0%
7130 Textbook/Tuition	0	0	2,400	2,400	2,400	0	0%
7301 County Car Expense	1,119	2,460	2,574	3,000	3,000	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	22	10	64	0	0	0	0%
7400 Data Processing	10,116	10,588	18,310	18,310	20,141	1,831	10%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	11,807	0	0	0	0	0	0%
SUBTOTAL	5,724,555	5,190,126	5,499,962	5,728,574	7,019,553	1,290,979	23%
8624 OT - Within Enterprise	673,046	1,223,756	156,495	156,495	8,862	(147,633)	-94%
8648 OT - Between Enterprises	2,724	2,720	2,724	2,724	2,724	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
9650 PY Professional/Spec Svcs	0	0	0	0	0	0	0%
SUBTOTAL	675,770	1,226,476	159,219	159,219	11,586	(147,633)	-93%
TOTAL EXPENDITURES	6,400,325	6,416,602	5,659,181	5,887,793	7,031,139	1,143,346	19%
NET COST	(391,803)	(578,622)	(127,983)	324,200	1,448,654	1,124,454	347%
ROUNDING ERROR	1	4	0	0	0		
<b>FUND BALANCE</b>							
Beginning Fund Balance	7,670,161	8,120,183	8,698,801	8,698,801	8,826,784		
Less: Net Cost for Current Year	391,802	578,618	127,983	(324,200)	(1,448,654)		
Audit/Encumbrance Adjustments	58,217	0	0	0	0		
Ending Fund Balance	8,120,183	8,698,801	8,826,784	8,374,601	7,378,130		



FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Wood Waste 799114							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	2,184	2,245	1,036	301	1,117	816	271%
2500 State - Other	0	0	0	0	0	0	0%
2901 County	242,900	234,278	206,718	170,850	170,850	0	0%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	97,333	36,549	5,000	5,000	5,000	0	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0%
4102 Donations and Reimbursements	5,000	5,000	5,000	5,000	5,000	0	0%
SUBTOTAL	347,417	278,072	217,754	181,151	181,967	816	0%
4624 OT-Within Enterprise	0	0	0	0	0	0	0%
4648 OT-Between Enterprise	2,216	0	0	0	0	0	0%
SUBTOTAL	2,216	0	0	0	0	0	0%
TOTAL REVENUES	349,633	278,072	217,754	181,151	181,967	816	0%
<b>EXPENDITURES</b>							
6103 Liability Insurance	832	861	306	291	360	69	24%
6280 Memberships	0	0	0	0	0	0	0%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	4	10	0	0	0	0	0%
6500 Professional/Spec Svcs	0	0	0	0	0	0	0%
6521 County Services	1,627	1,447	525	525	596	71	14%
6540 Contract Services	178,270	148,795	155,902	160,148	164,123	3,975	2%
6573 Administrative Costs	4,603	5,275	10,202	6,752	5,525	(1,227)	-18%
6590 Engineering Services	0	0	0	0	0	0	0%
6610 Legal Expenses	0	0	0	0	0	0	0%
6629 Accounting Services	800	962	857	955	310	(645)	-68%
6630 Audit Services	1,500	500	500	500	500	0	0%
6785 Advertising	0	0	0	0	0	0	0%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	0	0	0	0	0	0	0%
7062 Enforcement Agency Fees	0	0	0	0	0	0	0%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	0	0	0	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	1,686	1,758	3,210	3,210	3,531	321	10%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	2,216	0	0	0	0	0	0%
SUBTOTAL	191,538	159,608	171,502	172,381	174,944	2,563	1%
8624 OT - Within Enterprise	138,000	200,000	8,317	8,317	6,568	(1,749)	-21%
8648 OT - Between Enterprises	454	454	454	454	454	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	138,454	200,454	8,771	8,771	7,022	(1,749)	-20%
TOTAL EXPENDITURES	329,992	360,062	180,273	181,152	181,966	814	0%
NET COST	(19,641)	81,990	(37,481)	1	(0)	(1)	-130%
ROUNDING ERROR	1	1	0	0	0		
<b>FUND BALANCE</b>							
Beginning Fund Balance	199,312	230,636	148,645	148,645	186,127	26,242	159,885
Less: Net Cost for Current Year	19,640	(81,991)	37,481	(1)	0		
Audit/Encumbrance Adjustments	11,684						
Ending Fund Balance	230,636	148,645	186,127	148,644	186,127		

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Yard Debris 799213							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	6,875	9,787	8,628	4,537	7,010	2,473	55%
2500 State - Other	0	0	0	0	0	0	0%
2901 County	3,225,469	3,229,421	3,256,784	3,106,300	3,281,000	174,700	6%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	249,120	92,091	10,000	10,000	10,000	0	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0%
4102 Donations and Reimbursements	5,000	45,780	5,000	5,000	5,000	0	0%
SUBTOTAL	3,486,464	3,377,079	3,280,412	3,125,837	3,303,010	177,173	6%
4624 OT-Within Enterprise	0	0	0	0	0	0	0%
4648 OT-Between Enterprise	3,064	0	0	0	0	0	0%
SUBTOTAL	3,064	0	0	0	0	0	0%
TOTAL REVENUES	3,489,528	3,377,079	3,280,412	3,125,837	3,303,010	177,173	6%
<b>EXPENDITURES</b>							
6103 Liability Insurance	2,125	2,200	6,123	5,814	7,200	1,386	24%
6280 Memberships	0	0	0	0	0	0	0%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	2,315	4,243	2,322	2,000	5,000	3,000	150%
6500 Professional/Spec Svcs	0	0	0	0	0	0	0%
6521 County Services	3,294	2,769	10,500	10,500	11,928	1,428	14%
6540 Contract Services	2,845,644	2,612,083	2,873,100	2,873,100	3,397,856	524,756	18%
6573 Administrative Costs	85,346	106,678	210,374	210,374	215,209	4,835	2%
6590 Engineering Services	635	0	0	0	5,000	5,000	100%
6610 Legal Expenses	5,009	4,056	5,000	5,000	5,000	0	0%
6629 Accounting Services	3,844	4,621	4,588	4,588	6,197	1,609	35%
6630 Audit Services	4,000	4,000	5,000	5,000	6,000	1,000	20%
6697 EFS Costs	0	0	0	0	4,192	4,192	100%
6785 Advertising	0	0	0	0	0	0	0%
6820 Rents/Lease Equipment	2,419	2,869	2,390	2,460	2,460	0	0%
6840 Rents/Leases-Bldgs/Impv	0	0	0	0	0	0	0%
7062 Enforcement Agency Fees	30,573	25,034	35,000	35,000	82,000	47,000	134%
7110 Professional Development	0	0	1,500	1,500	1,500	0	0%
7130 Textbook/Tuition	0	0	600	600	600	0	0%
7301 County Car Expense	1,119	2,460	2,574	3,000	3,000	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	22	10	64	0	0	0	0%
7400 Data Processing	3,372	3,517	5,470	5,470	6,017	547	10%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	3,064	0	0	0	0	0	0%
SUBTOTAL	2,992,781	2,774,540	3,164,605	3,164,406	3,759,159	594,753	19%
8624 OT - Within Enterprise	426,000	425,000	140,523	140,523	0	(140,523)	-100%
8648 OT - Between Enterprises	908	904	908	908	908	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	426,908	425,904	141,431	141,431	908	(140,523)	-99%
TOTAL EXPENDITURES	3,419,689	3,200,444	3,306,036	3,305,837	3,760,067	454,230	14%
NET COST	(69,839)	(176,635)	25,624	180,000	457,057	277,057	154%
ROUNDING ERROR		4	0	0	0		
<b>FUND BALANCE</b>							
Beginning Fund Balance	908,245	1,017,320	1,193,951	1,193,951	1,168,327	570,008	141,262
Less: Net Cost for Current Year	69,839	176,631	(25,624)	(180,000)	(457,057)		
Audit/Encumbrance Adjustments	39,236						
Ending Fund Balance	1,017,320	1,193,951	1,168,327	1,013,951	711,270		

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Household Hazardous Waste 799312							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	2,168	1,318	3,904	1,743	2,535	792	45%
2500 State - Other	232,686	155,135	150,473	150,473	151,512	1,039	1%
2901 County	1,078,312	1,118,304	1,206,429	1,174,530	1,100,423	(74,107)	-6%
3980 Revenues-Prior Year	0	0	443	0	0	0	0%
4020 Sale of Materials	0	0	0	0	0	0	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0%
4102 Donations and Reimbursements	356,549	351,388	347,608	341,442	322,297	(19,145)	-6%
SUBTOTAL	1,669,715	1,626,145	1,708,857	1,668,188	1,576,766	(91,422)	-5%
4624 OT-Within Enterprise	0	315,756	0	0	0	0	0%
4648 OT-Between Enterprise	1,988	0	0	0	0	0	
SUBTOTAL	1,988	315,756	0	0	0	0	0%
TOTAL REVENUES	1,671,703	1,941,901	1,708,857	1,668,188	1,576,766	(91,422)	-5%
<b>EXPENDITURES</b>							
6103 Liability Insurance	3,877	4,013	3,113	2,955	3,660	705	24%
6280 Memberships	4,000	4,000	4,000	5,500	10,000	4,500	82%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	32,645	2,262	2,000	2,000	2,000	0	0%
6500 Professional/Spec Svcs	198,756	138,505	134,991	134,991	138,158	3,167	2%
6521 County Services	4,743	4,091	5,338	5,338	6,063	725	14%
6540 Contract Services	1,228,181	1,173,843	1,162,104	1,240,800	1,193,800	(47,000)	-4%
6573 Administrative Costs	210,397	219,096	213,889	213,889	195,220	(18,669)	-9%
6590 Engineering Services	0	0	0	0	0	0	0%
6610 Legal Expenses	1,190	2,574	2,000	5,000	10,000	5,000	100%
6629 Accounting Services	1,844	2,217	2,201	2,201	3,150	949	43%
6630 Audit Services	8,500	7,500	7,500	7,500	7,500	0	0%
6785 Advertising	19,484	9,423	12,000	12,000	12,000	0	0%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	23,000	23,000	30,000	30,000	30,000	0	0%
7062 Enforcement Agency Fees	288	307	400	400	400	0	0%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	600	600	600	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	1,686	1,758	3,210	3,210	3,531	321	10%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	1,988	0	0	0	0	0	0%
SUBTOTAL	1,740,579	1,592,589	1,583,346	1,666,384	1,616,082	(50,302)	-3%
8624 OT - Within Enterprise	0	0	1,350	1,350	0	(1,350)	-100%
8648 OT - Between Enterprises	454	454	454	454	454	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
9650 PY Professional/Spec Svcs	0	0	0	0	0	0	0%
SUBTOTAL	454	454	1,804	1,804	454	(1,350)	-75%
TOTAL EXPENDITURES	1,741,033	1,593,043	1,585,150	1,668,188	1,616,536	(51,652)	-3%
NET COST	69,330	(348,858)	(123,707)	0	39,770	39,770	100%
ROUNDING ERROR	0	0	0	0			
<b>FUND BALANCE</b>							
Beginning Fund Balance	17,892	(50,097)	298,761	298,761	422,468	272,412	110,285
Less: Net Cost for Current Year	(69,330)	348,858	123,707	0	(39,770)		
Audit/Encumbrance Adjustments	1,341						
Ending Fund Balance	(50,097)	298,761	422,468	298,761	382,698		

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Education 799411							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	900	1,749	2,420	485	1,134	649	134%
2500 State - Other	121,908	34,576	79,624	135,000	135,000	0	0%
2901 County	266,944	286,469	237,709	188,764	262,871	74,107	39%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	0	0	0	0	0	0	0%
4040 Miscellaneous Revenue	49,036	52,585	0	5,000	0	(5,000)	-100%
4102 Donations and Reimbursements	38,102	39,011	22,442	23,294	32,439	9,145	39%
SUBTOTAL	476,890	414,390	342,195	352,543	431,445	78,902	22%
4624 OT-Within Enterprise	0	0	0	0	0	0	0%
4648 OT-Between Enterprise	1,881	0	0	0	0	0	0%
SUBTOTAL	1,881	0	0	0	0	0	0%
TOTAL REVENUES	478,771	414,390	342,195	352,543	431,445	78,902	22%
<b>EXPENDITURES</b>							
6040 Communications	0	540	0	0	0	0	0%
6103 Liability Insurance	1,249	1,292	612	581	720	139	24%
6280 Memberships	0	0	0	150	150	0	0%
6300 Miscellaneous Expense	53,900	42,067	0	5,000	0	(5,000)	-100%
6400 Office Expense	23,550	15,149	11,278	10,850	17,730	6,880	63%
6500 Professional/Spec Svcs	111,002	28,556	79,624	102,232	78,474	(23,758)	-23%
6521 County Services	4,941	3,566	1,050	1,050	1,193	143	14%
6540 Contract Services	22,840	20,438	28,014	28,014	27,414	(600)	-2%
6573 Administrative Costs	207,626	187,206	112,596	164,467	242,069	77,602	47%
6590 Engineering Services	0	0	0	0	0	0	0%
6610 Legal Expenses	19,249	23,454	20,000	20,000	25,000	5,000	25%
6629 Accounting Services	1,524	1,832	1,819	1,819	620	(1,199)	-66%
6630 Audit Services	3,000	3,000	3,000	3,000	3,000	0	0%
6785 Advertising	0	0	0	0	22,250	22,250	100%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	3,550	8,243	6,625	6,625	7,225	600	9%
7062 Enforcement Agency Fees	0	0	0	0	0	0	0%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	1,200	1,200	1,200	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	1,686	1,797	3,210	3,210	3,531	321	10%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	1,881	0	0	0	0	0	0%
SUBTOTAL	455,998	337,140	269,028	348,198	430,576	82,378	24%
8624 OT - Within Enterprise	0	0	3,891	3,891	415	(3,476)	-89%
8648 OT - Between Enterprises	454	454	454	454	454	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	454	454	4,345	4,345	869	(3,476)	-80%
TOTAL EXPENDITURES	456,452	337,594	273,373	352,543	431,445	78,902	22%
NET COST	(22,319)	(76,796)	(68,822)	0	(0)	(0)	100%
ROUNDING ERROR	0	(2)	0	0			
<b>FUND BALANCE</b>							
Beginning Fund Balance	15,323	43,452	120,250	120,250	189,072	107,644	81,428
Less: Net Cost for Current Year	22,319	76,798	68,822	0	0		
Audit/Encumbrance Adjustments	5,810						
Ending Fund Balance	43,452	120,250	189,072	120,250	189,072		

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Diversion 799510							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	727	0	0	0	0	0	0%
2500 State - Other	0	0	0	0	0	0	0%
2901 County	0	0	0	0	0	0	0%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	0	0	0	0	0	0	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0%
4102 Donations and Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	727	0	0	0	0	0	0%
4624 OT-Within Enterprise	0	0	0	0	0	0	0%
4648 OT-Between Enterprise	0	0	0	0	0	0	0%
SUBTOTAL	0	0	0	0	0	0	0%
TOTAL REVENUES	727	0	0	0	0	0	0%
<b>EXPENDITURES</b>							
6103 Liability Insurance	0	0	0	0	0	0	0%
6280 Memberships	0	0	0	0	0	0	0%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	0	0	0	0	0	0	0%
6500 Professional/Spec Svcs	0	0	0	0	0	0	0%
6521 County Services	0	0	0	0	0	0	0%
6540 Contract Services	0	0	0	0	0	0	0%
6573 Administrative Costs	0	0	0	0	0	0	0%
6590 Engineering Services	0	0	0	0	0	0	0%
6610 Legal Expenses	0	0	0	0	0	0	0%
6629 Accounting Services	0	0	0	0	0	0	0%
6630 Audit Services	0	0	0	0	0	0	0%
6785 Advertising	0	0	0	0	0	0	0%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	0	0	0	0	0	0	0%
7062 Enforcement Agency Fees	0	0	0	0	0	0	0%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	0	0	0	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	0	0	0	0	0	0	0%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	0	0	0	0	0	0	0%
SUBTOTAL	0	0	0	0	0	0	0%
8624 OT - Within Enterprise	109,046	727	0	0	0	0	0%
8648 OT - Between Enterprises	0	0	0	0	0	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	109,046	727	0	0	0	0	0%
TOTAL EXPENDITURES	109,046	727	0	0	0	0	0%
NET COST	108,319	727	0	0	0	0	0%
ROUNDING ERROR	0	0					
<b>FUND BALANCE</b>							
Beginning Fund Balance	109,046	727	0	0	0		
Less: Net Cost for Current Year	(108,319)	(727)	0	0	0		
Audit/Encumbrance Adjustments	0						
Ending Fund Balance	727	0	0	0	0		

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Planning 799619							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	155	167	156	20	191	171	857%
2500 State - Other	0	0	0	0	0	0	0%
2901 County	59,711	19,818	30,985	34,956	34,956	0	0%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	0	0	0	0	0	0	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0%
4102 Donations and Reimbursements	9,147	2,924	4,104	4,314	4,314	(0)	0%
SUBTOTAL	69,013	22,909	35,245	39,290	39,461	171	0%
4624 OT-Within Enterprise	0	0	0	0	0	0	0%
4648 OT-Between Enterprise	2,658	0	0	0	0	0	0%
SUBTOTAL	2,658	0	0	0	0	0	0%
TOTAL REVENUES	71,671	22,909	35,245	39,290	39,461	171	0%
<b>EXPENDITURES</b>							
6103 Liability Insurance	832	861	51	48	60	12	25%
6280 Memberships	0	0	0	0	0	0	0%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	700	0	0	0	0	0	0%
6500 Professional/Spec Svcs	0	0	0	0	0	0	0%
6521 County Services	1,151	1,238	88	88	99	11	13%
6540 Contract Services	0	0	0	0	0	0	0%
6573 Administrative Costs	62,853	22,400	12,582	21,693	22,387	694	3%
6590 Engineering Services	0	0	0	0	0	0	0%
6610 Legal Expenses	0	0	5,000	10,000	10,000	0	0%
6629 Accounting Services	321	385	383	383	52	(331)	-87%
6630 Audit Services	1,000	1,000	1,000	1,000	1,000	0	0%
6785 Advertising	0	0	0	0	0	0	0%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	0	0	0	0	0	0	0%
7062 Enforcement Agency Fees	0	0	0	0	0	0	0%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	0	0	0	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	1,686	1,758	3,210	3,210	3,531	321	10%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	2,658	0	0	0	0	0	0%
SUBTOTAL	71,201	27,642	22,314	36,422	37,129	707	2%
8624 OT - Within Enterprise	0	0	2,414	2,414	1,879	(535)	-22%
8648 OT - Between Enterprises	454	454	454	454	454	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	454	454	2,868	2,868	2,333	(535)	-19%
TOTAL EXPENDITURES	71,655	28,096	25,182	39,290	39,462	172	0%
NET COST	(16)	5,187	(10,063)	0	0	0	100%
ROUNDING ERROR	(1)	1	0	0			
<b>FUND BALANCE</b>							
Beginning Fund Balance	27,019	27,036	21,848	21,848	31,911	9,282	22,629
Less: Net Cost for Current Year	17	(5,188)	10,063	0	(0)		
Audit/Encumbrance Adjustments	(2)						
Ending Fund Balance	27,036	21,848	31,911	21,848	31,911		

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Organics Reserve 799221							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	40,184	38,517	37,752	32,570	33,208	638	2%
2500 State - Other	0	0	0	0	0	0	0%
2901 County	0	0	0	0	0	0	0%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	0	0	0	0	0	0	0%
4040 Miscellaneous Revenue	584	0	0	0	0	0	0%
4102 Donations and Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	40,768	38,517	37,752	32,570	33,208	638	2%
4624 OT-Within Enterprise	564,000	625,000	148,840	148,840	6,568	(142,272)	-96%
4648 OT-Between Enterprise	0	0		0	0	0	0%
SUBTOTAL	564,000	625,000	148,840	148,840	6,568	(142,272)	-96%
TOTAL REVENUES	604,768	663,517	186,592	181,410	39,776	(141,634)	-78%
<b>EXPENDITURES</b>							
6103 Liability Insurance	0	0	0	0	0	0	0%
6280 Memberships	0	0	0	0	0	0	0%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	562	992	0	0	1,000	1,000	100%
6500 Professional/Spec Svcs	0	0	0	0	0	0	0%
6521 County Services	0	0	0	0	0	0	0%
6540 Contract Services	100,392	49,361	61,086	55,000	750,880	695,880	1265%
6573 Administrative Costs	81,243	69,226	60,480	76,544	63,447	(13,097)	-17%
6590 Engineering Services	1,397	6,601	7,410	7,500	12,500	5,000	67%
6610 Legal Expenses	23,156	16,770	10,000	10,000	10,000	0	0%
6629 Accounting Services	0	0	0	0	0	0	0%
6630 Audit Services	1,500	2,500	2,500	2,500	2,500	0	0%
6785 Advertising	0	0	0	0	0	0	0%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	0	0	0	0	0	0	0%
7062 Enforcement Agency Fees	0	0	0	0	40,000	40,000	100%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	0	0	0	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	0	0	0	0	0	0	0%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	0	0	0	0	0	0	0%
SUBTOTAL	208,250	145,450	141,476	151,544	880,327	728,783	481%
8624 OT - Within Enterprise	0	0	0	0	0	0	0%
8648 OT - Between Enterprises	0	0	0	0	0	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	0	0	0	0	0	0	0%
TOTAL EXPENDITURES	208,250	145,450	141,476	151,544	880,327	728,783	481%
NET COST	(396,518)	(518,067)	(45,116)	(29,866)	840,551	870,417	-2914%
ROUNDING ERROR	0	1	0	0			
<b>FUND BALANCE</b>							
Beginning Fund Balance	4,574,975	4,971,498	5,489,564	5,489,564	5,534,680	FB Goal 0	Difference 4,694,129
Less: Net Cost for Current Year	396,518	518,066	45,116	29,866	(840,551)		
Audit/Encumbrance Adjustments	5						
Ending Fund Balance	4,971,498	5,489,564	5,534,680	5,519,430	4,694,129		

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Household Hazardous Waste Closure Reserve 799320							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	534	515	468	408	412	4	1%
2500 State - Other	0	0	0	0	0	0	0%
2901 County	0	0	0	0	0	0	0%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	0	0	0	0	0	0	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0%
4102 Donations and Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	534	515	468	408	412	4	1%
4624 OT-Within Enterprise	0	7,273	0	0	0	0	0%
4648 OT-Between Enterprise	0	0	0	0	0	0	0%
SUBTOTAL	0	7,273	0	0	0	0	0%
TOTAL REVENUES	534	7,788	468	408	412	4	1%
<b>EXPENDITURES</b>							
6103 Liability Insurance	0	0	0	0	0	0	0%
6280 Memberships	0	0	0	0	0	0	0%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	0	0	0	0	0	0	0%
6500 Professional/Spec Svcs	0	0	0	0	0	0	0%
6521 County Services	0	0	0	0	0	0	0%
6540 Contract Services	0	0	0	0	0	0	0%
6573 Administrative Costs	0	0	0	0	0	0	0%
6590 Engineering Services	0	0	0	0	0	0	0%
6610 Legal Expenses	0	0	0	0	0	0	0%
6629 Accounting Services	0	0	0	0	0	0	0%
6630 Audit Services	0	0	0	0	0	0	0%
6785 Advertising	0	0	0	0	0	0	0%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	0	0	0	0	0	0	0%
7062 Enforcement Agency Fees	0	0	0	0	0	0	0%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	0	0	0	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	0	0	0	0	0	0	0%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	0	0	0	0	0	0	0%
SUBTOTAL	0	0	0	0	0	0	0%
8624 OT - Within Enterprise	0	0	0	0	0	0	0%
8648 OT - Between Enterprises	0	0	0	0	0	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	0	0	0	0	0	0	0%
TOTAL EXPENDITURES	0	0	0	0	0	0	0%
NET COST	(534)	(7,788)	(468)	(408)	(412)	(4)	1%
ROUNDING ERROR	1	0	0	0			
<b>FUND BALANCE</b>							
Beginning Fund Balance	59,832	60,365	68,153	68,153	68,621	68,000	1,032
Less: Net Cost for Current Year	533	7,788	468	408	412		
Audit/Encumbrance Adjustments	0						
Ending Fund Balance	60,365	68,153	68,621	68,561	69,032		



FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Household Hazardous Waste Facility Reserve 799338							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	14,326	12,571	7,064	6,141	6,201	60	1%
2500 State - Other	0	0	0	0	0	0	0%
2901 County	0	0	0	0	0	0	0%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	0	0	0	0	0	0	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0%
4102 Donations and Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	14,326	12,571	7,064	6,141	6,201	60	1%
4624 OT-Within Enterprise	0	0	0	1,350	0	(1,350)	-100%
4648 OT-Between Enterprise	0	0	0	0	0	0	0%
SUBTOTAL	0	0	0	1,350	0	(1,350)	-100%
TOTAL REVENUES	14,326	12,571	7,064	7,491	6,201	(1,290)	-17%
<b>EXPENDITURES</b>							
6103 Liability Insurance	0	0	0	0	0	0	0%
6280 Memberships	0	0	0	0	0	0	0%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	10,281	0	0	0	0	0	0%
6500 Professional/Spec Svcs	0	0	0	0	0	0	0%
6521 County Services	0	0	0	0	0	0	0%
6540 Contract Services	0	0	0	0	15,000	15,000	100%
6573 Administrative Costs	0	0	0	0	11,266	11,266	100%
6590 Engineering Services	0	0	0	0	0	0	0%
6610 Legal Expenses	0	0	0	0	0	0	0%
6629 Accounting Services	0	0	0	0	0	0	0%
6630 Audit Services	0	0	0	0	0	0	0%
6785 Advertising	0	0	0	0	0	0	0%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	0	0	0	0	0	0	0%
7062 Enforcement Agency Fees	0	0	0	0	0	0	0%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	0	0	0	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	0	0	0	0	0	0	0%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	0	0	0	0	0	0	0%
SUBTOTAL	10,281	0	0	0	26,266	26,266	100%
8624 OT - Within Enterprise	0	598,029	0	0	0	0	0%
8648 OT - Between Enterprises	0	0	0	0	0	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	0	598,029	0	0	0	0	0%
TOTAL EXPENDITURES	10,281	598,029	0	0	26,266	26,266	100%
NET COST	(4,045)	585,458	(7,064)	(7,491)	20,065	27,556	-368%
ROUNDING ERROR	1	0	0	0			
<b>FUND BALANCE</b>							
Beginning Fund Balance	1,607,767	1,611,812	1,026,354	1,026,354	1,033,418	600,000	413,353
Less: Net Cost for Current Year	4,044	(585,458)	7,064	7,491	(20,065)		
Audit/Encumbrance Adjustments	0						
Ending Fund Balance	1,611,812	1,026,354	1,033,418	1,033,845	1,013,353		

FY 14-15 BUDGET  
SONOMA COUNTY WASTE MANAGEMENT AGENCY  
REVENUE, EXPENDITURE AND FUND BALANCE HISTORY

Contingency Reserve 799718							
	Actual FY 11-12	Actual FY 12-13	Estimated FY 13-14	Budgeted FY 13-14	Requested FY 14-15	Difference	% Change
<b>REVENUES</b>							
1700 Interest on Pooled Cash	1,421	1,270	2,272	970	1,153	183	19%
2500 State - Other	0	0	0	0	0	0	0%
2901 County	0	0	0	0	0	0	0%
3980 Revenues-Prior Year	0	0	0	0	0	0	0%
4020 Sale of Materials	0	0	0	0	0	0	0%
4040 Miscellaneous Revenue	0	0	0	0	0	0	0%
4102 Donations and Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	1,421	1,270	2,272	970	1,153	183	19%
4624 OT-Within Enterprise	109,046	275,727	6,305	6,305	2,294	(4,011)	-64%
4648 OT-Between Enterprise	0	0	0	0	0	0	0%
SUBTOTAL	109,046	275,727	6,305	6,305	2,294	(4,011)	-64%
TOTAL REVENUES	110,467	276,997	8,577	7,275	3,447	(3,828)	-53%
<b>EXPENDITURES</b>							
6103 Liability Insurance	0	0	0	0	0	0	0%
6280 Memberships	0	0	0	0	0	0	0%
6300 Miscellaneous Expense	0	0	0	0	0	0	0%
6400 Office Expense	3,446	1,501	2,000	2,000	2,000	0	0%
6500 Professional/Spec Svcs	0	0	0	0	0	0	0%
6521 County Services	992	755	0	0	0	0	0%
6540 Contract Services	0	74,033	46,088	66,975	20,000	(46,975)	-70%
6573 Administrative Costs	26,407	56,439	84,906	106,764	61,570	(45,194)	-42%
6590 Engineering Services	0	0	0	0	0	0	0%
6610 Legal Expenses	22,582	18,929	13,197	12,000	10,000	(2,000)	-17%
6629 Accounting Services	0	0	0	0	0	0	0%
6630 Audit Services	500	1,500	1,500	1,500	1,500	0	0%
6785 Advertising	0	0	0	0	0	0	0%
6820 Rents/Lease Equipment	0	0	0	0	0	0	0%
6840 Rents/Leases-Bldgs/Impv	0	0	0	0	0	0	0%
7062 Enforcement Agency Fees	0	0	0	0	0	0	0%
7110 Professional Development	0	0	0	0	0	0	0%
7130 Textbook/Tuition	0	0	0	0	0	0	0%
7301 County Car Expense	0	0	0	0	0	0	0%
7302 Travel Expense	0	0	0	0	0	0	0%
7309 Unclaimable County	0	0	0	0	0	0	0%
7400 Data Processing	0	0	0	0	0	0	0%
7402 DP-New Projects	0	0	0	0	0	0	0%
7425 Desktop Modernization	0	0	0	0	0	0	0%
SUBTOTAL	53,927	153,157	147,691	189,239	95,070	(94,169)	-50%
8624 OT - Within Enterprise	0	0	0	0	0	0	0%
8648 OT - Between Enterprises	0	0	0	0	0	0	0%
8700 Reimbursements	0	0	0	0	0	0	0%
SUBTOTAL	0	0	0	0	0	0	0%
TOTAL EXPENDITURES	53,927	153,157	147,691	189,239	95,070	(94,169)	-50%
NET COST	(56,540)	(123,840)	139,114	181,964	91,623	(90,341)	-50%
ROUNDING ERROR	(1)	(1)	0	0			
<b>FUND BALANCE</b>							
Beginning Fund Balance	150,749	207,434	331,275	331,275	192,161	116,926	(16,389)
Less: Net Cost for Current Year	56,541	123,841	(139,114)	(181,964)	(91,623)		
Audit/Encumbrance Adjustments	144						
Ending Fund Balance	207,434	331,275	192,161	149,311	100,538		

RESOLUTION NO. 2014-

DATED: April 16, 2014

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("SCWMA") ADOPTING  
AN ANNUAL BUDGET FOR FISCAL YEAR 2014-15.

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

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

NOW, THEREFORE, BE IT RESOLVED that the SCWMA's Annual Budget for the period July 1, 2014 to June 30, 2015, attached hereto as FY 14-15 SCWMA Final Budget is hereby adopted.

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

MEMBERS:

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

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

SO ORDERED.

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

ATTEST: DATE: April 16, 2014

\_\_\_\_\_  
Rebecca Lankford  
Clerk of the Sonoma County Waste Management  
Agency of the State of California in and for the  
County of Sonoma



Agenda Item #: **8**  
Cost Center: **All**  
Staff Contact: **Mikus**  
Agenda Date: **4/16/2014**

ITEM: **Compost Zero Discharge Report**

**I. BACKGROUND**

The North Coast Regional Water Quality Control Board (NCRWQCB), which regulates the discharge of storm waters, requested last year that our compost facility achieve “Zero-Discharge” status for water that contacts windrow and finished compost material. This was done via a Waste Discharge Requirement (WDR) issued to the County as the landfill property owner. The specific request was that Agency staff submit a detailed plan for getting the compost facility to “Zero-Discharge” by May 15, 2013, a request that we were able to comply with. SCS Engineers prepared that initial plan, and has been part of subsequent correspondence and dialogue with the NCRWQCB. Subsequent to our initial May 2013 submittal there have been several iterations of written correspondence between the NCRWQCB and the Agency to clarify various parts of that submittal.

Most recently, NCRWQCB communicated their expectation to the County that they were establishing a finite date for implementation of zero-discharge from the compost facility. That date was set as October 1, 2014, and was done via a March 18, 2014 letter. The letter also listed potential fine amounts as \$10,000/day and \$10/gallon for discharges greater than 1,000 gallons.

**II. DISCUSSION**

It has been clear from the start of this project that the key element to achieving zero-discharge of storm contact water was to find a means to provide adequate storage capacity for the large amounts of storm contact water accumulating on and draining from the compost facility during winter rain storms. Calculations based on the rain expected during a shorter interval 5-year 24-hour storm or the standard 25-year 24-hour storm indicated between 3 to 5 million gallons of water would be produced per storm. When the common rainy season pattern of successive storms is factored in, having to store water from multiple storms at a time is reasonable. A storm water study done for the possible new compost site, which would be of similar acreage, found that storage capacity for 14 million gallons in a typical rainfall year, and 29 million gallons in the heaviest rainfall year, would be required.

The original Zero-Discharge Plan submitted in May 2013 based its work on a 5-year 24-hour storm given the time frame the current site was expected to be operating. However, the experience of recent years has shown that at least once each season storm events depositing eight inches or more of rain within a short interval of days have become normal, and must be considered in any zero discharge solution.

Current storm water ponds that are used to control storm water runoff from the compost site have a capacity of approximately 1 million gallons, so are not capable of managing storm water for attaining zero-discharge. However, during this current rainy season the Agency and its contract operator, Sonoma Compost Company, have undertaken measures to reduce the impact of the storm water draining from the site. This has included hauling 2,165,400 gallons through April 8 to

the Laguna Plant for treatment rather than discharge.

The Zero-Discharge Plan listed several possible locations for constructing additional water storage ponds. However, based on further more detailed analysis these locations have been determined to not be feasible. Thus much effort has been put towards exploring other options. Most recently Republic Services, the County's landfill contractor, via examining its needs for cover soil, has recommended a location for construction of a storm water storage pond. This spot is at the east end of the compost deck, and is near the current compost ponds. This location would be at the low end of the compost deck, so well-suited for gravity flow into the pond. However, considerable excavation would be needed to make this pond large enough, including removal of a section of hillside. The planned pond volume from preliminary drawings is estimated to be at least 20 million gallons.

County and Agency staff have examined this latest solution, and are united in recommending this as the best available solution to complying with the NCRWQCB compliance date.

Because of the short time frame to October 1, and the amount of work required to complete the pond, Republic has already taken the initiative to initiate the process of having the engineering design, CEQA work, and cost estimates prepared. These efforts have begun within the last week. It is planned that the project would be presented to the Agency Board at the May meeting for consideration. The expectation is that the Agency would cover its fair share of the expense of pond construction. A very rough estimate for the cost to be borne is \$3 million.

### **III. FUNDING IMPACT**

Project funding would need to be allocated from the Organics Reserve Account. The FY 13-14 estimated year-end balance is \$5,534,680.

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

There is no action required by the Board at this time.

However, it must be recognized that absent any other viable solution, if this project does not proceed, according to the NCRWQCB letter the fines for not achieving zero-discharge have the potential to be tens of millions of dollars per year.

### **V. ATTACHMENTS**

March 18, 2014 NCRWQCB letter

Approved by: \_\_\_\_\_  
Henry J. Mikus, Executive Director, SCWMA

---

**North Coast Regional Water Quality Control Board**

March 18, 2014

Susan Klassen  
Deputy Director  
County of Sonoma  
Department of Transportation and Public Works  
2300 County Center Drive, Suite B-100  
Santa Rosa, CA 95403

Dear Ms. Klassen:

Subject: Status of Efforts to Reduce and Eliminate Wastewater Discharges from the Compost Site and Sonoma County Central Disposal Site, Pursuant to WDRs Order No. R1-2013-0003

File: Sonoma County Central Disposal Site, WDID Nos. 1B801490SON and 1B99011RSON

For almost a year now, we have been in correspondence with Sonoma County Waste Management Agency (SCWMA) directly and through its consultant, SCS Engineers, with respect to the point source discharge of wastewater from the compost deck at the Central Disposal Site. As you are aware, the WDRs (R1-2013-0003) adopted March 14, 2013 by the Regional Water Board acknowledge and enforce our Basin Plan prohibition related to point source discharges of waste to coastal streams in the North Coast Region, and state that “[t]he discharge of wastes from activities occurring upon or within the landfill footprint, including composting activities, to stormwater sedimentation basins, surface, and/or ground water is prohibited.” The WDRs required in part that the Discharger (Sonoma County) provide us with a plan and schedule, by May 15, 2013, to cease all discharges of compost wastewater to receiving waters.

On or around May 14, 2013, we received the “Proposed Discharge Compliance Plan “(Plan), prepared by SCS, responding to the WDR directive. That Plan proposes design, review, and construction of an approved storm water compliance alternative by fall of 2014. In the months since receiving the Plan, we have explored first with SCS, then with Mr. Henry Mikus of SCWMA, questions on a number of issues, as discussed below, relating to both

short-term and long-term options and efforts to reduce and ultimately eliminate wastewater discharges to receiving waters, and various options and efforts to improve the quality of the leachate/wastewater discharged from the site in the interim. On February 20, 2014, Terri Cia and Diana Henriouille de Gonzalez of my staff met with Mr. Mikus, and County staff Glenn Morelli, Trish Pisenti, and Alex Sebastian at the compost site to observe current conditions and BMPs, and to discuss the status of treatment and disposal efforts underway.

### Compost Wastewater Treatment

The Plan proposes a possible long-term option involving treatment of compost wastewater prior to surface water discharge. This option is not compatible with our Basin Plan prohibition, and we have advised SCWMA that it is not a viable long-term option. However, in the interim before zero discharge is achieved, we encourage any effort to remove or reduce pollutants in or transported by compost wastewater. SCWMA has advised us of two treatment measures being employed: 1) sediment control BMPs at the lower end of the compost deck and 2) aeration in the upper compost pond. The latter treatment effort is intended to reduce odors, and is not directly a water quality issue unless it somehow affects the quality of the wastewater discharged from the pond; accordingly, this effort is not subject to formal review or approval by the Regional Water Board. With respect to the sediment controls, our staff observed check dams and wattles near the lower corner of the compost deck during the recent site visit and noted they appear to be collecting some sediment from the compost deck runoff. However, we note that given the great size of the compost deck above these controls, they are likely dwarfed by the volume of runoff and sediment generated on the compost deck during a large storm event.

### Reducing Discharge Volumes During the Current Winter Season

The initial Plan did not propose any efforts to reduce wastewater discharges during the 2013-14 rainy season. However, as our discussions proceeded with SCS and Mr. Mikus, SCWMA proposed to capture a portion of the runoff from each storm, diverting approximately 200,000 gallons of the first flush runoff into Baker tanks and emptying the tanks at an appropriate wastewater treatment facility between storms. While we encouraged SCWMA to pursue this option while working towards zero discharge, we learned recently that SCWMA had decided not to pursue this option after the Local Enforcement Agency (LEA) expressed interest in reviewing the project. Mr. Mikus advised us that as an alternative, SCWMA was instead going to review the option of capturing a portion of the runoff from each storm into the lower compost pond, and emptying that pond between storms. We have just received a proposal from Mr. Mikus indicating that the first 200,000 gallons of each storm will be collected in the lower pond.

In parallel to the first flush plans, we understand that the compost operators have been attempting to pump retained liquids from the upper pond between storms and spraying the liquids onto the road above the compost deck or reincorporating them into compost material, in an effort to address neighbor complaints about odors. This effort reportedly ensured that the pond was empty prior to the large storm in early February 2014, and we

understand that these efforts have continued, more recently with the assistance of the County, with a portion of the liquid being trucked offsite to the subregional wastewater treatment plant (WWTP) on Llano Road for treatment and disposal. We understand that to date, more than 1,000,000 gallons of leachate has been trucked to the WWTP, and these efforts will continue in the short term.

#### Reducing the Volume of Wastewater Generated During the Wet Season

We asked SCWMA whether the working area at the compost facility could be reduced over the rainy season so that less wastewater/contaminated runoff is generated, so less will overflow after the ponds are full. We were initially advised that this would not be a good option because it would interfere with the County's waste volume reduction goals/requirements. On more recent discussion, we learned that the compost facility takes wastes above and beyond those diverted from the landfill and representing the county's waste diversion goals. Therefore, we understand that there is some room for reduction of the working area, while still meeting the County's waste diversion goals. We recommend that both the County and SCWMA explore this option further.

We also asked whether finished compost material might be housed at an offsite facility, and were advised that this would require revision of the LEA permit, thus would likely prove too complicated. We encourage the County to explore this option and determine whether it is feasible to work with SCWMA to pursue LEA permit modification to allow for offsite storage of some portion of the compost material.

#### Long Term Elimination of Discharge/Zero Waste Discharge

##### Leachate ponds and pipeline

We understand that installing the plumbing and directing compost wastewater to the landfill's leachate disposal system is feasible from an engineering standpoint, but we have been advised that there are a number of obstacles associated with operating agreements, permits, and other agency concerns, all beyond the control of SCWMA and the compost operators. We also understand that these obstacles are being addressed and progress on removing them or resolving them is being made. We encourage the County to continue these efforts and to work with SCWMA to develop estimates of the compost deck storm runoff that might be diverted to the leachate ponds and pipeline and to describe conditions and restraints on the volume and timing of diversions.

##### New onsite ponds

The May 2013 Plan indicated that any proposed long term plan would require the creation of additional onsite capacity. Accordingly, the Plan indicated that SCWMA and its consultants were proposing to develop and design plans to construct one or more new ponds. Our staff learned during the February 2014 site visit that this option is apparently no longer viable and is not being pursued for development as SCWMA has been advised that the prospective pond locations are not available for use due to operational or construction needs associated with the landfill. During the site visit, our staff, Mr. Mikus,



and County staff observed and discussed various other potential locations both on and possibly offsite that might accommodate ponds while not interfering with other activities on the landfill site. We are not sure what further effort has been made to explore these or other possible sites since our visit, but understand from discussion at our Board meeting on March 13 that SCWMA and County staff are exploring possible onsite storage areas. We look forward to hearing more about this effort.

In summary, we have been encouraged by the recent stepped up efforts by SCWMA, the County, and the compost facility operators to reduce wastewater discharges over this winter season, and by the County's assistance in this effort, and we hope that you continue to work together over the remainder of the season to minimize the volume of discharges with future storms. We are, however, concerned by the lack of progress in developing a viable long-term discharge elimination plan within the proposed timeframe of completion before the next rainy season, and by the numerous obstacles that reportedly hinder this effort. It appears that some of the options that are physically possible are more directly in the control of the County than of the compost operators. Furthermore, as the named Discharger in our WDRs, the County of Sonoma is the entity ultimately responsible for ensuring that waste discharges from the Central Disposal Site comply with our WDRs and requirements and prohibitions incorporated therein. Accordingly, we are placing you on notice that we are setting a deadline of October 1, 2014 to cease all discharges of compost wastewater to receiving waters. Discharges occurring after that date will subject you to potential penalties of up to \$10,000 per day of discharge and \$10 per gallon of discharge over the first 1000 gallons, pursuant to Water Code section 13385.

We look forward to discussing this matter with you further and working together to ensure that compost wastewater discharges to waters of the State are controlled and eliminated before the start of the 2014 winter rainy season. If you have any questions regarding this matter, please contact Diana Henriouille de Gonzalez at (707)576-2350 or, by email, at [Diana.Henriouille@waterboards.ca.gov](mailto:Diana.Henriouille@waterboards.ca.gov) or David Leland at (707)576-2069 or, by email, at [David.Leland@waterboards.ca.gov](mailto:David.Leland@waterboards.ca.gov).

Sincerely,

Original Signed By David Leland For

Matthias St. John  
Executive Officer

140318\_DSH\_ef\_Central\_compost\_summaryandzerodischarge\_schedule

cc: Henry Mikus, Sonoma County Waste Management Agency, [Henry.Mikus@sonoma-county.org](mailto:Henry.Mikus@sonoma-county.org)  
Leslye Choate, Sonoma County LEA, [Leslye.Choate@sonoma-county.org](mailto:Leslye.Choate@sonoma-county.org)  
Rick Downey, Republic Services, [RDowney@republicservices.com](mailto:RDowney@republicservices.com)



Agenda Item #: **9**  
Cost Center: **All**  
Staff Contact: **Carter**  
Agenda Date: **4/16/2014**

ITEM: **Compost Capacity Discussion**

**I. BACKGROUND**

At the March 19, 2014 Agency meeting, the Board discussed capacity issues at the Agency's Central Compost Site which is operated by Sonoma Compost Company (SCC). The issues were raised in connection to the First Amendment to the Agreement between the Agency and SCC. The two specific issues on which the Board requested further discussion were physical capacity at the Central Compost Site and whether some material should be removed from the Central Compost site either on a seasonal basis or on a long term, ongoing basis.

Another key issue that could bear on compost capacity discussions is the ongoing effort to attain "Zero-Discharge" status for storm contact water. This is a fairly recent standard that has been imposed by the North Coast Regional Water Quality Control Board (NCRWQCB). NCRWQCB staff has suggested one means to reduce storm contact water accumulation and run-off would be to curtail the amount of material processed resulting in a smaller operations area.

The Central Compost Site, according to the current Solid Waste Facility Permit issued by the Sonoma County Department of Health Services in its role as the Local Enforcement Agency (LEA), is approximately 35 acres and is located on intermediate cover above buried trash. Environmental documents examined the composting of up to 108,000 tons per year of wood waste and yard debris materials at the site. The site is permitted to receive up to 623 peak tons per day of wood waste and yard debris. Total site capacity (volume of material on site at any one time) is listed on the permit as 84,750 cubic yards.

**II. DISCUSSION**

Physical Capacity and Process Description

As the site is currently configured, there are times of the year when there is no room to accommodate additional material. The site consists of the following five main sections: retail sales area/main office, feedstock receiving and processing area, windrows, stockpile of finished materials, and sedimentation ponds.

The retail area stockpiles a relatively small amount of material that is sold directly to customers, usually in amounts less than 2 cubic yards. As material is sold from the retail area, additional material is transferred from other stockpiles on site. This area has no capacity expansion potential. The retail area also is used to store and sell firewood and dimensional lumber pulled from inbound materials.

The feedstock receiving and processing area is where the public drops off self-hauled material,

and where both packer trucks from individual routes in Sonoma County and larger transfer trucks from the County's four outlying transfer stations deliver material. This material is currently processed through mechanical spreading and manual trash removal, then passed through the grinder to reduce it to small particles to prepare it for composting. The processed material is put into stockpile windrows until its ultimate placement into longer holding-time windrows. Aside from making larger piles, which would require an alteration to the Solid Waste Facility Permit, this area has no capacity expansion potential.

The windrow area comprises the majority of the area on the site. It is approximately 16 acres in area and consists of about 45 windrows. Processed feedstock material is moved into the windrow area where it will decompose over ten to sixteen weeks. A windrow turner is used to mix and oxygenate the material; active windrows are turned at least once per week. SCC has requested additional funding to purchase a windrow turner that would allow taller windrows which could be spaced closer together, allowing for greater site efficiency, up to a 30% increase of windrow capacity. While Agency staff has not been provided specific information demonstrating a 30% increase of capacity, staff does believe the premise is sound and would have a significant effect on site efficiency.

Stockpiling of finished materials occurs on the outskirts of the processing and windrow areas. After material has cured in the windrow area, the finished material is screened to ensure proper particle size and remove contamination or oversized pieces. The material remains in the stockpiles until it is ready for sale. The "overs" product pulled out by screening (which had previously been a product sold to biomass power plants as fuel) also remains in the stockpile area until sold or disposed. The only potential gain to stockpile area would be if the sort line improved the contaminant removal rate such that the markets which previously accepted the "overs" as fuel (and now reject them due to contamination) would again accept the material as fuel. Alternatively, if the "overs" were cleaner, they could potentially be reground or reincorporated into the windrows for further composting, provided there was sufficient windrow space.

Storm water that contacts feedstock, windrows, or finished compost is routed through two sedimentation ponds directly adjacent to the compost operation. As these ponds contain water for a significant period of the year, staff does not contemplate any storage potential could be gained from use of the pond area.

#### Seasonal Reduction of Compost Area

The suggestion to reduce the size of the compost operations area would only be an effective method to reduce the potential amount of storm water to deal with. Since it generally rains in the Winter and Spring months, there would be no restriction on the use of that space during the Summer and Fall months.

While a seasonal restriction seems to have merit, the nature of the composting process makes this little different than a year-round restriction. The compost windrows are in place for 10 to 14 weeks. If, for example, the restriction were from October 1 to May 31, a new pile could be built on June 1 and would mature at the very earliest on August 10. If that pile could be removed and another pile built in one week, that new pile would be ready for removal on October 26. That puts a significant burden on SCC to manage those piles with very little room for dealing with unforeseen circumstances. It is very conceivable that an area which previously could produce four or five cycles of windrows per year would be restricted to one cycle. The measure, on its own,

may mitigate but not solve the larger issue of storm water, and would make it nearly impossible for the Agency's contractor to handle the amount of material currently received. Outhaul of material would need to be considered.

However, decreased capacity could be mitigated by removing windrows for sales sooner than the current process, likely resulting in more "overs" and a less marketable finished product, or by increasing the amount of material per windrow, such as changing the spacing the size of the windrows with a new windrow turner. If the new windrow layout produced a 20-40% increase of space efficiency, at least some of that "extra" space could have storm water diverted from it, resulting in less water to handle.

#### Permanent Reduction of Compost Area

As mentioned in the previous section, there is not a significant difference between decreasing the size of the composting operations seasonally or permanently. A permanent reduction lowers the risk that the seasonal area could still contain compost material outside of the allowed season. As with the seasonal reduction, Agency staff believes this measure would require outhaul of material.

#### Outhaul of Material

Approximately 60% of the compostable material accepted at the Central Compost Site is delivered directly to the site through self-haul customers and compactor trucks from routes in Petaluma, Cotati, Rohnert Park, Sebastopol, Santa Rosa, and Unincorporated Sonoma County. The remaining 40% is accepted at the County's four other transfer stations, loaded into a transfer trailer, and trucked to the Central Compost Site. While redirection of the transfer trucks from the outlying transfer stations to another compost facility is a simple logistical matter, the infrastructure to deliver wood waste or yard debris from the transfer station at the Central Disposal Site to another compost site is not currently in place.

Beyond logistical issues, there are a number of other impacts that outhaul causes. Currently the vast majority of the material SCC receives is sold within Sonoma County, resulting in local sales tax paid and a lower carbon footprint compared to exporting organic material and importing soil amendments created out of the County. The transportation cost to haul to another compost facility would increase due to the longer distance. The decision of the Board to outhaul compost materials out of the County may be considered a project, according to CEQA.

#### Conclusions

The Central Compost Site is near its physical capacity and decisions of how to proceed on that site must be made to satisfy current and future regulatory issues. While SCC has proposed an amendment to alleviate issues related to solid waste facility permit issues, these solutions may be beneficial to the impending zero discharge issues. Regardless of what solutions are implemented, there will be costs above what the Agency currently incurs and the Board is faced with the decision to improve the existing site with the intent to keep the compost system intact, or whether the system is parceled out.

Measure	Pros	Cons
<b>Install Sort Line/Screen</b>	Cleaner feedstock  More marketable finished products  Additional revenue shared  Is compatible with future compost site	Does not mitigate storm water issues  Additional Cost to Agency
<b>Purchase and Operate a Higher Capacity Windrow Turner</b>	Would allow windrow reconfiguration resulting in greater site efficiency  Could be used in conjunction with seasonal reduction of operation area to reduce amount of storm contact water	Additional Cost to Agency  Has little operational value at future compost site
<b>Seasonal Reduction of Compost Operational Area</b>	Reduces amount of storm contact water	Does not alleviate current site capacity constraints  Unless mitigated by reduced processing time or increased site efficiency, would result in outhaul  Less material processed results in less material available for sale (decreased sales tax revenue to County, less revenue sharing to Agency)
<b>Permanent Reduction of Compost Operational Area</b>	Reduces amount of storm water contact  Provides additional assurance that no material remains in the specified location during the rainy season	Does not alleviate current site capacity constraints  Unless mitigated by reduced processing time or increased site efficiency, would result in outhaul  Less material processed results in less material available for sale (decreased sales tax revenue to County, less revenue sharing to Agency)
<b>Outhaul of Organic Material</b>	Alleviates current and future regulatory issues related to this site	Would likely result in increased tipping fees  Less material processed results in less material available for sale (decreased sales tax revenue to County, less revenue sharing to Agency)  May trigger CEQA analysis

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

Staff recommends the Board consider this information when considering the First Amendment to the Agreement with Sonoma Compost Company.

### **IV. ATTACHMENTS**

Cost Comparison of Outhaul (from 2012 RFQ Process)

Approved by: \_\_\_\_\_  
Henry J. Mikus, Executive Director, SCWMA

Cost By Operator, Existing Site							
Material	Baseline			Recology		Sonoma Compost Company	
	2011 Tons	Cost/Ton	Cost/Year	Cost/Ton	Cost/Year	Cost/Ton	Costs/Year
Wood	4,203.62	\$ 24.20	\$ 101,727.60	\$ 35.50	\$ 149,228.51	\$ 20.49	\$ 86,132.17
Wood, Fuel	2,378.89	\$ 22.51	\$ 53,548.81	\$ 35.50	\$ 84,450.60	\$ 18.80	\$ 44,723.13
Yard Debris, <175 TPD	8,574.34	\$ 29.74	\$ 255,000.87	\$ 34.25	\$ 293,671.15	\$ 26.03	\$ 223,190.07
Yard Debris, >175 TPD	83,746.38	\$ 27.18	\$ 2,276,226.61	\$ 34.25	\$ 2,868,313.52	\$ 23.47	\$ 1,965,527.54
<b>Totals</b>			<b>\$ 2,686,503.90</b>		<b>\$ 3,395,663.77</b>		<b>\$ 2,319,572.91</b>
Difference from Baseline:				\$ 709,159.87			\$ (366,930.98)

Cost By Operator, Outhaul									
Material	Baseline			Recology				Sonoma Compost Company	
	2011 Tons	Cost/Ton	Cost/Year	Tipping Cost/Ton	Estimated Haul Costs/Ton	Total Cost/Ton	Cost/Year	Total Cost/Ton	Costs/Year
Wood	4,203.62	\$ 24.20	\$ 101,727.60	\$ 26.00	\$ 28.31	\$ 54.31	\$ 228,298.60	\$ 40.00	\$ 168,144.80
Wood, Fuel	2,378.89	\$ 22.51	\$ 53,548.81	\$ 26.00	\$ 28.31	\$ 54.31	\$ 129,197.52	\$ 40.00	\$ 95,155.60
Yard Debris, <175 TPD	8,574.34	\$ 29.74	\$ 255,000.87	\$ 26.00	\$ 28.31	\$ 54.31	\$ 465,672.41	\$ 40.00	\$ 342,973.60
Yard Debris, >175 TPD	83,746.38	\$ 27.18	\$ 2,276,226.61	\$ 26.00	\$ 28.31	\$ 54.31	\$ 4,548,265.90	\$ 40.00	\$ 3,349,855.20
Commercial Food	\$ -	N/A	\$ -	\$ 47.00	\$ 28.31	\$ 75.31	Unknown	\$ 67.00	Unknown
<b>Totals</b>			<b>\$ 2,686,503.90</b>				<b>\$ 5,371,434.42</b>		<b>\$ 3,956,129.20</b>
Difference from Baseline							\$ 2,684,930.52		\$ 1,269,625.30



Agenda Item #: **10**  
Cost Center: **All**  
Staff Contact: **Carter**  
Agenda Date: **4/16/2014**

ITEM: **Sonoma Compost Agreement 1<sup>st</sup> Amendment**

**I. BACKGROUND**

This item was continued from the March 19, 2014 Agency meeting. The Board requested that Sonoma Compost Company (SCC) return with additional information, including a business plan, description of the changed conditions at the site that would justify additional funding by the Agency, and reimbursement of 100% of the proceeds from the sale of any equipment purchased under the First Amendment of the Agreement between the Agency and SCC.

At the time of transmittal preparation for the March 19, 2014 Agency meeting, Agency staff attempted to clearly separate the First Amendment proposed by SCC and the Zero Discharge requirements. At that time, it appeared the Zero Discharge requirement could be dealt with separate from the other operations at the Central Compost Site, mainly with modifications to the existing infrastructure. On March 13, 2014, Agency staff attended a meeting of the North Coast Regional Water Quality Control Board (NCRWQCB) which discussed the possibility of including an October deadline for Zero Discharge. On March 18, 2014, Agency staff received a letter from the NCRWQCB to the County which included an October 1, 2014 Zero Discharge implementation date.

As the October Zero Discharge date is less than six month from this meeting, it is abundantly clear to staff that issues related to the compost site cannot be decided independently and that all aspects of compliance should be examined holistically. SCC proposed the First Amendment to improve compliance with the Solid Waste Facility Permit, and Agency staff prepared the staff report under that focus. This agenda item examines the impact of the First Amendment from the perspectives of Solid Waste Facility Permit compliance, Zero Discharge requirement compliance, and Agency return on investment.

**II. DISCUSSION**

Solid Waste Facility Permit Compliance

Staff believes the measures proposed by SCC would greatly improve compliance with the Solid Waste Facility Permit. As discussed at the March 19, 2014 Agency meeting, the sort-line and screen would provide for better employee safety, cleanliness of material, separation of small, abrasive materials that need not be ground from those materials that need to be ground, and would likely result in more marketable material.

The windrow turner was proposed by SCC to allow more material per windrow, resulting in greater site efficiency. Composting the same amount of material in a smaller footprint would allow material to be brought out from the processing area to the windrow area more quickly and would help solve that permit difficulty for SCC.



### Zero Discharge Requirement Compliance

The sort-line and screen does not have a direct impact on compliance with Zero Discharge requirements. However reduced contamination of the processed material would result in less contamination of the finished product. At that point, the overs that may be clean enough to be used as biomass power plant fuel or to be reground and reincorporated into windrows. If the cleanliness of the overs allows biomass power plants to again readily accept this material, fewer overs will be stockpiled on site providing for less potential contact with storm water.

The windrow turner has the potential to significantly impact Zero Discharge requirement compliance. If, as explained above, the new windrow turner allows SCC to process the same amount of material in a smaller footprint, it is possible that the site could be reconfigured such that some contact water may be isolated and allowed to legally discharge. The reduction of storm water requiring disposal could be significant, depending on the reduction in windrow area.

Agency staff is examining a number of options for dealing with the compost contact water. Additional storage capacity is essential to a successful effort. The nitrogen content of the compost contact water that makes it less suitable to discharge in waterways makes it suitable for crop irrigation, and staff is exploring options to use this water in such a way. Even if this were not a drought year, disposal of this water at a waste water treatment plant seems like a disconnected, wasteful system to Agency staff. Staff is exploring options to make this water available to local farmers for use, which would be a mutually beneficial arrangement. Absent this arrangement, the collection, hauling, and treatment of compost water has cost SCC and the Agency approximately \$100,000 to treat about 1.5 million gallons of compost contact water.

### Agency Return on Investment

Agency staff understood that the Board wanted an analysis of this issue as an investment rather than just a permit compliance perspective. When examining the cost of the alternatives, there is a financial incentive for the Agency to make this investment. In light of the Zero Discharge Requirements and the penalties for non-compliance estimated in the range of several million to tens of millions of dollars, Agency staff sees two alternatives: improvements to the existing site or outhaul of material to other compost facilities.

During the RFQ process which ultimately resulted in the contract award to SCC on February 20, 2013, staff examined the outhaul costs to the second place bidder, Recology, and costs proposed by SCC should more than 108,000 tons of material in a single year be received at the site. Recology proposed to accept the material at their Jepson Prairie facility near Vacaville, and SCC proposed to have the material delivered to Republic's facility in Richmond. Using 2011 tonnages and assuming 100% outhaul, the additional cost over the baseline of composting 100% at the Central Compost Site was \$2,684,930 per year for the Recology facility and \$1,269,625 per year to the Republic facility. The cost of out-haul would be offset somewhat by the reduced need to deal with storm water at the Central Compost Site.

Another consideration of 100% outhaul of organic materials is the logistics for doing so. Commenting on the feasibility of Site 40, County staff has mentioned that there is not room in the transfer station at the Central Disposal Site for customers to drop off organic materials to be loaded into transfer trucks to be hauled to another site. The organic material received at the Central Disposal Site accounts for about 60% of the material processed by SCC, so the

infrastructure needed to transfer that tonnage would be significant. It is unclear whether the Agency or the County would be responsible for the environmental analysis or construction of the infrastructure needed to transfer that material.

Assuming that no arrangement can be made to beneficially reuse the compost contact water and that eight million gallons of compost contact water is generated, the annual cost of disposal of compost contact water would be \$536,000. The annual cost of the proposed site improvement in the First Amendment is \$419,104. When comparing the cost of investing in the existing site (and additional \$955,104 per year) against 100% out-haul of organic material (an additional \$1,269,925 - \$2,684,930 per year excluding infrastructure needed at the Central Transfer Station), Agency staff believes the investment in the existing site is the prudent financial decision.

Any additional revenue sharing SCC would generate as a result of additional products sold or improved markets for existing material would further improve the return on investment.

### **III. FUNDING IMPACT**

Making the investment to improve the existing Central Compost Site would save a minimum of \$314,821 to \$1,729,826 per year when compared to 100% outhaul of organic material to the Recology facility near Vacaville or Republic facility in Richmond.

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

Staff recommends approval of the First Amendment to the Agreement with Sonoma Compost Company.

### **V. ATTACHMENTS**

Staff Report from March 19, 2014  
First Amendment to the Agreement with Sonoma Compost Company  
Proposal from Sonoma Compost Company  
Appropriations Transfer

Approved by: \_\_\_\_\_  
Henry J. Mikus, Executive Director, SCWMA



Agenda Item #: **6**  
Cost Center: **All**  
Staff Contact: **Carter**  
Agenda Date: **3/19/2014**

ITEM: **Sonoma Compost Agreement 1<sup>st</sup> Amendment**

**I. BACKGROUND**

Sonoma Compost Company (SCC) was the contractor awarded the composting operation agreement with the Agency on February 20, 2013. During negotiation and Board deliberation on that agreement, SCC noted a number of site improvements it would perform, including pond aeration and construction of two additional sedimentation traps to improve water quality and odors on the site. SCC also noted that the inclusion of a mechanical sort-line and another screen would remove contamination from incoming material and would result in cleaner finished material.

SCC has been having difficulty adhering to conditions in the solid waste facility permit related to the amount of time the material is on site before it is processed and placed into windrows for composting. While Agency staff notes that these permit conditions are the most stringent in the State for all composting facilities which accept similar feedstock types, the permit conditions exist and SCC must comply.

**II. DISCUSSION**

Agency staff and SCC addressed these permit conditions in two ways, changing internal processes and purchasing additional equipment. Internal processes that can be changed include updating documents related to the permit to clarify terms that have been historically ambiguous, updating the equipment list, and updating the Odor Impact Minimization Plan and Best Management Practices to include new procedures. These measures are already underway; Agency and SCC staff intend that these items will be completed Spring or Summer 2014.

The other step to improve permit compliance, overall site efficiency, and employee safety involves purchasing additional equipment. SCC is negotiating with the Bay Area Air Quality Management District to secure permits and assurances of future regulatory compliance for a new grinder, and is undertaking this effort without requesting assistance from the Agency. As mentioned above, SCC has previously identified a mechanical sort-line and material screen as a way to decrease contamination, sort out small/fine material that would not need to be passed through the grinder (eliminating some wear and tear on the grinder), remove contamination in one set location with less traffic, and potentially increase the amount of saleable material, which would result in greater revenue sharing payments to the Agency. Finally, SCC believes that purchasing a larger windrow turner would increase the amount of material in each windrow, and would increase site processing capacity which would greatly assist with permit condition compliance.

While the internal processes and updating permit-related documents are relatively minor and can

be accomplished without major expenditures, purchasing all of the equipment detailed above is beyond the means of SCC within the confines of the remaining three years of the Agency/SCC agreement. As mentioned above, SCC is pursuing the purchase of a new grinder without assistance from the Agency as a necessity to continue operating at this site. The sort-line and screen were mentioned in the competitive bid process as optional additional items that could be added, if the Board wished for it, and SCC is requesting the Board consider adding it for all the reasons described previously. The new item, which was not part of the original bid, is a larger windrow turner, and its purchase would be to improve site efficiency and permit compliance. SCC has examined the market for used windrow turners with capacity similar to what is needed, and did not find any available.

The Agency is not obligated to accept the proposal from SCC. However, if the Board rejects the proposal, the Board should understand that permit compliance will become increasingly difficult, given the trend of increasing incoming material and regulatory scrutiny on a site which has always been considered temporary. To be fair to SCC, it should be noted that they have made many large purchases including a water truck, four loaders over the past 4 years, a pond aerator, and they are going through the process of purchasing a new grinder – a total of \$1,035,000, most of which has occurred over the past year or will occur shortly. SCC has also agreed to a provision which would require them to pay the Agency 50% of the gross sale amount if they decide to sell the windrow turner at the end of the term of this agreement.

Staff has examined five scenarios and the consequence thereof to resolve these issues, ranging from outright rejection of SCC's proposal to full acceptance of SCC's proposal. These scenarios were evaluated by the following criteria: fiscal impact, environmental impact, ease of permit compliance, community impact, and impact to SCC.

#### **Scenario 1: Complete Acceptance of SCC's Proposal**

This scenario would involve the additional payment to SCC of approximately \$420,000 per year for the next three years to cover the costs of the additional equipment. The expected benefit to the site would be reduced contamination resulting in cleaner feedstock, less wear and tear on the grinder, increase employee safety, and increased windrow capacity which would result in increased site efficiency and improved permit compliance.

#### **Scenario 2: Partial Acceptance of SCC's Proposal – Sort-Line and Screen**

This scenario would involve the additional payment to SCC of approximately \$170,000 per year for the next three years to cover the cost of just the sort-line and screen equipment. The expected benefit to the site would be reduced contamination resulting in cleaner feedstock, less wear and tear on the grinder, and increased employee safety.

#### **Scenario 3: Partial Acceptance of SCC's Proposal – Windrow Turner**

This scenario would involve the additional payment to SCC of approximately \$250,000 per year for the next three years to cover the cost of just the windrow turner. The expected benefit to the site would be increased windrow capacity which would result in increased site efficiency and increased ease of permit compliance.

#### **Scenario 4: Acceptance of SCC's Proposal – Reduced Payment**

This scenario would involve the additional payment to SCC of a portion of the approximately \$420,000 per year for the next three years to cover the costs of the additional equipment. This

negotiated amount would be somewhere between \$0 and \$420,000 per year. The expected benefit to the site would be reduced contamination resulting in cleaner feedstock, less wear and tear on the grinder, increased employee safety, and increased windrow capacity which would result in increased site efficiency and increased ease of permit compliance.

#### **Scenario 5: Complete Rejection of SCC's Proposal**

This scenario would involve rejecting SCC's proposal. No Agency funds would be used to pay for the additional equipment requested by SCC. This scenario would rely upon other processes as a means to ensure permit compliance, which would only become more difficult over time as this site is currently configured.

Table 1 was created to qualitatively analyze the above described scenarios.

<b>Analysis Criteria</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>	<b>Scenario 5</b>
<b>SCWMA Fiscal</b>	5	2	4	2-4	1
<b>Environmental</b>	1	3	3	1	5
<b>Permit Compliance</b>	1	3	2	1	5
<b>Community</b>	1	2	2	1	5
<b>SCC Fiscal</b>	1	1	1	5	1
<b>Total</b>	9	11	12	10-12	17

Lower numbers indicate lower negative impact. It is important to note that these scenarios are ranked relative to each other and the totals assume that all categories are weighted equal to each other.

Staff believes that conditions at the site must change in order to better address solid waste permit compliance. Scenario 1 ranked this highest of the alternatives examined though it has significant fiscal drawbacks to the Agency, which are described below.

### **III. FUNDING IMPACT**

The funding impacts depend on the scenario selected. The scenario with the least funding impact to the Agency is Scenario 5, which maintains the status quo. The Scenario with the greatest funding impact would be Scenario 1, which would cost the Agency \$1,257,312 more over the course of three years, or \$34,925 per month for 36 months.

<b>Funding Impact</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>	<b>Scenario 4</b>	<b>Scenario 5</b>
<b>Additional Cost/Month</b>	\$34,925	\$14,053	\$20,872	Less than \$34,925	None
<b>Total Additional Cost</b>	\$1,257,312	\$505,925	\$751,387	Less than \$1,257,312	None

If the Board selects an option other than Scenario 5, the source for additional funding must be identified and expenditures appropriated. Two options include use of the significant fund balances in the Wood Waste, Yard Debris, and Organics Reserve cost centers, and/or increasing the tipping fee for wood waste and yard debris.

The table below is a summary of the current fund balance, projected fund balance, fund balance goals, and projected difference for the three cost centers:

Cost Center	Current FB	Projected FB, June 30, 2014	Agency FB Goal	Projected Difference
<b>Wood Waste</b>	\$173,532	\$186,127	\$26,242	\$159,885
<b>Yard Debris</b>	\$1,304,924	\$1,168,327	\$570,008	\$598,319
<b>Organics Reserve</b>	5,456,192	\$5,534,680	-	\$5,534,680
<b>Total</b>	6,934,648	\$6,889,134	\$596,250	\$6,292,884

There are sufficient fund balances available to cover the costs of the Scenario 1 (highest cost) using the fund balances detailed above without going below fund balance goals. However, any funding removed from the Organics Reserve results in less money for acquiring or building a new compost site. Additionally, measures that may be required in the Zero Discharge project will involve additional expenditures of fund from these cost centers and will draw these fund balances down further.

The other approach is to examine increasing wood waste and/or yard debris tipping fees. The last increase to these fees occurred at the beginning of FY 06/07, nearly eight years ago. Transportation costs to get material from the outlying transfer stations to the Central Compost Site have increased, and recently, Zero Discharge measures have been implemented which have the potential to be significant ongoing costs. As the site receives approximately 100,000 tons of material per year, an easy technique for estimating the increase to the tipping fee, if spread out equally across wood waste and yard debris equally, would be an increase of \$1/ton results in approximately \$100,000 in additional revenue per year. Implementing Scenario 1 would require a tipping fee increase of \$4.20 (\$1,257,312 / 3 years / 100,000 tons per year). The other scenarios would require lesser fee increases.

If the Board decides to examine increasing tipping fees, staff recommends a greater increase to the tipping fee for the transfer stations other than the Central Disposal Site. The Agency pay over \$11/ton for material transferred from the Annapolis, Guerneville, Healdsburg, and Sonoma transfer stations, but currently charges \$2.10/ton additional at those transfer stations than at Central. Charging the full amount would result in a significant tipping fee increase to those outlying transfer stations, so staff is proposing to raise the fees according to the table below.

Fee Type	Current	Proposed
<b>Wood Waste, Central</b>	\$27.60	\$28.00
<b>Wood Waste, Other Transfer Stations</b>	\$29.70	\$31.00
<b>Yard Debris, Central</b>	\$34.10	\$35.00
<b>Yard Debris, Other TS</b>	\$36.20	\$42.00

The Table above assumes the selection of Scenario 1 and the use of fund balanced in the yard debris cost center to cover the costs of this increased payment to SCC.

#### IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends implementing Scenario 1 using a combination of fund balance and increased tipping fees as a funding source.

## **V. ATTACHMENTS**

First Amendment to the Agreement with Sonoma Compost Company  
Proposal from Sonoma Compost Company  
Appropriations Transfer

Approved by: \_\_\_\_\_  
Henry J. Mikus, Executive Director, SCWMA

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

This First Amendment to Agreement for Organic Material Processing, Composting, and Marketing Services ("Agreement"), dated 16th day of April, 2014, is by and between the SONOMA COUNTY WASTE MANAGEMENT AGENCY, a joint powers agency, and Sonoma Compost Company, a California General Partnership. All capitalized terms used herein shall, unless otherwise defined, have the meaning ascribed to those terms in the existing Agreement, as amended.

RECITALS

WHEREAS, it has become necessary to amend the above described Agreement, originally entered into on February 20, 2013 due to circumstances beyond the control of Contractor; and

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

The following Section 4.8 is hereby added to Section 4, Compensation for Services:

**4.8 Reimbursement for Sort-Line, Screen, and Windrow Turner.** Contractor shall purchase sort-line and windrow turner equipment to increase operational efficiency. Agency shall make thirty four (34) monthly payments of up to \$36,980 (thirty six thousand, nine hundred eighty dollars) each to Contractor as reimbursement for Contractor's purchase of a sort-line, screen, and windrow turner. Sonoma Compost Company shall submit receipts for all purchases related to this Section, and the exact payment shall be 1/34 of the total purchase amount. All equipment referenced in this section shall be used at the Central Compost Site for the purpose of fulfilling this Agreement, and shall not be used for a different purpose without the written authorization of the Executive Director. On April 1, 2016, Contractor shall notify Agency of its intent to either continue use of or sell the equipment referenced in this section. If Contractor chooses to sell some or all of the equipment referenced in this section, Contractor shall make a payment to the Agency of 100% of the gross sale amount from said equipment.

In all other respects, the Agreement shall remain as originally adopted.



IN WITNESS WHEREOF, this First Amendment 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



Sonoma Compost 550 Mecham Road, Petaluma CA 94952 (707) 664-9113 [www.sonomacompost.com](http://www.sonomacompost.com)

April 7, 2014

Sonoma Compost Company is providing additional information as requested at the March JPA meeting related to the request for funding assistance for additional equipment.

Sonoma Compost Company (SCC) seeks to amend the existing Agreement to adjust the contractor payment schedule to allow for the purchase of specific equipment to address significant changes in conditions that affect the cost of the organics recycling program. This equipment will further provide for operational efficiencies to allow the site to meet regulatory and operational requirements.

SCC reiterates that we are not seeking an increase in volume of material to process. Additional material is not allowed under our existing Solid Waste Facility Permit (SWFP). These changes are proposed to address changed conditions and site constraints and to improve material management.

### **Changed Conditions/Space Constraints**

Sonoma Compost entered into a new agreement with the SCWMA in early 2013. The Agreement had been drafted a year prior, and due to circumstances beyond our control, was not formalized until about a year later. Since the drafting of the Agreement, various changes have occurred that impact the ability to operate efficiently.

#### ***1. Regulatory requirements:***

Sonoma Compost has been contending with increasing pressure on the site for some time and has instituted various measures to improve the use of space, including combining windrows as they decompose, reconfiguring stockpiles for more efficient use of space, and screening stockpiled compost “overs” to reduce pile sizes.

These have helped relieve some pressure, but have also decreased flexibility in managing the site and processes which are not static.

Despite these actions, ***Sonoma Compost has lost about 14% of our windrow capacity processing area due to Storm Water Pollution Prevention (SWPP) and Rancho Adobe Fire District (RAFD) requirements in the past several months.***

**SWPP:** New requirements to add additional sediment controls including additional sediment traps and catchments at each windrow.

**RAFD:** New methane well protections (16 in windrow area, five in the processing area), including increased setbacks and individual well protections. In addition, SCC must provide specific “push-out” areas for spreading material in event of fire.

## ***2. Increase in volume of material:***

The following chart demonstrates that while the tonnage of incoming material has increased with time, the *volume* of material rose substantially last year, as reflected by the increase in sales of finished material.

We have had unseasonably dry winters the past two years, and typically, the flow of incoming material declines during the rainy season. Because we were not receiving typical seasonal rains, the material flow did not slow down, and material that was arriving was dry and voluminous.

The increase in *volume*, coupled with the decrease in available space for processing has had a significant impact on compliance.

	Incoming Tons	Outgoing Yards	
Year	Yard Debris	Finished Compost	Correlation
2003	82,164	29,723	36.18
2004	78,142	36,384	46.56
2005	79,132	36,934	46.67
2006	86,737	55,637	64.14
2007	87,980	59,347	67.46
2008	92,426	59,967	64.88
2009	89,917	57,485	63.93
2010	92,062	40,814	44.33
2011	93,179	40,352	43.31
2012	89,402	51,496	57.60
2013	93,744	72,498	77.34

## ***3. Zero Discharge***

Sonoma Compost has been actively engaged with the Agency in examining various opportunities to achieve zero discharge bit on the present site, and for the future. SCC coordinated outhaul of water to the Laguna Treatment plant (there has been no

discharge from the compost site during the last few storms), has helped evaluate potential pond locations and has met with neighbors to explore potential use of compost water offsite. Additionally, there has been some preliminary evaluation of the site to see if it is possible to isolate certain activities that might generate “storm water” as opposed to “waste water” which could then be directed into the storm water system and not require treatment. This will require further discussion and concurrence with the water board, but demonstrates that SCC, in conjunction with Agency staff, are looking to identify various means of eliminating site run-off. Any potential impacts to the processing area are unknown at this point.

### **Business Plan**

This proposal attempts to address all the site and operational limitations affecting the compost programs short and long term viability.

The proposal includes the following components:

- **Grinder:** Purchase of a new grinder by Sonoma Compost to more efficiently process incoming yard debris to produce a ground product that reduces the volume of overs.

#### **Cost:**

This equipment, valued at \$450,000, was purchased by SCC in April 2014 and is presently on site and operating. SCC did not receive any financial assistance in the purchase of this equipment. Further, SCC purchased other equipment such as a water truck, dump truck and bucket loader in the last several months at no expense to the Agency.

- **Sort line/Screen:** Acquisition of a screen/sort line to increase efficiency of removing contaminants from incoming feedstock. This will significantly improve the quality of the finished product *and* allow for material to be ground more finely, reducing overs at the end of the process, and by extension, produce more saleable product, thereby increasing revenue sharing funds to the Agency.

Further, as discussed last month, the market for compost overs has become increasingly volatile, with many facilities closing or instituting more stringent requirements. SCC spent approximately \$85,000 removing overs last year, a significant expense for a material that has typically been a revenue generator for SCC as the Agency. By producing cleaner overs, this material is more readily marketed as biofuel.

#### **Cost:**

Cost of the proposed sort line and screen is \$505,925.

- **Windrow Turner:** Acquisition of a windrow turner that would allow for taller windrows that can be spaced more closely. This would provide for a significant increase in site efficiency, estimated to be between 25-30%, which will provide

for a substantial increase in windrow capacity. This is important to address the loss of windrow capacity by the imposition of new regulations.

Having additional windrow capacity will also allow for material to flow from the processing area into composting windrows in a more timely manner to meet permit requirements, and to avoid a back-up of material in the incoming materials processing area.

**Cost:**

Cost of the proposed windrow turner is \$751,387.

**Summary of the potential financial benefits:**

*Increase in finished product production and sales:*

- Estimated 5-10% increase (~8500 cubic yards) of finished product per year
- Agency share \$63,750/year (\$191,250/3 years)

*Estimated value of equipment at end of contract term:*

- Windrow Turner \$450,000
- Sort line: \$200,000

***Total potential revenue to Agency at end of term: equipment + sales= \$841,250***

To conclude, Sonoma Compost has been a very active partner with the Agency and the County in developing an efficient and well-run facility that manages a substantial part of the waste stream, turning it into a desirable product that provides a valuable resource to the residents of Sonoma County.

The requested increase will address serious impacts to the site and provide for continued operation of the program within regulatory requirements, avoid substantially significant outhaul costs, and provide potential revenue to the Agency for the remainder of the term.

Finally, Sonoma Compost has made significant capital investments and site improvements without seeking Agency compensation for over 20 years, despite short term agreements and a one-year termination clause. We have, and continue, to work collaboratively with the Agency, the County and local agencies to navigate past and present regulatory and programmatic changes.

SPECIAL DISTRICTS GOVERNED BY  
LOCAL BOARDS - BUDGETARY REVISIONS

Resolution No. 2014-

District Name: Sonoma County Waste Management Agency (JPA)  
Address: 2300 County Center Dr., Suite B-100  
Santa Rosa, CA 95403  
Phone: 565-3687  
FY: 2013-14

Auditor's Office Use Only

DOCUMENT #

BATCH #

BATCH DATE

	TC	INDEX	SUB-OBJECT	PROJECT	SUB-OBJECT TITLE	AMOUNT
TO:	203	799213	6540	Compost Site Operations	Contract Services	\$111,000
FROM:		799213	4624	Retained Earnings	Retained Earnings	\$111,000

WHEREAS, it has become necessary to amend the Agreement between the Sonoma County Waste Management Agency and Sonoma Compost Company, originally entered into on February 20, 2013 due to circumstances beyond the control of Contractor; and

WHEREAS, these additional expenditures were not anticipated and, therefore, not budgeted in the Sonoma County Waste Management Agency budget for FY 13-14; and

WHEREAS, it is necessary to appropriate funds from the Yard Debris 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:

  -  -          -  -          -  -          -  -          -  -    
Cloverdale    Cotati            Healdsburg    Rohnert Park    Petaluma

  -  -          -  -          -  -          -  -          -  -    
Santa Rosa    Sebastopol      Sonoma          Windsor          County

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

Date:   April 19, 2014  

Attested:   Rebecca Lankford  

Signature: \_\_\_\_\_  
Secretary/Clerk of the Board

Signature: \_\_\_\_\_  
Jim Wood, Chairperson



Agenda Item #: **11**  
Cost Center: **All**  
Staff Contact: **Mikus**  
Agenda Date: **4/16/2014**

ITEM: **Engineering Consultant Selection**

**I. BACKGROUND**

The Board has been engaged in the site selection process for a new compost facility. Two prospective sites are under discussion: "Site 40" east of Petaluma at the intersection of Adobe and Stage Gulch Roads, and the "Central Site Alternative" which is on land not planned for landfill use at the County-owned Central Disposal Site. Both locations have undergone CEQA analysis via an EIR that is in final form but not yet certified. Staff have also presented the Board with information required for making the site selection related to financial, technical, and practical considerations that have impact on each site's viability. Several of these factors, particularly storm water issues and land purchase price concerns, have not been resolved, in large part because those situations are still evolving.

At the March 19, 2014 meeting the Board approved a scope of work and authorized staff to conduct a "Request for Proposals" (RFP) to select an engineering consulting firm to analyze several technical facets of both sites under consideration. The work is to include compiling preliminary design drawings and using these more detailed drawings to put together accurate development and construction cost estimates. In addition, analysis was requested to study some important issues such as storm water management, differential transportation impacts and costs, and to verify throughput capacities.

Together with utilizing the engineering project information to bring clarity to several unresolved questions, this work also has the potential to be extremely useful in applying for and obtaining CalRecycle grant funding for a program aimed at encouraging enhancement of local composting programs.

**II. DISCUSSION**

The RFP was widely distributed primarily utilizing direct contact via the Agency's lengthy list of consulting firms. Three firms provided proposals: Always Engineering, Santa Rosa, CA; Tetra Tech BAS, Petaluma, CA; and Brelje & Race Consulting Civil engineers, Santa Rosa, CA. Firms were asked to provide a description of their approach and how they would meet the requirements of the Scope of Work, to describe their qualifications and experience, to indicate their proposed timeline for completion of the tasks in the Scope of work, and their project cost estimate.

The RFP documents included a description of the proposal evaluation criteria and a scoring system that would be used to evaluate the firms' proposals. The rating system scored the project approach, firm's relative experience, assistance expected from Agency staff, the scope of work, time line, and cost. The rating system uses a maximum possible score of 100 points.

Always Engineering had the best price and project duration, at \$95,000 with completion in approximately 14 weeks (early August, assuming Board approval). However, the firm scored

lowest at 58 points. The biggest problem with their proposal was the project approach, which contemplated a preliminary recommendation for site selection, then doing the preliminary design and cost estimate for just the preferred site. This would be contrary to the Board's plan which was to use the engineering work for both sites to aid in making their site selection decision.

Tetra Tech BAS presented a price of \$221,493 with a planned project duration of approximately 20 weeks (mid September assuming Board approval. Their score was highest, at 88 points, which was reflective of a complete scope of work and a suitable project approach. Tetra Tech would partner with Clements Environmental Corporation because of their extensive work with greenwaste composting operations.

Brelje & Race proposed a cost of \$279,100 with a project duration of 30 weeks (3<sup>rd</sup> week of November assuming Board approval). This score was 66 points, which was influenced by the highest cost and longest duration, together with an extensive list of items required to be provided by the Agency. Brelje & Race would partner with Green Mountain Technologies because of their wealth of experience working with composting facilities.

### **III. FUNDING IMPACT**

Project funding would need to be allocated from the Organics Reserve. The FY 13-14 estimated year-end balance is \$5,534,680, which is sufficient to accommodate this expenditure.

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

Staff recommends the Board approve Tetra Tech BAS to perform the compost site analysis engineering work, direct staff to enter into an agreement with Tetra Tech BAS, and approve the fund transfer from the Organics Reserve for the project.

### **V. ATTACHMENTS**

Appropriation Transfer  
Proposed Agreement

Approved by: \_\_\_\_\_  
Henry J. Mikus, Executive Director, SCWMA



# SPECIAL DISTRICTS GOVERNED BY LOCAL BOARDS - BUDGETARY REVISIONS

Resolution No. 2014-

District Name: Sonoma County Waste Management Agency (JPA)  
Address: 2300 County Center Dr., Suite B-100  
Santa Rosa, CA 95403  
Phone: 565-3687  
FY: 2013-14

Auditor's Office Use Only

DOCUMENT #

BATCH #

BATCH DATE

	TC	INDEX	SUB-OBJECT	PROJECT	SUB-OBJECT TITLE	AMOUNT
TO:	203	799221	6540	Compost Site Operations	Contract Services	\$221,493
FROM:		799221	4624	Retained Earnings	Retained Earnings	\$221,493

WHEREAS, it has become necessary to examine additional factors regarding the feasibility of two potential future compost sites; and

WHEREAS, these additional expenditures were not anticipated and, therefore, not budgeted in the Sonoma County Waste Management Agency budget for FY 13-14; and

WHEREAS, it is necessary to appropriate funds from the Organics Reserve 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:

  -  -    
Cloverdale

  -  -    
Cotati

  -  -    
Healdsburg

  -  -    
Rohnert Park

  -  -    
Petaluma

  -  -    
Santa Rosa

  -  -    
Sebastopol

  -  -    
Sonoma

  -  -    
Windsor

  -  -    
County

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

Date: April 19, 2014

Attested: Rebecca Lankford

Signature: \_\_\_\_\_  
Secretary/Clerk of the Board

Signature: \_\_\_\_\_  
Jim Wood, Chairperson

# AGREEMENT FOR CONSULTING SERVICES TO PERFORM ENGINEERING DESIGN & ANALYSIS REGARDING TWO PROSPECTIVE COMPOST FACILITIES

---

This agreement ("Agreement"), dated as of April 16, 2014 ("Effective Date") is by and between the Sonoma County Waste Management Agency, (hereinafter "Agency"), and Tetra Tech BAS, Inc., a California Corporation, (hereinafter "Contractor").

## RECITALS

WHEREAS, Contractor represents that it is duly qualified and experienced in Consulting Services related to engineering design and analysis; and

WHEREAS, in the judgment of the Board of Directors of Agency, it is necessary and desirable to employ the services of Contractor to perform necessary engineering design and analysis; and,

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

## AGREEMENT

### 1. Scope of Services.

1.1 Contractor's Specified Services. This Agreement is entered into for the purpose performing consulting services related to engineering design and analysis regarding two prospective compost facilities. Contractor shall perform services as defined in Exhibit A, Scope of Services.

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

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

### 1.4 Assigned Personnel.

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

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

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

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

## 2. Payment.

2.1 Contractor shall be paid two hundred twenty one thousand, four hundred ninety three dollars (\$221,493) for services rendered in accordance with tasks detailed in Section 1.1 above and in Exhibits A and B, upon monthly submission of progress reports, verified claims and invoices, in the amount of ninety percent (90%) of the work billed and approved. Payments shall be made in the proportion of work completed based upon progress reports to total services to be performed. Payment for satisfactory performance includes, without limitation, salary, fringe benefits, overhead, and profit.

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

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

3. Term of Agreement. The term of this Agreement shall be from Effective Date to October 15, 2014, unless terminated earlier in accordance with the provisions of Article 4 below.

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

## 4. Termination.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a. Properly executed Certificates of Insurance clearly evidencing all coverages, limits, and endorsements required above. Said Certificates shall be submitted prior to the execution of this Agreement. Contractor agrees to maintain current Certificates of Insurance

evidencing the above-required coverages, limits, and endorsements on file with the Agency for the duration of this Agreement.

b. Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted within thirty (30) days of execution of this Agreement.

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

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

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

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

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

9. Representations of Contractor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Contractor: Name  
Attention:  
Address: Phone:  
City, State Zip Fax:

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

### 13. Miscellaneous Provisions.

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

13.2 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Contractor and Agency acknowledge that they have each contributed to the making of this Agreement and

that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Contractor and Agency acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

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

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

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

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

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

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



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

AGENCY: SONOMA COUNTY WASTE MANAGEMENT AGENCY

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

CONTRACTOR:

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

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

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

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

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

APPROVED AS TO FORM FOR AGENCY:

By: \_\_\_\_\_  
Agency Counsel



Agenda Item #: **12.1.a**  
 Agenda Date: **4/16/2014**

ITEM: **Outreach Calendar April 2014- May 2014**

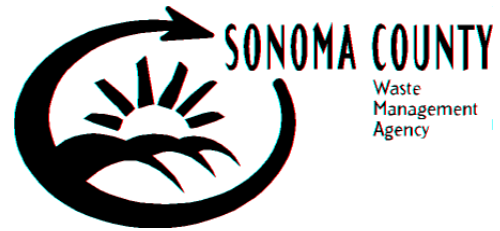
**April 2014 Outreach Events**

<b><u>Day</u></b>	<b><u>Time</u></b>	<b><u>Event</u></b>
1	4 – 8 PM	Community Toxics Collection, Cloverdale
1	3- 4:15 PM	Staff Meeting presentation, Discovery Office Systems
3	1:30- 3 PM	Presentation at WorldCentric
4	10AM - 12 PM	Central Disposal Site Tour, SRJC Petaluma Campus
5	9- 11 AM	Presentation at Koffee Klatch meeting, Rancho Grande Mobile Home Park
5	10:30 AM – 12:30 PM	Healthy Gardens Lecture at Cloverdale Library
7	10:30 AM – 12 PM	Central Disposal Site Tour, Mark West Elementary
8	10- 11 AM	Presentation at community meeting, Village Green II
8	4 – 8 PM	Community Toxics Collection, Santa Rosa NE
9	2- 3 PM	Community Recycle Resource Fair, Kings Valley Senior Apartments
11	10 AM – 12 PM	Central Disposal Site Tour, SRJC Santa Rosa Campus
11	10:15 AM- 12:15 PM	Mark West Elementary School classroom presentations
15	11 AM- 4 PM	Education meetings, Kings Valley Senior Apartments
15	4 – 8 PM	Community Toxics Collection, Windsor
18	10- 10:30 AM	Presentation at A Special Place Preschool
18	5- 6 PM	Door-to-Door Tenant Event, Valley of the Moon Apartments
19	12- 4 PM	Earth Day Event, Courthouse Square
21	10- 10:30	Presentation at A Special Place Preschool
21	1-3 PM	Central Disposal Site Tour, SRJC Petaluma Campus
22	2- 3 PM	Presentation at community meeting, Copeland Creek Senior Apartments.
22	11 AM-2 PM	Kaiser Earth Day event, Santa Rosa
22	4 - 8 PM	Community Toxics Collection, Sonoma
24	1- 3 PM	Bring Your Kid to Work event, Santa Rosa
25-26	9 AM- 1 PM	Community Toxics Collection, Sea Ranch N. Fire Station
26	11 AM – 4 PM	Montgomery Village Earth Day Event, Santa Rosa
26	10 AM– 2 PM	National Prescription Drug Take-Back Day: Rohnert Park, Healdsburg, Petaluma
26-27	8 AM – 4 PM	Electronics Waste Collection Event, Goodwill Healdsburg
27	12– 4 PM	Earth Day Celebration, Windsor
27	4 – 8 PM	Kawana Elementary Dia del Nino, Santa Rosa NW

27	4 – 8 PM	Radio Lazer Dia del Nino, Petaluma
29	1:30- 3 PM	Recycle Event, Brookdale Lodge at Paulin Creek
29	4 – 8 PM	Community Toxics Collection, Larkfield
30	7:30 AM-5 PM	Sustainable Enterprises Conference, Rohnert Park

### **May 2014 Outreach Events**

3	10:30 AM -12:30 PM	Restoring Habitat at Rincon Vallery Library
3	12– 4 PM	Windsor Cultural Festival and Cinco de Mayo, Windsor
5	3 – 9 PM	Cinco de Mayo Celebration, Santa Rosa
8	4 PM – 7 PM	Santa Rosa Chamber of Commerce Business Showcase, Santa Rosa
9	9- 11 AM	Staff Meeting presentation, Jack London State Park
13	11AM- 2 PM	Bag Fair, Cotati
14	11AM- 2 PM	Bag Fair, Santa Rosa
15	11AM- 2 PM	Bag Fair, Windsor
28	5 – 8:30 PM	Water Expo during Wednesday Market, Santa Rosa



April 7, 2014

The Honorable Mark Stone  
Capitol Office  
P.O. Box 94249-0029  
**Sent by Fax: (916) 319-2129**

**RE: Letter of Support for AB 1893 (Stone/Eggman) – Safe Management of Used Needles**

Dear Assemblymembers Stone and Eggman,

The Sonoma County Waste Management Agency (SCWMA), formed in April 1992, is the joint powers authority of the nine incorporated cities and the County of Sonoma. The mission of the Agency is waste diversion required by State law AB939. The Agency's programs include household hazardous waste, composting, wood waste recycling, planning and education.

In June 2001, the SCWMA, recognizing that Extended Producer Responsibility (EPR) is a waste management approach that significantly improves our ability to manage discarded hazardous products, approved a resolution supporting EPR policies and efforts by governmental and non-governmental organizations to develop such policies. All nine incorporated cities and the County of Sonoma have since passed EPR resolutions.

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

The SCWMA is the entity responsible for the implementation of household hazardous waste programs to eliminate improper disposal of hazardous wastes, including sharps. In Fiscal Year 12/13, the cost to manage 5,931 pounds of home generated sharps collected through Sonoma County's Household Toxics Facility (HHTF) was \$10,010.

The SCWMA advertises to the public that syringes/needles must be in FDA-approved sharps containers to be accepted through the HHTF program. Sharps are still being transported to the HHTF in milk cartons, coffee cans, and other containers that are not puncture resistant.

Used sharps are often illegally disposed in the trash, in the curbside recycling bin, down the toilet, dumped on beaches and found in parks where they pose a health hazard for members of the public and solid waste workers. When sharps are improperly thrown away, the public and workers alike are at risk of injury. If sharps are placed in garbage cans or recycling bins, or when they are flushed down the toilet, workers are at risk of needlesticks and bloodborne diseases. Illegally disposed sharps cost local governments scarce taxpayer dollars when workers get injured, or when entire trash sorting operations are shut down to retrieve the needles.

Right now, far too many used needles wind up in the wrong place because people don't know what to do with them. Consumers are often unaware that used sharps are required by law to be stored, transported and disposed of in a certified sharps waste container, and that sharps are not allowed to be thrown away in home trash or recycling bins. Used sharps are required to be taken to collection locations that will take them to facilities that process medical waste. It would be beneficial for the consumer to receive information about proper sharps disposal at the time the sharps are purchased.

AB 1893 requires that a sharps waste container shall be sold with the purchase of sharps in the state of California. It also requires that sharps consumers receive information about the proper and legal disposal of sharps, including information about disposal locations.

On behalf of the SCWMA, I write to register strong support for AB 1893, legislation that will reduce costs to taxpayers, reduce needlestick injuries, and help sharps users comply with current law which requires safe containers and bans disposal in the trash.

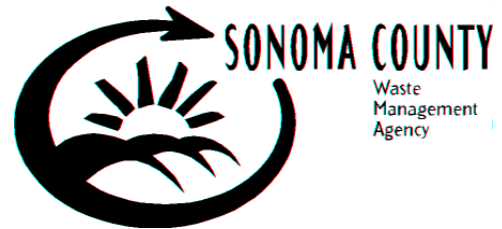
AB 1893 is an important step towards helping people, who are home-generated sharps users, to dispose of their used needles properly. Sharps containers will allow the consumer to transport the sharps safely and legally to appropriate medical waste collection facilities and/or hazardous waste collection locations.

For these reasons, the SCWMA supports AB 1893. If you have any questions about our position, please contact Lisa Steinman, at (707) 565-3632 or [Lisa.Steinman@sonoma-county.org](mailto:Lisa.Steinman@sonoma-county.org).

Sincerely,

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

cc: Assemblymember Susan Eggman, Fax: (916) 319-2113  
Dr. Richard Pan, Chair Assembly Health Committee, Fax: (916) 319-2197  
Senator Noreen Evans, Fax: (916) 651-4902  
Senator Ted W. Lieu, Fax: (916) 266-9343  
Assemblymember Marc Levine, Fax: (916) 319-2110  
Assemblymember Wesley Chesbro, Fax: (916) 319-2102  
SCWMA Board Members  
Heidi Sanborn, California Product Stewardship Council, email: [Heidi@calpsc.org](mailto:Heidi@calpsc.org)



April 7, 2014

Senator Hannah-Beth Jackson  
State Capitol, Room 5080  
Sacramento, CA 95814  
Sent by Fax: (916)-651-4919

**SUBJECT: SENATE BILL 1014 (JACKSON) – SAFE MEDICATION MANAGEMENT -  
SUPPORT**

Dear Senator Jackson:

The Sonoma County Waste Management Agency (SCWMA), formed in April 1992, is the joint powers authority of the nine incorporated cities and the County of Sonoma. The parties to the joint powers agreement are:

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

The mission of the Agency is waste diversion required by State law AB939. The Agency's programs include household hazardous waste, composting, wood waste recycling, planning and education. The SCWMA is the entity responsible for the implementation of household hazardous waste programs to eliminate improper disposal of hazardous wastes.

In June 2001, the SCWMA, recognizing that Extended Producer Responsibility (EPR) is a waste management approach that significantly improves our ability to manage discarded hazardous products, approved a resolution supporting EPR policies and efforts by governmental and non-governmental organizations to develop such policies. All nine incorporated cities and the County of Sonoma have since passed EPR resolutions.

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

The SCWMA strongly supports Senate Bill (SB) 1014 (Jackson), which asks producers of pharmaceuticals, as defined, to create, finance and manage a collection system for California consumers to safely and conveniently dispose of expired and unwanted pharmaceuticals—a system structured after the existing program in Canada which the industry has efficiently operated for 15 years.

Pharmaceuticals are collected in Sonoma County through the Safe Medicine Disposal Program. Funding for the Program is provided by the Russian River Watershed Association, the City of Santa Rosa's Subregional Reclamation System, and the Sonoma County Water Agency. Partnering agencies

provide ongoing staff support for the Program's outreach coordination and events. Since the Program's inception in 2007, over 57,000 pounds of pharmaceuticals have been collected. The collection totals have increased every year, so it is logical to project that the collection totals will continue to increase. The cost to manage the program and conduct outreach and education is also projected to increase year to year. Pharmaceutical waste is also collected through Sonoma County's Household Toxics Facility and mobile collection programs although the majority is being collected through the Safe Medicine Disposal Program.

### **The Problem:**

Prescription drug abuse has skyrocketed in recent years,<sup>1</sup> as have hospitalizations for drug overdoses.<sup>2</sup> One of the four top recommendations of the National Strategy on Preventing Prescription Drug Abuse is to have a safe and convenient method of disposal for prescription, over the counter drugs and vet medicines which we have in our homes. In addition, the lack of safe and convenient disposal options ensures that consumers choose less than desirable options including home storage, flushing medications down the toilet or throwing them in the garbage.

For too long, municipal governments have cobbled together local collection options that fail to meet public demand for safe disposal, draw resources from other vital government functions, create a patchwork of regulations that fail to realize the efficiency that would come from a statewide program.

### **The Solution:**

SB 1014 springboards off of the good work already being done by pharmaceutical companies in Canada and Europe. SB 1014 is a free-market approach that allows manufacturers to design the program in whatever way is most cost effective – with minimal oversight from state regulators. We know that this program will work because of the public surveys in Canada demonstrating the public awareness and use of the program, the volumes collected and the fact that 96% of the pharmacies host collection bins.

SB 1014 is the right solution to this pressing problem because it creates a privately managed and financed system to allow consumers to properly and conveniently dispose of their unwanted pharmaceuticals.

For these reasons, the SCWMA supports SB 1014. If you have any questions about our position, please contact Lisa Steinman, at (707) 565-3632 or [Lisa.Steinman@sonoma-county.org](mailto:Lisa.Steinman@sonoma-county.org).

Sincerely,

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

---

1 California State Task Force on Prescription Drug Misuse. (2009, March 30). Summary Report and Recommendations on Prescription Drugs: Misuse, Abuse and Dependency. Retrieved from State of California Alcohol and Drug Programs: [www.adp.ca.gov/director/pdf/Prescription\\_Drug\\_Task\\_Force.pdf](http://www.adp.ca.gov/director/pdf/Prescription_Drug_Task_Force.pdf)

2 O'Callaghan, T. (2010, April 6). More people hospitalized for prescription drug overdose. Retrieved from Time: <http://healthland.time.com/2010/04/06/more-people-hospitalized-for-prescription-drug-overdose/#ixzz2fkIm3CMT>

cc: Senator Kevin de Leon, Fax: (916) 651-4922  
Senator Ted W. Lieu, Fax: (916) 266-9343  
Senator Mark Wyland, (Vice Chair) Fax: (916) 446-7382  
Senator Tom Berryhill, Fax: (916) 651-4914  
Senator Marty Block, Fax: (916) 651-4939  
Senator Ellen M. Corbett, Fax: (916) 651-4910  
Senator Cathleen Galgiani, Fax: (916) 651-4905  
Senator Ed Hernandez, Fax: (916) 651-4924  
Senator Jerry Hill, Fax: (916) 651-4913  
Senator Alex Padilla, Fax: (916) 651-4920  
Business and Professions Committee Consultant Sarah Mason, Fax: (916) 266-9343  
SCWMA Board Members  
Heidi Sanborn, California Product Stewardship Council, Email: [Heidi@calpsc.org](mailto:Heidi@calpsc.org)





April 22, 2014

Re: **Waste Reduction Program for Carryout Bags Ordinance**

Dear Business Owner and Manager,

Earlier this year, the cities and the County joined together to address the growing problem of carryout bag waste. Just in Sonoma County, it is estimated that 232 million plastic bags and 46 million paper bags are used each year. The Sonoma County Waste Management Agency Waste Reduction Program for Carryout Bags Ordinance is intended to reduce litter, keep plastic bags out of local waterways, and encourage the use of reusable bags. You are receiving this letter because this potentially applies to your business.

**On September 1, 2014, the distribution of single-use plastic bags will no longer be allowed.** Please distribute your existing supply of single-use bags by this deadline and notify your customers of this change.

Agency resources are available to assist you in this transition. You may download or order your informational materials online at [www.recyclenow.org](http://www.recyclenow.org)

We appreciate your cooperation. If you feel your business is not subject to the ordinance or if you have any questions, please contact us.

Sincerely,



Henry J. Mikus  
Executive Director  
Sonoma County Waste Management Agency



**WHAT YOU NEED TO KNOW:**

- » **Applies to all grocery stores and retail establishments.** Does not apply to public eating establishments (stand-alone restaurants, delis, etc.) and nonprofit charitable reusers.
- » **Prohibits all single-use plastic carryout bags** (point-of-sale or checkout).
- » **Requires a minimum 10¢ charge on all compliant recycled paper bags.**
- » Charge must be displayed separately on customer receipt.
- » Stores to keep the charge.

**MORE INFORMATION & FOR COMPLIANCE ASSISTANCE**  
[recyclenow@sonoma-county.org](mailto:recyclenow@sonoma-county.org) [www.recyclenow.org](http://www.recyclenow.org) **Eco-Desk 565-3375**



**Where can businesses buy compliant bags?**

**YOU ARE INVITED**  
**MEET MANUFACTURERS & DISTRIBUTORS OF COMPLIANT BAGS**

**Tuesday May 13, 2014**  
**COTATI** 11 a.m.-2 p.m.  
City of Cotati-Cotati Room  
216 East School St.

**Wednesday May 14, 2014**  
**SANTA ROSA** 11 a.m.-2 p.m.  
Finley Community Center-  
Person Auditorium  
2060 W. College Ave.

**Thursday May 15, 2014**  
**WINDSOR** 11 a.m.-2 p.m.  
Windsor Regional Library  
9291 Old Redwood Hwy.

Start informing your customers about the ordinance. **Placard to display in your store.**

**BEGINNING SEPTEMBER 1, 2014**



**TAKE YOUR BAG ALONG TO THE STORE**

- » Beginning September 1, 2014, single-use plastic bags will no longer be available at all grocery and retail stores in Sonoma County.
- » Stores must charge a minimum of 10¢ for each paper bag.
- » The ordinance is intended to reduce litter, keep plastic bags out of local waterways, and encourage the use of reusable bags.

**WWW.RECYCLENOW.ORG**



Sonoma County Waste Management Agency Waste Reduction Program for Carryout Bags Ordinance 2014-2

What types of bags can businesses use?

Compliant checkout bags are:

Paper checkout bags labeled with 40% post-consumer recycled content, and 100% recyclable.

Reusable checkout bags are either a bag made of cloth or other machine washable fabric that has handles, or a durable plastic bag with handles that is at least 2.25 mil thick designed and manufactured to withstand repeated uses over a period of time made from a material that can be cleaned and disinfected shall not contain lead, cadmium, or any other heavy metal in toxic amounts.

ORDINANCE & RELATED ADMINISTRATIVE PENALTIES  
ORDINANCE LANGUAGE:

Please visit the Agency's website at [www.recyclenow.org/agency/](http://www.recyclenow.org/agency/)

DONATION FOR PLASTIC BAGS:

Charitable reusers can distribute plastic bags after September 1, 2014. The following organization is willing to accept plastic bag donations:

Salvation Army 707-433-3334x122

FREQUENTLY ASKED QUESTIONS

What is the purpose of the ordinance?

The intent of the ordinance is to reduce the solid waste and other environmental impacts related to the use of single-use carryout bags.

What types of businesses does the ordinance apply to?

The ordinance applies to all commercial establishments that sell perishable or nonperishable goods including, but not limited to clothing, food, and personal items directly to the customer.

Where does the ordinance NOT apply?

Retail establishments do not include public eating establishments (standalone restaurants, delis, takeout establishments, etc.) or nonprofit charitable reusers. Single-use carryout bags do not include bags without handles provided to the customer for the following uses:

- » To transport produce, bulk food or meat from a produce, bulk food or meat department within a store to the point of sale.
- » To hold prescription medication dispensed from a pharmacy.
- » 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.

Are businesses required to charge?

Businesses are required to implement a minimum 10¢ charge on all compliant recycled paper bags.

The charge must be listed as a single line item on the customer's receipt.

How will the bag charge be monitored?

Every retail establishment shall keep a monthly report of the total number of recycled paper bags purchased and the total number sold for a minimum period of three (3) years from the date of purchase and sale.

How can customers avoid the charge?

Customers can avoid a charge for recycled paper bags by bringing their own bag or refusing a paper bag.

Where does the bag charge go?

Stores keep the entire charge in order to help offset the cost of compliant bags.

What happens to businesses that do not comply?

The Sonoma County Waste Management Agency will focus primarily on education and helping businesses comply. The Executive Director of the Agency, or his or her designee, shall have primary responsibility for enforcement of this ordinance. Compliance assistance is available at no charge by contacting us at [recyclenow@sonoma-county.org](mailto:recyclenow@sonoma-county.org) or 707-565-3375.



NO SINGLE-USE  
PLASTIC CARRYOUT  
BAGS ALLOWED.



Return Service Requested

INSIDE

- » Learn about the new ordinance.
- » Get tools to start informing your customers.

YOU ARE INVITED  
MEET MANUFACTURERS &  
DISTRIBUTORS OF COMPLIANT BAGS  
COTATI May 13  
SANTA ROSA May 14  
WINDSOR May 15  
See details for inside for

DOES THE NEW ORDINANCE AFFECT YOUR BUSINESS?

