



MEETING OF THE BOARD OF DIRECTORS

May 21, 2014
SPECIAL MEETING
CLOSED SESSION PRIOR TO REGULAR MEETING 8:00 a.m.

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

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

Meeting Agenda and Documents

SONOMA COUNTY WASTE MANAGEMENT AGENCY

Meeting of the Board of Directors

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Note: This packet is 202 pages total



SONOMA COUNTY WASTE MANAGEMENT AGENCY

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CLOSED SESSION PRIOR TO REGULAR MEETING 8:00 a.m.

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

Estimated Ending Time 11:30 a.m.

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

***** UNANIMOUS VOTE ON ITEMS #8, #9, #10 *****

Agenda

<u>Item</u>	<u>Action</u>
1. Call to Order Regular Meeting	
2. Open Closed Session	
3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Government Code Section 54956.9 (a), (d)(2), & (e)(1) One Case	
4. Adjourn Closed Session	
5. Agenda Approval	
6. Public Comments (items not on the agenda)	

Consent (w/attachments)

Discussion/Action

- 7.1 Minutes of April 16, 2014
- 7.2 FY 13-14 Third Quarter Financial Report
- 7.3 Spanish Language Outreach Contract
- 7.4 FY 12-13 Financial Audit
- 7.5 Design Reimbursement: Republic Services
- 7.6 Consultant Contract Extension

Regular Calendar

- | | | |
|-----|---|---|
| 8. | HHW Contract
[Steinman](Attachments) | Unanimous Vote
HHW |
| 9. | Compost Zero Discharge Pond Project
[Mikus, Carter](Attachments) | Unanimous Vote
Organics |
| 10. | Engineering Consultant Selection: Compost Site
[Mikus](Attachments) | Unanimous Vote
Organics |
| 11. | Compost Site License Amendment
[Coleson](Attachments) | Discussion/Action
Organics |
| 12. | Agency Service Delivery Evaluation Report
[Mikus](Attachments) | Discussion/Action
All |
| 13. | Administrative Penalties Resolution: Fines
[Coleson](Attachments) | Discussion/Action
Contingency |
| 14. | <u>Attachments/Correspondence:</u> <ul style="list-style-type: none">14.1 Reports by Staff and Others:<ul style="list-style-type: none">14.1.a May 2014 and June 2014 Outreach Events14.1.b Update Report on MCR-3 Project14.1.c Letter of Support AB 228414.1.d Withdrawal of First Amendment Request from Sonoma Compost Company | |
| 15. | Boardmember Comments | |
| 16. | Staff Comments | |
| 17. | Next SCWMA meeting: June 23, 2014: Strategic Planning Work Session | |
| 18. | Adjourn | |

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

Regular Calendar: These items include significant and administrative actions of special interest and are classified by program area. The regular calendar also includes "Set Matters," which are noticed hearings, work sessions and public hearings.

Public Comments: Pursuant to Rule 6, Rules of Governance of the Sonoma County Waste Management Agency, members of the public desiring to speak on items that are within the jurisdiction of the Agency shall have an opportunity at the beginning and during each regular meeting of the Agency. When recognized by the Chair, each person should give his/her name and address and limit comments to 3 minutes. Public comments will follow the staff report and subsequent Boardmember questions on that Agenda item and before Boardmembers propose a motion to vote on any item.

Disabled Accommodation: If you have a disability that requires the agenda materials to be in an alternative format or requires an interpreter or other person to assist you while attending this meeting, please contact the Sonoma County Waste Management Agency Office at 2300 County Center Drive, Suite B100, Santa Rosa, (707) 565-3579, at least 72 hours prior to the meeting, to ensure arrangements for accommodation by the Agency.

Noticing: This notice is posted 72 hours prior to the meeting at The Board of Supervisors, 575 Administration Drive, Santa Rosa, and at the meeting site the City of Santa Rosa Council Chambers, 100 Santa Rosa Avenue, Santa Rosa. It is also available on the internet at www.recyclenow.org

Date: April 17, 2014
To: SCWMA Board Members
From: Henry J. Mikus, SCWMA Executive Director



Executive Summary Report for the SCWMA Board Meeting of April 16, 2014

Item 4: Consent: The Consent Agenda contained two items, the Minutes of the February 19, 2014 and the March 19, 2014 Regular Board Meetings; both were approved.

Item 5: June and July Strategic Planning Meetings: At the first Strategic Planning meeting, held by the Board this past December, staff was asked to arrange for a consultant to prepare a report evaluating the current Agency functions, and to look at possible service delivery alternatives. The Board also indicated their next Strategy Session should occur after the consultant's report was received. The consultant report is scheduled for presentation at the May 21, 2014 Board meeting. Thus the June and July meeting dates were suggested for the next two Strategy Sessions. The Board decided to hold a session in June but wished to consider alternate dates. The decision on July is to wait until at least the report is received.

Item 6: Reserve Policy: The Reserve Policy was last revised in August 2011. The Board asked staff to provide a report and explanation regarding the provisions of the Reserve Policy prior to the FY 14-15 Budget discussion.

Item 7: FY 14-15 Final budget: The Agency budget for FY 14-15 was approved by unanimous vote.

Item 8: Compost Zero Discharge Report: a potential solution to making enough storm water storage capacity to comply with the NCRWQCB "Zero-Discharge" edict has been found, courtesy of some good work by Republic Services. The solution was explained to the Board. Design work on construction plans is well underway; a final cost estimate is not yet done. It is anticipated this project will be brought to the Board in May with the final cost projections to get approval for expenditure of funds.

Item 9: Compost Capacity Discussion: The Board asked Agency staff to provide cost information for possible overhaul of compost raw materials given the site's current capacity constraints. The board wished to have this discussion to provide relevant information for discussing the Sonoma Compost amendment.

Item 10: Sonoma Compost Agreement 1st Amendment: The initial discussion at the March meeting on the Sonoma Compost proposal for service and operational improvements was continued to the Agency April Board meeting. Sonoma Compost provided answers to several questions, and presented a "Business Plan" on how the proposed improvements would increase facility capacity and add revenue. This item was continued again, to the May meeting, as the Board requested additional cost information for partial overhaul of materials. The Board also wished for Sonoma Compost to consider a different revenue sharing arrangement where the amount of financial outlay by the Agency could be paid back.

Item 11: Engineering Consultant Selection: After discussion, this item was continued until the May meeting. Because of the apparent Zero-Discharge solution via the pond, some parts of the Engineering RFP could be rendered superfluous. Staff is to examine the scope of work for changes, and present that with the changes in project cost to the Board.

Item 12: Attachments/Correspondence: The attachments were the April & May 2014 Outreach Calendar, two "letters of support" on state EPR related legislation, and information on the carryout bag ordinance outreach work.



To: Sonoma County Waste Management Agency Board Members

From: Henry Mikus, Executive Director

Subject: May 21, 2014 Board Meeting Agenda Notes

Please Note: There is a "Closed Session" discussion scheduled for 8:00 AM with the regular meeting to follow at the normal 9:00 AM start time.

General Comment on the several related "Zero-Discharge" Items: There are several interrelated agenda items that deal with different facets of the new compost contact water pond and other activities related to complying with the Water Board "Zero-Discharge" requirement. There is no clear, easy way to present these topics as most affect each other. Finances are an example, as Board approval of recommended actions involve expenditure of funds. Staff has tried to be clear in showing costs, funding source, and money appropriations for each of the items. Another complexity is that this work will span at least two fiscal years. This project will draw chiefly from the Organics Reserve, but some expenditures will come from budgeted items; examples are staff time, water pump & haul for treatment, and some consultant expense.

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.

- 7.1 **Minutes of the April 16, 2014 Board meeting:** regular approval.
- 7.2 **3rd Quarter Financial Report:** This a routine and recurrent item.
- 7.3 **Spanish Language Outreach Contract:** The current contract for our Spanish Language services was rebid in 2012, and had a 2-year term. Staff is very satisfied with the performance of our contractor, C2 Alternative Services. The contract provides for extensions on mutual consent. C2 has indicated they are amenable to an extension. The recommendation is for extension to February 2017.
- 7.4 **Annual Audit Report:** The annual audit of Agency finances is presented. There were no negative findings.
- 7.5 **Design Reimbursement: Republic Services:** Republic initiated design work for the "Zero-Discharge" pond requiring expenditures on our behalf which need to be reimbursed.
- 7.6 **Consultant Contract Extension:** Stu Clark of DEI was retained to act on our behalf coordinating efforts on the new pond project. This has worked very well, and the

arrangement should be extended.

Regular Calendar

8. **HHW Contract:** The HHW contract was recently rebid, with two firms submitting proposals, Clean Harbors and PSC. Both firms provided acceptable proposals. Staff recommends contracting with Clean Harbors since compilation of prices showed them to have the best cost figures.
9. **Compost Zero Discharge Pond Project:** Since the April Board meeting we have learned that the new pond project could have potential impacts with an endangered species, the California Tiger Salamander. The most immediate consequence is that the Water Board's October 1, 2014 zero-discharge compliance date cannot be met for pond construction. We have met with Water Board personnel and requested relief from the compliance date and level of fines. In order to consider our request the Water Board would like us to compile a plan that includes identifying the issues negatively impacting the compliance date, setting forth the steps that would have to occur to construct the pond and achieve zero-discharge, address possible interim measures to positively impact contact water discharge, and describe backup measure if the pond cannot be built.

Staff is recommending the Board signify the Agency's intent to move forward with the new pond, to include completing design work, continuing with regulatory permit approvals including CEQA, conducting the bid process to construct the pond, and conducting a competitive price process to put in place necessary measures for a backup plan to outhaul raw materials to other facilities to compost off-site. Decisions on moving forward with construction and approving major expenditures would not occur until clarity is gained on Water Board compliance, permitting, and major project costs.

10. **Engineering Consultant Selection: Compost Site:** At the April Board meeting, upon presentation of the RFP results for engineering analysis of the prospective new compost sites, staff was asked to revise the scope of work and speak with the respondents for revised pricing and time lines for completion. The three firms have responded, and staff recommends contracting with Tetra Tech BAS for the work. The three firms had proper references, and complete task lists to comply with the project scope. Tetra Tech had the best price and an acceptable project duration.
11. **Compost Site License Amendment:** We use part of the County's Landfill property for our compost facility via a License Agreement. With the probable addition of more land to the facility for the new pond, the License Agreement must be amended to reflect the larger compost footprint.
12. **Agency Service Delivery Report:** One result of the Board's December 2013 Strategic Planning Work Session was to engage the services of a consultant to provide assessments of Agency

functions and service delivery methods. The consultant's report is done and will be presented to the Board. This sets the stage for further discussion of the Agency future at the June 23, 2014 Board meeting which is to be a second Strategic Planning work Session.

13. **Administrative Penalties Resolution: Fines:** This sets forth the fine structure to support the Administrative Penalties Ordinance previously approved by the Board.
14. **Attachments/Correspondence:** Other than the Director's notes, there are several items this month presented under "Reports by Staff and Others":
 - 14.1.a **Outreach Events Calendar:** This is our regular, updated listing of Outreach Events listing events planned for May and June 2014.
 - 14.1.b **Update on MCR-3 Project:** The third iteration of our Mandatory Commercial Recycling Outreach program is nearing conclusion. A progress report was prepared for the Board.
 - 14.1.c **Letter of Support:** AB 2284 (Williams) is currently being considered by the State Assembly. It puts forth a framework for a program to safely manage non-rechargeable batteries. As this is an EPR based proposed program, and within the Agency's mission, we have sent a Letter of Support.
 - 14.1.d **Withdrawal of First Amendment Request by Sonoma Compost Company:** At the April Board meeting the discussion on the requested First Amendment to the Sonoma Compost Company contract was continued. Subsequently the request has been withdrawn; the letter is included for the Board.



Minutes of April 16, 2014 Meeting

The Sonoma County Waste Management Agency met on April 16, 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
Tom Chambers
Dan St. John
John McArthur
Jake Ours
Larry McLaughlin
Steve Barbose
Susan Klassen
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)

Jens Kullberg, owner of a vineyard across the street from Site 40, stated that Stage Gulch Rd. is a two mile narrow, curvy, hilly strip of road which runs between Lakeville Highway and Adobe Rd. Mr. Kullberg noted that last winter there were three vehicle accidents, all of which resulted in power outages and four fires on Stage Gulch Rd. He also asserted that in the last five years there has been a 40% increase in traffic on Stage Gulch Rd. Mr. Kullberg stated that while Adobe Rd. is relatively straight, it is in poor condition and an additional 352 cars per day during the week and an additional 484 cars during weekends will significantly increase the damage to the roads. Mr. Kullberg also noted that the hauling of material to Site 40 from the Central Landfill will result in an increase of 605 metric tons of greenhouse gas emissions per year which will require mitigation.

4. Consent (w/attachments)

4.1 Minutes of February 19, 2014

4.2 Minutes of March 19, 2014

Jake Ours, City of Santa Rosa, Tom Chambers, City of Healdsburg, Larry McLaughlin, City of Sebastopol and Susan Klassen, County of Sonoma abstained from the vote of Item 4.1 the Minutes of February 19, 2014, due to their absences.

Ms. Klassen and Mr. Chambers abstained from the vote of Item 4.2, the Minutes of March 19, 2014 due to their absences.

Bob Cox, City of Cloverdale, moved to approve the Consent Calendar. Susan Harvey, City of Cotati, motion. The motion passed with the noted abstentions.

4.1 Vote Count:

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

AYES -6- NOES -0- ABSENT -0- ABSTAIN -4-

4.2 Vote Count:

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

AYES -8- NOES -0- ABSENT -0- ABSTAIN -2-

Regular Calendar

5. June and July Strategic Planning Meetings

Henry Mikus, Executive Director, explained that from the Agency's Strategic Planning Session in December 2013 the focus was the Agency's future. At that meeting the Board directed staff to conduct an RFP for a consultant to analyze the current tasks the Agency performs to determine whether they are legal or regulation requirements, what health and safety issues are at issue, and what risks or issues may occur if tasks were handled differently or not at all. The consultant was also tasked with analyzing alternate service delivery methods. Mr. Mikus noted that the Board had expressed the desire to not have another Strategic Planning Session until this analysis was completed; R3 Consulting has indicated that their report will be ready for presentation at the May 2014 Agency Meeting. This will allow for the Agency to hold the next Strategic Planning Session in June, and a possible subsequent meeting in July. Mr. Mikus stated that Sheri Lund, the facilitator, had indicated that three Strategic Planning Sessions would likely be needed for the Agency to develop a plan. Agency staff is asking for Board approval to schedule the Strategic Planning Meeting in the place of the regularly scheduled Agency Meetings, with the possibility of an all day session. Mr. Mikus noted that Agency Staff believe continuity with the facilitator will be vital, and are also asking the Board to approve funding for Ms. Lund's services in the amount of not to exceed \$45,000

Board Questions

Deb Fudge, Town of Windsor, noted that both she and Shirlee Zane, County of Sonoma, have meetings at 1:30pm on the suggested dates which would prevent them from attending an all day session.

Susan Harvey, City of Cotati, reported that she would be available for the suggested June meeting date but not July.

Dan St. John, City of Petaluma, noted that during the first Strategic Planning Session there was a discussions about involving other agencies and businesses which are directly involved with the solid waste program, or Central Landfill; he inquired what is being done to bring this group together and engage them in the process.

Mr. Mikus responded that as he recalls the Board's direction, staff was to proceed with the Agency Service Analysis, not the advisory group.

Mr. St. John stated that he believes once the service report comes back the Agency will be able to set out a series of steps that need to occur in terms of further analysis.

Mr. Mikus stated that the report will be presented in May with the next steps being discussed at the Strategic Planning Session in June.

Mr. St. John asked for the Board to consider if the Strategic Planning Sessions require the services of a professional facilitator.

John McArthur, City of Rohnert Park, asked if Agency Staff could facilitate the Strategic Planning Sessions.

Mr. Mikus state that staff could facilitate the Strategic Planning Session, however, a professional facilitator provides an objective focus, allowing staff to actively participate in discussions.

Steve Barbose, City of Sonoma, stated that having started the Strategic Planning Sessions with a facilitator he believes the Agency should continue along that path, noting that it will likely work better if staff is not trying to facilitate dialogue and answers questions or concerns.

Susan Klassen, County of Sonoma, voiced her support for having a facilitator. She noted that the suggested June meeting date is during the first week of budget hearings for the County, which may hinder Ms. Zane's and her ability to attend.

Ms. Harvey asked for additional information regarding the advisory group, such as: who would be members of the group, how many people, how would they be selected, etc.

Mr. St. John noted those questions should be addressed at the next Strategic Planning Sessions. He believes that based on previous discussions the group would consist of land owners, operators of the facility, and others who have a direct business/ professional interest in the Agency's operations.

Ms. Harvey inquired about the role of the group, including their ability to make decisions and vote.

Mr. Mikus responded that he believed the group would be used solely as a resource, providing input and recommendations.

Public Comments

None.

Board Discussion

Mr. Barbose, motioned to proceed to schedule, at least the first Strategic Planning Session and leave the second for decision after the Agency has received additional information. Mr. McArthur seconded the motion.

Ms. Klassen asked if the motion included the authorization for funding.

Mr. Barbose responded affirmatively. Mr. McArthur seconded.

The motion passed unanimously.

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-
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Mr. Mikus inquired if the motion was to host the Strategic Planning Session during the regularly scheduled Board Meeting, or, if an alternate date in June is desired.

Mr. Barbose indicated that his intent was to obtain an agreement that the next Strategic Planning Session will happen, the date should be left for determination as some Board Members have expressed scheduling conflicts with June 18th.

6. Reserve Policy

Patrick Carter, Agency Staff, provided an overview of the Agency's Reserve Fund Policy as discussed at the March 2014 Board Meeting. Mr. Carter noted that the Reserve Policy was revised and approved during the June 2011 Agency Board Meeting. Mr. Carter addressed which cost centers contribute to which reserve accounts, fund balances, and carry-over percentages, goals and the differences between the projections and the goals; Mr. Carter provided charts in the staff report to illustrate the money flow noting that they are for discussion purposes regarding whether the reserve policy is adequate, or whether items need to change. Mr. Carter noted that at this time staff is not asking the Board to take any action.

Board Questions

Mr. Barbose asked to confirm that the Wood Waste and Yard Debris cost centers roll over into one reserve account.

Mr. Carter responded affirmatively, noting that there are not separate Wood Waste or Yard Debris reserve accounts. Mr. Carter likened the accounts to a checking and saving account; when there are adequate funds in the checking account funds can be transferred to savings.

Mr. Barbose inquired why the totals for the projected year end balances for Wood Waste and Yard Debris do not equal the Organics Reserve total.

Mr. Carter explained the Organics Reserve has been accumulating for over ten years, noting the projected amount in the report is just for the current fiscal year.

Jake Ours, City of Santa Rosa, asked if the Organics Reserve has a monetary cap.

Mr. Carter responded that the Organic Reserve has not had a cap implemented due to the unknown cost of a new facility.

Mr. Ours asked if the Agency has an idea of the costs of the new facility and commented that he did not like the idea of an open ended reserve fund. He believes there should be goals.

Mr. Mikus noted that based on some preliminary work the cost for a new facility will likely range from \$10,000,000 - \$15,000,000; it has been understood that the Organics Reserve would help offset the cost as much as possible, which is why it is open ended, noting the more money the better.

Public Comments

None

Board Discussion

Mr. St. John asked what the term “permit by rule” means as it is used in the policy for the HHW Reserve Fund.

Lisa Steinmann, Agency Staff, replied that permit by rule is used for Community Toxics Collection, noting they are permitted through the local CUPA not the State.

Mr. St. John stated that there is too much held in the account, noting that the Agency has a policy for 10% or 15% and that is what the Agency should maintain allowing the additional monies to flow into their respected reserve account.

Mr. St. John inquired if funds can be transferred from other accounts into the Organic Reserve, or between reserve accounts in general.

Mr. Carter stated that Agency Counsel is advising him that funds cannot be transferred out of the Organic Reserve into other accounts; however, funds from other accounts may be transferred into the Organic Reserve.

Mr. Ours stated the he believes there should be goals set for all of the reserve accounts.

Ms. Harvey expressed her concern regarding setting a target for the Organic Reserve until there is a clearer understanding of the anticipated costs for the new facility; however, she stated she agrees a cap should eventually be established.

Mr. Barbose suggested discussing the Reserve Policy at one of the Strategic Planning Sessions.

Mr. St. John expressed his pleasure in being a part of an organization with healthy reserve funds.

7. FY 14-15 Final Budget

April 16, 2014 – SCWMA Meeting Minutes

Mr. Carter presented the Fiscal Year 2014-2015 Budget. Mr. Carter noted that as reported in the Draft Budget there were concerns regarding the HHW Contact costs and increased operational costs of the compost facility. The Agency has received bids for the HHW contact and the highest is lower than what had been presented in the draft budget. Mr. Carter also noted that the HHW expenditures for disposal, particularly regarding paint, have decreased drastically. Mr. Carter reported that the deficit being presented for the HHW cost center is approximately \$40,000, down from approximately \$200,000; noting that \$40,000 is projected as a worst case scenario.

Mr. Carter reported that the Yard Debris cost center is not able to be balanced as easily as HHW was and will require additional Board input. Mr. Carter reported that the net cost for the Yard Debris cost center is projected to be more than \$450,000, due mostly in part to the assumption of the approval of Sonoma Compost Company's request 1st Amendment to their contract. Mr. Carter stated that Agency Staff are not proposing any tip fee increases for this fiscal year as they may not be needed if the Board does not approve SCC's 1st Amendment; Carter noted that Agency Staff do not want to raise tip fees to cover costs that do not exist. Mr. Carter reiterated that Agency Staff is fiscally conservative; noting that the worst case scenarios are being presented and that just because funds are allocated does not mean they will be spent. Mr. Carter addressed specific questions from the March 2014 Board Meeting including EFS costs which are expected to be recurring as well as reviewing and rebidding the Agency's Liability Insurance.

Board Questions

Mr. Barbose asked to clarify that the proposed 1st Amendment to Sonoma Compost Company's contract is factored into the presented budget.

Mr. Carter responded affirmatively.

Mr. Mikus noted that the 1st Amendment was included to provide Board members with an overall picture of the fiscal year.

Ms. Harvey inquired how the EFS contract costs are established, stating that she is concerned about the potential increase in the cost of services.

Mr. Carter replied that the basis of the cost is proportionate to the number of claims sent to the Auditor's Office for processing. He does not believe there will be a dramatic increase in fees.

Mr. St. John inquired what it would take to transfer funds from cost center which are in excess of their goals into their designated reserve accounts.

Mr. Carter responded that Agency Counsel is advising him that change could be made at this time if it is the will of the Board.

Mr. St. John inquired what Laguna refers to in the staff report; noting that 10,000 tons of yard waste is being sent there every year.

Mr. Carter responded that Laguna refers to the Laguna Waste Water Treatment Plant.

Mr. St. John asked if the yard waste is being delivered to LWWTP directly from the transfer stations.

Mr. Carter replied that the material is coming from the compost facility, where it is ground then sent to the LWWTP and added to their compost as a bulking agent.

Mr. St. John clarified that the Agency pays more for this processing because SCC incurs the cost to processes the material without the means to sell the product to the public.

Mr. Carter responded affirmatively.

Mr. St. John noted that the revenue from HHW operations funds itself, and contributes funds to the education account.

Mr. Carter confirmed and clarified that the Agency tipping fee is \$5.95 per ton; approximately 80% is allocated for HHW operations, 18% for education and 2% for planning.

Mr. St. John inquired how the allocation percentages were determined.

Mr. Carter responded that Agency Staff determine the allocation percentages, which may vary annually depending on budgetary needs.

Mr. St. John inquired if the presented budget includes potential costs for obtaining zero discharge complians.

Mr. Carter replied there is funding for zero-discharge compliance in the Organics Reserve, which at this time addresses the costs for pumping and hauling but not construction.

Public Comments

None

Board Discussion

Ms. Klassen motioned to approve the Fiscal Year 14-15 budget, as recommended by staff, with the modification of transferring funds from cost centers in excess of their stated goals into their designated reserve account. Ms. Harvey seconded the motion.

Mr. Barbose asked if the motion as it stands is contingent upon the approval of the Amendment of SCC's contract.

Ms. Klassen stated that she did not make the motion contingent on the approval of the Amendment; she noted that she was presuming that the funding would be in the budget with the understanding that if the Amendment is not approved that the money will simply not be spent.

Mr. Carter confirmed Ms. Klassen's presumption.

The motion passed unanimously.

Cloverdale- Aye
Petaluma- Aye
Sonoma – Aye

Cotati- Aye
Rohnert Park- Aye
Windsor- Aye

County- Aye
Santa Rosa- Aye

Healdsburg- Aye
Sebastopol- Aye

8. Compost Zero Discharge Report

Mr. Mikus reminded the Board that the North Coast Regional Water Quality Control Board sent a letter dated March 18, 2014 setting October 1, 2014 as the date for compliance with the zero-discharge requirements; Mr. Mikus stated the letter notes fines up to \$10,000 per day and \$10.00 per gallon for amounts greater than 1,000 gallons. Mr. Mikus reported that there have been multiple meetings between the Agency, Sonoma Compost, Republic, and the County. Republic has located a site by the low end of the compost deck near the current ponds where a pond large enough to facilitate the needs of zero discharge compliance could be built. Due to the short timeframe Republic has taken the initiative of having design drawings completed along with having a consultant address the CEQA work. Mr. Mikus reported that the funding for this project is estimated to be about \$3,000,000, noting that costs will be more definitive by the May 2014 Board Meeting, which is when the Board will be asked to act on funding.

Rick Downey, Republic Service, noted that after the last Agency Board Meeting he gathered his team to scour the Central Landfill Site to find a location which could accommodate a solution to the zero discharge requirements, which is approximately 30,000,000 gallons of water. Mr. Downey noted that water retained in the pond will be used onsite which will ease the strain on the current well.

Board Questions

Ms. Fudge inquired what the future of the pond would be if the compost facility moved either off site or to a new location at the Central Landfill.

Mr. Downey responded that is something that would have to be analyzed in the EIR and CEQA noting that there are possible benefits but that he cannot guarantee what they would necessarily be.

Ms. Fudge asked how the loss of seven acres will effect landfill operations.

Mr. Downey replied that it will have some impact but he believe at this time the pond will best serve the citizens of the County.

Mr. St. John inquired if the pond will be useful for the proposed new compost site at the Central Landfill.

Ms. Downey replied that it does have potential to be useful.

Mr. St. John stated that he finds this development very encouraging, noting that it provide 100% containment of discharge with additional benefits such as irrigation. He inquired if the site is capable of utilizing 29,000,000 gallons of water annually.

Mr. Downey responded that it has been estimated that the site will be able to use about 20,000,000 gallons with other uses being considered.

Mr. St. John asked if cost-sharing has been discussed, as the pond will ultimately provide a benefit to the landfill operation.

Mr. Downey noted that it is something that could be discussed, but, ultimately the pond would not be built if the compost site did not have to meet the zero discharge requirements.

Mr. Chambers inquired if uses for the extra water not used on site had been identified.

Mr. Mikus stated that some landfill neighbors have expressed interest in using the water for agricultural irrigation. SCC will be hiring a consultant to obtain permits and address possibilities of using contained water off-site.

Mr. Chambers noted that Healdsburg has experienced difficulties in obtaining approval to use treated water for dust control.

Mr. Ours noted that Santa Rosa sells treated waste water and that the regulations surrounding discharge are very rigid.

Ms. Harvey expressed concern regarding spending \$3,000,000 for a pond that may not be useable at the proposed new compost facility at Central.

Mr. Downey stated the Agency will have to make a decision based on the information that is available, noting that until CEQA and other analysis are completed the usefulness of the pond at the new site will remain uncertain.

Ms. Harvey asked if the pond will allow for the compost facility to remain on the current site for longer than what was originally anticipated.

Mr. Downey stated that is an opportunity that could be discussed.

Ms. Klassen stated that while Republic maybe able to place trash on other parts of the landfill to allow for the compost site to remain in its current location for a longer period of time, she noted that the NCRWQCB wants the operation moved from the top of the landfill.

Mr. Mikus reported that hauling the discharge is estimated to cost about \$750,000 per year, noting that if the facility stays at the current location and hauls water offsite for the next three year it will cost the majority of what the construction of the pond would cost.

Mr. St. John noted that ground water is becoming an increasingly more valuable resource, any effort to eliminate the need for pumping will have residual benefits. He asked staff to look at the financial forecast for this project, how it will affect fund balances, reserves and other financial aspects.

Public Comments

Ken Wells stated that in 1993 the NCRWQCB insisted the compost facility be put at its current site due to the landfill water collection system in place.

Pam Davis, Sonoma Compost Company, reiterated that SCC is looking at options for using excess water, noting they will be working with EBA Consulting and David Smith who is a water reuse expert.

Ernie Carpenter stated that October is five months away, completing the environmental analysis will take longer than the Agency has to determine the usability of the pond at the new site. He believes the Board should direct Agency Staff to work swiftly.

Roger Larson, Happy Acres, stated that the proposed new site at the Central Landfill is at a lower elevation than the pond. He believes the Board is going down the wrong path. Mr. Larson noted that statements have been made that the land and construction at the Central Site are free, which is simply not true, the Agency is being asked to spend millions of dollars on the construction of the pond and environmental analysis; he believes the money should be spent building a new facility at a different site.

Stu Clark, environmental consultant, stated his support for the development of the pond, noting that it is expensive but that the alternatives are more expensive.

Board Discussion

Ms. Harvey inquired how long the construction of a new site will take.

Mr. Mikus replied that it is estimated, no matter which site is selected, construction will take three years.

Mr. St. John noted there seems to be a consensus amongst the Board about the construction of the pond. He inquired what environmental implications construction of the pond will have.

Mr. Mikus replied that Republic has approached PRMD for permitting and has engaged Stu Clark to complete the necessary CEQA work.

9. Compost Capacity Discussion

Mr. Carter provided a power point presentation addressing a general overview of the compost site. At the March 2014 meeting questions were raised regarding what SCC has done to ease site capacity issues; Mr. Carter reported that SCC has purchased a new grinder, loader and water trucks and well as having implemented additional storm water management practices including adding additional sediment traps. Mr. Carter explained that “overs” have become a liability to SCC, taking up room on the site. Mr. Carter reported that the site currently has 43 windrows consisting of about 18,000 linear feet of material with the density of 2.85 cubic yards per linear foot; this means windrows have a total capacity of 51,300 cubic yards. The proposed windrow turner would allow for a capacity of 51,300 cubic yards of material within 12,512 linear feet; according to SCC this will increase the active windrow capacity by 28%. Mr. Carter addressed the possibility including pros and cons of a seasonal reduction of the compost area, primarily noting the decrease in processing cycles. Reducing the compost area either permanently or seasonally would likely lead to outhaul of materials. Mr. Carter stated that the Central Site does not currently have the infrastructure to support the outhaul of Wood Waste or Yard Debris from transfer stations to other compost facilities. Mr. Carter reviewed outhaul data that was obtained during the 2012 RFQ process for the compost contract.

Board Questions

Mr. Barbose asked if the 28% increase in site capacity had been monetized.

Mr. Carter responded that it had and it would be discussed in the next agenda item, noting that SCC does predict an increase in revenue sharing.

Mr. St. John inquired what the incremental cost of diverting 10,000 tons per year directly from the closest transfer station to the closest alternative compost facility would be.

Mr. Carter responded that scenario had not been analyzed.

Mr. St. John asked what outhaul locations are considered in the provided analysis.

Mr. Carter replied that Recology in Vacaville and Republic's facility in Richmond were considered.

Mr. St. John stated he believes it would make sense to divert a transfer station haul to another location instead of diverting it after its arrival at Central.

Public Comments

Mr. Larson noted that he had sent the Board information earlier in the week regarding the increased fire hazard posed by higher windrow piles.

Martin Mileck, Cold Creek Compost, stated that the Healdsburg Transfer Station produces approximately 20% of the County's compostable material and it is located nearly half way between SCC's facility and CCC's facility. Mr. Mileck stated that CCC could take the material from the Healdsburg Transfer Station, citing a variety of potential advantages such as: CCC is permitted for food waste, they have been a zero discharge facility since 1995, and that they can take the material at a cost lower than what the Agency is currently paying.

Margret Kullberg, stated her belief that it is time for the Agency is modernize the compost facility and move into compliance with the NCRWQCB's zero discharge requirements. Ms. Kullberg stated that ASP systems are utilized at compost facilities in Oregon and Washington and are very successful. Ms. Kullberg stated that she does not understand why ASPs are not being discussed or considered for the new compost site.

Board Discussion

Mr. St. John clarified that ASPs are addressed in the EIR.

10. Sonoma Compost Agreement 1st Amendment

Mr. Carter presented the staff report for this agenda item. Mr. Carter noted that this item was initially addressed at the March 2014 Board Meeting, at which time it was requested that SCC and Agency Staff return with additional information, including a business plan and justification for the proposed equipment. Mr. Carter noted the conversation from the March meeting also focused on the Solid Waste Facility Permit compliance and zero discharge requirement compliance which are noted in the Staff Report. Mr. Carter stated that per Board direction Agency Staff has asked SCC to quantify the return on investment for the Agency.

Board Questions

Mr. Ours inquired if lower percentages of outhaul were analyzed.

Mr. Carter responded that analysis for this staff report was only conducted for 100% outhaul.

Public Comments

Ms. Davis emphasized that the increase in material processing does not mean SCC is going to increase the permitted capacity, as the site is currently limited by space. Ms. Davis stated that in terms of out haul the Agency will still have to deal with the total compost site for zero-discharge. In response to the question of changed conditions Ms. Davis stated that there has been an increase in regulations from fire officials for methane well protection and setbacks as well as storm water protection regulations which have resulted in about a 14% site capacity loss. Ms. Davis stated that SCC is estimating between a 5% and 10% increase in finished product which amount to about 8,500 cubic yards, noting that the Agency's share of that would be approximately \$63,000 per year. Ms. Davis stated that including revenues from the sale of the equipment at the end of the term and the increased revenue the Agency is anticipated to receive a return of about \$840,000. Ms. Davis noted that over the last five years SCC has averaged 25,000 tons of sold "overs", which dropped to 13,000 tons in 2013. The remaining "overs" had to be out hauled at a cost to the operation.

Mr. Barbose asked to confirm the current proposal includes 100% of the revenue from the sale of the equipment is to be allocated to the Agency.

Ms. Davis responded affirmatively.

Mr. Barbose asked if 100% of the income from the increased capacity at the site due to the purchase of the equipment is also to be allocated to the Agency.

Ms. Davis replied that the Agency would receive an amount as determined by the current profit sharing agreement in place, noting that this amount it anticipated to be approximately \$63,000.

Mr. Barbose inquired why the Agency's share is estimated to increase so drastically from the previous year.

Mr. Carter replied that the revenue sharing agreement the Agency has with SCC is that they need to reach \$367,000 in sales before they share any revenues with the Agency, after that the Agency will begin to see revenue. Mr. Carter noted he anticipated a larger share this year than from previous years.

Ms. Davis noted that historically revenue sharing had started immediately, however, that made it difficult for Agency Staff to budget for; now after SCC has reached its \$367,000 goal the Agency receives 50% of revenues.

Mr. Ours asked for clarification regarding Ms. Davis' use of the terms "value" and "cost".

Ms. Davis responded that "value" was used to identify equipment that was purchased at no cost to the Agency.

Ms. Harvey noted that with the \$1,200,000 expenditure, minus the potential financial benefit the Agency is looking at a \$400,000 investment.

Mr. Carter responded affirmatively, noting the cost would be over a 3 year period.

Mr. Mileck reiterated his offer of taking Wood Waste and Yard Debris from Healdsburg for processing at CCC at a cost lower than what the Agency is currently paying.

Board Discussion

Ms. Harvey inquired if the sort-line could be used at a new compost site.

Mr. Carter responded affirmatively noting that the Agency would retain the equipment at the end of the term and would be able to determine if the equipment is to be used at the new site or sold.

Mr. Barbose noted that he is still concerned with the uncertainty of the operation on the site and about the ability to meet the zero discharge requirements. Mr. Barbose stated that he would like information regarding the options for partial outhaul, including numbers for outhaul from Healdsburg to CCC and from Sonoma to Recology and/or Redwood Landfill.

Ms. Harvey stated that she is in agreement with Mr. Barbose and wants to continue looking at alternative for obtaining zero discharge compliance.

Mr. St. John noted that he is not ready to make a decision at this time, but, that he does see the value in what is being proposed. Mr. St. John stated that the future site issues need to be resolved; cost sharing revenues need to be reevaluated as well as ways to accelerate the pay back of equipment.

Ms. Fudge noted that she is frustrated with the process of approving requests and making decisions. Ms. Fudge asked for this item to be brought back as soon as the additionally requested information is available.

Mr. Ours stated that he also would like to see the numbers for the alternative out hauls options that have been discussed.

Mr. Barbose motioned to continue this item to the next agenda and schedule a following vote. Bob Cox, City of Cloverdale, seconded the motion.

The motion passed unanimously.

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. Engineering Consultant Selection

Mr. St. John inquired based on everything discussed previously at the meeting if there would be any changes to the Engineering Consultant RFP in terms of the scope of work or focus.

Mr. Mikus stated that he would consider putting this item off noting that one of the items included in the scope of work is the analysis of roofing, which may be a moot point with the construction of a pond. Mr. Mikus noted at the board meeting the previous month there was a

push to move forward due to a grant opportunity, however, he thinks it may be advisable to put the decision off for a month.

Mr. St. John stated that he would like to get a professional team on board and up to speed on the technical issues, noting his belief that the Agency would want this kind of team to address issues regarding the pond and answering questions like “Will this pond work?” or “Can it be utilized at the proposed new site?” and to help clarify the NCRWQCB’s criteria for zero discharge.

Mr. Mikus stated if the process was started today he is unsure answers would be available by next month. He noted the current issues being addressed include: storm water issues, pond capacity required, viable sources of irrigation, water supply, roofing, and capacity analysis as well as a preliminary engineer site plan and construction cost estimate.

Ms. Klassen stated that she would like to see the entire scope of work.

Mr. Ours noted that it seems unclear as to what the Agency would be utilizing the consultant for and is hesitant to bring a team without any clear objectives.

Mr. Mikus understood Mr. Ours’ concern and stated that he would like the opportunity to refocus the work plan.

Mr. St. John stated that at the next board meeting Board Members are going to be asked to make a decision regarding a \$3,000,000 pond and that they will want to know if the pond can be utilized at the future site. He noted that it may be an awkward time to approve a contract, but it could be done and simply not provide the contractor with a notice to proceed.

Mr. Mikus stated a firm has conducted a water study on storm water within the previous few months. He noted the study determined that for a normal rainfall year the pond capacity would need to be 14,000,000 gallons; utilizing 1983 rainfall data for a heavy rainfall year 29,000,000 would be needed. Mr. Mikus stated he is confident the proposed pond size will work with the new site.

Mr. St. John inquired how the water would get from the new site to the pond and if pumping would be needed.

Mr. Ours stated that if Board Members are worried about the pond the scope of work should be limited to that.

Mr. Chambers stated he believes if the scope of work is to be refocused to just the pond a new scope of work would need to be developed.

Ms. Harvey inquired if there were items within the current scope of work that the Board could authorize the contractor to complete while postponing the remaining work.

Mr. St. John inquired if Agency Staff has another way of getting that type of engineering support for the “just in time” information that is being looked for.

Mr. Mikus stated that he would have to contact firms and expressed his doubt that the cost would be within his signing authority. Mr. Mikus noted the Board could approve a not-to-exceed budget.

Mr. St. John stated that he would like for the consultant to go to the NCRWQCB with Agency Staff and write down the requirements from an engineering standpoint. He would like for them to: look at the new site, get familiar with the geography and topography and integrate Republic's proposed plan to determine definitively whether the pond would work for the new site and then provide a 2nd opinion to Republic's and the County's proposal.

Mr. Mikus asked for clarification as to what was being asked of him.

Mr. St. John stated that he would be open for a motion to select a consultant and if there's a desire to hold them back from certain work to allow for the review of the scope of work and revise it as needed.

Mr. Mikus provided an overview of the firms that responded to the RFP. He noted there were three respondents: Always Engineering, Tetra Tech and Brelje & Race with prices ranging from \$95,000 to \$280,000. The Always Engineering proposal did not meet the scope of work requirements outlined in the RFP; the other two responses met the scope of work with cost, time line and assistance needed from the Agency being considered in the selection of TetraTech.

Ms. Klassen inquired if the Agency has any remaining money with SCS Engineers.

Mr. Mikus responded negatively.

Mr. St. John asked what Mr. Mikus' signing authority is for contracts.

Mr. Mikus responded \$5,000.

Mr. St. John asked if the Board desired to authorize staff to award a specific consulting assignment to TetraTech in order to assist the Agency in the evaluation of the pond option.

Mr. Downey advised the Board the TetraTech is also the engineering firm Republic is using for the pond project.

Larry McLaughlin, City of Sebastopol, expressed his concern regarding whether the item is properly agendaized for action.

Janet Coleson, Agency Counsel, reiterated Mr. McLaughlin's concern.

Mr. Mikus noted that all three firms which responded to the RFP are involved with aspects of the project; Always Engineering is providing storm water management consulting, Brelje and Race is working with the County regarding the leachate pipeline and TetraTech is working for Republic.

Mr. Mikus again noted he would like to reevaluate and revise the agreement for the Board's consideration at the May 2014 Board Meeting.

Mr. Chambers noted without a clear plan or objective he believes it would be a poor use of funds to hire a consultant.

Ms. Klassen suggested, that as TetraTech is being utilized by Republic to design the pond, perhaps they would address Agency Board Member's question.

Mr. Downey responded affirmatively.

Mr. St. John suggested that the Board make the selection for the consulting firm and then direct staff to go back and develop the scope of work to be brought back for review and approval at the May 2014 Board Meeting. He stated his belief that the item has been agendized properly and noted it is not uncommon to select a consultant then negotiate service.

Mr. Coleson asked if Mr. St. John was asking to simply select a consulting firm for a future contact that has not yet been vetted without a dollar amount determined.

Mr. St. John responded affirmatively stating that it is done all of the time; he believes formally selecting TetraTech will be a show of good will.

Ms. Coleson stated she understood Mr. St. John's position but does not believe that is how the item is presented on the agenda.

Mr. Chambers motioned to continue the item to the May 21, 2014 Board Meeting. Mr. Cox Seconded the motion.

Ms. Coleson asked to clarify if the motion is to continue this item or if staff is being asked to bring it back knowing it may change.

Mr. Chambers stated the he would like the item to be as straight forward as possible regarding what is being asked of from the consultants.

Mr. Coxed seconded the clarified motion.

The motion passed unanimously.

Vote:

Cloverdale- Aye
Petaluma- Aye
Sonoma – Aye

Cotati- Aye
Rohnert Park- Aye
Windsor- Aye

County- Aye
Santa Rosa- Aye

Healdsburg- Aye
Sebastopol- Aye

AYES -10-

NOES -0-

ABSENT -0-

ABSTAIN -0-

12. Attachments/Correspondence:

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: Mailers and Fairs

Mr. Chambers left at 12:19pm.

13. Board member Comments

Mr. Barbose stated that he supports the idea of getting to a go/no go decision regarding the new compost site at the Central Site due to the political reality that Site 40 is a highly unlikely possibility.

14. Staff Comments

Mr. Mikus reported that the 2014 Recycle Guides have been printed and are being distributed; he noted a staff member would be available to distribute them to members after the meeting. He also noted that the letter to be distributed to retailers regarding the carryout bag ordinance is set to be mailed on April 22nd and that Bag Fair Events dates have been set as May 13, 14, and 15.

15. Next SCWMA meeting: May 21, 2014

16. Adjourn

The meeting was adjourned at 12:21 P.M.

Submitted by
Rebecca Lankford

DRAFT



Agenda Item #: **7.2**
Cost Center: **All**
Staff Contact: **Carter**
Agenda Date: **5/21/2014**

ITEM: **FY 13-14 Third Quarter Financial Report**

I. BACKGROUND

In accordance with the requirement in the joint powers agreement the Sonoma County Waste Management Agency (SCWMA) staff make quarterly reports to the Board of Directors of Agency operations and of all receipts to and disbursements from the SCWMA; this report covers the First, Second, and Third Quarters of FY 13-14 (July 1, 2013 through March 31, 2014).

II. DISCUSSION

The Third Quarter Financial Report uses information from the County accounting system, Financial Account and Management Information System (FAMIS), for expenditures and revenues. The FY 13-14 Third Quarter Financial Report contains the actual amounts spent or received to date at the end of the quarter, the projected revenues and expenses, the adjusted budget, and the difference between the budget and the projections.

Revenues on the whole are expected to be above budget estimates due in main part to the tonnage of organics and landfill waste trending higher than budgeted.

The only revenue sub-object projected to be significantly under budget is the State-Other grant funding revenue, which comes from the two CalRecycle grants. While funding is received each year, the funding is placed into a reimbursement account, and the Agency does not realize that revenue until it has incurred valid expenditures. The City-County Payment Program is funding the Mandatory Commercial Recycling project, but is also to be used for purchasing beverage recycling containers. The funds allocated for beverage container recycling have been underutilized, causing a decrease in expected revenues.

With regard to expenditures, nearly all sub-objects are expected to be under budget, which is being driven by lower expenditures expected in the Contract Services and Administration Costs sub-objects. Contract Services are projected to be below budget estimates due to the compost, HHW, and waste characterization study project. The compost program is trending slightly lower than budget estimates, HHW about \$188,000 lower due to less need for disposal than anticipated which is due in part to the PaintCare program, and the waste characterization study which will not be completed this fiscal year causing some expenditures to be made in the next fiscal year.

Administration costs will be under budget due to a staff vacancy. Staff plans to fill this vacancy as the FY 14-15 Budget was approved at the April 2014 Agency Meeting.

III. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approving the FY 13-14 Third Quarter Financial Report.

IV. ATTACHMENTS

Third Quarter Financial Report FY 13-14 Revenue and Expenditure Comparison Summary

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

Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
Wood Waste Detail

799114

Revenues

Sub-object	Description	Actual July 13-Mar 14	Revenue Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
1700	Interest on Pooled Cash	516	488	1,004	301	703
2901	Tipping Fee Revenue	137,086	52,000	189,086	170,850	18,236
3980	Prior Year Revenue	0	0	0	0	0
4020	Other Sales	0	5,000	5,000	5,000	0
4102	Donations/reimbursements	0	5,000	5,000	5,000	0
Total Revenues		137,602	62,488	200,090	181,151	18,939

Expenditures

Sub-object	Description	Actual July 13-Mar 14	Expenditure Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
6103	Liability Insurance	306	0	306	291	15
6521	County Services	0	491	491	525	(34)
6540	Contract Services	88,554	63,253	151,807	160,148	(8,341)
6573	Administration Costs	9,881	5,000	14,881	6,752	8,129
6629	Accounting Services	404	551	955	955	0
6630	Audit Services	0	500	500	500	0
7400	Data Processing	2,140	1,070	3,210	3,210	0
Total Services and Supplies		101,285	70,865	172,150	172,381	(231)
8624	OT-Within Enterprise	0	8,317	8,317	8,317	0
8648	OT-Between Enterprise	454	0	454	454	0
Total Other Charges		454	8,317	8,771	8,771	0
Total Expenditures		101,739	79,182	180,921	181,152	(231)
Net Cost		(35,863)	16,694	(19,169)	1	(19,170)

Overview

At this time, all items are expected to be near budget predictions with the exception of tipping fee revenue which is trending higher than budget. This is projected to cause a net surplus of \$19,169.

Third Quarter 13-14 Revenue and Expenditure Summary and Projection

Indices

799114, 799213, 799312, 799411, 799510

799619, 799221, 799320, 799338, 799718

Prepared by: Patrick Carter

E. D.: _____
Henry Mikus, Executive Director

A. Summary of Projections

	FY 13-14 Adopted Budget	Adjustment	FY 13-14 Adjusted Budget	FY 13-14 Projection	Over/(Under) Budget
Total Revenues	5,563,593	0	5,563,593	5,823,137	259,544
Total Expenditures	5,695,818	11,975	5,707,793	5,384,688	(323,105)
Net Cost	132,225	11,975	144,200	(438,449)	(582,649)

B. Summary of Revenues

	Actual July 13-Mar 14	Revenue Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/(Under) Budget
Interest on Pooled Cash	30,726	26,909	57,635	47,175	10,460
State-Other	5,696	224,401	230,097	285,473	(55,376)
Tipping Fee Revenue	3,310,379	1,672,828	4,983,207	4,675,400	307,807
Prior Year Revenue	443	0	443	0	443
Other Sales	0	15,000	15,000	15,000	0
Miscellaneous Revenue	0	0	0	5,000	(5,000)
Donations/Reimbursements	217,016	163,245	380,261	379,050	1,211
OT-Within Enterprise	0	156,495	156,495	156,495	0
Total Revenues	3,564,260	2,258,877	5,823,137	5,563,593	259,544

C. Summary of Expenditures

	Actual July 13-Mar 14	Expenditure Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/(Under) Budget
Liability Insurance	10,205	0	10,205	9,689	516
Memberships	4,000	150	4,150	5,650	(1,500)
Miscellaneous Expenses	0	0	0	5,000	(5,000)
Office Expense	17,815	8,400	26,215	16,850	9,365
Professional Services	93,917	120,698	214,615	237,223	(22,608)
County Services	0	16,356	16,356	17,501	(1,145)
Contract Services	2,232,458	1,793,876	4,026,334	4,244,037	(217,703)
Administration Costs	439,298	290,564	729,862	800,483	(70,621)
Engineering Services	7,865	5,000	12,865	7,500	5,365
Legal Services	28,266	24,541	52,807	62,000	(9,193)
Accounting Services	4,208	6,508	10,716	9,946	770
Audit Services	0	21,000	21,000	21,000	0
Advertising	2,533	5,000	7,533	12,000	(4,467)
Rents/Lease - Equipment	1,525	935	2,460	2,460	0
Rents/Leases	30,005	6,620	36,625	36,625	0
Enforcement Agency	1,368	26,648	28,016	35,400	(7,384)

C. Summary of Expenditures (cont.)

	Actual July 13-Mar 14	Expenditure Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/(Under) Budget
Professional Development	0	1,500	1,500	1,500	0
Textbook/Tuition	0	2,400	2,400	2,400	0
County Car Expense	971	971	1,942	3,000	(1,058)
Travel Expense	0	0	0	0	0
Unclaimable County	79	0	79	0	79
Data Processing	12,340	5,970	18,310	18,310	0
Data Processing Supplemental	1,479	0	1,479	0	1,479
Total Supplies and Services	2,888,332	2,337,137	5,225,469	5,548,574	(323,105)
OT-Within Enterprise	0	156,495	156,495	156,495	0
OT-Between Enterprise (ISD)	2,724	0	2,724	2,724	0
Total Other Charges	2,724	156,495	159,219	159,219	0
Total Expenditures	2,891,056	2,493,632	5,384,688	5,707,793	(323,105)

D. Summary of Net Costs

	Actual July 13-Mar 14	Net Cost Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/(Under) Budget
Net Cost	(673,204)	234,755	(438,449)	144,200	(582,649)

Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
Yard Waste Detail

799213

Revenues		Actual	Revenue	Total	Adjusted	Over/
Sub-object	Description	July 13-Mar 14	Estimated	Estimated	Budget	(Under)
			Apr 14-June 14	FY 13-14	FY 13-14	Budget
1700	Interest on Pooled Cash	4,300	3,951	8,251	4,537	3,714
2901	Tipping Fee Revenue	2,091,638	1,080,000	3,171,638	3,106,300	65,338
3980	Prior Year Revenue	0	0	0	0	0
4020	Other Sales	0	10,000	10,000	10,000	0
4102	Donations/Reimbursement	1,574	5,000	6,574	5,000	1,574
Total Revenues		2,097,512	1,098,951	3,196,463	3,125,837	70,626

Expenditures		Actual	Expenditure	Total	Adjusted	Over/
Sub-object	Description	July 13-Mar 14	Estimated	Estimated	Budget	(Under)
			Apr 14-June 14	FY 13-14	FY 13-14	Budget
6103	Liability Insurance	6,123	0	6,123	5,814	309
6400	Office Expense	2,606	0	2,606	2,000	606
6521	County Services	0	9,814	9,814	10,500	(686)
6540	Contract Services	1,613,789	990,000	2,603,789	2,693,100	(89,311)
6573	Administration Costs	180,894	90,447	271,341	210,374	60,967
6610	Legal Services	1,307	2,500	3,807	5,000	(1,193)
6629	Accounting Services	1,941	2,647	4,588	4,588	0
6630	Audit Services	0	5,000	5,000	5,000	0
6820	Rents/Leases - Equipment	1,525	935	2,460	2,460	0
7062	Enforcement Agency Fee	1,368	26,248	27,616	35,000	(7,384)
7110	Professional Development	0	1,500	1,500	1,500	0
7130	Textbook/Tuition Reimburse	0	600	600	600	0
7301	County Car	971	971	1,942	3,000	(1,058)
7309	Unclaimable County	79	0	79	0	79
7400	Data Processing	3,647	1,823	5,470	5,470	0
Total Services and Supplies		1,814,250	1,132,485	2,946,735	2,984,406	(37,671)
8624	OT-Within Enterprise	0	140,523	140,523	140,523	0
8648	OT-Between Enterprise (ISD)	908	0	908	908	0
Total Other Charges		908	140,523	141,431	141,431	0
Total Expenditures		1,815,158	1,273,008	3,088,166	3,125,837	(37,671)
Net Cost		(282,354)	174,057	(108,297)	0	(108,297)

Revenues

Tipping Fee Revenues are projected to be over \$65,338 over budget projections, as actual tonnages are greater than budget projections.

Expenditures

Contract Services is projected below budget estimates at this point.

Overview

There is a projected net surplus of \$108,297.

Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
Household Hazardous Waste Detail

799312

Sub-object	Revenues		Revenue		Total	Adjusted	Over/
	Description	Actual July 13-Mar 14	Estimated Apr 14-June 14	Estimated FY 13-14	FY 13-14	Budget FY 13-14	(Under) Budget
1700	Interest on Pooled Cash	2,092	1,928	4,020	1,743	2,277	
2500	State-Other	0	150,473	150,473	150,473	0	
2901	Tipping Fee Revenue	908,393	454,197	1,362,590	1,174,530	188,060	
3980	PY Revenue	443	0	443	0	443	
4102	Donations/Reimbursement	199,786	142,704	342,490	341,442	1,048	
4624	OT-Within Enterprise	0	0	0	0	0	
Total Revenues		1,110,714	749,302	1,860,016	1,668,188	191,828	

Sub-object	Expenditures		Expenditure		Total	Adjusted	Over/
	Description	Actual July 13-Mar 14	Estimated Apr 14-June 14	Estimated FY 13-14	FY 13-14	Budget FY 13-14	(Under) Budget
6103	Liability Insurance	3,113	0	3,113	2,955	158	
6280	Memberships	4,000	0	4,000	5,500	(1,500)	
6400	Office Expense	1,571	400	1,971	2,000	(29)	
6500	Professional Services	45,651	89,340	134,991	134,991	0	
6521	County Services	0	4,989	4,989	5,338	(349)	
6540	Contract Services	489,150	564,000	1,053,150	1,240,800	(187,650)	
6573	Administration Costs	149,812	74,906	224,718	213,889	10,829	
6610	Legal Services	0	2,000	2,000	5,000	(3,000)	
6629	Accounting Services	931	1,270	2,201	2,201	0	
6630	Audit Services	0	7,500	7,500	7,500	0	
6785	Advertising	2,533	5,000	7,533	12,000	(4,467)	
6840	Rents/Leases - Buildings	26,350	3,650	30,000	30,000	0	
7062	Enforcement Agency Fees	0	400	400	400	0	
7130	Textbook/Tuition Reimburse	0	600	600	600	0	
7400	Data Processing	2,140	1,070	3,210	3,210	0	
Total Services and Supplies		725,251	755,125	1,480,376	1,666,384	(186,008)	
8624	OT-Within Enterprise	0	1,350	1,350	1,350	0	
8648	OT-Between Enterprise (ISD)	454	0	454	454	0	
Total Other Charges		454	1,350	1,804	1,804	0	
Total Expenditures		725,705	756,475	1,482,180	1,668,188	(186,008)	
Net Cost		(385,009)	7,173	(377,836)	0	(377,836)	

Revenues

Tipping fee revenue is projected to create a surplus due to the greater receipt of waste than budgeted.

Expenditures

Contract Services is projected to be less than budgeted, due to less disposal needed, due in large part, to the utilization of PaintCare for latex paint products.

Overview

Due to projections of revenues exceeding expenditures and the reduction of costs in the Contract Services Sub-object, there is expected to be a net surplus of \$377,836.

Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
Education Detail

799411

Revenues

Sub-object	Description	Actual	Revenue	Total	Adjusted	Over/
		July 13-Mar 14	Estimated Apr 14-June 14	Estimated FY 13-14	Budget FY 13-14	(Under) Budget
1700	Interest on Pooled Cash	1,215	1,092	2,307	485	1,822
2500	State-Other	5,696	73,928	79,624	135,000	(55,376)
2901	Tipping Fee Revenue	146,255	73,128	219,383	188,764	30,619
4040	Miscellaneous Revenue	0	0	0	5,000	(5,000)
4102	Donations/Reimbursement	13,159	8,800	21,959	23,294	(1,335)
4624	OT-Within Enterprise	0	0	0	0	0
Total Revenues		166,325	156,948	323,273	352,543	(29,271)

Expenditures

Sub-object	Description	Actual	Expenditure	Total	Adjusted	Over/
		July 13-Mar 14	Estimated Apr 14-June 14	Estimated FY 13-14	Budget FY 13-14	(Under) Budget
6103	Liability Insurance	612	0	612	581	31
6280	Memberships	0	150	150	150	0
6300	Miscellaneous Expense	0	0	0	5,000	(5,000)
6400	Office Expense	12,180	6,000	18,180	10,850	7,330
6500	Professional Services	48,266	31,358	79,624	102,232	(22,608)
6521	County Services	0	981	981	1,050	(69)
6540	Contract Services	4,391	23,623	28,014	28,014	0
6573	Administration Costs	59,377	42,412	101,789	164,467	(62,678)
6610	Legal Services	12,015	7,985	20,000	20,000	0
6629	Accounting Services	770	1,819	2,589	1,819	770
6630	Audit Services	0	3,000	3,000	3,000	0
6840	Rents/Leases - Buildings/Improve	3,655	2,970	6,625	6,625	0
7130	Textbook/Tuition Reimburse	0	1,200	1,200	1,200	0
7400	Data Processing	2,273	937	3,210	3,210	0
7415	Data Processing-Supplemental	1,479	0	1,479	0	1,479
Total Services and Supplies		145,018	122,436	265,975	348,198	(80,744)
8624	OT-Within Enterprise	0	3,891	3,891	3,891	0
8648	OT-Between Enterprise (ISD)	454	0	454	454	0
Total Other Charges		454	3,891	4,345	4,345	0
Total Expenditures		145,472	126,327	270,320	352,543	(80,744)
Net Cost		(20,853)	(30,621)	(52,953)	0	(52,953)

Revenues

State-Other is projected to be lower than estimated due to the underutilization of a grant to fund recycling container purchase.

Tipping Fee Revenue is projected to be \$30,619 over budget estimates due to higher tonnage received than estimated.

Expenditures

Professional Services are projected to be lower than estimates unless additional project requiring the CCP program are utilized.

Administration costs are expected to be lower than budget estimates due to a staff vacancy.

Overview

The education cost center is expected to have a net surplus of \$52,953.

**Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
Diversion Detail**

799510

Expenditures

Sub- object	Description	Actual July 13-Mar 14	Expenditure Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
8624	OT-Within Enterprise	0	0	0	0	0
	Total Other Charges	0	0	0	0	0
	Total Expenditures	0	0	0	0	0
	Net Cost	0	0	0	0	0

Overview

This cost center is currently unused.

Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
Planning Detail

799619

Revenues

Sub-object	Description	Actual July 13-Mar 14	Revenue Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
1700	Interest on Pooled Cash	81	100	181	20	161
2901	Tipping Fee Revenue	27,007	13,504	40,511	34,956	5,555
4102	Donations/Reimbursement	2,437	1,741	4,178	4,314	(136)
Total Revenues		29,525	15,344	44,869	39,290	5,579

Expenditures

Sub-object	Description	Actual July 13-Mar 14	Expenditure Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
6103	Liability Insurance	51	0	51	48	3
6521	County Services	0	82	82	88	(6)
6573	Administration Costs	2,295	5,000	7,295	21,693	(14,398)
6610	Legal Services	0	5,000	5,000	10,000	(5,000)
6629	Accounting Services	162	221	383	383	0
6630	Audit Services	0	1,000	1,000	1,000	0
7130	Textbook/Tuition	0	0	0	0	0
7400	Data Processing	2,140	1,070	3,210	3,210	0
Total Services and Supplies		4,648	12,373	17,021	36,422	(19,401)
8624	OT-Within Enterprise	0	2,414	2,414	2,414	0
8648	OT-Between Enterprise (ISD)	454	0	454	454	0
Total Other Charges		454	2,414	2,868	2,868	0
Total Expenditures		5,102	14,787	19,889	39,290	(19,401)
Net Cost		(24,423)	(557)	(24,980)	0	(24,980)

Overview

At this time, revenues and expenditures are near projections, with the exception of administration costs due to a staff vacancy.

**Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
Organics Reserve Detail**

799221

Revenues

Sub-object	Description	Actual July 13-Mar 14	Revenue Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
1700	Interest on Pooled Cash	17,885	15,400	33,285	32,570	715
4102	Donations/Reimbursement	60	0	60	0	60
4624	OT-Within Enterprise	0	148,840	148,840	148,840	0
Total Revenues		17,945	164,240	182,185	181,410	775

Expenditures

Sub-object	Description	Actual July 13-Mar 14	Expenditure Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
6400	Office Expense	0	0	0	0	0
6540	Contract Services	19,086	45,000	64,086	55,000	9,086
6573	Administration Costs	19,159	19,159	38,318	76,544	(38,226)
6590	Engineering Services	7,865	5,000	12,865	7,500	5,365
6610	Legal Services	5,597	4,403	10,000	10,000	0
6630	Audit Services	0	2,500	2,500	2,500	0
7062	Enforcement Agency Fees	0	0	0	0	0
7302	Travel Expense	0	0	0	0	0
Total Services and Supplies		51,707	76,062	127,769	151,544	(23,775)
Total Expenditures		51,707	76,062	127,769	151,544	(23,775)
Net Cost		33,762	(88,178)	(54,416)	(29,866)	(24,550)

Expenditures

Contract Services is projected to be \$9,086 over budget. This was due to additional work performed by SCS Engineers related to stormwater management at the current and potential future site at the Central Disposal Site.

Administration Costs is projected to be \$38,226 below budget due to a staff vacancy.

Overview

These reserve funds are restricted for use only for the organics program per the joint powers agreement.

**Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
HHW Closure Detail**

799320

Revenues

Sub- object	Description	Actual July 13-Mar 14	Revenue Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
1700	Interest on Pooled Cash	223	192	415	408	7
4624	OT-Within Enterprise	0	0	0	0	0
TOTAL REVENUES		223	192	415	408	7
TOTAL EXPENDITURES		0	0	0	0	0
NET COST		(223)	(192)	(415)	(408)	(7)

Overview

This reserve has met its reserve goal.

**Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
HHW Facility Reserve Detail**

799338

Revenues

Sub-object	Description	Actual July 13-Mar 14	Revenue Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
1700	Interest on Pooled Cash	3,353	2,904	6,257	6,141	116
4624	OT-Within Enterprise	0	1,350	1,350	1,350	0
Total Revenues		3,353	4,254	7,607	7,491	116

Expenditures

Sub-object	Description	Actual July 13-Mar 14	Expenditure Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
8624	OT-Within Enterprise	0	0	0	0	0
Total Other Charges		0	0	0	0	0

Total Expenditures		0	0	0	0	0
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Net Cost		(3,353)	(4,254)	(7,607)	(7,491)	(116)
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Overview

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

Sonoma County Waste Management Agency
FY 13-14 Third Quarter Revenue and Expenditure Summary and Projection
Contingency Reserve Detail

799718

Revenues

Sub-object	Description	Actual July 13-Mar 14	Revenue Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
1700	Interest on Pooled Cash	1,061	854	1,915	970	945
4624	OT-Within Enterprise	0	6,305	6,305	6,305	0
Total Revenues		1,061	7,159	8,220	7,275	945

Expenditures

Sub-object	Description	Actual July 13-Mar 14	Expenditure Estimated Apr 14-June 14	Total Estimated FY 13-14	Adjusted Budget FY 13-14	Over/ (Under) Budget
6400	Office Expense	1,458	2,000	3,458	2,000	1,458
6521	County Services	0	0	0	0	0
6540	Contract Services	17,488	108,000	125,488	138,485	(12,997)
6573	Administration Costs	17,880	53,640	71,520	106,764	(35,244)
6610	Legal Services	9,347	2,653	12,000	12,000	0
6630	Audit Services	0	1,500	1,500	1,500	0
Total Services and Supplies		46,173	167,793	213,966	260,749	(46,783)
8624	OT-Within Enterprise	0	0	0	0	0
Total Other Charges		0	0	0	0	0
Total Expenditures		46,173	167,793	213,966	260,749	(46,783)
Net Cost		45,112	160,634	205,746	253,474	(47,728)

Expenditures

Contract Services is projected to be below budget due to the likelihood that the Waste Characterization Study will not be completed this fiscal year.

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

Overview

Contingency Reserve projects this fiscal year are expected to result in a net cost of \$205,746.



Agenda Item #: **7.3**
 Cost Center: **Education**
 Staff Contact: **Chilcott**
 Agenda Date: **5/21/14**

ITEM: **Spanish Language Outreach Services Contract Amendment**

I. BACKGROUND

Spanish Language Outreach is part of the implementation of one of the objectives in the Countywide Integrated Waste Management Plan (CIWMP) to encourage waste diversion in non-English speaking communities. Reflecting the goals in the CIWMP, the Agency implemented its first Spanish Language Outreach Program through award of a two-year Eco-Desk Spanish Language Pilot Project. The majority of the funding for the Spanish Language Outreach Services Contract has historically been paid through the UBG program and the new OPP program, which are state grant programs that involve used oil recycling.

Date	Action/notes	Funding CalRecycle Grant Used Oil OPP	Funding Agency Education
2006 (Oct)	C² Awarded two-year contract for Spanish Language Eco-Desk Pilot Project (Expired March 31, 2008)	\$12,500 (FY 06-07) \$12,500 (FY 07-08)	\$7,500 (FY 06-07) \$7,500 (FY 07-08)
2008 (Jan)	Agency Board approved an extension of C² Agreement for the Spanish Language Eco-Desk Pilot Project from March 31, 2008 to June 30, 2008 to correspond with FY Budgeting (no cost implications) + requested staff to go out to bid.		
2008 (Apr-May)	RFQ distributed/received for Spanish Language Outreach Services The RFQ was based on lessons learned from the Spanish Language Eco-Desk Pilot Project. In response to the RFQ two proposals were received: 1) C ² and 2) Calif. Human Development		
2008 (June)	C² Awarded two-year contract for Spanish Language Outreach Services (Contract expired June 30, 2010) Contract Scope of Work requires Used Oil Recycling education to meet CalRecycle Grant/ OPP terms & conditions.	\$15,000 (FY 08-09) \$15,000 (FY 09-10)	\$9,000 (FY 08-09) \$9,000 (FY 09-10)
2010 (Apr-May)	RFP distributed/received for Spanish Language Outreach Services In response to the RFP one proposals was received from C ²		
2010 (June)	C² Awarded two-year contract for Spanish Language Outreach Services (Contract expires June 30, 2012) Contract Scope of Work requires Used Oil Recycling education to meet CalRecycle Grant OPP terms & conditions.	\$18,886 (FY 10-11) \$18,886 (FY 11-12)	\$5,114 (FY 10-11) \$5,114 (FY 11-12)

2012 (May)	RFP distributed/received for Spanish Language Outreach Services In response to the RFP one proposals was received from C ²		
2012 (June)	C² Awarded two-year contract for Spanish Language Outreach Services (Contract expires June 30, 2014) Contract Scope of Work requires Used Oil Recycling education to meet CalRecycle Grant OPP terms & conditions.	\$18,886 (FY 12-13) \$18,886 (FY 13-14)	\$5,114 (FY 12-13) \$5,114 (FY 13-14)

At the February 19, 2014 meeting, Board members approved the Work Plan for FY 14-15 which allocated \$24,000 for Spanish Language Outreach funded by the HHW Cost Center with CalRecycle Grant OPP funding (\$18,886) and the Education Cost Center (\$5,114). The corresponding Budget for FY 14-15 was approved at the April 16, 2014 meeting.

The two-year agreement from July 1, 2012 to June 30, 2014, allows for annual extensions based on mutual agreement.

II. DISCUSSION

This agenda item seeks the Board's approval to extend the current Agreement with C2 Alternative Services two full fiscal years (all of FY 14-15 and FY 15-16, and part of FY 16-17) and a partial fiscal year until the end of the Agency's charter, February 1, 2017. In a letter dated April 25, 2014, C2 Alternative Services indicated their willingness to extend the term of the contract with the same terms and conditions.

Agency staff is pleased with the performance of the current Spanish Language Outreach Services Contractor, C² Alternative Services, which includes working with Hugo Mata and would like to retain their services.

Extending the contract would also provide budget and financial stability for the next 2 ½ years.

The proposed outreach and budget plan for FY 14-15, for FY 15-16 and prorated from FY 16-February 1, 2017, would be identical in scope and budget to the existing agreement.

Tasks	Budget annually FY 14-15
Media and community based social marketing including determining optimal outreach audience, organizing media packages, developing promotional.	\$17,570
Answer Eco-Desk Spanish language calls, log calls into provided database, consult with Agency staff, monitor data to determine with outreach methods are generating calls.	\$1,840
Assist Agency staff with Spanish-language outreach	\$2,880
Reporting and administration	\$1,710
Total for one year	\$24,000

III. FUNDING IMPACT

The Work Plan and corresponding Budget for FY 14-15, allocates \$24,000 for Spanish Language

Outreach funded by the HHW Cost Center with CalRecycle Used Oil Grant money (\$18,886) and the Education Cost Center (\$5,114). It is anticipated that similar funding will be available for FY 15-16 and through February 1, 2017 for this project.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Adopt Resolution to approve the First Amendment to the Agreement with Spanish Language Outreach Services Contract and to authorize the Chair to execute the First Amendment to the Agreement on behalf of the Agency.

V. ATTACHMENTS

1st Amendment to Spanish Language Outreach Services Agreement
Letter from C2 Alternative Services
Resolution for 1st Amendment to Spanish Language Outreach Services Agreement

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

FIRST AMENDMENT TO
AGREEMENT BETWEEN SONOMA COUNTY WASTE MANAGEMENT AGENCY
AND C² ALTERNATIVE SERVICES FOR SPANISH LANGUAGE OUTREACH SERVICES

This First Amendment ("Amendment") to the Agreement for Professional Services Spanish Language Outreach Services ("Agreement"), dated as of _____, 2014, is by and between the Sonoma County Waste Management Agency (hereinafter "Agency"), a joint powers agency and C² Alternative Services (hereinafter "Contractor").

RECITALS

WHEREAS, Agency and Contractor entered into that certain Agreement for Professional Services Spanish Language Outreach Services dated as of July 1, 2012 ("Agreement"); and,

WHEREAS, Agency is satisfied with services provided by Contractor and would like to continue receiving said services from Contractor; and,

WHEREAS, the parties desire to amend the Agreement to extend the term of Agreement until February 1, 2017; and,

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

AGREEMENT

1. Section 3 Term of Agreement is hereby deleted and replaced in its entirety to read as follows:

The term of this Agreement shall be July 1, 2012 to February 1, 2017, with annual extensions upon mutual agreement unless terminated earlier in accordance with the provisions of Article 4, below.

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

AGENCY AND CONTRACTOR HAVE CAREFULLY READ AND REVIEWED THIS AMENDMENT AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS AMENDMENT, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO.

May 21, 2014

First Amendment

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

AGENCY:

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By:

Jim Wood, Chair

CONTRACTOR:

C2 ALTERNATIVE SERVICES

By:

Title:

APPROVED AS TO FORM FOR AGENCY:

Janet Coleson, Agency Counsel

APPROVED AS TO SUBSTANCE FOR AGENCY:

Henry Mikus, Executive Director

May 21, 2014

First Amendment



April 25, 2014

Ms Karina Chilcott
Sonoma County Waste Management Agency
2300 County Center Dr. STE B100
Santa Rosa, CA 95403

Dear Karina,

Thank you for your interest in extending our current contract for environmental outreach education to the Spanish speaking community. We enjoy working with you and the rest of the staff on this and are proud that our work is making a difference. We are providing this important and growing sector of the County's population with the information they need to make good choices for the environment.

This letter is therefore to formally request an extension to our current contract until the end of the Agency's charter in February 2017, at no change to the current rates or scope. If the Agency Board decides to extend our contract, we agree to the existing terms and conditions.

I am of course available to discuss the contract extension further with Agency staff and Board.

Thank you again,



Partner

DATED: May 21, 2014

RESOLUTION OF THE
SONOMA COUNTY WASTE MANAGEMENT AGENCY ("AGENCY") APPROVING THE FIRST
AMENDMENT WITH ECS REFINING ("CONTRACTOR") FOR SPANISH LANGUAGE OUTREACH SERVICES

WHEREAS, Agency and Contractor entered into that certain Agreement for Professional Services Spanish Language Outreach Services dated as of July 1, 2012 ("Agreement"); and,

WHEREAS, Agency is satisfied with services provided by Contractor and would like to continue receiving said services from Contractor; and,

WHEREAS, the parties desire to amend the Agreement to extend the term of Agreement until February 1, 2017; and,

NOW, THEREFORE, BE IT RESOLVED that the Agency hereby approves the terms of the First Amendment to the Agreement ("Agreement") extending the Agreement to February 1, 2017 and authorizes the Chairperson to execute the First Amendment on behalf of the Agency.

MEMBERS:

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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:

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



Agenda Item #: **7.4**
Cost Center: **All**
Staff Contact: **Carter**
Agenda Date: **5/21/2014**

TEM: **FY 12-13 Financial Audit**

I. BACKGROUND

The Sonoma County Waste Management Agency's financial statements are audited annually. Section 21, "Records and Accounts" found in the Agreement Between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues states:

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

II. DISCUSSION

The Audit is contained in two documents, "Communications to those Charged with Governance and Management: Sonoma County Waste Management Agency" and "Financial Statement Audit: Sonoma County Waste Management Agency."

The first document contains a summary of the responsibility of the Auditors and a general summary of the audit and management practices, the management representation letter, scheduled of corrected and uncorrected misstatements.

The second document contains the FY 12-13 Financial Statement Audit report. The report includes the Management's Discussion and Analysis, Basic Financial Statements, and Roster of the Agency Board (when the Audit began preparation).

III. FUNDING IMPACTS

The cost of the audit was \$21,000 which matches the \$21,000 that was included in the FY 13-14 SCWMA Budget for this item. The report causes no direct funding impacts for the SCWMA.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the Board accept the FY 12-13 Financial Statement Audit.

V. ATTACHMENTS

Communication from the Auditors to Agency Board
FY 12-13 Financial Statement Audit

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

Internal Audit

S o n o m a C o u n t y

Communications to those Charged with Governance and Management: Sonoma County Waste Management Agency

For the Fiscal Year Ended
June 30, 2013

Audit No: 3610
Report Date: February 24, 2014



Audit Manager: Kanchan K. Charan, CPA, CGMA
Audit Supervisor: Damian Gonshorowski, CPA, CGMA
Auditor: Ann Hargreaves, CPA, CGMA

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Sonoma County Waste Management Agency
Audit No. 3610**

**For the Fiscal Year Ended
June 30, 2013**

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Required Communication by the Auditor with Those Charged with Governance

February 24, 2014

Sonoma County Waste Management Agency
Santa Rosa, CA

Honorable Directors:

We have audited the basic financial statements of the Agency as of and for the year ended June 30, 2013, and have issued our report thereon dated February 24, 2014. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated August 2, 2013, our responsibility, as described by professional standards, is to form and express or disclaim an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The objective of our audit is to fulfill the audit requirement in Government Code Section 26909. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

No significant control deficiencies over financial reporting and material noncompliance, and other matters were noted during our audit.

Other Information in Documents Containing Audited Financial Statements

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

The engagement team in the Audit Division has complied with relevant ethical requirements regarding independence, however as communicated certain conditions exist, as noted in the "Modification of the Auditor's Report" section below, which impair our independence

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year ending June 30, 2013. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

Financial Statement Disclosures

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

Significant Difficulties Encountered during the Audit

During our audit we encountered no significant difficulties relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We have attached copies of all adjusting entries “*Schedules of Corrected and Uncorrected Misstatements*”.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 24, 2014.

Management’s Consultations with Other Accountants

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

Other Significant Findings or Issues

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

Modification of the Auditor's Report

As communicated in our engagement letter dated August 2, 2013, certain conditions exist which impair our independence. We have made the following modification to our auditor's report. As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. The Auditor-Controller and Treasurer-Tax Collector (ACTTC) positions are combined. As authorized by Health and Safety Code 13854 (a) the Agency's cash is pooled with the Sonoma County Treasurer (a division of the ACTTC), who acts as a disbursing agent for the Agency. The Accounting Division within the ACTTC maintains internal controls over the financial accounting management information system, and processes transactions that have been approved by the Agency. The Accounting Division processes County checks for expenditures approved by the Agency, these checks are signed by the Auditor-Controller-Treasurer-Tax Collector. While the Audit Division has no other responsibility for the accounts and records being audited, the above mentioned non-audit activities create management participation threats to auditor independence, as discussed in Interpretation 101-3 of the American Institute of Certified Public Accounts Code of Professional Conduct, that cannot be mitigated. The audit has been performed by the ACTTC's Audit Division; the Audit Division has no other responsibility for the accounts and records being audited. The amount by which this departure would affect the assets, liabilities, net position, deferred outflows of resources, deferred inflows of resources, revenues and expenses of the Agency has not been determined. As a result of these independence impairments, auditing standards require us to disclaim an opinion on the financial statements. Accordingly, we did not express an opinion on the basic financial statements.

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

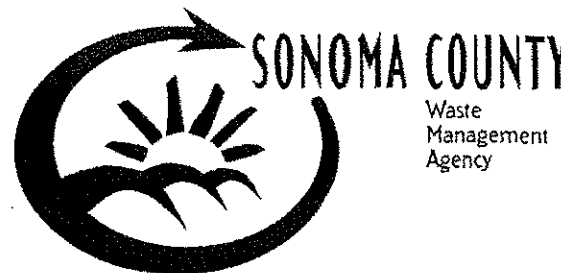
If you have any questions, please call Ann Hargreaves at (707) 565-8302. Thank you for your assistance.

Sincerely,



Sonoma County Auditor-Controller

February 24, 2014



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

Dear Mr. Sundstrom:

We are providing this letter in connection with your audit of the financial statements of the Sonoma County Waste Management Agency (the Agency) as June 30, 2013 and for period then ended, for the purpose of expressing opinions as to whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the Agency in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation in the basic financial statements of financial position, results of operations, and cash flows, where applicable, in conformity with generally accepted accounting principles. We acknowledge our responsibility for the design and implementation of effective internal control over financial reporting, and programs and controls to prevent and detect fraud. We also confirm that we are responsible for the identification of and compliance with laws, regulations, and provisions of contracts and grant agreements applicable to us.

Certain representations in this letter are described as being limited to matters that are material. Items considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a responsible person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of February 24, 2014, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all -
 - a. Financial records and related data.
 - b. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
8. The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
9. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Agency is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
10. We are responsible for compliance with laws, regulations, and provisions of contracts and agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

11. There are no –
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Commitments, restrictions or assignments of fund equity that were not properly authorized and approved.
12. The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
13. The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
14. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
15. The financial statements properly classify all funds and activities.
16. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
17. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance commitment, restrictions and assignments are properly classified and, if applicable, approved.
18. Provisions for uncollectible receivables have been properly identified and recorded.
19. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

20. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
21. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
22. Special and extraordinary items are appropriately classified and reported.
23. Deposits and investment securities are properly classified and reported.
24. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
25. Required supplementary information (RSI) is measured and presented within prescribed guidelines.
26. The Agency does not have any known pollution remediation obligations.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.



Executive Director

2/25/2014
Date

Client:
Engagement:
Period Ending: 1/0/1900
Trial Balance:
Workpaper:

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		II-B-2		
Rounding correction to beginning balance.				
85-500.310	UNRESERVED/UNDESIGN RETAINED EARNINGS		1.00	
85-500.6040	COMMUNICATIONS			1.00
Total			<u>1.00</u>	<u>1.00</u>
Adjusting Journal Entries JE # 3		I-J-2		
Client generated adjustments to true up accounts.				
85-500.2500	ST - OTHER		1,207.00	
85-500.2901	COUNTY		15.00	
85-500.6540	CONTRACT SERVICES		3,088.00	
85-600.132	DUE FROM OTHER GOVERNMENTS			15.00
85-500.203	ACCOUNTS PAYABLE			3,088.00
85-500.221	UNEARNED REVENUES			1,207.00
Total			<u>4,310.00</u>	<u>4,310.00</u>


Okay Jeff Mune

[Signature]

Client: 3610 - Waste Management - JPA
Engagement: AUD13 - Sonoma Waste Management JPA
Period Ending: 6/30/2013
Trial Balance: TB
Workpaper: II-D-2 - Reclassifying Journal Entries Report 12-13

Account	Description	W/P Ref	Debit	Credit
Reclassifying Journal Entries JE # 2		II-B-1		
Reclassified to Services and Supplies monies paid to ISD. Client generated.				
85-500.60	SERVICES/SUPPLIES		2,724.00	
85-500.8648	UNCLM-OT-OTHER-USD REPLACE FUND B			2,724.00
Total			<u>2,724.00</u>	<u>2,724.00</u>
Reclassifying Journal Entries JE # 4		III-B-6		
Client generated reclassifications for financial statement presentation.				
85-500.4020	OTHER SALES		142,963.00	
85-500.4040	MISCELLANEOUS REVENUE		52,585.00	
85-500.2901	COUNTY			195,548.00
Total			<u>195,548.00</u>	<u>195,548.00</u>

Okay my mini



Client: 3610 - Waste Management - JPA
Engagement: AUD13 - Sonoma Waste Management JPA
Period Ending: 6/30/2013
Trial Balance: TB
Workpaper: II-D-3 - Passed Adjustments Journal Entries Report 12-13

Account	Description	W/P Ref	Debit	Credit
Passed Adjustments Journal Entries JE # 5		III-A-2		
GASB 31 FMV adjustment. Adjustment will not be applied to the financial statements since the amount is below materiality.				
85-500.101	EQUITY IN POOLED CASH		61,499.00	
85-500.1700	INTEREST ON POOLED CASH			61,499.00
Total			<u>61,499.00</u>	<u>61,499.00</u>

OKay by

Mine



Internal Audit Division

S o n o m a C o u n t y

Financial Statement Audit: Sonoma County Waste Management Agency Annual Report

For the Fiscal Year Ended
June 30, 2013

Audit No: 3610
Report Date: February 24, 2014



Audit Manager: Kanchan K. Charan, CPA, CGMA
Audit Supervisor: Damian Gonshorowski, CPA, CGMA
Auditor: Ann Hargreaves, CPA, CGMA

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Annual Report**

Audit No. 3610

**For the Fiscal Year Ended
June 30, 2013**

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Members of the Board

Sonoma County Waste Management Agency

Auditor-Controller/Treasurer-Tax Collector's Report

Report on the Financial Statements

We were engaged to audit the accompanying government wide financial statements and fund financial statements and the related notes to the financial statements of the Sonoma County Waste Management Agency (the Agency), as of and for the year ended June 30, 2013, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the independence impairments described in the Basis for Disclaimer of Opinion paragraph, auditing standards require us to disclaim an opinion on the financial statements.

Basis for Disclaimer of Opinion

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. The Auditor-Controller and Treasurer-Tax Collector (ACTTC) positions are combined. The Agency's cash is pooled with the Sonoma County Treasurer (a division of the ACTTC), who acts as a disbursing agent for the Agency. The Accounting Division within the ACTTC maintains internal controls over the financial accounting management information system, and processes transactions that have been approved by the Agency. The Accounting Division processes County checks for expenditures approved by the Agency, these checks are signed by the Auditor-Controller-Treasurer-Tax Collector. These non-audit activities create management participation threats to auditor independence, as discussed in Interpretation 101-3 of the American Institute of Certified Public Accounts Code of Professional Conduct, which cannot be mitigated. The audit has been performed by the ACTTC's Audit Division, which has no other responsibility for the accounts and records being audited. The amount that this departure affects the assets, liabilities, net position, deferred outflows of resources, deferred inflows of resources, revenues and expenses of the Agency has not been determined.

Disclaimer of Opinion

Because of the independence impairments described in the Basis for Disclaimer of Opinion paragraph, auditing standards require us to disclaim an opinion on the financial statements. Accordingly, we do not express an opinion on these financial statements.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A), on pages 1 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the MD&A because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Sonoma County Auditor-Controller

Sonoma County Auditor-Controller

February 24, 2014

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Management's Discussion and Analysis

As management of the Sonoma County Waste Management Agency (the Agency), we offer readers of Agency's financial statements this narrative overview and analysis of the financial activities of Agency for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the Agency's financial statements and the accompanying notes to the basic financial statements.

Financial Highlights

- The assets of the Agency exceeded its liabilities at the close of the fiscal year ended June 30, 2013 by \$8,694,491 (net position). All of this amount is unrestricted and may be used to meet the agency's ongoing obligations to citizens and creditors.
- The Agency's total net position increased by \$574,308 or 7.07%. This increase is a result of revenues exceeding expenses in the agency activities.

Overview of the Basic Financial Statements

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

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

Notes to the basic financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

Net position. Over time, changes in net position may indicate whether the financial position of Agency is improving or deteriorating. Net position increased to \$8,694,491 during the fiscal year ended June 30, 2013, a change of \$574,308 from the fiscal year ended June 30, 2012. The following table summarizes the net position for Agency's activities:

	Net Position		
	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ <u>9,541,095</u>	\$ <u>9,358,024</u>	\$ <u>183,071</u>
Liabilities outstanding	<u>846,604</u>	<u>1,237,841</u>	<u>(391,237)</u>
Net position:			
Unrestricted	<u>8,694,491</u>	<u>8,120,183</u>	<u>574,308</u>
Total net position	\$ <u>8,694,491</u>	\$ <u>8,120,183</u>	\$ <u>574,308</u>

Change in Net Position. Total revenues for the fiscal year ended June 30, 2013 were \$5,770,246 compared with expenses of \$5,195,938. The following table summarizes the changes in net position for each year:

Changes in Net Position

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>
Revenues:			
Program Revenues:			
Municipal waste management	\$ 5,702,108	\$ 6,107,142	\$ (405,034)
General Revenues:			
Investment income and other	<u>68,138</u>	<u>69,474</u>	<u>(1,336)</u>
Total revenues	<u>5,770,246</u>	<u>6,176,616</u>	<u>(406,370)</u>
Expenses:			
Program Expenses:			
Municipal waste management	<u>5,195,938</u>	<u>5,726,594</u>	<u>(530,656)</u>
Total expenses	<u>5,195,938</u>	<u>5,726,594</u>	<u>(530,656)</u>
Increase (decrease) in net assets	574,308	450,022	124,286
Net position - beginning of the year	<u>8,120,183</u>	<u>7,670,161</u>	<u>450,022</u>
Net position - end of the year	\$ <u>8,694,491</u>	\$ <u>8,120,183</u>	\$ <u>574,308</u>

Capital Assets

The Agency has no investment in capital assets, as of June 30, 2013.

Economic Outlook

- The Agency continues to have the goal of stabilizing tipping fees in order to mitigate effects on each of the jurisdictions' individual budget plans.
- The Agency will set aside reserve funds, when possible, as part of its long-term financial planning.
- For the fiscal year ending June 30, 2014, the Sonoma County Waste Management Agency is expecting to realize additional revenues from the Sonoma County Refuse Operations due to a change in the policy that determines the basis for the surcharge calculation, from tonnage buried to the daily tonnage. This increase in revenues was not anticipated in the Agency's budget for the fiscal year 2013-14.

Separation of Duties

As required by various statutes within the California Government Code, County Auditor-Controller is mandated to perform certain accounting, auditing and financial reporting functions.

These activities, in themselves, necessarily impair the auditor's independence. Specifically, "Auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant or material to the subject matter of the audit." Although the office of the Auditor Controller is statutorily obligated to maintain accounts of departments, districts or funds that are contained within the County Treasury, we believe that adequate safeguards and divisions of responsibility exist.

Request for Additional Information

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

Basic Financial Statements

Sonoma County Waste Management Agency
Statement of Net Position
Enterprise Fund
June 30, 2013

Assets

Current assets:

Cash and investments	\$ 9,406,133
Accounts receivable	86,682
Due from Other Governments	<u>48,280</u>
Total assets	<u>9,541,095</u>

Liabilities

Accounts payable	568,456
Grant advance	<u>278,148</u>
Total liabilities	<u>846,604</u>

Net Position

Unrestricted	<u>8,694,491</u>
Total net position	<u>\$ 8,694,491</u>

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

Sonoma County Waste Management Agency
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Fund
For the Fiscal Year Ended June 30, 2013

Operating Revenues

Tipping fees and surcharges	\$ 5,083,823
Service agreements	429,780
Grants and other contributions	<u>188,505</u>
Total operating revenues	<u>5,702,108</u>

Operating Expenses

Contract services	4,081,641
Professional services	167,062
Administration	666,320
Other services and supplies	<u>280,915</u>
Total operating expenses	<u>5,195,938</u>
Operating income (loss)	<u>506,170</u>

Nonoperating Revenues (expenses)

Investment earnings	<u>68,138</u>
Change in net position	574,308
Net position, beginning of year	<u>8,120,183</u>
Net position, end of year	\$ <u><u>8,694,491</u></u>

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

Sonoma County Waste Management Agency
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2013

Cash Flows from Operating Activities

Receipts from customers and other funds	\$ 5,965,798
Payments to suppliers	<u>(5,624,493)</u>
Net cash provided by operating activities	<u>341,305</u>

Cash Flows from Investing Activities

Interest received	<u>68,138</u>
Net cash provided by investing activities	<u>68,138</u>
Net increase in cash and cash equivalents	409,443
Cash and cash equivalents, beginning of year	<u>8,996,690</u>
Cash and cash equivalents, end of year	<u><u>\$ 9,406,133</u></u>

**Reconciliation of operating income to net cash
provided by operating activities:**

Operating income	\$ 506,170
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in accounts receivable	183,459
Decrease in due from other governments	42,913
Decrease in accounts payable	(428,556)
Increase in unearned revenue	<u>37,319</u>
Total adjustments	<u>(164,865)</u>
Net cash provided by operating activities	<u><u>\$ 341,305</u></u>

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

**Notes to the
Basic Financial Statements**

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

I. Summary of Significant Accounting Policies

A. Definition of Reporting Entity

The Sonoma County Waste Management Agency (the Agency) was formed in April 1992 to assist the cities and County with the implementation of programs necessary to satisfy the requirements of the Assembly Bill (AB) 939, the Integrated Waste Management Act of 1989. This Act requires that every jurisdiction in California plan for and implement programs that reduce the amount of waste disposed in landfills by 25% by the year 1995 and 50% by 2000. The Agency was granted a three-year extension to 2003 by the State. The State has determined that the Agency has met its 2003 goal. The Agency is continuing its efforts to reduce the amount of waste disposed in landfills, beyond the current 50% required by AB939. As of the date this report, no new laws requiring waste reduction beyond 50% have been enacted. In 2006, the California Integrated Waste Management Board changed the calculation to pounds per person per day rate to determine compliance without changing the percentage reduction, with a rate goal of 7.1. In 2011 Sonoma County's rate was 3.5 and in 2012 it was 3.4, notwithstanding the growth of its population.

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

The Agency is governed by ten board members, with one member from each city (9) and one with the County. The Agency has an Executive Director and the staffing is provided by the County through a contract with the Agency.

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

Since its creation in April of 1992, the Agency has added two new components to its scope of work: the Planning and Diversion Programs. Planning efforts currently include preparation of Annual Reports submitted to the California Integrated Waste Management Board and is funded through the disposal fee surcharge. The Diversion Program cost center was established to tract expenditures that have direct measurable diversion. However, since 2010, all diversion activities are currently operating under the Education cost center.

The basic financial statements of the Agency are intended to present only the financial position and results of operations of only the Agency, which are held in trust by the Agency. They do not support to and do not present fairly the financial position

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

of the County of Sonoma as of June 30, 2013 and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

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

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

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

Operating revenues and expenses are distinguished from non-operating items in the statement of revenues, expenses and changes in net position. *Operating* revenues, such as tipping fees and sales of recycled products result from exchange transactions associated with the principal activity of the funds. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such grants and investment earning, result from non-exchange transactions

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

or ancillary activities. *Operating* expenses for enterprise funds include services and supplies and depreciation on capital assets. All expenses not falling within these categories are reported as *non-operating* expenses.

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

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

D. Staff Services Performed by County of Sonoma

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

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

E. Assets, Liabilities and Equity

1. Cash and Investments

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

2. Receivables and Payables

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

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

3. Capital Assets

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

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

The Agency's policy is to capitalize assets with acquisitions costs of at least \$5,000. Depreciation is computed using the straight-line method over estimated useful lives of 5 years for equipment.

The Agency does not own land, buildings or improvements.

4. Net position components

Net position components are classified into three components – net investment in capital asset, restricted and unrestricted. These classifications are defined as follow:

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

5. Use of estimates

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

6. Unearned revenues

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Under the accrual basis of accounting, revenues are recognized when an entity obtains a claim to resources, regardless when collection occurs or deferred inflow. Amounts collected prior to being earned must be offset by a liability or deferred outflow. The GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The Statement of net position should report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Under the statement, net position should be displayed in three components: net investment in capital assets, restricted, and unrestricted.

F. New and Future Pronouncements

Pronouncements Implemented during the Current Fiscal Year

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This statement amends the net position reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net position. The requirements of this statement are effective for the Agency’s fiscal year ending June 30, 2013. The Agency has determined this pronouncement only impacts the Agency’s financial statement presentation.

Pronouncements to be Implemented in Fiscal Year 2013/2014

The Agency is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These determinations are based on the definitions of those elements in Concepts Statement No. 4, *Elements of Financial*

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

Statement. The requirements of this statement are effective for the Agency's fiscal year ending June 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54 and No. 62. The requirements of this statement are effective for the Agency's fiscal year ending June 30, 2014

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

II. Detailed Notes

A. Cash and Investments

Investment in the Sonoma County Treasurer's Investment Pool

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

The amount of cash at June 30, 2013 is as follows:

	Amortized Cost	Fair Value
Cash and investment in County Treasury	\$ <u>9,406,133</u>	\$ <u>9,344,634</u>

The Agency's fair value of the cash investment with the Treasurer is \$61,499 smaller than the amortized cost of those investments. No adjustment was made for the difference between cost and fair value.

Investment Guidelines

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

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Room 100, Santa Rosa, California, 95403-2871.

Interest Rate Risk

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

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

As of June 30, 2013, approximately 30% of the securities in the Treasury pool had maturities of one year or less. Of the remainder, only 4% had a maturity of more than five years.

Disclosures Relating to Credit Risk

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

Custodial Credit Risk

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

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.
- The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

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

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2012-13 Sonoma County Comprehensive Annual Financial Report.

B. Accounts receivables

The Agency partially obtains funding from contracts agreements with composting and recycling entities. The amount receivable from these sources as June 30, 2013 is as follows:

Battery Systems	\$ 792
ECS	29,910
Good Will	430
Sonoma Compost	<u>55,550</u>
Total Accounts Receivables	<u>\$ 86,682</u>

C. Due from other governments

The Agency also obtains funding from agreements with other government entities for programs the AB939 program. The following table summarizes the amount receivable from these other governments as June 30, 2013:

City of Petaluma	\$ 47,416
City of Santa Rosa	<u>864</u>
Total Due from other governments	<u>\$ 48,280</u>

Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

D. Accounts payables

The Agency's payable has two components: vouchers payables and accounts payables. A voucher payable is used to record amounts to be paid by check for invoiced expenses and an account payable records liabilities for expenses not invoiced by June 30. At the close of the fiscal year ending June 30, 2013, total payables were \$568,456; the voucher payable balance was \$457,059 and the accounts payables balance is detailed below:

California Broadcasting	\$	2,000
Clean Harbours		90,150
Iron Mountain		189
Lazer Broadcasting		2,000
R&B		100
Richards		2,857
PJ		3,088
UCCR		450
UCE		5,415
Univision		4,930
US Bank		218
Total Accounts Payables	\$	<u>111,397</u>

E. Unearned revenue

In the fiscal year ending June 30, 2013, the Agency participated in two recycling programs grant funded by the State of California: the Oil Payment Program and the Beverage Container Program. The following table summarized the unearned revenue balance:

	2011-12			2012-13	
	Balance	Additions	Releases	Balance	
Oil Payment Program	\$ 143,276	\$ 150,473	\$ 153,929	\$ 139,820	
Beverage Container Program	<u>97,553</u>	<u>75,351</u>	<u>34,576</u>	<u>138,328</u>	
Total Unearned Revenues	\$ <u>240,829</u>	\$ <u>225,824</u>	\$ <u>188,505</u>	\$ <u>278,148</u>	

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

III. Other Information

A. Risk Management

The Sonoma County Waste Management Agency is exposed to various risks for which the Agency carries insurance with coverage for bodily injury, property damage, personal injury, auto liability, and errors and omissions. For the fiscal year ended June 30, 2013 the Agency added coverage for cyber security. SCWMA is covered through Alliant Insurance Services, Inc for \$5,000,000 per occurrence.

B. Subsequent Event

For the fiscal year ending June 30, 2014, the Sonoma County Waste Management Agency is expecting to realize additional revenues from the Sonoma County Refuse Operations due to a change in the policy that determines the basis for the surcharge calculation from tonnage buried to the daily tonnage. This increase in revenues was not anticipated in the Agency's budget for the fiscal year 2013-14.

**Sonoma County Waste Management Agency
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013**

**Roster of Board Members
June 30, 2013**

Member	Entity	Position	Alternative
Robert Cox	City of Cloverdale	Councilmember	Joe Palla
Susan Harvey	City of Cotati	Councilmember	Dianne Thompson
Jim Wood	City of Healdsburg	Councilmember	Tom Chambers
John Brown	City of Petaluma	City Manager	Dan St John
John McArthur	City of Rohnert Park	Public Works Director	Linda Babonis
Jennifer Phillips	City of Santa Rosa	Assistant City Manager	
Larry McLaughlin	City of Sebastopol	City Manager	Sue Kelly
Stephens Barbose	City of Sonoma	Councilmember	Carol Giovanatto
Debora Fudge	Town of Windsor	Councilmember	David Kelly
Shirlee Zane	County of Sonoma	County Supervisor	Susan Klassen
Henry Mikus	SCWMA	Director	
Janet Coleson	Richards, Watson & Gershon	Agency Counsel	



Agenda Item #: 7.5
Cost Center: All
Staff Contact: Mikus
Agenda Date: 5/21/2014

ITEM: **Design Reimbursement: Republic Services**

I. BACKGROUND

Recently, the North Coast Regional Water Quality Control board issued a requirement that the compost facility eliminate all discharge of compost contact water by October 1, 2014. A discussion was held at the April Agency Board meeting regarding the proposal to construct a new storage pond. Republic Services, the County's landfill operations contractor, had taken the lead on initial project development in order to provide an expeditious start to the project. It is clear that the majority of any expense for constructing such a storage pond would be the Agency's responsibility, since the "Zero-Discharge" requirement applies to the compost facility with the pond as the best solution.

II. DISCUSSION

Thus far Republic has assumed expense for engineering design work on the new pond, and the beginning of the steps required for compliance with the California Environmental Quality Act. The total for this work is \$67,995, and would represent design drawings suitable for bidding the construction work on the new pond project. Republic has requested the Agency reimburse them for their expenditure on the Agency's behalf. The finished drawings and associated document will be available to the Agency for continuation of the project.

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 reimbursement to Republic Services of \$67,995, and approve the appropriations transfer from the Organics Reserve for the project.

V. ATTACHMENTS

Appropriations Transfer

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	\$67,995
FROM:		799221	4624	Retained Earnings	Retained Earnings	\$67,995

WHEREAS, it has become necessary to appropriate fund to cover the costs of CEQA analysis and engineering of a new pond to collect compost contact water at the Central Disposal Site; 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:

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

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

Date: May 21, 2014

Attested: Rebecca Lankford

Signature: _____
Secretary/Clerk of the Board

Signature: _____
Jim Wood, Chairperson



Agenda Item #: **7.6**
Cost Center: **All**
Staff Contact: **Mikus**
Agenda Date: **5/21/2014**

ITEM: **Consultant Contract Extension**

I. BACKGROUND

Recently, the North Coast Regional Water Quality Control board issued a requirement that the compost facility eliminate all discharge of compost contact water by October 1, 2014. A discussion was held at the April Agency Board meeting regarding the proposal to construct a new storage pond.

Although Republic Services, the County's landfill operations contractor, took an initial lead with the project to get an expeditious start due to the very challenging time line, Agency effort is required. To this end Stu Clark, of DEI, was retained as a consultant to participate on the Agency's behalf in coordinating and expediting the various permits and approvals that would be required for the project. Mr. Clark was asked to begin his work under an initial cap of \$5,000 per the Agency Executive Director's signing authority. This also was done with the concurrence of the Board's Executive Committee.

II. DISCUSSION

As the work on the new pond project has begun to take shape, it has become clear that there is great value to Mr. Clark's continued coordination efforts beyond the original expenditure limit of \$5,000. Mr. Clark's efforts have been invaluable in project progress thus far. Staff and the Executive Committee are recommending that the initial expenditure limit for Mr. Clark and his firm be increased by \$39,000 so that with the initial authorized cost of \$5,000 the work will have a not to exceed amount of \$44,000.

The project work tasks would be:

1. Coordination of efforts on the new pond project between the Agency, the County, Republic Services, and Sonoma Compost Company. This would particularly focus on gaining consensus by affected parties on key decision points of mutual concern and interest.
2. Representation on behalf of the Agency with all regulatory entities.
3. Represents the Agency as the lead coordinator in the effort to obtain the required permits and approvals for the project.
4. Report to the Board and Agency staff as appropriate.
5. Review submittals, correspondence, and other documents related to the new pond project on behalf of the Agency.
6. Any other specific tasks related to the new pond project as directed by the Agency.

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 extending the initial agreement with Stu Clark of DEI with an additional \$39,000 to a maximum of \$44,000, and approve the fund transfer from the Organics Reserve for the project.

V. ATTACHMENTS

Purchase Order for Initial Work
Appropriations Transfer

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	\$44,000
FROM:		799221	4624	Retained Earnings	Retained Earnings	\$44,000

WHEREAS, it has become necessary to retain the services of DEI for consulting assistance regarding the permitting and construction of a new pond related to composting operations at the Central Disposal Site; 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:

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

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

Date: May 21, 2014

Attested: Rebecca Lankford

Signature: _____
Secretary/Clerk of the Board

Signature: _____
Jim Wood, Chairperson

Sonoma County Waste Management Agency
 2300 County Center Drive, Suite B100, Santa Rosa, California 95403
 707-565-3579 fax 707-565-3701

PURCHASE ORDER

Date: 5/07/2014

Purchase Order No. 1705

Refer Questions to: Henry Mikus

Index No. _____

Phone #: 707-565-3788

Vendor: D. Edwards, Inc.
Attention: Stu Clark
 821 University Street
 Healdsburg, California 95448
Phone: 707-395-0213 office, 707-543-6121 cell **Fax:** 707-395-0034

Ship To:

Invoice: SONOMA COUNTY WASTE
 MANAGEMENT AGENCY 2300 County
 Center Drive, Suite B100, Santa Rosa,
 California 95403
Attn: Accounts Payable

Deliver on or before _____ **F.O.B. Shipping Point** _____ **Origin** _____

Terms: Net 30 days

ITEM	QUANTITY	DESCRIPTION	PRICE PER UNIT	TOTAL
	Lump Sum	Coordination of efforts on the new pond project between the Agency, the County, Republic Services, and Sonoma Compost Company. This would particularly focus on gaining consensus by affected parties on key decision points of mutual concern and interest. Not to exceed cost	\$5,000.00	\$5,000.00
Tax:				
Freight:				
Total P.O.:				\$5,000.00

Recommended Purchase: _____
 Up to \$5,000 Henry J. Mikus, Executive Director, SCWMA

If P.O. Amount exceeds \$5,000.00 signature below is required to validate P.O.

Authorization: _____
 Chairperson

-INSTRUCTIONS TO VENDOR-

1. SUBMIT 2 COPIES OF YOUR INVOICE
2. ALL INVOICES MUST INCLUDE THE PURCHASE ORDER NUMBER
3. BY ACCEPTANCE OF THIS PURCHASE ORDER, VENDOR WILL BE BOUND BY THE STANDARD TERMS AND CONDITIONS ATTACHED HERETO (PO – T & C)

-INSTRUCTIONS TO PROGRAM MANAGER-

1. FILL OUT FORM COMPLETELY
2. MAKE 3 COPIES, RETAIN ONE COPY, PLACE ONE COPY IN PO FILE, AND DELIVER ONE COPY TO ACCOUNTS PAYABLE



Agenda Item #: **8**
Cost Center: **HHW**
Staff Contact: **Steinman**
Agenda Date: **5/21/2014**

ITEM: **HHW Contract**

I. BACKGROUND

The Sonoma County Waste Management Agency (SCWMA) currently has a contract with Clean Harbors Environmental Services to operate the Household Hazardous Waste Facility and accompanying mobile collection programs. This Agreement is set to expire on July 1, 2014.

At the January 16, 2013 SCWMA Board meeting, the Board directed staff to develop a Request for Proposals (RFP) for Operation of the Household Hazardous Waste Programs to commence on July 1, 2014. The Board recommended the term of the new Agreement continue through February 2017, to coincide with the current expiration date of the Joint Powers Authority. Agency staff presented an "information only" item to the Board on February 19, 2014, notifying the Board that the RFP would be issued. There was no change in the Scope of Work from the current Agreement for Operation of Household Hazardous Waste Programs.

II. DISCUSSION

On March 4, 2014, the SCWMA issued the RFP for Operation of the Household Hazardous Waste Programs. The RFP was sent to a list of Household Hazardous Waste Vendors and was posted on the following internet sites: Household Hazardous Waste Information Exchange Group Page, County of Sonoma website and SCWMA website.

Two proposals were received by the due date of April 7, 2014. The Proposers were PSC Environmental Services, LLC (PSC) and Clean Harbors Environmental Services, Inc. (Clean Harbors). The proposals were reviewed and evaluated by SCWMA staff. Evaluation Criteria was used to evaluate potential Hazardous Waste Contractors. Evaluations were based on five primary selection criteria categories which were included in RFP. Each category was scored with a maximum score of 100 points being possible. The final ranking was based upon the comparison of proposals by category.

Both Proposers met all the requirements in the RFP and demonstrated that they were qualified to provide the services requested in the RFP. Of the two Proposers, Clean Harbors was the highest ranking Proposer. A table listing all of the Proposers and their ranking is included in this staff report as the Request for Proposals-Comparison attachment. The proposed Agreement with the highest ranking Contractor is also included. A finalized version of the Agreement will be signed by the highest ranking Contractor and brought to this meeting for the Chair's signature if approved.

III. FUNDING IMPACT

The RFP included a five year summary of the hazardous waste collections through the Household Hazardous Waste Program. Pounds of waste collected for each waste stream were also provided for fiscal year (FY) 2012/2013. The proposers were required to submit a Cost Proposal Form which included proposed pricing for each waste stream collected through the Household Hazardous Waste Program. Proposers were also required to submit annual operating costs which included costs related to: Personnel, Annual Equipment Cost, Annual Material/Supplies & Administration, and costs related to the required Performance Bond and Payment Bond.

The approximate yearly total the SCWMA pays the current Contractor is \$1,094,000 (FY 12/13). The budgeted amount for this Contractor in FY 14/15 is \$1,100,000.

The RFP required that the contractor shall have an executed transportation and disposal contract with PaintCare for the duration of the Contract. The contractor shall collect, transport and dispose of all PaintCare eligible waste at no charge to the SCWMA. Since July 1, 2013, there has been no costs paid by the SCWMA for paint covered under the PaintCare program. In FY 2012/2013, the SCWMA was still paying for all paint related materials. SCWMA staff and the Executive Director looked at each proposer's cost for paint submitted and calculated costs based on the actual 2012/2013 numbers. Even with the cost of all paint included, should the PaintCare program not exist, the cost proposal submitted by Clean Harbors was still lower than PSC.

Included in the RFP Below is a table of the estimated disposal costs based on the proposals received. The disposal costs include all waste streams except for the estimated amount of paint materials covered under the PaintCare program.

HHW RFP Cost Proposal Comparison

Contractor	Current Contract	CHES	PSC
Personnel	407,680	472,160	472,160
Annual Equipment Cost, Annual Material/Supplies & Administration	30,600	25,728	56,500
Bonds	15,000	11,000	33,000
Annual Operating Costs	453,280	508,888	561,660
Cost for disposal for one year based on FY 12/13 numbers	573,254	457,499.40	482,121.95
Total Estimated Amount, Annual Operating plus Disposal Costs	1,026,534	966,387.40	1,043,781.95

Based on the cost proposal comparison, PSC's proposal was \$77,394.50 higher than Clean Harbors.

Both proposals came in with estimated costs below the FY 14/15 budgeted amount for this contract of \$1,100,000.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommendation: Awarding to Clean Harbors Environmental Services, Inc., the highest ranking Proposer, the Contract for Operation of the Household Hazardous Waste Programs and authorizing the Chair to sign the Agreement.

V. ATTACHMENTS

1. Request for Proposals-Comparison
2. Draft Agreement with Clean Harbors Environmental Services, Inc.
3. Clean Harbors Environmental Services, Inc. Resolution

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

Request for Proposals-Comparison

	EVALUATION CRITERIA	Weight	CHES Fill in rating 1-10	CHES Adjusted Score	PSC Fill in rating 1-10	PSC Adjusted Score
1.	<u>Completeness of Response</u> Did Proposer meet all the requirements in the RFP	Pass or Fail	YES	Pass	YES	Pass
	Technical Merits					
2.	<u>Qualifications of Firm, Safety Record, Compliance, Experience, References</u> Contractor's proposal demonstrates understanding of the RFP and the Contract and that the firm possesses the qualifications and experience necessary to provide the required services listed in the RFP Regulatory compliance, including results of annual facility inspections, paperwork compliance, etc History of providing similar services to comparable entities with a high level of customer service. (Quality of work) References from existing or prior clients	40%	10 All qualifications met and documents submitted	4	10	4
3.	<u>Disposal Methods</u> Availability of preferred disposal methods e.g.: types of materials planned for reuse and recycling over waste treatment or disposal options according to the hierarchy included in the RFP <u>Exhibit D: Cost Proposal Form</u> . The evaluation will give weight to Proposals that include a variety of options for each waste stream	10%	10 Provided pricing consistent with hierarchy included in RFP	1	10	1

	EVALUATION CRITERIA	Weight	CHES Fill in rating 1-10	CHES Adjusted Score	PSC Fill in rating 1-10	PSC Adjusted Score
	Cost/Business Analysis					
4.	<u>Financial Analysis</u> Proposers financial stability and capital assets	15%	10 All qualifications met and documents submitted	1.5	15 All qualifications met and documents submitted	1.5
5.	<u>Direct and Indirect Costs</u> Cost competitiveness of the Proposal Responses to <u>Exhibit D: Cost Proposal Form</u> Any indirect costs, benefits, or risks arising out of the Proposal that directly or indirectly impact the AGENCY's constituents	35%	10 Maximum points for lowest fees (\$966,387.40)	3.5	9.26 *Percentage of available points (\$1,043,781.95)	3.24
		100%		10 x 10		9.74 x 10
	<u>Total Adjusted Score %</u>			100%		97.4%

- The method used to evaluate the costs was to award the maximum points to the Proposer who offered the lowest cost, and the other Proposer received a percentage of the available points based on a ratio of the costs proposed to the costs of the lowest Proposer: maximum points available x lowest fees proposed/ fees of proposing vendor= score for proposing vendor

$$10 \times \$966,387.40 / 1,043,781.95 = 9.26$$

Exhibit C

OPERATION OF HOUSEHOLD HAZARDOUS WASTE PROGRAMS AGREEMENT BY AND BETWEEN THE SONOMA COUNTY WASTE MANAGEMENT AGENCY AND CONTRATOR

DRAFT

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LIST OF EXHIBITS To be included with final Agreement

EXHIBIT A	Methods of Disposal and Costs
EXHIBIT B	Approved Disposal Facilities
EXHIBIT C	Reuse and Recycling Policy Statement
EXHIBIT D	Reusable Exchange Program Quality Assurance Plan
EXHIBIT E	Products Not To Be Redistributed List
EXHIBIT F	Form of Payment Bond
EXHIBIT G	List of Approved Subcontractors
EXHIBIT H	CESQG & Emergency Response Fees
EXHIBIT I	Inspection Checklists
EXHIBIT J	Condition of HHW Facility Acknowledgment
EXHIBIT K	License Agreement for Use of County Facilities between County of Sonoma and Sonoma County Waste Management Agency for Household Hazardous Waste Facility Premises located at Sonoma County Central Landfill Petaluma, California

HOUSEHOLD HAZARDOUS WASTE OPERATIONS
AGREEMENT BY AND BETWEEN
THE SONOMA COUNTY WASTE MANAGEMENT AGENCY,
AND CONTRATOR

This Agreement is made and entered into this _____ day of _____, 2014, by and between the Sonoma County Waste Management Agency ("Agency"), a joint powers Agency, and Clean Harbors Environmental Services, Inc., its affiliates and subsidiaries a Massachusetts Corporation, ("Contractor"). Agency and Contractor are sometimes collectively referred to as the "parties" and singularly, as "party". Unless otherwise stated, all terms shall have the meanings ascribed to them in Section 1 below.

RECITALS

WHEREAS, Agency desires to collect hazardous waste, at the existing Household Hazardous Waste Facility ("HHW Facility") from residents, businesses that qualify as Conditionally Exempt Small Quantity Generators ("CESQG"), from a Mobile Program, Door to Door Collection Service, Hazardous Waste Load Check Program, and emergency response cleanups; and

WHEREAS, Agency is to administer the operation of the HHW Facility; and

WHEREAS, Agency desires to contract with a qualified, experienced Contractor to operate the HHW Facility and provide appropriate reuse, recycling and disposal of collected wastes; and

WHEREAS, Agency has selected Contractor through a competitive request for proposal process and found Contractor to be qualified and experienced in the processing and disposal of hazardous wastes; and

WHEREAS, Agency and Contractor desire to enter into this Agreement whereby Contractor shall perform hazardous waste processing and disposal services as described in this Agreement.

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

AGREEMENT

1. DEFINITIONS

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

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

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

CalRecycle. CalRecycle shall mean The California Department of Resources Recycling and Recovery.

"Central Disposal Site". "Central Disposal Site" shall mean the County of Sonoma's Central

Disposal Site, located at 500 Mecham Road, Petaluma, California, which is comprised of approximately 398 acres and includes the Central Landfill and the Central Transfer Station in addition to other operational facilities for composting, household hazardous waste, reuse, and recycling.

"CESQG". CESQG shall mean a conditionally exempt small quantity Generator or commercial source which meets the criteria for conditionally exempt small quantity Generators as specified in Section 261.5 of Title 40 of the Code of Federal Regulations (Section 25218.1(a) of the California Health and Safety Code).

"Chemist". An individual with a Bachelors degree in chemistry or related science or a minimum of three years of field experience and appropriate training.

"Contractor". Contractor shall mean the selected proposer who enters into a Contract with the Agency.

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

"CUPA". The Central Unified Project Agency (CUPA) is the local regulatory agency responsible for regulating the HHW Facility and Mobile Program and enforcing all applicable regulations for the operation of the HHW Facility and Mobile Program collections.

"Director". Director shall mean the Agency's Executive Director.

"Door-to-Door Collection Service". Door-to-Door Collection Service shall mean service consisting of travel to specified location and pickup and hauling of HHW or CESQG waste to the HHW Facility.

"Door-to-Door Contractor". Agency may approve other contractors to collect Household Hazardous Waste and CESQG waste and deliver said waste to the HHW Facility. Such an approved contractor shall be called "Door-to-Door Contractor."

"DTSC". DTSC is the Department of Toxic Substances Control, the State regulatory agency for hazardous waste.

"Effective Date". Effective Date shall mean the date first written above.

"Emergency Response Agencies". Emergency Response Agencies shall mean agencies associated with the Agency or its member jurisdictions that respond to emergency Hazardous Waste incidents within Sonoma County.

"Emergency Response Waste". Emergency Response Wastes shall mean wastes delivered to the HHW Facility from Emergency Response Agencies for purposes of storage and/or disposal.

"HHW Facility". HHW Facility shall mean the Household Hazardous Waste processing located at the Central Disposal Site.

"Hazard Class". Hazard Class shall mean the category of hazard assigned to a hazardous material under the definitional criteria of part 178 of 49 C.F.R. Ch.1 and the provisions of the §172.101 Table in such subchapter.

"Hazardous Waste". Hazardous Waste shall mean any substance, chemical, waste or other material which is listed, defined or otherwise identified as "hazardous" or "toxic" under any federal, state, local or

administrative Agency ordinance or any regulation, order, rule or requirement adopted thereunder, or law or any material that because of its quantity, concentration, or physical or chemical characteristics, poses a significant, present or potential hazard to human health or safety or to the environment if released into the environment, as well as any formaldehyde, polychlorinated biphenyl, petroleum, petroleum product or by-product, crude oil, natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel or mixture thereof, radon, asbestos, and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985 (42 U.S.C. Section 3011 et seq.) and California's Hazardous Waste Control Law (HWCL).

"Hazardous Waste Load Check Program". Hazardous Waste Load Check Program shall mean the Hazardous Waste load checking program in operation at the Central Disposal Site and the transfer stations located in Sonoma County.

"HazCatting" or "HazCat". HazCatting shall mean the process by which the Hazard Class of unknown wastes are identified.

"Historical Clean-Outs". Historical Clean-outs are one time amnesty opportunities for businesses to clean-out accumulation of hazardous waste without incurring penalties or losing their CESQG status. Historical Clean-outs are limited to 1,000 kilograms. Historical Clean-outs can be requested in permit variances for CESQG door-to-door collection programs, but are not addressed in law or regulation.

"Household Hazardous Waste". Household Hazardous Waste shall mean any Hazardous Waste generated incidental to owning or maintaining a place of residence. Household Hazardous Waste shall not include any waste generated in the course of operating a business concern at a residence.

"Generator". Generator shall mean the party responsible for any specified Hazardous Waste as defined below.

"Legal Requirements". Legal Requirements shall mean all applicable local, state and federal laws, ordinances, rules, regulations, codes and orders, as may be amended from time to time, including, but not limited to, the California Hazardous Waste Control Law ("HWCL") (Cal. Health & Safety Code §25100 et seq.), the provisions of the HWCL related to small quantity Generators (Cal. Health & Safety Code §25218 et seq.), All regulations implementing the HWCL, including but not limited to: 22 C.C.R. §66001 et seq.; the California Occupational Safety and Health Act (Cal. Labor Code §6300 et seq.); the Federal Occupational Safety and Health Act (29 U.S.C. §651 et seq.); Federal Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); and all Department of Transportation Regulations relating to hazardous materials (Subtitle B, Chapter I, Subchapter C of Volume 49 of the Code of Federal Regulations).

"Mobile Program". Mobile Program shall mean a vehicle specially equipped to handle Household Hazardous Waste, in accordance with all Legal Requirements, collected at events held at Mobile Program Sites up to ninety (90) participants per event.

"Mobile Program Site(s)". Mobile Program Site shall mean the location of a temporary Hazardous Waste collection event that is operated in conjunction with the HHW Facility.

"PaintCare". PaintCare Inc. a non-profit (501(c)(3) organization, established by the American Coatings Association to implement California's Paint Stewardship Law.

"PBR Notification". A PBR Notification is a Permit-by-Rule Notification. Since a PBR Permit does not require an application and approval process by the State, a PBR Notification is accepted in lieu of an application to inform the State and CUPA that a facility is in operation. Each Mobile Program collection site also requires a PBR Notification.

"PBR Permit". A PBR permit is a Permit-by-Rule Permit required for HHW facilities under CCR, Title 22. Each Mobile Program collection site also requires a PBR Permit.

"Program". Program shall mean the Agency's Household Hazardous Waste program for the handling and processing of Household Hazardous Wastes and Hazardous Wastes received from Residents, CESQG's, the Door-to-Door Collection Services, the Hazardous Waste Load Check Programs and emergency response agencies.

"Resident". An individual or individuals that live in Sonoma County. For purposes of this Agreement, Resident implies an individual bring waste generated from personal use and not in the course of a business venture, even if the business venture is housed within the Resident's home.

"Reuse Waiver". A reuse waiver shall mean a waiver of liability specifically designed for use by the reuse program.

"Variance". A variance grants a permit holder special permission to operate outside the standard regulations set forth for a Permit within the limits set forth in the variance. Variances, for the purpose of this Agreement, are granted by DTSC and include, but are limited to, the Door-to-Door Collection Service variances and the CESQG transportation variance.

"TSDF". TSDF shall mean a treatment, storage or disposal facility that is permitted by the appropriate agencies to take and manage Hazardous Waste.

2. SCOPE OF SERVICES.

2.1 Contractor Performance.

2.1.1 Full Service Operation. In operating the Program, Contractor shall perform a full range of services which shall include, without limitation: sorting wastes, sorting for reuse, operating the reuse depot, packaging wastes, labeling and marking wastes, transporting and disposing of all Hazardous Wastes accepted through the HHW Program.

2.1.2 Unknown Materials. Contractor shall promptly respond to the processing of all unknown materials, including, without limitation, sampling, HazCatting analysis and categorization. The unknown materials, after being identified, shall then be incorporated into the appropriate waste streams for recycling and/or lab packing and disposal by Contractor.

2.1.3 Acceptance of Waste. Subject to exclusions set forth in Section 2.2.2 below, Contractor shall receive and manage Hazardous Waste generated by Residents and CESQG of Sonoma County, from the Door-to-Door Collection Service and Mobile Program, Hazardous Waste Load Check Programs and Emergency Response Wastes.

2.1.4 Familiarity with CalEPA and US EPA Permitted Facilities. Contractor shall be informed on current costs, procedures, and analytical requirements for disposal of Hazardous Waste at approved CalEPA and US EPA permitted Hazardous Waste facilities utilized during the course of performing this contract.

2.1.5 Disposal of Materials. Contractor shall not dispose as hazardous any materials that can be managed as non-Hazardous Waste.

2.1.6 Efficient Use of Containers. Contractor shall work to decrease the actual number of containers sent for recycling or disposal by packing containers efficiently, Efficiency shall be measured by both the manner in which the waste is packed in a container as well as the size of container selected. Contractor shall pack as much waste in any one container as the container can hold within legal limits. The largest container appropriate for a waste category shall be used where sufficient volume exists. Contractor shall accumulate waste as long as legally allowed in order to use the largest container appropriate for any waste category. Agency may specify the packing method for any waste category, and Agency may change the method during the course of this Agreement. As a general rule, any waste that may be bulked shall be bulked unless the Agency has specifically indicated otherwise. It is Agency's expectation that waste accepted from Hazardous Waste Load Check Program, Door-to-Door Collection Service, or the Mobile Program may frequently be accepted in partially full containers. Accepting waste in partially full containers is preferred to small containers. Partially full containers shall be packed with compatible waste accepted at the HHW Facility, thereby maximizing the container size, controlling recycling and disposal costs and limiting the need for repackaging. Contractor shall develop clear, simple, written guidelines for packaging and provide necessary hands-on training to Door-to-Door Collection Service personnel and field personnel so that repackaging is not required. Emergency Response Wastes shall not be packaged with wastes from other programs as Emergency Response Wastes are subject to different regulations.

2.2 Waste Management.

2.2.1 Hazardous Waste Management Methods. Agency will select the disposal method to be used for each waste category from options provided in Exhibit A. Agency may change disposal method at anytime by giving Contractor 24 hours prior written notice. Contractor shall package and transport Hazardous Wastes for final disposal in accordance with all applicable Legal Requirements.

2.2.2 Excluded Materials. Contractor shall not accept the following materials: 1) explosives with the exception of surface flares; 2) biological wastes, with the exception of syringes; 3) reactive wastes, unless listed on Exhibit A; and 4) radioactive materials. Contractor will install a Geiger counter to avoid accepting radioactive material. Should a household or business bring any of the aforementioned materials to the HHW Facility or Mobile Program, Contractor shall assess whether the participant is in any imminent danger from the material and if so, will inform the participant, evacuate the area if necessary and contact the appropriate emergency response agency or agencies. If no detectable imminent danger is present, Contractor may reject excluded materials. Contractor shall provide participant with information on the proper handling and disposal of the material. If Contractor accepts any of the aforementioned material inadvertently, Contractor shall notify Agency Representative and upon their direction, dispose of such waste using an approved subcontractor. Contractor shall make its best efforts to determine the source of the material and shall promptly inform Agency Representative of each such incident. Should a participant be rejected with waste, Contractor shall notify landfill gatehouse staff immediately to avoid potential illegal dumping.

2.2.3 Syringes. Contractor shall accept syringes and related wastes, e.g. pipettes lancets, swabs, empty medicine bottles. Contractor shall supply all appropriate containers and labeling materials. Contractor shall obtain all necessary permits and handle waste in accordance with all Legal Requirements.

2.2.4 HazCatting Unknowns. Contractor shall HazCat any materials received for which Contractor is unsure of the identification. All HazCatting activities shall be performed in a designated laboratory space, which contains all appropriate safety and emergency response equipment. All HazCatting shall be performed by the field chemist.

2.2.5 Disposal Destinations. Contractor shall dispose of Hazardous Wastes only at the facilities designated in Exhibit B. Alternate facilities may be utilized upon prior written approval by Agency Representative. Contractor may be required to submit permits, proof of insurance and/or environmental audits on

any facility listed in Exhibit B or alternative facility. Agency reserves the right to reject any disposal facility at any time, including those listed in Exhibit B.

2.2.6 Proof of Proper Disposal. Contractor shall provide Agency final disposal certificates for all Hazardous Wastes that are fuel blended, treated, incinerated or landfilled.

2.2.7 Rejection of Wastes at Final Disposal Facilities. Agency shall not be responsible for additional costs incurred as a result (directly or indirectly) of a TSDF or other authorized facility refusing to take Hazardous Waste from Contractor, or as a result of Contractor not having prior contract arrangements for use of a particular TSDF or other authorized facility. This includes the repacking and manifesting of misdirected or rejected Hazardous Wastes. Contractor shall provide Agency with all paperwork associated with the rejection and disposal of Hazardous Waste.

2.2.8 Acceptance of Waste From Agency Approved Door-to-Door Collection Service. Contractor shall accept any waste brought to the facility which has been collected in connection with an Agency approved Door-to-Door Collection Service. Contractor shall set reasonable minimum standards for packaging of hazardous waste from Door-to-Door Collection. Contractor shall accept partially full containers from Door-to-Door Collection Service and, where allowed by applicable Legal Requirements. Contractor shall fill the container with compatible materials to ensure the container is filled to capacity. Contractor shall consolidate smaller packed containers (e.g. 5 gallon and 30 gallon containers) when economical, and where allowed by applicable Legal Requirements. In such incidents a repack fee may not be charged. Contractor shall provide approved Door-to-Door Collection Service with drums and absorbent for the packing of Hazardous Waste. Contractor may inspect any or all containers upon receipt. Should any container fail to meet the packing specifications developed by Contractor, Contractor may reject for repacking or repack container at Contractor's discretion. Contractor may charge a twenty five dollar (\$25) repacking fee. Should Contractor choose to repack a container, Contractor shall file a report with Agency and Door-to-Door contractor within a week of the incident specifying the reason for repacking the container. Contractor shall coordinate unloading schedules. The parties acknowledge that the contractor providing the Door-to-Door Collection Service on behalf of the Agency is solely responsible for any compensation due to Contractor. The Door-to-Door Collection Service contractor will provide payment to Contractor for fees from CESQG's service within 30 days of delivery to the Facility. Contractor may refuse to accept partial payments. In the event that Contractor does not receive payment or payment is not received on time from the Door-to-Door contractor, the following actions will be taken:

A late fee of \$50 will be assessed for the first late payment or bounced check, increasing to \$100 on the second violation.

The Door-to-Door Contractor and the Agency will be notified of the delinquency. The Door-to-Door Contractor will be given 10 days to make payment.

If payment is not made within 10 days, the Door-to-Door Contractor will be notified by Agency to discontinue collection of CESQG waste until full payment is made.

If payments are late or insufficient more than two times within a calendar year, the Contractor shall have the right to refuse further acceptance of CESQG waste from the Door-to-Door Contractor.

Contractor may review the receipts and shipping papers obtained from the Door-to-Door contractor to determine whether wastes were properly classified or whether the Door-to-Door contractor imposed the proper charge for the waste as set out in Exhibit H of this Agreement. If Contractor determines wastes were improperly classified or charges imposed were not consistent with Exhibit H of this Agreement, then the Contractor may require the Door-to-Door contractor to pay to Contractor the appropriate charge consistent with Exhibit H of this Agreement.

2.2.9 Reuse. Contractor shall make available a reuse area at all Mobile Program Sites and the HHW Facility. Contractor shall open the reuse area located at the HHW Facility to the

public Thursday through Saturday 7:30 a.m. to 2:30 p.m. Contractor shall make each Program participant aware of the reuse program through verbal or written communication. Contractor shall include the Reuse and Recycling policy statement, Exhibit C, in all of its employee training manual. Contractor shall follow the following procedures for handling reuse items:

- Identify any products in their original containers that are in good, non-leaking condition, and original labels intact.
- Confirm that such product (hazardous component) is still available on the market at the time of distribution.
- Confirm that product has not expired if there is an expiration date and/or known shelf life.
- Place reuse item in designated area/locker. Agency has final decision over distribution of reuse material.
- Participant must sign a liability waiver covering both Agency and Contractor provided by Agency and approved by the Contractor. The waiver shall identify all reuse products by category and weight before leaving the site with the material. The waiver applies to staff as well as the public.
- Maintain log of all release forms in chronological order.
- Provide all materials at no charge to the public.
- Materials shall be removed from the reuse program and appropriately disposed if not claimed after six (6) months.
- Follow the Reusable Exchange Program Quality Assurance Plan and Products Not To Be Redistributed list provided by the Agency, Exhibits D and E. Either the Plan or the List may be changed by the Agency at anytime.
- Achieve a minimum of a 20% reuse rate by weight.

The Agency puts great value on the reuse program. Should Contractor fail to meet the 20% reuse rate, Contractor must provide an acceptable justification or meet the 20% reuse rate within 30 days of notice of non-compliance from Agency. Should Contractor fail to meet compliance notice, Agency may fine Contractor \$1,000 per month to be withheld from payment due until such time as Contractor complies with 20% reuse rate or provides an acceptable justification. Staffing or workload issues will not constitute an acceptable justification. Contractor is solely responsible for providing adequate staffing and management of workload. If the reuse goal cannot be achieved due to lack of interest in reuse products, Contractor shall make reasonable efforts to stimulate interest by advertise reuse program and/or building relationships with businesses and/or governmental agencies that can use reuse products.

2.2.10 Latex Paint Reuse. Contractor will set aside reusable latex paint for redistribution through Contractor's reuse program or the County's exchange program (e.g., Recycletown). Partial containers of reusable paint or paint in quantities that cannot be readily redistributed through the reuse programs shall be mixed together, screened and repackaged in one or

five gallon containers. If all the paint cannot be given away through the reuse or exchange programs, Contractor shall contact other organizations that may be interested (e.g., graffiti eradication programs, recreation departments, public works departments, housing and community development organizations, theater groups, CalTrans, community service groups, schools or government agencies). After all reasonable efforts have been made to give away paint, Contractor may dispose of paint stored for more than six (6) months or where the paint has spoiled or hardened beyond reuse. Should the Agency decide to send latex paint to a recycler, Contractor shall submit, in writing, a recycler(s) for Agency's approval. Contractor may only use recyclers that utilize the Green Seal certification for reprocessed latex paint."

2.2.11 Weighing of Wastes. Contractor must weigh all wastes once packaged prior to transporting from the site. Real gross weights must be tracked for each program, Mobile Program, Residential, CESQG, Door-to-Door collection, Hazardous Waste Load Check Programs and Emergency Response Wastes. Therefore Contractor must track partial containers before topping off container. Contractor must devise a tracking method that does not double count already weighted partial containers. Contractor shall also establish average weights for packing materials for each kind of container and packing method so that net weights of waste can be extrapolated. Contractor shall be reporting waste by waste category and program in net and gross weights.

2.2.12 Household Affidavit. If Contractor or Agency Representative suspects a participant using the household fee exempt program is actually a CESQG, Contractor or Agency Representative may question the participant and require participant to sign an affidavit that the Hazardous Waste they are delivering was generated by a household. If, on more than one occasion, Contractor or Agency have identified a participant as a probable business, not eligible to participate as a household, then Contractor or Agency may deny service to participant.

2.2.13 Camping Stove Propane Cylinders. If empty, Contractor shall pull pins from camping stove propane cylinders and recycle the containers as scrap metal. Unless empty, Camping stove propane cylinders are to be placed in the reuse program, regardless of amount of propane remaining in cylinder. Only cylinders that cannot be distributed through the reuse program or have corrupted containers are to be shipped as hazardous waste.

2.3 Operations.

2.3.1 Hours of Operation.

(a) Contractor shall provide services to Agency forty (40) hours weekly. Based on service needs and contract resources consistent with this Agreement, the number of hours of services rendered for any of the different program types may be adjusted during the contract term by mutual agreement of the parties memorialized in a written agreement signed by the Agency Executive Director. Unless otherwise approved in writing by the parties, the days and hours of operation shall be as follows:

Sunday No services

Monday	7:30 a.m. to 2:30 p.m.	No public services	Administrative
Tuesday	7:30 a.m. to 9:00 p.m.	Mobile Collection & Set-up	HHW/CESQG
Wednesday	7:30 p.m. to 2:30 p.m.	Door-to-Door/Load check	HHW/CESQG
Thursday	7:30 a.m. to 2:30 p.m.	HHW Facility	HHW
Friday	7:30 a.m. to 2:30 p.m.	HHW Facility	HHW
Saturday	7:30 a.m. to 2:30 p.m.	HHW Facility	HHW

(b) Notwithstanding any provision to the contrary, Contractor shall provide services at the HHW Facility on Sundays within thirty (30) days of mailing of a written request from Agency, subject to the provisions of paragraph 2.4.

Contractor shall develop a strategy to ensure that Mobile Program Sites are set up and ready for operation prior to the announced opening time. Contractor may use appointments for Conditionally Exempt Small Quantity Generators (CESQG's), mobile program users and door-to-door collections. If an appointment operating schedule is used, Contractor shall be responsible for setting appointments. Contractor shall post a sign outside the HHW Facility listing the hours of operation.

2.3.2 Access to HHW Facility. Contractor shall have full and unimpaired access to the HHW Facility from 7:00 a.m. to 4:00 p.m. every day of the week, Tuesdays from 7:00 a.m. to 10:00 p.m., and Wednesdays 7:00 a.m. to 10:00 p.m. or as necessary for emergencies or incidents, but at no other times unless approved by Agency in writing.

2.3.3 Holiday Closing. Contractor shall close the HHW Facility on holidays observed by the Central Landfill (i.e., New Years, Easter, Independence Day, Labor Day, Thanksgiving and Christmas). Contractor shall post a sign year-around listing the days the HHW Facility will be closed.

2.3.4 County Closing. Agency shall have the right to shut down the Program, or portions thereof, when deemed necessary. Agency shall provide thirty (30) days advance notice unless such advance notice is impractical under the circumstances.

2.4 Staffing and Subcontractors.

2.4.1 Staffing. Contractor shall provide all on-site technical staff to provide the services stated in this Agreement. Contractor shall have seven (7) full-time staff dedicated to operation of the HHW Facility, one (1) Program Manager, one (1) Chemist, (4) four Technicians and one (1) Administrative Support. During any time Contractor is accepting materials at the HHW Facility and Hazardous Waste is being accepted, Contractor shall have at least two employees on-site. Contractor shall dedicate at least one staff person who is responsible for Agency's HHW Facility and whose sole duties consist of operating the Agency's program. Agency shall designate an employee to act as liaison to the Program. No Agency or County staff member will be assigned to operate the HHW Facility or the Mobile Program. Agency Representative(s) may or may not be on site during operational hours. Agency Representatives' responsibilities will be limited solely to the following:

- (a) Review and sign manifests, although Contractor may be delegated this responsibility by Agency Representative to sign on behalf of Agency
- (b) Audit record keeping
- (c) Review monthly/quarterly/annual reports
- (d) Serve as Agency liaison/contact for Contractor
- (e) Inspections/program auditing
- (f) Review and approve Contractor billings
- (g) Assist Contractor in locating Mobile Program Sites and serve as a liaison with the site owner when necessary (Contractor maintains primary responsibility for arranging, permitting and locating sites)
- (h) Emergency incident contact/liaison (Contractor maintains responsibility for coordinating emergency response efforts and contacting emergency

responders. In case of an emergency, the Contractor shall also promptly contact Agency Representative.)

- (i) Review and sign Permit By Rule notifications and variances.

2.4.2 Staff Training. Contractor's personnel must be trained in the safe and proper handling of Hazardous Wastes and must be capable of emergency response and cleanup of Hazardous Waste spills, and securing of Hazardous Wastes during disasters as required by all Legal Requirements.

Contractor shall provide all staff with appropriate site specific training, including temporary and replacement staff. Contractor shall maintain copies of all training certificates and records at the HHW Facility for all employees as required by all Legal Requirements.

2.4.3 Subcontractors. Contractor shall provide for the transportation, recycling, reclaiming, and disposal of all materials accepted in connection with the Program. Contractor shall arrange for and manage any subcontractors necessary to provide these services. Contractor may use the subcontractors listed in Exhibit G. Additional subcontractors may be utilized upon prior written approval by the Agency Representative. Contractor may be required to submit permits, proof of insurance and/or references for any new or Exhibit G listed subcontractor. Agency reserves the right to reject any subcontractor at any time, including those listed in Exhibit G.

2.4.4 Key Personnel. The parties hereby acknowledge that (insert key personnel) are the key personnel whose services are a material inducement to the Agency to enter into this Agreement and without whose services the Agency would not have entered into this Agreement. (Insert key personnel) shall be the principal persons of Contractor overseeing Contractor's performance herein. In no event shall any other person perform such services unless Contractor has obtained Agency's prior written consent thereto.

2.5 Mobile Program

2.5.1 Mobile Program Service. Contractor shall provide for collection of Household Hazardous Wastes at Mobile Program Sites, subject to the exclusions set forth in Section 2.2.2 above, and in accordance with the current Permit-by-Rule Regulations for Temporary Household Hazardous Waste Collection Facilities. Agency and Contractor shall mutually agree on site selection. While Agency will work with Contractor to obtain written permission to use such sites, it is ultimately Contractor's responsibility to obtain Mobile Program Sites. In the event that, despite its best efforts, Contractor is unable to obtain written permission to use a Mobile Program Site selected by Agency and Contractor for a scheduled temporary Hazardous Waste collection event, an alternative Mobile Program Site will be selected by Contractor and Agency and the date for the event will be changed, as necessary. Contractor shall name as an additional insured under Contractor's insurance policies, all owners of Mobile Program Sites who request such protection. All waste accepted at a Mobile Program collection site is to be taken back to the HHW Facility for further consolidation and transport. Contractor may transport waste from a Mobile Program collection site directly to a recycling or disposal facility only if there is a cost advantage to the Agency.

2.5.2 Mobile Program Vehicle. Contractor shall provide a vehicle that will be used for serving the Mobile Program Sites. Contractor shall provide a vehicle that is able to service up to eighty (80) cars per event. Contractor shall have a contingency plan for handling unexpectedly high participation and/or Hazardous Waste volumes at an event. Contractor shall maintain ownership of the vehicle at the conclusion of this Agreement. On or before the Start Date, Contractor shall provide Agency copies of all licenses and permits necessary for vehicles used in the performance of services under this Agreement.

2.5.3 Mobile Program Site Responsibility. Contractor shall be fully responsible for all Hazardous Wastes disposed of at any Mobile Program Site during any day of a scheduled event, regardless of whether such event was shortened or canceled, subject to the exclusions set forth in Section 2.2.2 above. If, for any reason, including but not limited to inclement weather, a Mobile program Site is closed, Contractor shall post conspicuous signs or personnel at the Mobile Program Site to inform the public of the closure and shall inspect such site and ensure no Hazardous Wastes were dumped, left or disposed of at the Mobile Program Site. Contractor shall be responsible for collection, at its sole cost and expense, for all Hazardous Wastes dumped, left, or disposed of at the Mobile Program Site during any and all hours of any scheduled event, regardless of whether such event is shortened or canceled for any reason.

2.5.4 Inclement Weather. Contractor shall be prepared and will be expected to provide Mobile Program services regardless of weather conditions, unless weather conditions threaten the safety of the public or workers or create a potential for uncontrolled release of Hazardous Wastes (e.g. very strong winds or lightening.)

2.5.5 Security Guard. Contractor shall at all times while Hazardous Waste is at a Mobile Program Site, supervise and secure such Hazardous Waste. Contractor may hire a security guard to ensure the security of the Hazardous Wastes while on-site.

2.5.6 Traffic Control. Contractor is responsible for managing the traffic generated by the collection. Traffic shall be managed in a manner that will provide the least impact on the regular flow of traffic at the site or adjacent streets.

2.6 Door-to-Door Collection Service

2.6.1 Door-to-Door Collection Service. Contractor shall provide door-to-door collection of Household Hazardous Wastes from residents and Hazardous Waste collection from CESQGs subject to the exclusions set forth in Section 2.2.2 above, and in accordance with a door-to-door variance.

2.6.2 Door-to-Door Collection Service Staffing. Contractor shall provide a minimum of two staff, one of which shall be a chemist, to operate the door-to-door collections at all times.

2.6.3 Packaging of Waste From Door-to-Door Collection. Contractor shall set reasonable minimum standards for packaging of hazardous wastes from Door-to-Door Collection Service in accordance with all applicable laws and regulations. Upon delivery of partial containers from the door-to-door Program to the HHW Facility, Contractor shall, where allowed by applicable Legal Requirements, fill the container with compatible materials to ensure the container is filled to capacity. Contractor shall consolidate smaller packed containers (e.g. 5 gallon and 30 gallon containers) when economical and where allowed by applicable Legal Requirements.

2.6.4 Door-to-Door Collection Vehicle. Contractor shall provide a vehicle that will be used for door-to-door collection. Contractor shall maintain ownership of the vehicle at the conclusion of this Agreement. On or before the Start Date, Contractor shall provide Agency copies of all licenses and permits necessary for any vehicle to be used in the performance of services under this Agreement.

2.6.5 Door-to-Door Appointments. Contractor shall provide a toll-free phone number for door-to-door participants to schedule pick-ups. The phone line shall be staffed 20 hours per week. Contractor shall return calls within two days from when the call is received. When the

phone line is not staffed, the voice mail system shall inform callers of the hours during which the phone line is staffed and also that they shall receive a return call within two days. The voice mail system shall also inform callers of alternative service opportunities, for example mobile collections and HHW Facility hours. Contractor may elect to schedule pick-ups on the basis of geographic proximity of residences and/or CESQGs so that Contractor may concentrate its pick-ups in certain general areas on certain days. However, Contractor must make pick-ups within three (3) weeks of receiving a request for an appointment unless the available appointments for the geographic area have already been filled. In any event, all pick-ups must be accomplished within four (4) weeks of receiving a request for an appointment.

2.6.6 Historical Clean-outs. Contractor shall provide Historical Clean-outs for CESQGs. Contractor shall track historical clean-outs, never providing more than one to any particular CESQG. The provision of Historical Clean-outs is dependent upon Historical Clean-outs being allowed under the door-to-door collection variance.

2.6.7 Door-to-Door Service Fees. Contractor may charge \$25 for residential collections. Contractor shall limit waste collected to 55 gallons or 425 pounds per appointment. Residents may schedule sequential appointments so long as an additional appointment fee is paid and appointments are available. Agency reserves the right to charge a surcharge on any or all Door-to-Door Collection Services. Should Agency opt to charge a surcharge, Contractor shall show and calculate it as a credit to Agency on Contractor's invoices. Contractor bears sole responsibility for collecting door-to-door collection fees from participants. Contractor shall establish a consistent and published payment policy to be applied to all program users. Contractor shall provide service to ten (10) monthly or one hundred and twenty (120) annually homebound senior and/or disabled households at no charge. Contractor shall develop a screening methodology for determining whether a resident qualifies as "homebound senior" or "disabled" resident. Contractor shall obtain Agency approval prior to utilizing screening methodology.

2.6.8 Operations Plan, Emergency Response Plan and Work Health and Safety Plan. Contractor shall prepare an Operations Plan, Emergency Response Plan and Work Health and Safety Plan for the Door-to-Door Collection Service in accordance with applicable laws and regulations and applicable variance.

2.6.9 Surveying. Contractor shall survey Door-to-Door Collection Service participants as set forth in Section 8.5 of this Agreement.

2.6.10 Record keeping. Contractor shall prepare separate records for the Door-to-Door Collection Service, including number of participants, surveys and waste quantities independently from other HHW program services provided for in is Agreement.

2.7 CESQG.

2.7.1 Conditionally Exempt Small Quantity Generators. Contractor shall operate a program for accepting Hazardous Waste from CESQG in accordance with applicable Legal Requirements and subject to the exclusions set forth in Section 2.2.2 above. Contractor shall not accept more than the CESQG limits specified in the California Health and Safety Code. Contractor shall require all CESQG to sign an affidavit verifying that they are a conditionally exempt Generator as defined in Section 25218.1 (a) of the California Health and Safety Code. Agency will not subsidize the disposal cost for CESQG. Contractor shall charge CESQG the disposal fees set forth in Exhibit H. Contractor shall handle all aspects of payments for services. Contractor shall, at a minimum, accept

payment in the form of credit card or business checks. Contractor shall have the right to require payment on delivery from businesses that have a poor payment history.

2.8 Hazardous Waste Load Check Program. Any materials collected by the Hazardous Waste Load Check Program shall be handled by Contractor at the HHW Facility, subject to the exclusions set forth in Section 2.2.2 above. Contractor shall collect Hazardous Wastes from each site, where a Hazardous Waste Load Check Program is being operated, using the Mobile Program or other licensed vehicle at least every ninety (90) days, or more frequently if requested by County. This program shall be billed to the Sonoma County Department of Transportation and Public Works (Integrated Waste Division) separately from other billings to the Agency. Disposal of Hazardous Wastes collected from the Hazardous Waste Load Check Program are to be charged at the rates set forth in Exhibit A. Contractor shall not be guaranteed any amount of work for the Hazardous Waste Load Check Program.

2.9 Plans, Security, Safety and Emergency Response.

2.9.1 Daily and Weekly Inspections. Contractor shall perform daily and weekly inspections to ensure that all equipment is functioning appropriately and that all Hazardous Wastes are properly contained. In performing such inspections, Contractor shall complete the checklists attached hereto as Exhibit I.

2.9.2 Emergency Response Plan. Within thirty (30) calendar days of signing this Agreement, Contractor shall provide, for Agency review and approval, a detailed emergency response plan that addresses spills, personnel injuries, fire, and natural disasters. In addition, Contractor shall obtain approval of an emergency response plan from local fire departments as required by said agencies.

2.9.3 Disaster Occurrence. Contractor shall provide all labor and materials necessary to properly fasten, restrain, and secure all Hazardous Wastes for the occurrence of a major earthquake, or other natural or unnatural disaster.

2.9.4 Response Time. Contractor shall respond to emergency service requests and Hazardous Waste spills associated with the Program within a maximum of two (2) hours after initial contact from Agency or an emergency response agency.

2.9.5 Emergency 24 Hour Phone Number. Contractor shall provide a 24 hour phone number that can reach an individual knowledgeable in the types of Hazardous Wastes and any specific emergency measures required if the Hazardous Wastes are released into the environment. This phone number is to be listed on manifests as required by applicable regulations, and provided to Agency Representative and local emergency response agencies.

2.9.6 Worker Health and Safety Plan. Within thirty (30) calendar days of signing this Agreement, Contractor shall provide a detailed worker health and safety plan for Agency's review and approval. Agency reserves the right, at any time, to require further safety measures be included. In addition, Contractor shall obtain approval of worker health and safety plan from local fire departments as required by said agencies.

2.9.7 Operation Plan. Within sixty (60) calendar days of Agency's request, Contractor shall provide, for Agency review and approval, a detailed operation plan that describes the: (i) program operations; (ii) equipment and materials to be used; (iii) personnel plan; (iv) health and safety plan; (v) Hazardous Waste handling plan; (vi) Hazardous Waste management plan; (vii) security;

(viii) emergency response plan; (ix) list of applicable permits; and (x) indemnification and insurance requirements. Agency reserves the right, at any time, to require further measures be included.

2.9.8 Emergency Contact List. Contractor shall provide Agency with an emergency contact list for all HHW facility personnel and appropriate offsite management contacts. Contractor is responsible for providing a new contact list whenever personnel or contact information changes.

2.10 Public Information. Contractor shall cooperate with Agency in promotional and educational efforts. This may include distribution of educational materials to Program participants and displaying educational materials at Mobile Program Sites and the HHW Facility. Contractor shall be supportive in both attitude and action of educational efforts which encourage the use of less product or safer, less toxic products.

2.11 Agency Responsibilities. Agency shall perform the following tasks:

- Provide the HHW Facility with installed emergency equipment, reuse lockers and water (non-drinking), toilet facilities and electricity.
- Prepare initial permit documentation and PBR Notification.
- Act as Generator of the Household Hazardous Waste.
- Sign the manifests, although this may be delegated to Contractor.
- Assist in selection and approval of Mobile Program Sites.
- Review and analyze data from reports as provided by Contractor and prepare reports for State as required.
- Obtain Generator ID number.
- Coordinate the community education and publicity for the Program.
- Review and sign the Permit By Rule notifications for the Mobile Program
- Maintain variance for CESQG transport.
- Provide closure assurance for the HHW Facility.

3. TERM OF AGREEMENT.

3.1 Term. The term of this Agreement shall commence on the Effective Date and terminate on February 11, 2017.

4. COMPENSATION FOR SERVICES.

4.1 Program Operation Fee. For all services and incidental costs required hereunder (subject to Section 4.2 below) commencing on July 1, 2014, Contractor shall be paid an annual operations fee in an amount not to exceed four hundred and ninety seven thousand eight hundred and eighty eight Dollars (\$497,888). Bond payments are in addition to the operations fee based on the annual cost of the bond and apportioned in monthly payments. The actual cost of the performance

and payment bonds shall be passed through to Agency to be paid in equal monthly installments. The operations fee will be paid in equal monthly installments throughout the year. Contractor may bill as frequently as monthly. An invoice must be submitted by July 3rd of each year to encompass any un-invoiced expenses incurred in the previous County fiscal year. If Agency requests additional resources beyond established/documented scope of work, Agency and Contractor shall mutually agree upon appropriate compensation through an amendment.

4.2 Disposal Costs. In addition to the annual operations fee, Contractor shall be reimbursed for disposal costs of Hazardous Wastes at the unit prices set forth in Exhibit A. Agency shall only pay Hazardous Wastes disposal costs for Hazardous Wastes that have been shipped, and for which a signed manifest has been returned or for which a valid billing of lading exists. If Contractor is compensated through the California Architectural Paint Recovery Program, any program products, covered under the California Architectural Paint Recovery Program codified by Public Resources Code 48700 and administered by PaintCare, shall not be reimbursed by Agency and disposal costs shall not be charged to CESQGs or charged to the Load Check Program.

4.3 Increased Disposal Costs Due to Regulatory Changes. In the event that requirements imposed on the Program by state or local agencies that are the result of new or revised regulations proposed and enacted after the Effective Date of this Agreement, cause Contractor to have to expend an excess of more than Ten Thousand and No/100 Dollars (\$10,000.00) in the aggregate in any twelve (12) month period, the excess over Ten Thousand and No/100 Dollars (\$10,000.00) shall be considered pass through costs to the Agency. Contractor shall have the burden of proving to the Agency, the amount of expense incurred as a result of such new or revised regulation.

4.4 Hazardous Waste Load Check Program. Hazardous Waste Load Check Program Hazardous Waste disposal costs are to be charged at the rates set forth in Exhibit A. Contractor shall indicate amount of Hazardous Waste collected at the disposal sites.

4.5 Payment Terms. Payment shall be made to Contractor by Agency within thirty (30) days after receipt of a complete invoice and upon the approval of the Agency's contract manager that the tasks and submittals are acceptable and adequate. A "complete invoice" shall include the following documentation in addition to the invoice: (a) copies of returned, signed Hazardous Waste manifests for all Hazardous Wastes billed; and (b) status reports, as required. Agency shall notify Contractor of any invoice discrepancies or issues in writing within ten (10) working days of receipt of an invoice. Contractor shall respond to any such notice of deficiency in writing within fifteen (15) days, and payment will be due from the Agency within fifteen (15) days after receipt of such response.

In the event that any issues or discrepancies remain after the Agency receives such response, Agency nonetheless shall pay all undisputed amounts within the fifteen (15) day period, and the parties will resolve the remaining issues or discrepancies in accordance with the procedures set forth above. Agency may withhold payment whenever Contractor fails to provide a complete invoice, until Contractor supplies Agency with a complete invoice. Invoices for the Hazardous Waste Load Check Program shall be submitted in accordance with this Section, provided, however that such invoice shall be billed separately to the Sonoma County Department of Transportation and Public Works. All invoices are to be directed to:

Lisa Steinman, Household Hazardous Waste Program Manager
Sonoma County Waste Management Agency
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403

Contractor is required to submit to the Agency an accurate and complete invoice, including any supporting documentation, no later than sixty (60) days from the close of each invoice period. Failure to comply with this requirement may result in the Agency assessing Contractor a fifty dollar (\$50) fine for each week the Contractor fails to meet this requirement. Fines may be assessed at the close of business on every Monday."

5. LIABILITY FOR COMPENSATION

Contractor hereby acknowledges that pursuant to Section 18 of Article 16 of the California Constitution, there are certain limits on the Members of the Agency incurring liability under this Agreement. Therefore, notwithstanding anything stated to the contrary herein, Contractor hereby understands, acknowledges and agrees to look solely to the special funds of the Agency which are generated from the collection of tipping fees for Agency programs. In no event shall County's or Agency's obligation to pay Contractor hereunder extend beyond the tipping fees collected by the Agency. During the term of the Agreement, Agency shall work with Contractor to adjust or decrease service if it is expected that annualized services will exceed the tipping fees collected by Agency. In addition, Agency shall have the right to cancel and terminate this Agreement at the end of any fiscal year of the Agency if the Agency is not authorized by state or federal law or regulation to appropriate moneys sufficient to pay the compensation required under this Agreement. The Agency may effect such termination by giving Contractor thirty (30) days prior written notice of termination unless the giving of such advance notice is impractical under the circumstances.

Notwithstanding anything contained to the contrary in this agreement, Contractor agrees that the County or Agency may terminate this Agreement with thirty days' written notice, for any of the following reasons:

- A. County or Agency has exhausted all funds legally available for payments to become due under this Agreement; or
 - B. An appropriation of funds for the next fiscal year is made, but prior to actual release such appropriation is withdrawn; or
 - C. No appropriation of funds for payments in the next fiscal year is made in the budget.
- At the end of the termination notice period and if County has the right to terminate, County's obligation under this Agreement shall terminate provided that County has made all payments required to the date of termination. Upon such termination, all obligations of County accruing after the effective date of such termination shall be deemed to be extinguished.

6. HHW FACILITY AND EQUIPMENT.

6.1 Supplies and Equipment. Contractor shall supply all necessary equipment and supplies including but not limited to drums, containers, absorbent, labels, appropriate shipping papers, personal safety equipment, fire extinguishers, secondary containment pallets, forklifts, Mobile Program vehicle, computers, office equipment, and any other equipment necessary to the operation of the HHW Facility and Mobile Program. Contractor shall retain ownership of equipment supplied by Contractor at the conclusion of this Agreement. Agency shall provide the permanent structures and permanent safety equipment such as showers, emergency warning systems, sprinklers, water (non-drinking), electricity, and reuse product lockers.

6.2 Utilities. Contractor shall be responsible for providing the phone service to the HHW Facility or reimbursing Agency for phone service. Contractor shall also be responsible for providing drinking water. Agency and County shall provide water for emergency systems, sanitation requirements and electricity. Contractor shall make every effort to conserve the use of electricity.

6.3 Permit Acquisition. Agency shall prepare initial documentation to comply with PBR Permit requirements and file the PBR Notification. Contractor shall be responsible for maintaining the PBR Permit documentation and keeping all documentation current. Agency shall obtain an EPA Identification numbers for both the HHW Facility and Mobile Program Sites. Contractor shall prepare Mobile Program PBR Notifications and Agency shall review, sign and submit the notifications. Contractor shall obtain licensing for any vehicles that transport Hazardous Waste.

6.4 HHW Facility Permit Compliance. Contractor shall conduct its operations in compliance with the HHW Facility's PBR Permit.

6.5 Fines and Penalties. Contractor shall pay any and all fines and/or penalties incurred by the Agency, County and/or Contractor in connection with Contractor's failure to comply with any Legal Requirements or the terms and conditions of this Agreement.

6.6 HHW Facility Maintenance. Throughout the term, Contractor shall, at Contractor's sole cost and expense, maintain the HHW Facility and improvements (including, without limitation, landscaping, utilities, emergency equipment, storage tanks, reuse lockers and all equipment supplied by Contractor) in first-class condition and repair. Agency and County shall have no obligation to improve, alter, repair, remodel or maintain the HHW Facility or improvements in any way whatsoever, except to the extent repairs or maintenance are required as: (1) a direct result of a defect in the design or construction of the HHW Facility or permanent improvements made by County, including, without limitation, any defect in the materials or equipment incorporated into the permanent improvements; or (2) a natural event (including, without limitation, an earthquake, fire or flood) causing damage to or destruction of the HHW Facility, except to the extent that such damage or destruction is caused or aggravated by Contractor.

6.7 Condition of Premises. Contractor shall sign an acknowledgment that the HHW Facility and improvements thereto are in suitable condition, when the HHW Facility is ready for occupancy. See Exhibit J. Contractor agrees to report any defects noted by it in writing to Agency and County no later than twenty (20) days after beginning operations hereunder.

6.8 Additions and Alterations. Contractor shall not make any additions or alterations to the HHW Facility without Agency and County's prior written consent. Agency or County may require Contractor to submit engineered drawings and calculations for such proposed improvements and/or alterations, including but not limited to, structural, electrical, and plumbing. Any alterations or additions to the HHW Facility shall become County's property free and clear of all claims upon the expiration or earlier termination of this Agreement.

7. ACCOUNTING AND RECORDS.

7.1 Maintenance and Audit of Records. Contractor shall maintain full and complete accounting records, prepared in accordance with generally accepted accounting principles, separately reflecting Contractor's costs, revenue, and inventory directly associated with the Program and Contractor's obligations hereunder. Contractor shall maintain its accounting records in a manner which clearly and separately identifies the costs, revenues, and inventory and separately identifies the quantity of waste from Residents, CESQG, Door-to-Door Collection Services, Hazardous Waste Load Check Programs, reuse program and Emergency Response Agencies. Such records shall include, without limitation, shipping documents, receiving and delivery logs, invoices, and other documents for costs, revenues and inventory. Such books and records shall be subject to audit and inspection by Agency and its authorized representatives, agents or employees, in the event that Agency is unable to verify Contractor's income and expenses associated with this Agreement by the records required to be

kept by Contractor pursuant to Section 8 below. In the event such audit or inspection reveals that Contractor does not maintain adequate and separate records in accordance with the terms of this Agreement, Agency shall notify Contractor in writing of any alleged deficiencies in the accounting. Contractor shall have fifteen (15) calendar days to correct said deficiencies. If Contractor fails to correct said deficiencies to Agency's reasonable satisfaction, then Agency or its authorized representative, may create such adequate and separate records and Contractor shall reimburse Agency for the costs of such services. All records of Contractor that are not needed to verify compliance with this Agreement and to audit figures used in formula determinations shall be considered confidential and the private property of Contractor.

7.2 Over-Payments to Contractor. In the event that an audit or inspection reveals that the amount of compensation paid to Contractor by Agency is greater than the amount actually due to Contractor under the terms of this Agreement, Contractor shall remit such excess compensation to Agency within thirty (30) days of invoice by Agency of such excess. If such reimbursement is not made by Contractor within the specified time period, Agency may deduct the monies due to Agency from Contractor's next monthly payment.

7.3 Under-Payments to Contractor. In the event an audit or inspection reveals an error on the part of Agency, such that the amount of compensation paid to Contractor by Agency is less than the amount actually due to Contractor under the terms of this Agreement, Agency shall remit to Contractor such compensation due, including interest from the date of under-payment at the rate of ten percent (10%) per year, within thirty (30) days of invoice by Contractor of such under-payment. Interest shall not be due to Contractor if under-payment is due to an incorrect invoice submitted by Contractor or dispute over compensation adjustments.

7.4 Inspection of Accounts and Records. Contractor's accounting records as described above, shall be made available to Agency in Sonoma County for inspection and/or audit by Agency or its authorized representatives, for a period of three (3) years following the termination of this Agreement.

8. REPORTS AND MEETINGS.

8.1 Manifesting/Inventory. Agency agrees to sign all manifests, upon review of their conformity with all Legal Requirements, prior to shipment. Agency may delegate the signing of manifests to Contractor on behalf of Agency. Bills of lading may be used when appropriate.

8.2 Form 303. Contractor shall provide a completed Form 303's as required by the State for annual submission to DTSC and CalRecycle.

8.3 Record keeping/Response Time. Contractor shall track and make available to Agency reports for the following: (a) Manifests; (b) Bills of Lading; (c) Survey data; (d) CESQG receipts; (e) Reuse Waivers; (f) Training materials; (g) Training certificates; (h) Subcontractor contracts; (i) Permits; (j) Permit required documentation; and (k) Daily and weekly inspection checklists. Contractor shall respond to requests for review of documentation listed above within two (2) days (excluding weekends) after a request from Agency.

8.4 Status Reports. Contractor shall submit monthly, quarterly, and annual reports to Agency. The status reports will summarize and consolidate data for each of the Mobile Program Sites and the HHW Facility and shall include information such as the number of participants, quantities and types of Hazardous Wastes collected and disposal, and cost information. In addition, monthly, quarterly and annual reports shall include the survey data developed by Contractor in accordance with

Section 8.5 below. Quarterly and annual reports shall summarize monthly reports and analyze program impacts, costs and progress towards Agency goals. Contractor agrees to work with Agency to develop an acceptable reporting format and level of supporting documentation. Should Agency deem necessary, more detail in program cost information to evaluate the HHW program, Contractor shall provide information as requested.

8.5 Surveying. Contractor shall survey all participants using the Program and analyze the information received to determine the best educational and publicity techniques, service shortfalls and other issues as necessary. Survey data shall be provided to Agency. At a minimum, the following information must be included in the survey:

Households

Community of origin (noting if their within or outside of city limits)
Number of households represented
How the participant learned of the program
Date of participation
Number of times they have utilized HHW services
Zip code
Location of participation (Mobile Program)

CESQG

Name of businesses (noting if their within or outside of city limits)
Signed affidavit of CESQG status
Community of origin
Type and quantity of materials delivered
How the participant learned of the program
Number of times they have utilized CESQG services
Zip Code
Date of participation

On occasion, Agency may request Contractor to track additional specific information for research purposes.

8.6 Monthly Management Meetings. Contractor's contract manager and site manager shall meet monthly with Agency's contract manager to discuss issues affecting the contract. Agency or County shall have the ability to call a mandatory meeting between regularly scheduled meetings should issues of an urgent nature arise. Agency shall provide a written summary of any decisions or actions taken or agreed upon in the monthly meetings. Said summaries shall be circulated to all meeting participants and be kept on file for the term of the Agreement.

9. CONTRACTOR REPRESENTATIONS AND WARRANTIES.

9.1 Representations and Warranties. In order to induce Agency to enter into this Agreement, Contractor represents and warrants (in addition to any other representations and warranties contained elsewhere in the Agreement) to Agency that the following statements are true, correct and complete:

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

licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over Contractor and over the services being performed hereunder.

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

9.1.3 Financial Stability. Contractor is financially solvent, able to pay its debts as they mature and possesses sufficient working capital to perform its obligations hereunder. In addition, Contractor's liquid assets are equal to or exceed the amount of any insurance deductibles. Contractor is able to furnish the tools, materials, supplies, equipment and labor required to perform its obligations hereunder.

9.1.4 Litigation. Contractor represents there are no actions, suits or proceedings pending or threatened against or affecting Contractor in any court of law or in equity, or before or by any governmental department, commission, board, bureau, Agency or instrumentality that: (a) might adversely affect the ability of any such person or entity to perform its respective obligations under the Agreement; or (b) involve any of Contractor's Household Hazardous Waste services.

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

9.1.6 Standard of Care. All of Contractor's work will be performed in a good and workmanlike manner, with care, skill and diligence, and in accordance with generally accepted and applicable professional practices and standards at the time services were rendered as well as all Legal Requirements and the Agreement, it being understood that acceptance of Contractor's work by Agency shall not operate as a waiver or release. Contractor shall strictly comply with and satisfy all Legal Requirements applicable to the services and equipment being provided hereunder. Contractor is a sophisticated Household Hazardous Waste Contractor who possesses a high level of experience and expertise in the business administration and management of facilities and services of the size, complexity and nature of the HHW Facility and services being provided hereunder.

9.1.7 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 the Agency. In the event Agency exercises its right to terminate this Agreement, Contractor expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances or laws applicable to employees.

9.1.8 Taxes. Contractor agrees to file federal and state tax returns and pay all applicable real and personal property taxes (including any tax levied on a possessory interest, as defined in the California Revenue and Taxation Code, if applicable), general and special assessments, and other charges of every description, and 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 the 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 the event that 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.

9.1.9 Cost Disclosure. In accordance with Government Code section 7550, Contractor agrees to state in a separate section in any filed report the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of any report.

9.1.10 Conflict of Interest. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would 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 interest shall be employed. In addition, if requested to do so by Agency, Contractor shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with the Agency Clerk disclosing Contractor's or such other person's financial interests.

9.1.11 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, sexual orientation, age, medical condition, pregnancy, disability, or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

9.1.12 Waste Hierarchy. Contractor shall recognize Agency's commitment to the following waste management hierarchy: (1) Source Reduction (Reduce, Reuse); (2) Recycle; (3) Treatment (Neutralization, Deactivation); (4) Environmentally Sound Incineration; and, finally (5) Land Disposal. Agency makes this commitment for the healthiest possible environment. Agency makes a commitment to inform the general public of Sonoma County of the importance of this hierarchy. Contractor shall support and further this commitment in action and attitude at all times.

9.2 Survival of Representations and Warranties. The foregoing warranties are in addition to, and not in lieu of, any and all other liability imposed upon the Contractor by Legal Requirements with respect to the Contractor's duties, obligations and performance hereunder. Contractor's liability hereunder shall survive the expiration or termination of this Agreement. Contractor acknowledges that Agency and County are relying upon Contractor's skill and experience in connection with the services called for hereunder.

10. INSURANCE.

Contractor must comply with Exhibit B to the License Agreement for Use of County Facilities between County of Sonoma and Sonoma County Waste Management Agency for Household Hazardous Waste Facility Premises located at Sonoma County Central Landfill Petaluma, California in addition to the following requirements:

Contractor shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. With respect to General Liability, Errors and Omissions and Pollution and/or Asbestos Pollution Liability coverage should be maintained for a minimum of five (5) years after the expiration or earlier termination of this Agreement.

10.1 Minimum Scope of Insurance. Coverage shall be at least as broad as: (a) Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001 or Claims Made Form CG 0002); (b) Insurance Services Office Form No. CA 0001, covering Automobile Liability, Code 1 (any auto) or Code 8, 9 if no owned autos; (c) Workers' Compensation insurance as required by the State of

California and Employer's Liability insurance; and (d) Pollution and/or Asbestos Liability and/or Errors and Omissions.

10.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than:

a. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

b. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

c. Employer's Liability: \$1,000,000 each accident, \$1,000,000 policy limit bodily injury by disease, \$1,000,000 each employee bodily injury by disease.

d. Pollution and/or Asbestos Pollution Liability and/or Errors and Omissions: \$1,000,000 each occurrence / \$2,000,000 policy aggregate.

10.3 Deductible and Self-Insured Retention. Any deductibles or self-insured retention must be declared to and approved by the Agency. If possible, the insurer shall reduce or eliminate such deductibles or self insured retention as respects the Agency, its members, officers, officials, employees and volunteers; or the Contractor shall provide evidence satisfactory to the Agency guaranteeing payment of losses and related investigations, claim administration and defense expenses.

10.4 Other Insurance Provisions.

a. The General Liability, Automobile Liability, Pollution and/or Asbestos Pollution policies are to contain, or be endorsed to contain, the following provisions:

(i) The Agency, its members, officers, officials, employees and volunteers are to be covered as additional insureds with respect to liability arising out of: (1) automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; (2) work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations; and (3) Pollution and/or Asbestos Pollution.

(ii) For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the Agency, its members, officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the Agency, its members, officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

(iii) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled or materially changed by the Insurer except after thirty (30) days prior written notice has been given to the Agency.

b. The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion and add the Motor Carrier Act endorsement (MCS-90), TL 1005, TL 1007 and any other endorsements that may be required by federal or state authorities.

c. If General Liability, Pollution and/or Asbestos Pollution Liability and/or Errors and Omissions coverage are written on a Claims Made form:

(i) The "Retro Date" must be shown, and must be before the date of the Agreement or the beginning of contract work.

(ii) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement, or earlier termination thereof.

(iii) If coverage is canceled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the Effective Date of the Agreement, the Contractor must use its "best efforts" to purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work. For purposes of this paragraph, "best efforts" shall mean that if extended reporting coverage is available at a cost that does not exceed one hundred fifty percent (150%) of the annual premium for the canceled or non-renewed policy, Contractor shall purchase such coverage.

10.5 Acceptability of Insurers. Insurance is to be placed and maintained with insurers with a current A.M. Best's rating of no less than A:VII if admitted. If Pollution and/or Asbestos Pollution and/or Errors and Omissions coverage are not available from an "Admitted" insurer, the coverage may be written by a Non-admitted insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher.

10.6 Verification of Coverage. Contractor shall furnish the Agency with endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the Agency, unless the insurance company will not use the Agency's form. All endorsements are to be received and approved by the Agency prior to the execution of this Agreement by the Agency. As an alternative to the Agency's forms, the Contractor's insurer may provide complete copies of all required insurance policies, including endorsements effecting the coverage required by this Section 10. Upon Agency's written request, Contractor shall provide Agency access to certified copies of the insurance policies. Said policy copies shall be submitted to the Agency within thirty (30) days of such request. Contractor may strike out any proprietary information contained in such policies prior to providing the Agency with copies.

10.7 Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

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

10.9 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, at its sole option, may terminate this Agreement and obtain damages from Contractor resulting from said breach. Alternatively, Agency may purchase such required insurance coverage, and without further notice to Contractor, Agency may deduct from sums due to Contractor any premium costs advanced by Agency for such insurance. These remedies shall be in addition to any other remedies available to the Agency.

11. BONDS.

11.1 Faithful Performance Bond. Contractor shall provide Agency and with a faithful performance bond in the amount of one million dollars (\$1,000,000) in order to secure the Contractor's performance obligations under the Agreement. Such bond shall be executed by a surety company licensed to do business in the State of California. The initial term of the faithful performance bond shall be for one year commencing with the execution by the parties of the Agreement and shall be renewed on an annual basis until the termination of the Agreement. The condition of the foregoing bond shall be such that if Contractor shall well and truly perform the covenants, promises, undertakings and obligations under the terms of this Agreement, then the obligation of said bond shall be void; otherwise it shall remain in full force and effect. Agency shall be able to collect on said bond for discrepancies or other covered losses discovered up to the time when all obligations of Contractor under this Agreement have been satisfied.

11.2 Payment Bond. Contractor shall provide Agency with a payment bond in the amount of One Hundred Thousand Dollars (\$100,000). The payment bond shall be in the form attached hereto as Exhibit F.

12. 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, death, 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.

13. EVENTS OF DEFAULT; REMEDIES.

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

(a) Failure of Contractor to accept Household Hazardous Waste on more than: (i) thirty (30) operating days during any twelve (12) month period; or (ii) ten (10) or more consecutive operating days.

(b) Material failure of Contractor to operate the HHW Facility in compliance with the terms of the Agreement.

(c) Receipt by Contractor of any order or notice from any governmental Agency that all or any portion of the Contractor Improvements or Operating Equipment have been performed or used contrary to the terms of any law, ordinance or regulation, which order or notice is not complied with by Contractor within ten (10) days following the issuance thereof, provided that if such order or notice cannot be reasonably complied with within such ten (10) day period, an Event of Default shall not be deemed to have occurred unless Contractor fails to commence compliance within such ten (10) day period or to diligently and in good faith prosecute compliance thereafter, or to complete such compliance within thirty (30) days following written notice from the governmental Agency of such order or notice; or to complete such within a lesser time period if the failure to do so would, in the reasonable determination of the Agency, cause (i) the completion of the Contractor Improvements to be completed later than the Start Date; or (ii) Contractor to be unable to accept Household Hazardous Waste for a period of ten (10) or more consecutive Operating Days.

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

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

(f) Any change shall occur in the key personnel identified in Section 2.4.4 above without the prior written approval of Agency.

(g) Any representation or disclosure made to the Agency by Contractor proves to be false or misleading in any material respect on the date as of which made, whether or not that representation or disclosure appears in this Agreement.

13.2 Termination Without Cause, Agency. Notwithstanding anything stated to the contrary herein, at any time and without cause, the Agency shall have the right, in its sole discretion, to terminate this Agreement by giving either (1) five (5) days written notice to Contractor with compensation of Thirty Thousand (\$30,000) or (2) thirty (30) days written notice with no compensation. Should this Agreement be terminated without cause prior to the expiration of the initial term referenced in Section 3.1, Agency shall pay Contractor for capital expenses as follows: $(\text{total capitalized expense} \times 0.65) / 36 \times (36 - \text{\#months of Agreement completed})$. For purposes of this formula, the total capitalized expense is \$65,000. Should the Agreement be terminated after the term of the Agreement has been extended under Section 3.2, Agency has no obligation to reimburse for capital expenditures.

13.3 Termination Without Cause, Contractor. Notwithstanding anything stated to the contrary herein, at any time and without cause, the Contractor shall have the right, in its sole discretion, to terminate this Agreement by giving one hundred and twenty (120) days written notice to Agency. Should this Agreement be terminated by the Contractor prior to the expiration of the initial term referenced in Section 3.1, the Contractor shall be reimbursed for all services performed prior to the date of termination.

14. EXPIRATION OF AGREEMENT.

14.1 Expiration. At the expiration or earlier termination of the term, Contractor shall surrender to Agency the possession of the HHW Facility. Contractor shall leave the surrendered HHW Facility and any other property in as good condition and repair, reasonable wear and tear excepted. At the expiration or sooner termination of the term, Agency may at Agency's election, demand the removal from the HHW Facility of all or any Contractor Improvements or Operating Equipment as specified in the notice provided for below. A demand to take effect at the normal expiration of the term shall be effected by notice given at any time within three (3) months before the expiration date. A demand to take effect on any other termination of the Agreement shall be effected by notice given in or concurrently with notice of such termination or within sixty (60) days after such termination. Contractor shall comply with the notice before the expiration date for normal termination, and within thirty (30) days after the notice for other terminations. The duty imposed by this provision includes, without limitation, the duty, if so requested, to leave the HHW Facility safe and free from debris and hazards. All property that Contractor is not required to surrender but that Contractor does abandon shall, at Agency's election, become Agency's property at termination. If Contractor fails to surrender the HHW Facility at the expiration or sooner termination of this Agreement, Contractor shall defend and indemnify Agency and County from all liability and expense resulting from the delay or failure to surrender, including, without limitation, claims made by any succeeding Contractor based on or resulting from Contractor's failure to surrender.

15. AGENCY'S RIGHT TO INSPECTIONS

Agency shall have the right to enter the HHW Facility and the Mobile Program Sites at any and all reasonable times during the normal business day throughout the term of this Agreement for the purpose of inspecting the same and Contractor's performance hereunder.

16. ATTORNEYS' FEES.

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

17. NOTICES.

All notices, bills and payments shall be made in writing and may be given by personal delivery, by U.S. mail, confirmed fax, or courier. Notices, bills and payments sent by mail shall be addressed as follows:

Agency: Sonoma County Waste Management Agency
Attention: Lisa Steinman, HHW Program Manager
2300 County Center Dr., Suite B 100
Santa Rosa, CA 95403
Phone: (707) 565-3687
Fax: (707) 565-3701

Contractor: Clean Harbors Environmental Services, Inc.
Address: P.O. Box 3442
Boston, MA 02241-3442
Phone: (781) 792-5000
Toll-Free Phone: (800) 282-0058

and when so addressed, shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this Section 17.

18. GENERAL PROVISIONS.

18.1 Assignment.

18.1.1 Assignment by Contractor. The experience and expertise of Contractor are material considerations for this Agreement. Contractor shall not assign or transfer, whether voluntarily, involuntarily, or by operation of law, its interest in this Agreement or any part thereof without the prior written approval of Agency. No such assignment or transfer for which Agency's prior written consent is required shall be valid or binding without said prior written approval, and then only upon the condition as such assignee or other successor in interest shall agree in writing to be bound by each and all of the covenants, conditions and restrictions of the Agreement. An attempted assignment or transfer not in compliance with the provisions of this Section 18.1 shall be grounds for Agency's termination of the Agreement. Consent to any assignment or transfer shall not be deemed a waiver of this requirement as to any subsequent assignment or transfer. As used in this Section, the term "assignment" shall include a "more than 25% change in ownership of Contractor." A "more than 25% change in ownership of Contractor" shall mean, the transfer of the right to share in more than 25% of the profits of the general partnership or corporation.

18.1.2 Assignment by Agency. In the event that the Members of the Agency desire to dissolve the Agency, or the Agency otherwise ceases to exist, the County shall have the right, but not the obligation, to assume Agency's rights and obligations under this Agreement.

18.2 Amendments. Only the Members of the Agency, by a majority vote, and the County Board of Supervisors may authorize extra or changed work or amend this Agreement. The parties expressly recognize that Agency and County personnel are without authorization to order extra or changed work or waive contract requirements. Failure of Contractor to secure Agency authorization

for extra or changed work shall constitute a waiver of any and all right to adjustment in the compensation due to such unauthorized work and thereafter Contractor shall be entitled to no compensation whatsoever for the performance of such work. Contractor further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without the express and prior written authorization of the Agency and County. Notwithstanding the above, the Agency Director has the delegated authority of County and Agency to approve changes in the hours of operation of the HHW Facility. And such changes are inoperative unless memorialized in a writing executed by the Contractor and the Agency Director.

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

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

18.5 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. 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 further acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

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

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

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

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

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

19. Natural Disaster Field Response. This Section addresses field work in response to natural disasters and is not intended to conflict with or duplicate Section 2.9 or any other provision of this Agreement.

19.1 Collect, Package, Transport & Dispose of Hazardous Waste. For services rendered under this Section, CONTRACTOR shall collect, package, transport and dispose of Hazardous Waste in accordance with the instructions of the COUNTY Director of Transportation and Public Works and in compliance with all applicable laws and regulations and provisions of this Agreement.

19.2 Consolidation at Household Toxics Facility. CONTRACTOR may use the Household Toxics Facility as a consolidation point for natural disaster-related Hazardous Waste.

19.3 Track and Maintain Separate Records. CONTRACTOR shall track and maintain records, including, but not limited to initial shipping papers and timesheets, for all work and waste related to natural disaster cleanup. Such records shall be maintained separate from records of other services provided under this Agreement.

19.4 Comply with Administrative Procedures. CONTRACTOR shall comply with any and all administrative procedures established by the Director of Transportation and Public Works related to implementing natural disaster services and record keeping.

19.5 Compensation for Natural Disaster Services. For services rendered under this Section, COUNTY shall pay CONTRACTOR an hourly rate for labor as follows: Project Manager \$44; Chemist \$32; Technician \$24; and \$200 per truck per service day for transportation. All other costs will conform to those set forth in Section 5, Exhibit A-1 and Exhibit A-2 of this Agreement."

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

"Agency":

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____
Chairperson, SCWMA Board of Directors

"Contractor":

CLEAN HARBORS ENVIRONMENTAL SERVICES, INC., ITS
AFFILIATES AND SUBSIDIARIES A MASSACHUSETTS CORPORATION

By: _____

APPROVED AS TO FORM FOR AGENCY:

Agency Counsel

APPROVED AS TO SUBSTANCE FOR AGENCY:

Agency Executive Director

Exhibit A-1 Mobilization Cost Sheet

9 Personnel

	Hours per week	Hours per year	Cost per hour	Annual Cost
Contract Manager		208	\$0.00	\$0.00
Project Manager	40	2080	\$47.00	\$97,760.00
Chemist	40	2080	\$35.00	\$72,800.00
Technician 1	40	2080	\$30.00	\$62,400.00
Technician 2	40	2080	\$30.00	\$62,400.00
Technician 3	40	2080	\$30.00	\$62,400.00
Technician 4	40	2080	\$30.00	\$62,400.00
Admin Support	40	2080	\$25.00	\$52,000.00
Annual Labor Costs				\$472,160.00

10 Equipment

Capital equipment charges are based on amortizing the total costs over the term of the Contract.

Annual Equipment Cost	\$17,160
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Materials/Supplies/Administration

Annual Materials/Supplies/Administration	\$8,568
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11 Bonds

Yearly costs associated with providing the required Performance and Payment Bonds.

\$1,000,000 Performance Bond	\$11,000
\$100,000 Payment Bond	

12 Annual Operating Costs

	Annual Cost	Monthly Cost
Personnel	\$472,160	\$39,347
Equipment	\$17,160	\$1,430
Materials	\$8,568	\$714
Bonds	\$11,000	\$917
Total Costs	\$508,888	\$42,407

13 Load Check Cost Sheet

\$150 per site

Disposal based on Exhibit A-3

Exhibit A-2 Waste Disposal Cost Sheet

Chemical Category	Disposal Method	Packing Method	Yard Box	Average Weight	55 gallon Drum	Average Weight	30 gallon Drum	Average Weight	20 gallon Drum	Average Weight	10 gallon Drum	Average Weight	5 gallon Drum	Average Weight	Other	Average Weight
Flammable & Poison																
Flammable solid/liquid	I	LO	336	676	180	270	146	203	121	98	118	30	66	20	N/A	N/A
Bulked Flammable liquids	F	BU	N/A	N/A	116	426	143	320	125	154	125	64	44	39	N/A	N/A
Bulked Oil-base paint	F	BU	N/A	N/A	135	470	102	353	91	170	91	71	58	37	N/A	N/A
Oil-base paint	F	LO	341	797	114	300	91	225	77	108	74	40	44	20	N/A	N/A
Poison (excl. aerosols)	I	LO	562	514	180	250	166	188	137	90	134	38	74	23	N/A	N/A
Bulked Poison (excl. aerosols)	I	BU	N/P	N/P	299	426	281	320	235	154	235	65	99	35	N/A	N/A
Acid																
Inorganic acid	I	LP	N/P	N/P	184	240	144	180	119	80	116	36	66	18	N/A	N/A
Bulked Inorganic acid	I or F	BU	N/A	N/A	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	86	51	N/A	N/A
Organic acid	I	LP	N/P	N/P	184	240	144	180	119	80	116	36	66	18	N/A	N/A
Bulked Organic acid	I or F	BU	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	86	51	N/A	N/A
Base																
Inorganic base	I	LP	N/P	N/P	184	240	144	180	119	80	116	36	66	18	N/A	N/A
Bulked Inorganic base	I or F	BU	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	86	48	N/A	N/A
Organic base	I	LP	N/P	N/P	184	240	144	180	119	80	116	36	66	18	N/A	N/A
Bulked Organic base	I or F	BU	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	97	48	N/A	N/A
Oxidizer																
Neutral oxidizers	I	LP	N/P	N/P	266	250	205	170	168	90	165	38	90	21	N/A	N/A
Organic peroxides	I	LP	N/P	N/P	see other	250	see other	175	see other	90	see other	38	see other	12	5.65/lb. w/ \$105 minimum	N/A
Oxidizing acid	I	LP	N/P	N/P	266	270	205	203	168	98	165	41	90	21	N/A	N/A

Chemical Category	Disposal Method	Packing Method	Yard Box	Average Weight	55 gallon Drum	Average Weight	30 gallon Drum	Average Weight	20 gallon Drum	Average Weight	10 gallon Drum	Average Weight	5 gallon Drum	Average Weight	Other	Average Weight
Oxidizing base	I	LP	N/P	N/P	266	270	205	203	168	98	165	41	90	20	N/A	N/A

Chemical Category	Disposal Method	Packing Method	Yard Box	Average Weight	55 gallon Drum	Average Weight	30 gallon Drum	Average Weight	20 gallon Drum	Average Weight	10 gallon Drum	Average Weight	5 gallon Drum	Average Weight	Other	Average Weight
PCB-containing																
Bulked PCB-containing paint	I	BU	N/A	N/A	798	480	655	360	535	173	535	72	250	39	N/A	N/A
PCB-containing paint	I	LO	N/P	N/P	515	400	442	300	365	144	365	50	165	20	N/A	N/A
Other PCB waste	I	LO	N/P	N/P	798	350	655	263	535	126	535	45	250	15	N/A	N/A
PCB Ballasts/Capacitors	R or I	LO	N/P	N/P	273	600	261	360	220	216	220	90	93	38	N/A	N/A
Aerosol																
Corrosive aerosols	I	LO	525	420	165	190	130	143	108	69	105	29	60	13	N/A	N/A
Flammable aerosols	I	LO	525	420	165	190	130	143	108	69	105	29	60	13	N/A	N/A
Reclaimable																
Antifreeze	R	BU	N/A	N/A	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	\$1.00/gal	8.5 lb/ gal
Car batteries	R	PA	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	No Charge	39# ea
Fluorescent bulbs (4', 6', & 8')	R	LO	N/P	N/P	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$0.11/foot	.26 lb/ bulb
Crushed Fluorescent bulbs	R	BU	N/P	N/P	735	258	565	194	462	93	462	39	226	25	N/A	N/A
Ultra Violet (UV) bulbs	R	LO	N/P	N/P	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	\$4.50/bulb	1.33 lb/ bulb
HID Lamps (Metal Halide)	R	LO	N/P	N/P	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	\$1.25/bulb	.92lb/ bulb
Circular & Compact Fluor. Lamps	R	LO	N/P	N/P	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	\$0.65/bulb	.21lb/ bulb
High/Low Pressure Sodium lamps	I	LO	N/P	N/P	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	\$1.45/bulb	.95lb/ bulb
Mercury Vapor Fluorescent lamps	R	LO	N/P	N/P	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	\$0.65/bulb	.21lb/ bulb
Bulked Latex paint	R	BU	N/A	N/A	168	500	131	375	116	180	116	75	53	38	N/A	N/A
Latex paint	R	LO	368	797	132	300	112	225	100	108	100	45	45	18	N/A	N/A
Motor oil/oil products	R	BU	N/A	N/A	105	440	92	330	84	159	84	66	37	40	<0.20/gal	8 lb/gal
Oil filters	R	LO	N/P	N/P	89	205	80	154	75	74	75	31	32	15	N/A	N/A
Mercury (metallic)	R	LP	N/P	N/P	1208	315	919	94	746	114	746	48	368	13	N/A	N/A
Other																
Medical waste	I	LO	N/P	N/P	158	125	125	75	116	45	116	19	53	10	N/A	N/A
Household batteries	R	LO	N/P	N/P	see other	557	see other	446	see other	201	see other	84	see other	42	\$0.70/lbs	varies
Lithium batteries	R	LO	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	\$180 per Big Green Box for lithium N/C managed thru C2R ²	38 lb/ box
Nicad batteries	R	LO	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P		40lb/ box

Chemical Category	Disposal Method	Packing Method	Yard Box	Average Weight	55 gallon Drum	Average Weight	30 gallon Drum	Average Weight	20 gallon Drum	Average Weight	10 gallon Drum	Average Weight	5 gallon Drum	Average Weight	Other	Average Weight
Propane (Coleman Stove)	R	N/A	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/C send as scrap 3 lb	
Propane (BBQ Type)	R	LO	see other	see other	see other	see other	see other	see other	see other	see other	see other	see other	N/A	N/A	\$10.50/Each 24lb/ cylinder	
Labpacks-non-reactive	I	LP	N/A	N/A	see other	250	see other	188	see other	90	see other	38	see other	15	\$2.85/lbs varies	
Labpacks-reactive	I	LP	N/A	N/A	see other	225	see other	169	see other	81	see other	34	see other	10	\$5.65/lb w/ \$105 min varies	
Overpacked drums	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$100 O/P surcharge varies	
Class 9/Non-RCRA	L	LO or BU	614	650	210	275	166	207	160	99	160	42	75	30	N/A	N/A
Class 9 Fertilizers	L	LO	614	650	210	275	166	207	160	99	160	42	75	17	N/A	N/A
Empty Contaminated Drums ¹	R	BU	N/P	N/P	37	45	27	25	21	13	21	8	11	5	N/A	N/A
Sump Waste Water	L	BU	N/A	N/A	200	450	142	250	141	162	141	68	65	42	N/A	N/A
Other Fusees	I	LP	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	N/P	160	19	N/A	N/A
CNIA Asbestos	L	BU	289	626	181	217	181	163	121	79	121	33	66	15	N/A	N/A

Clean Harbors can offer a rate of \$57 per a box for the Big Green Box as long as there is no increase in the cost of the boxes.

Key: **Packing Method:** LO = Loosepack; B = Bulk; LP = Labpack; RO = Rolloff; TT = Tank Truck **Disposal Method:** R = Recycle; T = Treat; I = Incinerate; L = Landfilled; F = Alternate Fuel

Notes:

¹ Rate for Empty Contaminated Drums is for a single empty drum, not for a drum of loosepacked empty containers

² C2R is an abbreviation for Call2Recycle (a product stewardship program providing no-cost battery and cellphone recycling solutions across the U.S). Clean Harbors will manage and package waste to C2R at no charge to the Agency, as long as C2R continues to offer the service at no charge.

N/A denotes not applicable.

N/C denotes no charge.

N/P denotes the service is not being provided in this size by Clean Harbors.

Some of the average weights listed were based upon estimates when we did not have historic data to average. There are some size containers we rarely utilize. For example Flammable Solids (resins/tars/etc) & flammable liquid loosepacks are seldom packaged in containers less than 55 gallons in our efforts to maximize packaging efficiency.

Exhibit A-3

Loadcheck Disposal Cost Sheet

Chemical Category	Disposal Method	Packing Method	Cost per Lb	Other
Labor Fee \$150/visit				
Flammable & Poison				
Flammable solid/liquid	DI	LO	\$0.67	
Bulked Flammable liquids	FT	B	\$0.27	
Oil-base paint	FT	B	\$0.00	
Oil-base paint	FT	LO	\$0.00	
Poison (excl. aerosols)	DI	LO	\$0.72	
Acid				
Inorganic acid	DI	LO	\$0.77	
Organic acid	DI	LO	\$0.77	
Base				
Inorganic base	DI	LO	\$0.77	
Organic base	DI	LO	\$0.77	
Oxidizer				
Neutral oxidizers	DI	LP	\$1.06	
Organic peroxides	DI	LP	\$5.65	
Oxidizing acid	DI	LP	\$0.99	
Oxidizing base	DI	LP	\$0.99	
PCB-containing				
PCB-containing paint	DI	B	\$1.66	
PCB-containing paint	DI	LO	\$1.29	
Other PCB waste	DI	LO	\$2.28	
PCB Ballasts/Capacitors	R	LO	\$0.73	
Aerosol				
Corrosive aerosols	DI	LO	\$1.25	
Flammable aerosols (1)	R	LO	\$1.25	
Flammable aerosols	DI	LO	\$1.25	
Poison aerosols	DI	LO	\$1.25	
Reclaimable				
Antifreeze	R	B	\$0.12	
Fluorescent bulbs (4' & 8')	R	LO		0.11/ft
HID Lamps (Metal Halide)	R	LO		\$1.25/lamp
Circular & Compact Fluor. Lamps	R	LO		\$0.65/lamp
High/Low Pressure Sodium lamps	R	LO		\$1.45/lamp
Mercury Vapor Fluorescent lamps	R	LO		\$0.65/lamp
Latex paint	R	B	\$0.00	
Motor oil/oil products	R	B	\$0.00	
Oil filters	R	LO	\$0.43	
Ultra Violet (UV) bulbs	R	LO		\$4.5/bulb
Mercury (metallic)	R	LP	\$9.78	
Other				
Medical waste	DI	LO	\$1.26	
Household batteries	R	LO	\$0.70	
Household batteries	LF	LO	\$0.70	
Lithium batteries			\$0.70	
Nicad batteries			\$0.70	
Propane (Coleman Stove)	DI	LO		\$0/ea
Propane (BBQ Type)	R	EA		\$10.5/ea
Labpacks - non-reactive	DI	LP	\$2.85	
Labpacks - reactive	DI	LP	\$5.65	
Overpacked drums (addition to disposal)				\$100.00
Class 9/Non-RCRA (excl. fertilizers)			\$0.76	
Class 9 Fertilizers			\$0.76	
Empty Contaminated Drums	R	EA		\$30/ea
Asbestos				
	LF	RO	*	*
	LF	LO	\$0.46	

Key: Packing Method: LO = Loosepack; B = Bulk; LP = Labpack; RO = Rolloff
Disposal Method: R = Recycle; T = Treat; I = Incinerate; L = Landfilled

(1) Aerosols going for incineration can be mixed types, shipped as consumer commodity, ORM-D

Exhibit A-4 PaintCare Credits

Service	Description	Unit Price
Direct Reuse Rate	Clean Harbors Environmental Services, Inc. agrees to pay to the Sonoma County Waste Management Agency for each container of Program Product that is actually taken by a public consumer from a Direct Reuse program, whether sold or given away without charge.	\$ 0.25 per container
Latex Paint Reprocessing Rate	Clean Harbors Environmental Services, Inc. agrees to pay to the Sonoma County Waste Management Agency for each gallon of Reprocessed latex paint produced from Program Products that is actually taken by a public consumer, whether sold or given away without charge.	\$ 10.50 per 5 gallon Pail
Bulked Latex Paint Rate	Clean Harbors Environmental Services, Inc. agrees to pay to the Sonoma County Waste Management Agency for every 55-gallon drum of Bulkled latex paint that is picked up by a Transportation Provider. Rate includes drum cost.	\$0.00 per bulked 55-gallon drum
Bulked Oil-Based Paint Rate	Clean Harbors Environmental Services, Inc. agrees to pay to the Sonoma County Waste Management Agency for every 55-gallon drum of Bulkled oil-based paint that is picked up by Transportation Provider. Drum cost will be covered by PaintCare.	\$45.00 per bulked 55-gallon drum
Internal Transportation Rate	Clean Harbors Environmental Services, Inc. agrees to pay to the Sonoma County Waste Management Agency per tote for the Internal	

	Transportation of Program Products from Collection Events and the Door to Door Program to Sonoma County Waste Management Agency's primary Collection Facility.	

All reimbursements to Agency shall be included on the monthly invoice from Contractor in the format below and shall be based on the monthly container counts:

TASK 1: REUSE CREDIT

-\$0.25 per container, estimated 1 container

-\$0.25

TASK 2: LATEX PAINT REPROCESSING CREDIT

-\$10.50 per container, estimated 1 container

-\$10.50

TASK 3: OIL BASE PAINT CREDIT

-\$45.00 per container, estimated 1 container

-\$45.00

TOTAL -\$55.75

Exhibit H-1 CESQG Cost Sheet

Chemical Category	Disposal Method	Packing Method	Cost per Lb	Other
Processing Fee \$25/visit				
Flammable & Poison				
Flammable solid/liquid	DI	LO	\$0.67	
Bulked Flammable liquids	FT	B	\$0.27	
Oil-base paint	FT	B	\$0.00	
Oil-base paint	FT	LO	\$0.00	
Poison (excl. aerosols)	DI	LO	\$0.72	
Reactive and explosive	DI	LP	\$5.65	
Acid				
Inorganic acid	DI	LO	\$0.77	
Organic acid	DI	LO	\$0.77	
Base				
Inorganic base	DI	LO	\$0.77	
Organic base	DI	LO	\$0.77	
Oxidizer				
Neutral oxidizers	DI	LP	\$1.06	
Organic peroxides	DI	LP	\$5.65	
Oxidizing acid	DI	LP	\$0.99	
Oxidizing base	DI	LP	\$0.99	
PCB-containing				
PCB-containing paint	DI	B	\$1.66	
PCB-containing paint	DI	LO	\$1.29	
Other PCB waste	DI	LO	\$2.28	
PCB Ballasts/Capacitors	R	LO	\$0.73	
Aerosol				
Corrosive aerosols	DI	LO	\$1.25	
Flammable aerosols (1)	R	LO	\$1.25	
Flammable aerosols	DI	LO	\$1.25	
Poison aerosols	DI	LO	\$1.25	
Reclaimable				
Antifreeze	R	B	\$0.12	
Fluorescent bulbs (4' & 8')	R	LO		\$0.11/foot
HID Lamps (Metal Halide)	R	LO		\$1.25/lamp
Circular & Compact Fluor. Lamps	R	LO		\$0.65/lamp
High/Low Pressure Sodium lamps	R	LO		\$1.45/lamp
Mercury Vapor Fluorescent lamps	R	LO		\$0.65/lamp
Latex paint	R	B	\$0.00	
Motor oil/oil products	R	B	\$0.00	
Oil filters	R	LO	\$0.43	
Ultra Violet (UV) bulbs	R	LO		\$4.5/bulb
Mercury (metallic)	R	LP	\$9.78	
Other				
Medical waste	DI	LO	\$1.26	
Household batteries	R	LO	\$0.70	
Household batteries	LF	LO	\$0.70	
Lithium batteries	R	LO	\$0.70	
Nicad batteries	R	LO	\$0.70	
Auto batteries	R	B	\$0.00	
Propane (Coleman Stove)	DI	LO		0/ea
Propane (BBQ Type)	R	EA		10.50/ea
Labpacks - non-reactive	DI	LP	\$2.85	
Labpacks - reactive	DI	LP	\$5.65	
Overpacked drums (addition to disposal)				\$100.00
Class 9/Non-RCRA (excl. fertilizers)	DI	LO	\$0.76	
Class 9 Fertilizers	DI	LO	\$0.76	
Empty Contaminated Drums				
	R	EA		Varies
Asbestos				
	LF	RO	*	*
	LF	LO	\$0.46	
Key: Packing Method: LO = Loosepack; B = Bulk; LP = Labpack; RO = Roll off				
Disposal Method: R = Recycle; T = Treat; I = Incinerate; L = Landfilled				

(1) Aerosols going for incineration can be mixed types, shipped as consumer commodity, ORM-D

Exhibit H-2 Emergency Response Cost Sheet

Contractor will bill the emergency response waste in one of the following three manners:

1. By the pound or gallon, if brought in unpackaged as per the pricing listed in the CESQG Cost Sheet.
2. By the drum using costs listed in the Waste Disposal Cost Sheet, subtracting the cost of the drum, as listed below, if brought in pre-packaged using drums supplied by the emergency response crew.
3. By the drum using costs listed in the Waste Disposal Cost Sheet, if Contractor provides the drum.

Packaging Type	Size	
		Discount
Yard Box, Fiber		\$40.00
Yard Box, Plastic		none
Drums, Metal	85 gal	none
	55 gal	\$18.00
	30 gal	\$15.00
	20 gal	\$13.00
	10 gal	\$10.00
	5 gal	\$10.00
Drums, Fiber	85 gal	none
	55 gal	\$18.00
	30 gal	\$15.00
	20 gal	\$13.00
	10 gal	\$10.00
	5 gal	\$10.00
Drums, Plastic	85 gal	none
	55 gal	\$18.00
	30 gal	\$15.00
	20 gal	\$13.00
	10 gal	\$10.00
	5 gal	\$10.00
Absorbent, vermiculite	1 gal	none
Absorbent, oilsorb	1 gal	none

Discounts apply to rates set forth in Exhibit A-2 Waste Disposal Cost Sheet.

RESOLUTION NO.:

DATED: May 21, 2014

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY
APPROVING THE AGREEMENT BETWEEN
SONOMA COUNTY WASTE MANAGEMENT AGENCY,
AND CLEAN HARBORS ENVIRONMENTAL SERVICES, INC., ITS AFFILIATES AND
SUBSIDIARIES A MASSACHUSETTS CORPORATION
FOR OPERATIONS OF HOUSEHOLD HAZARDOUS WASTE PROGRAMS

WHEREAS, Agency desires to collect hazardous waste, at the existing Household Hazardous Waste Facility ("HHW Facility") from residents, businesses that qualify as Conditionally Exempt Small Quantity Generators ("CESQG"), from a Mobile Program, Door to Door Collection Service, Hazardous Waste Load Check Program, and emergency response cleanups; and

WHEREAS, Agency is to administer the operation of the HHW Facility; and

WHEREAS, Agency desires to contract with a qualified, experienced Contractor to operate the HHW Facility and provide appropriate reuse, recycling and disposal of collected wastes; and

WHEREAS, Agency has selected Contractor through a competitive request for proposal process and found Contractor to be qualified and experienced in the processing and disposal of hazardous wastes; and

WHEREAS, Agency and Contractor desire to enter into this Agreement whereby Contractor shall perform hazardous waste processing and disposal services as described in this Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Agency hereby approves the terms of the Agreement between the Agency and Clean Harbors Environmental Services, Inc., its affiliates and subsidiaries a Massachusetts Corporation and authorizes the Chairperson to execute the Agreement on behalf of the Agency.

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:

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



Agenda Item #: 9
Cost Center: All
Staff Contact: Mikus
Agenda Date: 5/21/2014

ITEM: **Compost Zero Discharge Pond Project**

I. BACKGROUND

A discussion was held at the April Agency Board meeting regarding the requirement that the compost facility begin eliminating all discharge of storm contact water by October 1, 2014. At that point construction of a new storage pond was proposed, with the intention of returning at the May Board meeting with more details, cost estimates, and further developed plans to seek approval for expenditure of funds. Republic Services, the County's landfill operations contractor, had taken the lead on initial project development in order to provide a good expeditious start to the project.

The key element to achieving "Zero-Discharge" of storm contact water is to find a means to provide adequate storage capacity for the large amounts of precipitation draining from the compost facility during winter rain events. Current infrastructure at the facility is not capable of handling the amount of water generated to achieve "Zero-Discharge". Calculations based on the rain from a typical winter storm indicated between 3 to 5 million gallons of water would be produced per event. When the common rainy season pattern of successive storms is factored in, having to store water from multiple storms at a time is necessary. 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. A concept-level design indicated construction of a new pond at the east end of the compost facility with enough storage volume for even the high rain season was feasible.

As a collaborative effort, Agency, Sonoma Compost Company, County, and Republic Services staff have been working to determine as much pertinent information as practical. To this end several group meetings have occurred which have included appropriate regulatory groups. The first was with staff from the North Coast Regional Water Quality Control Board (NCRWQCB), which regulates the discharge of storm waters and is the initiator of the "Zero-Discharge" requirement. A second meeting was held with the Sonoma County Permit Resource and Management Department (PRMD), to utilize their expert knowledge regarding California Environmental Quality Act (CEQA) and other permitting requirements. A third discussion occurred during a recurrent coordination meeting with the Department of Environmental Health, known as the LEA (Local Enforcement Agency) because of this group's role with CalRecycle in administering Solid Waste Permits. There have been subsequent follow up discussions with several involved NCRWQCB personnel.

This project is subject to very challenging time requirements for completion. There also exist significant penalties for non-compliance with the "Zero-Discharge" requirement. NCRWQCB had communicated their expectation to the County (as property owner and permit holder) 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.

Significant reduction of storm contact water discharges during the recent winter were made, particularly via hauling water from the existing compost facility detention ponds to the Laguna Waste Water Treatment Plant. 2,165,400 gallons were pumped and hauled this past Winter and Spring.

All involved parties believe however, that the best solution for dealing with the compost facility storm contact water will be to develop onsite and offsite uses, such as for irrigation, rather than sending the water for treatment, so that this large volume of water becomes an asset and allows major reduction of current potable water use. The potential uses that have been identified include composting process irrigation, landfill site dust control, landfill irrigation, landfill construction, and offsite agricultural irrigation.

A new pond to capture compost facility contact water offers the best solution to the “zero-Discharge” requirement for all stakeholders. It not only provides capacity to capture the water, it also gives the flexibility so that the water can be an asset and used in beneficial ways for the compost operation, the landfill, and neighboring agriculture with a matching reduced use of potable water.

II. DISCUSSION

Several facets of the pond project have been determined to pose challenges, which affect the potential total cost and the time required to complete the project. However, despite these issues all parties with a stake in the project (the Agency, the County, Republic, and Sonoma Compost) agree constructing the new pond is clearly the most beneficial and effective way to achieve “Zero-Discharge” of storm contact water from the compost site while maintaining a vital program.

Initial CEQA Analysis

Initial CEQA review has disclosed that the pond site is within 1.3 miles of a known breeding site of on an endangered species, the California Tiger Salamander (CTS). While the Central Disposal Site in general is poor habitat for CTS, the pond’s location on the perimeter of the site would not preclude CTS migration to the pond footprint. While County staff are confident the pond footprint would not contain CTS, the process of proving so can take at least two years. The other alternative to the CTS Protocol Study is to mitigate for the removal of potential CTS habitat by purchasing credits at a Conservation or Mitigation Bank. The estimated cost of these mitigation credits is \$130,000/acre disturbed. For this project the estimated mitigation cost would be nearly \$1 Million. The biggest consequence of the CTS concern is the CEQA compliance timeline will be lengthy enough so that the October 1, 2014 date cannot be achieved.

PRMD staff have prepared a plan and estimate to meet the applicable CEQA requirements. This would include preparation of a Mitigated Negative Declaration and the work necessary to complete approval, with several necessary studies such as noise, blasting, and cultural resources. Their work would also encompass preparing the applications and efforts required to obtain approval for Corps of Engineers and Water permits. The price estimate is \$80,000. PRMD estimates this will require approximately 6 to 12 months to complete.

Solid Waste Facility Permit

The compost Solid Waste Facility Permit would require a Permit Revision which includes noticing and public comment provisions. Although the LEA has been very cooperative in indicating they will streamline this process as much as possible, the time required is still long enough to impact the October 1, 2014 compliance date. This work would be accomplished with staff and consultant time.

Procurement

As discussed under Consent Item 7.5, engineering design and plans for the new pond suitable for bids and construction are occurring under Republic's guidance. However, some added work might be needed, specifically to make the bid documents consistent with public project procurement requirements. Also, there are questions related to the specific requirements for the pond liner that are not near resolution, and may need to be addressed in the plans.

North Coast Regional Water Board Discussions

The fine structure listed by the NCRWQCB for non-compliance with October 1 is of great concern to Agency staff. For example, with current infrastructure a typical storm will result in discharge of a minimum of 2 million gallons, resulting in penalties of \$20 million. To avoid these potential fees and for pond construction to continue as a viable option, it is proposed to request the NCRWQCB grant relief from the compliance date and the fine structure. Efforts are already underway to engage the NCRWQCB to give relief so the project can continue. In staff's estimate, for any success in gaining relief, surety must be given that the pond project will proceed, and that all available methods are employed to reduce the discharge of storm contact water until the pond is operational.

We have requested relief by the NCRWQCB for the October 1, 2014 compliance date and from the fine structure. Via our several meetings with NCRWQCB personnel, in order to consider any relief they would need a plan that would set forth the difficulties for compliance with the October 1 date, our steps ahead with timeline and milestones, interim measures to reduce or improve the contact water discharges, and any alternate plans to constructing the new pond if that proved impractical. We have begun putting such a plan together for submittal to the NCRWQCB as soon as possible.

Under current practice, once the two compost sediment ponds fill (about 1.2 Million gallons capacity) water begins to discharge through the landfill storm water conveyance system. Compost water joins water draining from several areas, all which enters "Pond 5" near the property boundary for additional detention. Pond 5 has a capacity of 1.8 million gallons. One proposal under study as an interim measure would be to separate the compost water and utilize Pond 5 just for compost water storage, resulting in a compost facility storage capacity of 3 MG. If this accumulated water was taken to the Laguna Plant for treatment, we would have reasonable expectation that half to two-thirds of the typical seasonal storms could be managed without discharge, a huge improvement over current practice. Doing so as a temporary measure until the new pond is ready could be an acceptable interim measure for the NCRWQCB. The cost estimate to make modifications to the landfill storm water collection system to separate the compost contact water, set up Pond 5 for just compost contact water, and route the other site storm water

to another available pond is \$40,000.

Outhaul of Compost Feedstock

One option that has been investigated has been outhaul of all organics raw materials to alternate sites for composting, as a means avoid risk of the NCRWQCB fines. However, other than the sizeable increase in expense, the single biggest impact of doing so would be the demise of the Agency's compost program and the existence of Sonoma Compost Company. None of the composting facilities near enough to be viable providers of processing service can accommodate our total amount of materials. Agency staff has worked with the Ratto Group and the various alternate sites on cost estimates for transportation and processing fees to assemble a plan which combines each site's capacity, fee, and the hauling costs to give the lowest probable expense. Initial estimate indicate the cost to the program above current levels is approximately \$1-2 million per year.

Providing an estimate of partial outhaul costs and reducing the compost footprint is much more complex. Reducing the compost footprint would allow non-contact stormwater to be discharged under the general industrial stormwater permit, thus reducing the amount of water to be hauled to Laguna for treatment. An average year generates 14 million gallons of compost contact water from a 25 acre pad, which would cost about \$750,000 for trucking and treatment at Laguna. Approximately 5 acres of the compost facility are used for receiving and processing incoming material and the remaining 20 acres are used for processed and finished material stockpiling and windrowing.

As mentioned previous, no single compost facility within reasonable trucking distance can currently handle the nearly 100,000 tons of compost material received by the Central Compost Site. Every facility analyzed would incur additional costs with the most feasible option being diversion of 10,000 tons from the Healdsburg Transfer Station to Cold Creek Compost at an additional cost of approximately \$50,000 per year. There is also potential to have material from the Sonoma Transfer Station's 15,000+ tons per year to be delivered to the City of Napa's compost facility at an additional cost of approximately \$140,000 per year. It is staff's understanding that the Redwood Landfill's compost facility has received permits to expand its compost facility to the point that it may be able to handle a large portion of the Central Compost Site's material, but staff has no information on what that pricing may be when Redwood's new capacity is slated to be available in July 2014.

The combination of the two viable options listed above would reduce the incoming material to Sonoma Compost by about 25%, which could free up about 5 acres of windrow space, decreasing the amount of contact water from about 14 million gallons per year to about 11.2 million gallons per year. The storage capacity on site is still insufficient for that amount of water.

These outhaul cost estimates were compiled using the best available information on the different facilities' pricing, and with transport costs obtained from the Ratto Group. In the event that the new pond project proves not to be to be viable, and outhaul becomes a necessity, staff would solicit competitive quotes for trucking plus establish agreements with fixed, guaranteed pricing with the outhaul compost facilities.

Direct Relationship with Republic Services

Consideration had initially been given to managing the new pond project via the County agreement with Republic Services together with provisions within our JPA Agreement allowing reimbursement to the County by the Agency for permit related expenses. However, from several perspectives it appears having the Agency contract for the work directly will be the prudent course.

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

Staff recommends the Board approve the following actions:

1. Direct staff to prepare a plan for submittal to NCRWQCB stating the issues impacting the new pond timeline, setting forth the steps with milestones and estimated time frames for getting the pond constructed, establishing a list of potential interim measure for reduced and improved contact water discharge, and describing the backup measure should pond construction prove to be infeasible. This plan would be done by staff and consulting work by Stu Clark of DEI.
2. Request PRMD to continue their work to complete the pond project CEQA analysis and determinations. Estimated cost for this work is \$80,000.
3. Authorize staff to pursue the process to obtain the required Solid Waste Permit Revisions; the cost for this work is already contained in the Agency Budget for staff time plus the consulting work by Stu Clark of DEI.
4. Authorize TetraTech BAS Engineers to fine-tune the design of the new pond, which includes a project construction cost estimate, drawings, specifications, and a bid package to allow procurement of a firm for construction of the pond and related infrastructure, at a cost not to exceed \$20,000.
5. Authorize staff to conduct the procurement process to obtain bids for construction of the pond and related infrastructure, and to return to the Board with the bid results.
6. Indicate the Board's intent to proceed with the pond project, subject to a positive conclusion to CEQA work, an affordable and cost-effective price for construction, and relief from NCRWQCB on the October 1, 2014 compliance date and/or the level of fines for non-compliance.
7. Authorize the Board Chair and Executive Director via letter to the NCRWQCB to convey the Board's intent to proceed with the pond project as set forth in item 6 above.
8. Authorize staff to conduct the procurement process to obtain cost quotes for transportation services and site fees for hauling organics raw materials to alternate sites for processing, and returning equal amounts of finished product to the compost facility (to then be offered for sale to our citizens and businesses), and to return to the Board with the results of soliciting these prices. This would be done to have a viable plan in place in the event the pond project cannot proceed.
9. Authorize staff to proceed with arranging for use of the County's "Pond 5" as added storm contact water storage temporarily until the new pond is operational. This would require coordination with and the assent of the County and Republic Services. Use of Pond 5 would require some infrastructure work, estimated to cost \$40,000.

The alternative to the staff recommendations would be taking compost raw materials to alternate locations for processing. There may be some way to structure such activity so that finished material could be returned for subsequent sale. The advantage of this course of action would be no risk of large fines for non-compliance of "Zero-Discharge". However, doing so would severely compromise the viability of our compost program, and probably result in the demise of Sonoma Compost Company. Also, this action would result in much added expense to the program with no tangible payback.

V. ATTACHMENTS

Appropriations Transfer

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	6590	Compost Site Operations	Engineering Services	\$80,000
TO:	203	799221	6540	Compost Site Operations	Contract Services	\$60,000
FROM:		799221	4624	Retained Earnings	Retained Earnings	\$140,000

WHEREAS, it has become necessary to perform permitting and design analysis on additional pond capacity at the Central Disposal Site as it relates to the Agency's composting program there; 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: May 21, 2014

Attested: Rebecca Lankford

Signature: _____
Secretary/Clerk of the Board

Signature: _____
Jim Wood, Chairperson



Agenda Item #: **10**
Cost Center: **All**
Staff Contact: **Mikus**
Agenda Date: **5/21/2014**

ITEM: **Engineering Consultant Selection: Compost Site**

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.

Three firms responded with proposals: Always Engineering, Tetra Tech BAS, and Brelje & Race.

At the April 16, 2014 meeting the board requested staff to redo the scope of work to initially just focus on the "Central Site Alternative", and obtain revised prices and time schedules from the three responding consulting firms reflective of the new scope.

II. DISCUSSION

A revised "Scope of Work" (attached) was developed and sent to the three original responding firms. The three firms all provided revised proposals which included changed pricing, and either changed or reaffirmed timelines for project completion. All three re-submittals were examined and had project approaches and listings of tasks that met the items listed in the new revised "Scopes of Work".

Always Engineering listed a price of \$135,000 and gave a project duration of 21 ½ weeks based on a completion date of October 20, 2014. Always would partner with Matt Cotton of Integrated Waste Management consulting on compost related facets of the work.

Brelje & Race proposed a cost of \$139,000 with a project duration 14 weeks. With Board approval May 21 this would result in project completion by the end of August. Brelje & Race would partner with Green Mountain Technologies because of their wealth of experience working with

composting facilities.

Tetra Tech BAS presented a price of \$105,093 with a planned project completion the first week of October, for a duration of approximately 20 weeks. Tetra Tech would partner with Clements Environmental Corporation because of their extensive work with green waste composting operations.

With acceptable project approaches and complete lists of tasks, the three proposals are equal other than costs and duration. Tetra Tech provided the lowest cost proposal, but not the shortest project time frame. Brelje & Race gave the quickest project completion, but also had the highest price. Always Engineering has the longest project duration and a price higher than Tetra Tech BAS. Staff recommends contracting with Tetra Tech BAS because their proposal gives the lowest price together with an acceptable time frame. Although Brelje & Race had the shorter project duration, the gain in time is not warranted by the increased price of nearly \$34,000 (23% higher).

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

Revised Scope of Work
Appropriation Transfer
Proposed Agreement

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

Original March 7, 2014, Revised April 29, 2014

Engineering Analysis of Factors Bearing on New Compost Site Selection

Revised Scope of Work

Comments: Section B with scope references to “Site 40” removed entirely.
Section A.1.c Roofing Option removed
Added items under new Section C.

A. **Central** Alternative Site

1. Storm water issues
 - a. Storm contact water
 - i. Confirm pond storage capacity required
 - ii. Leachate pipeline potential for use, cost
 - iii. Viable source for irrigation elsewhere
 - b. Normal storm water run-off
 - i. Pond storage capacity required
 - ii. Viable source for irrigation
2. Water Supply
 - a. Well
 - b. Stored from storm water
 - c. Irrigation substitutes
3. Compost capacity analysis: amount of materials processed
4. Preliminary Engineered Site Plans
5. Construction Cost estimate

New Section C. Additional Items, Zero-Discharge Pond:

Description: There is a proposal under planning, design, and permitting, to build a pond of 29 million gallon capacity (to match the SCS Engineers study indicating 29 MG capacity was required to accommodate rainfall from the 1983 wettest record year) to be able to comply with the North Coast Regional Water Quality Control Board requirement for the site to achieve “Zero-Discharge”. This pond would be located at the east end of the current compost facility deck, and be off the landfill “trash footprint”.

Tasks: 1. Validate that the pond is a viable option for the current site and situation.
2. Determine if the proposed new site could utilize this pond effectively as regards size and location. Include how site topography will impact this potential use. For example, will pumping be required.

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	\$105,093
FROM:		799221	4624	Retained Earnings	Retained Earnings	\$105,093

WHEREAS, it has become necessary to examine additional factors regarding the feasibility of a potential future compost sites at the Central Disposal Site; 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: May 21, 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 May 21, 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 one hundred five thousand and ninety three dollars (\$105,093) 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 #: **11**
Cost Center: **All**
Staff Contact: **Coleson**
Agenda Date: **5/21/2014**

ITEM: **Compost Site License Amendment**

I. BACKGROUND

The Sonoma County Waste Management Agency (SCWMA) original Joint Powers Agreement date February 1992 contains provision that the County of Sonoma is to provide a site at its Central Landfill for SCWMA to operate a wood and yard waste treatment system (otherwise known as the compost facility). On April 23, 2013 the County and SCWMA entered into a License Agreement for SCWMA to continue use of approximately 27 acres on the Central Landfill property for its compost facility.

II. DISCUSSION

Recently, the North Coast Regional Water Quality Control board issued a requirement that the compost facility eliminate all discharge of compost contact water by October 1, 2014. A discussion was held at the April Agency Board meeting regarding the proposal to construct a new storage pond. This project is moving forward, and would utilize land that is currently not part of the April 2013 License agreement with the County.

As a result, the current License Agreement has to be revised to recognize the added area on the Central Landfill that will be set for the new pond and for use by the compost facility. County Counsel has prepared a draft of the First Amendment to the License agreement, and final details are under discussion by County Counsel and Agency Counsel.

Agency Counsel will provide the final version of the First Amendment to the License Agreement prior to the May 21, 2014 Agency Board meeting.

III. FUNDING IMPACT

There is no direct impact on funding from approving the first Amendment to the License Agreement.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the Board approve the First Amendment to the License Agreement with the County for the compost facility located on the Central Landfill property.

V. ATTACHMENTS

License Agreement (to be provided separately by Agency Counsel)

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



Agenda Item #: **12**
Cost Center: **All**
Staff Contact: **Mikus**
Agenda Date: **5/21/2014**

ITEM: **Evaluation of Delivery Options of Agency Services**

I. BACKGROUND

The December 18, 2013 Agency Board meeting was a Strategic Planning session, with a focus on discussing the end of the Agency's original 25 year term in 2017, and possibilities for the Agency's continued work beyond that date. At that December 2013 Board meeting, staff were directed by the Board to conduct competitive procurement for a consulting firm to provide an evaluation of Agency services which included examining delivery options for these services.

Following review by the Board's Technical Subcommittee of a draft Scope of Work, a very basic RFP was prepared and issued for consulting firms to prepare and submit proposals, which were due to the Agency for evaluation by February 7, 2014.

Four proposals were received and evaluated by staff. The Board selected R3 Consulting Group to perform this analysis at the February 19, 2014 Agency meeting.

II. DISCUSSION

Per the Board's direction, R3 was tasked, using a listing of current Agency activities, to determine which activities were "essential to health/safety", or "required by law or regulation", or might "potentially have negative effects if shut down or curtailed". R3 was also asked to include identifying and evaluating alternate possibilities for providing Agency services using several pertinent factors, and to do a basic verification of cost numbers previously supplied by staff analysis. In staff's estimation, the report presented to the Board addresses the tasks, so staff recommends the Board accept the report.

III. FUNDING IMPACT

This project had a budget of \$28,710. R3 has billed the Agency for the full amount.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends the Board accept the "Evaluation of Current Activities and Service Delivery Options" report prepared by R3 Consulting Group.

V. ATTACHMENTS

Scope of Work
Evaluation of Current Activities and Service Delivery Options

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

January 22, 2014

**Request for Proposals to provide an
Evaluation of Current Activities and Service Delivery Options**

Scope of Work

- A. Using the listing of current Agency activities, establish which are :
 - 1. Essential to health/safety
 - 2. Required by law or regulation
 - 3. Potentially have negative effects if shut down or curtailed
- B. Identify and evaluate alternate possibilities for providing Agency services
 - 1. List alternate possibilities for each of the Agency programs
 - 2. Provide a cost comparison between alternates and current service method
 - 3. Compare effectiveness/efficiency of alternates and current service method
 - 4. Describe potential: reduction or loss of service from alternates, or service enhancement
 - 5. Determine resources required for alternates, including secondary/collateral requirements
 - 6. Recognize that the needs and abilities of each Agency member will be different
- C. Verify cost analysis numbers in previous Agency staff compilations
- D. Provide time line/project duration
- E. Provide a cost estimate for the work

May 13, 2014

Mr. Henry J. Mikus
Executive Director
Sonoma County Waste Management Agency
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403

Re: Evaluation of Current Activities and Service Delivery Options

Dear Mr. Mikus:

R3 Consulting Group Inc. (R3) was engaged by the Sonoma County Waste Management Agency (Agency) to provide an evaluation of current activities and service delivery options. This letter report presents the results of our evaluation.

Summary Findings

- The Agency's current surcharge of \$5.95 on solid waste tons disposed at the Central Disposal Site is equivalent to an annual expenditure of approximately \$4.59 per capita.
- Based on our review, it does not appear that the Member Jurisdictions could realize an overall net cost savings by pursuing alternative services to the four core programs provided by the Agency.
- On an individual basis, the Agency's current programs appear to be more cost effective than the identified alternatives in almost all cases, specifically:

- **Composting/Organics** – The current per ton fees for composting charged at the Central Compost site (including transfer costs) are lower than 4 of the 6 alternative compost sites that could accept Member Jurisdictions' compostable materials.

All Member Jurisdictions would incur higher costs to direct compostable materials to identified alternative compost facilities due to farther transfer distances, higher tip fees, or and/or longer travel distances for packer trucks.

The existing Composting/Organics program offers a regional composting solution that provides free compost and mulch products back to the Member Jurisdictions at no additional cost to the Member Jurisdictions.

While the Composting/Organics program is not essential to public health and safety, it is required in order to meet State mandates regarding diversion of materials from landfill.

- **Household Hazardous Waste (HHW)** – The Agency's current cost per HHW participant is approximately \$66.29 per user and includes both use of a staffed drop-off site and on-call collection.

Siting a new HHW drop-off site could take several years at a substantial cost and would likely require some form of interagency cost sharing agreement if more than one Member Jurisdiction directs HHW to the site.

Arranging for alternative HHW collection on-call services would incur estimated costs of approximately \$120 per pickup, which represents an 81% increase over the Agency's current cost per user.

Maintaining an HHW collection program is essential to public health and safety, and is required by law as part of each Jurisdiction's Household Hazardous Waste Element (HHWE) filed with CalRecycle.

- **Education and Outreach** – Eliminating the Agency's Education and Outreach program may have an adverse effect on the quality of the Agency's other core programs and may result in a loss of regional educational consistency.

The cities of Santa Rosa and Petaluma could feasibly provide for Education and Outreach services using existing staff / franchised hauler resources at a reduced cost. However, this may result in a loss of regional education uniformity. Other Member Jurisdictions do not have the existing staff resources to support expanded Education and Outreach efforts, and would have to rely on their franchised haulers for these services.

The Agency's Education and Outreach efforts are not essential to public health and safety, and appear to be in addition to the amount of outreach required in each Member Jurisdiction's Source Reduction and Recycling Element (SRRE) (each Member Jurisdiction currently also has separate individual education efforts).

- **Planning and Reporting** – The Agency's current regional Planning and Reporting function appears to be very cost-effective.

If any jurisdictions were to opt out of the current regional reporting agency (as recognized by CalRecycle), all Member Jurisdictions would incur additional costs in order to complete required new "base year" waste generation studies, and additional waste tracking methods would need to be implemented to support the change.

The cities of Santa Rosa and Petaluma could feasibly provide their own Planning and Reporting using existing City staff.

The Agency's Planning and Reporting function is not essential to public health and safety, but is required for compliance with CalRecycle planning and reporting requirements.

- The Agency's current surcharge structure would need to be revised in the event of any programmatic changes, or in the event that any Member Jurisdictions choose to pursue alternative programs to those provided by the Agency.
- Due to the Agency's current surcharge structure, certain Member Jurisdictions receive greater value out of their membership in the Agency than others. For example, Member Jurisdictions located farther from the Central Disposal site receive less benefit from the Agency's Household Hazardous Waste (HHW) programs.
- Essentially, Member Jurisdictions which dispose more tons do not necessarily receive a greater level of service from the Agency's four core programs. Therefore, R3 recommends that the Agency and Member Jurisdictions explore alternative surcharge structures to provide more even benefits to all Member Jurisdictions.
- R3 recommends that the Agency (and Member Jurisdictions) continue to provide the Agency's current four core services on a regional basis.

Background

The Sonoma County Waste Management Agency (Agency) was formed in 1992 as a Joint Powers Authority (JPA) in response to the Integrated Waste Management Act of 1989 (AB 939). The Agency is comprised of the following 10 local governments (Member Jurisdictions):

- 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;
- Town of Windsor; and
- County of Sonoma.

The Agency currently provides four core services to its Member Jurisdictions, including:

- **Composting/Organics** – The Agency processes approximately 100,000 tons of wood waste, yard waste and organics per year at the Central Compost Site.
- **Household Hazardous Waste (HHW)** – The Agency provides programs for the collection and disposal of toxic materials, chemicals, E-Waste, and used oil products.
- **Education and Outreach** – The Agency produces an annual “Recycling Guide” and helps to coordinate County-wide educational efforts, among other things.
- **Planning and Reporting** – The Agency completes all required planning and reporting documents for submission to CalRecycle on behalf of all the Member Jurisdictions.

The Agency’s Composting/Organics processing program is funded by yard waste and wood waste tipping fees charged at the Central Compost Site, while the other three programs are funded through the Agency’s surcharge of \$5.95 per ton of solid waste disposed at the Central Disposal Site. A small amount of additional funding is received through contract revenues and grants.

The Agency has six full time employee positions, including:

- One Executive Director;
- One Department Analyst;
- One Senior Office Assistant; and
- Three Waste Management Specialists – one responsible for the Composting/Organics program and Planning and Reporting, one responsible for the HHW program, and one responsible for directing Education and Outreach work.

Limitations

R3’s evaluation of current activities and service delivery options is intended to provide the Agency with a planning-level evaluation of the Agency’s core services and the potential for alternatives to those services. Our evaluation is based on financial information provided by the Agency, as well as additional information gathered from internet research and R3’s knowledge of industry practices and market conditions. Our evaluation does not include:

- Review of Agency management structure, management practices, or reasonableness of staffing levels;
- Review of Agency operational standards and/or Agency Board Rules of Governance;
- Review of the reasonableness of Agency and/or County administrative costs;
- Analysis of changes in Agency costs due to:
 - One or more Member Jurisdictions choosing to opt out of their Agency membership; or
 - One or more Member Jurisdictions choosing to not participate in individual Agency programs.

Evaluation of Current Activities and Alternatives

Composting/Organics

Current Activities

The Central Compost Site is the only permitted large capacity compost facility within Sonoma County, with a maximum permitted capacity of 612 tons per day (tpd) and average throughput of approximately 300 tons per day. The site processes approximately 100,000 tons of wood waste, yard waste and organics per year. The Central Compost Site is owned by Sonoma County, with supervision of operations provided through the Agency. The Agency in turn contracts with Sonoma Compost Company for operation of the facility. Accordingly, while the Central Compost Site property is owned by Sonoma County, the County does not have any direct control over the site's operations.

The Composting/Organics processing operations at the Central Compost Site are funded by compostable materials tipping fees paid by program customers and by revenue shared between the Agency and its contractor, Sonoma Compost Company. The current yard waste tipping fee at the Central Disposal Site is \$34.10 per ton (transfer stations charge \$36.20 per ton), which is roughly 1/3 of the solid waste tipping fee at the Central Disposal Site, and the current wood waste tipping fee is \$27.60 per ton (transfer stations charge \$29.70). The Composting/Organics program does not receive any funding from the Agency's \$5.95 per ton surcharge on solid waste tons.

Table 1 below provides the total wood waste and yard waste tons delivered to the Central Compost Site by customers within each Member Jurisdiction in FY 2012-13. *The total tipping fee revenues shown in Table 1 below do not include the additional \$2.10 per ton charged for tons delivered through transfer stations (applies to tons originating from Cloverdale, Healdsburg, Sonoma City, Windsor, and parts of Sonoma County).*

TABLE 1
FY 2012-13 Organics Tipping Fee Revenue

Member Jurisdiction	Wood Waste (\$27.60/ton)		Green Waste (\$34.10/ton)		Overall Tons	Overall Tipping Fees
	Tons	Tipping Fees	Tons	Tipping Fees		
Cloverdale	96	\$2,654	1,515	\$51,646	1,611	\$54,300
Cotati	92	\$2,551	1,228	\$41,870	1,320	\$44,421
Healdsburg	478	\$13,198	3,814	\$130,064	4,292	\$143,263
Petaluma	514	\$14,192	12,516	\$426,797	13,030	\$440,989
Rohnert Park	133	\$3,667	5,930	\$202,209	6,063	\$205,876
Santa Rosa	1,641	\$45,283	25,012	\$852,911	26,653	\$898,194
Sebastopol	222	\$6,121	2,368	\$80,744	2,590	\$86,865
Sonoma	685	\$18,906	6,111	\$208,391	6,796	\$227,297
Sonoma County	1,296	\$35,775	27,702	\$944,624	28,998	\$980,398
Windsor	262	\$7,240	5,617	\$191,545	5,879	\$198,785
Total	5,420	\$149,586	91,812	\$3,130,801	97,232	\$3,280,387

In addition to overseeing the operations of the Composting/Organics processing operations, the Agency also offers free compost and mulch products to the Member Jurisdictions. The value of free mulch and compost allocated to Member Jurisdictions in FY 2012-13 is shown in Table 2 below.

TABLE 2
FY 2012-13 Free Compost and Mulch by Member Jurisdiction¹

Member Jurisdiction	Value of Free Compost and Mulch*	% of Total
Cloverdale	\$ 1,067	2%
Cotati	\$ 888	1%
Healdsburg	\$ 3,031	5%
Petaluma	\$ 8,447	13%
Rohnert Park	\$ 3,836	6%
Santa Rosa	\$ 17,729	28%
Sebastopol	\$ 1,778	3%
Sonoma	\$ 4,755	7%
Sonoma County	\$ 18,890	29%
Windsor	\$ 3,817	6%
Total	\$ 64,238	100%

* This column does not include an additional estimated \$326,000 in financial benefits received by Santa Rosa and its regional Laguna Wastewater Treatment Plant partners.

¹ Figures based on data provided by the Agency. Member Jurisdiction allocations are based on % of incoming tons at Central Compost Site, using costs of \$7.25 per ton for mulch and \$12.00 per ton for compost.

In addition, the Agency reported that it provides approximately 10,000 tons of ground yard debris free of charge each year to the Laguna Wastewater Treatment Plant in Santa Rosa. Since the Agency pays Sonoma Compost Company to process this material, the Laguna Wastewater Treatment Plant in Santa Rosa receives an approximate value of \$326,000² in avoided costs by not having to purchase an equivalent amount of ground yard debris.

Potential Alternatives

Existing compostable materials processing capacity in the surrounding area is limited. The Agency's Central Compost Site is the only existing large-volume composting facility in Sonoma County and the next closest composting facility is the Redwood Landfill, which currently has a higher tipping fee and lower maximum permitted throughput than the Central Compost Site. Table 3 below provides a comparison of green waste / yard waste tipping fees in the surrounding area.

TABLE 3
Tipping Fee Comparison

Compost Site	Greenwaste Rate (per ton)	Miles from Central Disposal Site	Maximum Throughput (tons per day)
Cold Creek Compost*	\$ 26.67	70	400
Jepson Prairie Organics	\$ 32.75	73	750
Napa Garbage Service	\$ 38.00	36	200
Redwood Landfill	\$ 40.00	16	170
WCC Organics*	\$ 117.02	41	1,134
Potrero Hills Compost	\$ 53.00	56	320
Central Compost Site	\$ 34.10	-	300

*Calculated by converting cubic yard charge to tons.

As shown, only two facilities (Cold Creek Compost and Jepson Prairie Organics) have tipping fees that are less than the Central Compost Site, and both of those facilities are over 65 miles away from the Central Compost Site. However, it should be noted that the Cold Creek Compost facility is somewhat closer to the Healdsburg Transfer Station and may be a feasible compost delivery option for Member Jurisdictions that utilize that transfer station. The Redwood Landfill facility is also a notable alternative due to its close proximity to the Central Compost Site (approximately 16 miles away). Therefore, it appears that the two most potentially favorable alternative compost facilities would be: (1) Redwood Landfill, due to its close proximity to the current Central Compost Site; and (2) Cold Creek Compost, due to the fact that it is the closest facility with a tipping fee lower than that of the Central Compost Site.

Table 4 below provides the distance from each Member Jurisdiction (or the Transfer Station it utilizes) to the Central Compost Site, as well as the distance to the Redwood Landfill and the Cold Creek Compost facility. As shown, Petaluma and Sonoma (City) are actually slightly closer to the

² Per the Agency, at a wholesale price of \$7.25 per cubic yard and a conversion factor of 4.5 cubic yards per ton.

Redwood Landfill. The Cold Creek Compost facility represents a significant additional distance for all Member Jurisdictions.

TABLE 4
Distance to Central Compost Site and Alternative Facilities

Member Jurisdiction	Transportation Method	Distance to Central Compost Site (miles)*	Distance to Redwood Landfill (miles)		Distance to Cold Creek Compost (miles)	
			Total Distance	Additional Distance	Total Distance	Additional Distance
Cloverdale	Healdsburg Transfer	31	42	11	54	23
Cotati	Direct-haul	4	15	11	80	76
Healdsburg	Healdsburg Transfer	31	42	11	54	23
Petaluma	Direct-haul	9	8	-1	89	80
Rohnert Park	Direct-haul	5	17	12	79	74
Santa Rosa	Direct-haul	12	23	11	72	60
Sebastopol	Direct-haul	10	24	14	79	69
Sonoma	Sonoma Transfer	22	18	-4	100	78
Sonoma County	Various	14	25	11	70	56
Windsor	Healdsburg Transfer	31	42	11	54	23

* Distance measured from Transfer Station of origin for jurisdictions which utilize a Transfer Station, and distance measured from City Hall (or equivalent) for Jurisdictions which direct-haul materials to the Central Compost Site. Distance measured from General Services office for Sonoma County.

Tables 5 and 6 below provide the estimated additional costs required to utilize the Redwood Landfill and Cold Creek Compost facility, respectively. These estimates are based on:

- The FY 2012-13 overall organics tonnages for each Member Jurisdiction;
- The additional travel distance determined in Table 4 above;
- The difference in tipping fees as shown in Table 3 above; and
- An estimated additional travel cost of \$0.40 per ton-mile.

TABLE 5
Estimated Additional Costs to Use Redwood Landfill Compost Facility

Member Jurisdiction	Overall Organics Tons	Addl. Distance to Redwood Landfill (miles)	Additional Transfer Cost (at \$0.40 per ton-mile)	Additional Tipping Fee Cost*	Total Additional Cost
Cloverdale	1,611	11	\$ 7,087	\$ 9,503	\$ 16,590
Cotati	1,320	11	\$ 5,809	\$ 7,790	\$ 13,599
Healdsburg	4,292	11	\$ 18,887	\$ 25,325	\$ 44,212
Petaluma	13,030	-1	\$ (6,255)	\$ 76,878	\$ 70,624
Rohnert Park	6,063	12	\$ 28,131	\$ 35,770	\$ 63,901
Santa Rosa	26,653	11	\$ 115,140	\$ 157,251	\$ 272,391
Sebastopol	2,590	14	\$ 14,709	\$ 15,279	\$ 29,988
Sonoma	6,796	-4	\$ (10,874)	\$ 40,097	\$ 29,224
Sonoma County	28,998	11	\$ 129,910	\$ 171,087	\$ 300,997
Windsor	5,879	11	\$ 25,870	\$ 34,689	\$ 60,559
Total	97,232	N/A	\$ 328,414	\$ 573,670	\$ 902,084

*Based on overall organics tons and difference in per-ton green waste tipping fees.

TABLE 6
Estimated Additional Cost to Use Cold Creek Compost Facility

Member Jurisdiction	Overall Organics Tons	Addl. Distance to Cold Creek Compost (miles)	Additional Transfer Cost (at \$0.40 per ton-mile)	Additional Tipping Fee Cost*	Total Additional Cost
Cloverdale	1,611	23	\$ 14,818	\$ (11,967)	\$ 2,851
Cotati	1,320	76	\$ 40,137	\$ (9,810)	\$ 30,327
Healdsburg	4,292	23	\$ 39,490	\$ (31,893)	\$ 7,598
Petaluma	13,030	80	\$ 415,925	\$ (96,815)	\$ 319,111
Rohnert Park	6,063	74	\$ 178,487	\$ (45,046)	\$ 133,441
Santa Rosa	26,653	60	\$ 637,533	\$ (198,030)	\$ 439,504
Sebastopol	2,590	69	\$ 71,682	\$ (19,241)	\$ 52,440
Sonoma	6,796	78	\$ 212,041	\$ (50,496)	\$ 161,545
Sonoma County	28,998	56	\$ 651,869	\$ (215,453)	\$ 436,416
Windsor	5,879	23	\$ 54,091	\$ (43,685)	\$ 10,407
Total	97,232	N/A	\$ 2,316,074	\$ (722,435)	\$ 1,593,639

*Based on overall organics tons and difference in per-ton green waste tipping fees.

As shown in Table 5, it is projected that customers from all Member Jurisdictions would incur additional costs as a result of utilizing the Redwood Landfill as a composting alternative, due mainly to additional costs incurred from increased tipping fees.

As shown in Table 6, it is projected that customers from all Member Jurisdictions would incur additional costs as a result of utilizing the Cold Creek Compost facility as a composting alternative, due mainly to increased transfer costs.

In addition, it should be noted that the Redwood Landfill has a maximum permitted capacity of only 170 tons per day for compostable materials, as compared to the Central Compost Site's maximum permitted capacity of 612 tons per day and average daily throughput of approximately 300 tons. This means that the Redwood Landfill's current composting operations would not be able to accept the overall compost tonnage from all 10 Member Jurisdictions, based on the Redwood Landfill's current permitted daily capacity.

Our review of alternative compost facilities also noted the following with regards to maximum daily facility throughput:

- The closest active compost facility with a permitted daily throughput that is equal or greater to the Central Compost Site (300 average daily throughput tons) is the Potrero Hills Composting Facility in Suisun City. This facility is located approximately 56 miles from the Central Disposal Site, and has a maximum permitted throughput of 320 tons per day and a tipping fee of \$53.00 per ton, which is much higher than the Central Compost Site's current tipping fee of \$34.10.
- The compost facility in the surrounding area with the largest daily capacity is the Jepson Prairie Organic Composting Facility at Hay Road in Vacaville. This facility has a maximum permitted throughput of 750 tons per day, and is located approximately 73 miles from the

Central Disposal Site. The Jepson Prairie facility has a tipping fee of \$32.75, which is slightly lower than the Central Compost Site's current tipping fee of \$34.10.

It should also be noted that, in the event that an alternative composting site were to be utilized, Member Jurisdictions may be required to modify their exclusive garbage haulers' franchise agreements in order to allow for delivery of materials to an alternate facility.

Findings

The Central Compost Site represents a County-wide composting solution and is favorably located for the majority of Member Jurisdictions. Based on our review, R3 believes that the use of alternative composting facilities is not a favorable option for Member Jurisdictions, with the possible exception of Member Jurisdictions that utilize the Healdsburg Transfer Station, which may be able to utilize the Cold Creek Compost facility in Mendocino County at a reduced cost. All other Member Jurisdictions would require additional funding to cover increased tipping fees and/or transfer distances in order to utilize any out-of-County compost sites. Specifically, the Member Jurisdictions' franchised hauler costs would increase as a result of:

- Increased cost required to use transfer stations / transfer vehicles; and
- (Potential) increased organics/compostable material tipping fees.

In addition, the Member Jurisdictions' current participation in the Agency's Composting/Organics program grants them the added value of receiving compost and mulch products free of charge.

Assigning the operations of the Central Compost Site to an alternative operator (i.e., an operator other than Sonoma Compost) would require a competitive bidding process and may require a "flow control" agreement with the Member Jurisdictions in order to guarantee that a certain quantity of organics tonnage is consistently delivered to the facility. It is unlikely that such a competitive process would result in lower organics tipping fees, as the Central Compost Site already has one of the lower tipping fees in the region. Therefore, procuring an alternative operator, or changing the current owner/operator/management relationship of the Central Compost Site, would most likely not result in any significant cost reduction.

Household Hazardous Waste (HHW)

Current Activities

The Agency operates a Toxics Collection Facility at the Central Disposal Site through Clean Harbors Environmental Services, and conducts weekly Community Toxic Collection Events and monthly Community E-Waste Collection Events. In addition, the Agency partners with two used oil collection locations, and offers a "Toxic Rover" on-call pickup program. Member Jurisdiction residents and business dispose of HHW materials through these services free of charge, with the exception of the Toxic Rover service which has a fee of \$50 per pickup (or free for seniors over 80 and housebound residents). In FY 2012-13, over 24,000 residents/businesses participated in the Agency's HHW programs by using the Toxics Collection Facility and related programs.

The Agency's actual HHW program costs (including related Agency administrative expenses) allocated to each Member Jurisdiction for FY 2012-13 are provided in Table 7, and participation levels by Member Jurisdiction are provided in Table 8.

TABLE 7
FY 2012-13 HHW Program Costs by Member Jurisdiction³

Member Jurisdiction	Agency HHW Program Costs	% of Total
Cloverdale	\$ 14,650	1%
Cotati	\$ 53,495	3%
Healdsburg	\$ 30,029	2%
Petaluma	\$ 359,084	23%
Rohnert Park	\$ 132,908	8%
Santa Rosa	\$ 513,205	32%
Sebastopol	\$ 191,640	12%
Sonoma	\$ 58,466	4%
Sonoma County	\$ 189,717	12%
Windsor	\$ 49,849	3%
Total	\$ 1,593,043	100%

TABLE 8
FY 2012-13 HHW Program Participation

Member Jurisdiction	HHW Participants	% of Total	Population (2010 Census)	Participation Rate*
Cloverdale	221	1%	8,618	3%
Cotati	807	3%	7,265	11%
Healdsburg	453	2%	11,254	4%
Petaluma	5,417	23%	57,941	9%
Rohnert Park	2,005	8%	40,971	5%
Santa Rosa	7,742	32%	167,815	5%
Sebastopol	2,891	12%	7,379	39%
Sonoma	882	4%	10,648	8%
Sonoma County	2,862	12%	145,186	2%
Windsor	752	3%	26,801	3%
Total	24,032	100%	483,878	5%

* Participation Rate = HHW Participants divided by Population (2010 Census)

³ Actual expense total for FY 12-13 (as shown in most recent Agency budget) including associated Agency administrative expenses, allocated to Member Jurisdictions based on % of total HHW program users in each jurisdiction (as provided by Agency).

As shown, the Agency's HHW program costs vary by Jurisdiction, based on the number of actual HHW program participants. Of the total Agency HHW program costs provided in Table 7, approximately \$1.1 million (69%) are costs associated with HHW contract services (Clean Harbors Environmental Services), while the remaining costs represent Agency administrative and office expenses.

As shown in Table 8, Member Jurisdictions that are closer in proximity to the Toxics Collection Facility generally have higher rates of HHW program participation. Specifically, the City of Cloverdale, Town of Windsor and unincorporated Sonoma County have the lowest participation rates, with approximately 3%. The City of Sebastopol has the highest HHW participation rate at 39%. The Member Jurisdiction with the next highest participation rate is the City of Cotati, with a rate 11%.⁴

Based on the total HHW costs of \$1,593,043 and total participants of 24,032, the Agency's HHW program cost for FY 2012-13 was approximately \$66.29 per user, which includes Agency administrative expenses related to the HHW program. Not including Agency administrative expenses (i.e., including only the cost of HHW contract services), the calculated cost for FY 2012-13 would be approximately \$45.49 per user.

However, because the HHW program is funded primarily through the Agency's \$5.95 per ton surcharge collected at the Central Disposal site, Member Jurisdictions do not pay any more or less based on their level of HHW participation. Therefore, the Member Jurisdictions located closer to the Toxics Collection Facility essentially receive greater value from the HHW program than Member Jurisdictions located farther from the facility, due to their increased levels of participation.

Potential Alternatives

The majority of Jurisdictions contacted by R3 did not express interest in assuming responsibility for their own local HHW collection programs.

The Cities of Santa Rosa and Petaluma, however, did express interest in exploring alternative HHW program possibilities, such as: (1) having the City contract directly for HHW services with a vendor; (2) contracting for HHW services through their franchised hauler; or (3) forming a working group with other local Jurisdictions to arrange for HHW services. While these options are feasible, R3 does not believe that the same level of HHW services could realistically be provided at a lower cost than that currently provided by the Agency.

The current market cost for HHW collection using a third-party vendor is approximately \$120 per pickup, which is 81% greater than the Agency's current cost of \$66.29 per user. Table 9 below provides the estimated HHW cost to each Member Jurisdiction, assuming a number of pickups equal to current overall participation levels at \$120 per pickup using a third-party vendor.

⁴ Participation Rate = HHW Participants divided by Population (2010 Census).

TABLE 9
Estimated Annual HHW Costs at \$120 per Pickup

Member Jurisdiction	Current Agency HHW Program Costs	HHW Costs at \$120 per Pickup	% of Total
Cloverdale	\$ 14,650	\$ 26,520	1%
Cotati	\$ 53,495	\$ 96,840	3%
Healdsburg	\$ 30,029	\$ 54,360	2%
Petaluma	\$ 359,084	\$ 650,040	23%
Rohnert Park	\$ 132,908	\$ 240,600	8%
Santa Rosa	\$ 513,205	\$ 929,040	32%
Sebastopol	\$ 191,640	\$ 346,920	12%
Sonoma	\$ 58,466	\$ 105,840	4%
Sonoma County	\$ 189,717	\$ 343,440	12%
Windsor	\$ 49,849	\$ 90,240	3%
Total	\$ 1,593,043	\$ 2,883,840	100%

As shown, at a rate of \$120 per pickup and assuming current levels of participation, the City of Santa Rosa's HHW collections would require total annual funding of approximately \$929,000, as compared to the Agency's current HHW program costs of approximately \$513,000 for the City of Santa Rosa. Similarly, the City of Petaluma's HHW collections would require total funding of approximately \$650,000 at a rate of \$120 per pickup, as compared to the Agency's current HHW program costs of approximately \$359,000 for the City of Petaluma.

It should also be noted that, unless a new HHW collections facility was sited and built by one of the Member Jurisdictions, residents and businesses would experience a significant loss of convenience due to a reduction in HHW collection service options. As stated previously, the Agency currently offers the following HHW processing options:

- Drop-offs at collection facility;
- Weekly toxic collection events and monthly E-Waste collection events; and
- On-call "Toxic Rover" pickups.

In order to offer the same level of service which the Agency currently provides, Member Jurisdictions would be required to site and build a new HHW collections facility, and contract with their franchised garbage haulers to provide periodic local collection events. Because the franchised haulers are not licensed to collect HHW, the haulers would have to in turn contract with a third-party vendor to provide the services.

A new HHW drop-off facility could easily require three or more years to establish, and would require substantial funding from rate payers in order to provide for facility siting, environmental review and construction. As an example, the City of Elk Grove (approximately 8% less in population size compared to Santa Rosa) recently established an HHW facility over the course of approximately four years at a total cost of \$4.6 million. This requires ratepayer funding of an approximately \$1.26

per month rate increase. Elk Grove will charge \$75.00 per occurrence for non-Elk Grove residents that use the center.

Findings

The Agency's HHW collection program provides multiple service options for residents and businesses at relatively low cost per user. If any of the Member Jurisdictions were to contract for HHW services through their franchised hauler or an outside vendor, costs would be expected to increase significantly and residents and businesses would lose the additional convenience of having a local drop-off facility and periodic collection events.

It appears that Member Jurisdictions located closer to the Agency's Toxics Collection Facility have higher participation rates in the HHW program, and as such the Agency should explore the possibility of establishing a satellite HHW collection facility in the northern area of the County so that Member Jurisdictions benefit more equally from this program. However, it should be noted that the Agency may incur significant additional costs in establishing a satellite HHW facility, and additional costs may be required in the event that Member Jurisdictions are required to update their Household Hazardous Waste Element (HHWE) planning documents.

Education and Outreach

Current Activities

Education and outreach programs provided by the Agency include:

- Organizing and coordinating County-wide education efforts;
- Publishing an annual "Recycling Guide";
- Maintaining the Agency's website at www.recyclenow.org;
- Answering questions via the "Eco-desk" telephone and email address;
- Attending and staffing booths at local events such as fairs, symposiums, farmers' markets and conferences;
- Home composting education by UC Cooperative Extension;
- Used Motor Oil/Filter Recycling education;
- Spanish Language Outreach (all Agency education programs have English and Spanish language components); and
- Mandatory Commercial Outreach (MCR) program – includes database that lists the commercial entities in Sonoma County subject to State recycling requirements.

The Agency's actual Education and Outreach program costs allocated to each Member Jurisdiction for FY 2012-13 are provided in Table 10 below.

TABLE 10
FY 2012-13 Education and Outreach Program Costs by Member Jurisdiction⁵

Member Jurisdiction	Agency Education & Outreach Program Costs	% of Total
Cloverdale	\$ 12,817	4%
Cotati	\$ 3,825	1%
Healdsburg	\$ 14,135	4%
Petaluma	\$ 37,877	11%
Rohnert Park	\$ 29,710	9%
Santa Rosa	\$ 152,021	45%
Sebastopol	\$ 21,642	6%
Sonoma	\$ 29,188	9%
Sonoma County	\$ 22,939	7%
Windsor	\$ 13,439	4%
Total	\$ 337,594	100%

As shown, the Agency's Education and Outreach function required a total of \$337,594 in program costs in FY 2012-13. This total includes all educational materials and associated Agency administrative costs (staff time). A breakdown of the total \$337,594 in Agency Education and Outreach program costs is provided in Table 11 below.

⁵ Actual expense total for FY 12-13 (as shown in most recent Agency budget) including associated Agency administrative expenses, allocated to Member Jurisdictions based on % of total Recycling Guide, Eco-desk, web, and events services in each Member Jurisdiction.

TABLE 11
FY 2012-13 Education and Outreach Program Cost Breakdown

Description	Cost	% of Total
Communication Charges	\$540	0%
Liability Insurance	\$1,292	0%
PG&E Grant Expenditures	\$42,067	12%
Office Expenses ¹	\$15,149	4%
MCR Program Staffing	\$28,556	8%
County Services	\$3,566	1%
Contract Services ²	\$20,438	6%
Admin Costs ³	\$187,206	55%
Legal Services	\$23,454	7%
Accounting Charges	\$1,832	1%
Annual Audit Cost	\$3,000	1%
Building/Booth Rentals	\$8,243	2%
ISD (Computer) Charges	\$1,797	1%
Computer Replacement Fund Allocation	\$454	0%
Total	\$337,594	100%

¹ Includes expenses shared with other Agency programs.

² Includes Recycle Guide cover art, proofreading, inclusion in Yellow Pages, and Spanish language outreach agreement with C2 Alternatives.

³ Includes one Agency Education Program Manager, event staffing, and non-Agency County staff time billed to the Agency by Sonoma County.

Potential Alternatives

The majority of Jurisdictions contacted by R3 did not express interest in assuming responsibility for additional Education and Outreach programs. The Cities of Petaluma and Santa Rosa, however, did express interest in considering additional Education and Outreach functions using City staff and their franchised hauler for assistance.

If Member Jurisdictions were to provide for alternative education and outreach services through their franchised haulers, this may result in a loss of consistency in County-wide education efforts. In addition, residents and businesses would no longer have access to the Agency's annual Recycling Guide, and would not be able to contact the Agency's "Eco-Desk" telephone number or email address.

To comply with State mandate AB 341 (Mandatory Multi-Family and Commercial Recycling), Member Jurisdictions would be required to develop a system for ongoing monitoring of recycling participation among multi-family residences and businesses. As stated above, the Agency currently provides this monitoring service in the form of a Mandatory Commercial Outreach database that lists the commercial entities in Sonoma County subject to State recycling requirements.

The City of Sonoma may be the most susceptible to losses of educational consistency, as a result of having a unique franchised hauler that is not part of the Ratto Group of Companies, which provides franchised collection services to the other Member Jurisdictions.

Findings

The Agency's Education and Outreach services provide regional uniformity in terms of recycling and waste reduction efforts. For the larger Member Jurisdictions such as Santa Rosa and Petaluma, it is feasible that the Agency's current Education and Outreach services could be provided cost-effectively using a combination of City staff and franchised hauler assistance. However, it does not appear that any of the other Member Jurisdictions have existing staff resources to support expanded Education and Outreach efforts.

Planning and Reporting

Current Activities

The Agency currently completes all required planning and reporting documents for submission to CalRecycle on behalf of all of the Member Jurisdictions. This includes:

- Electronic Annual Report (EAR);
- Source Reduction and Recycling Element (SRRE);
- Household Hazardous Waste Element (HHWE);
- Nondisposal Facility Element (NDFE); and
- Five-Year Countywide Integrated Waste Management Plan (CIWMP).

Additional Agency reports also come from the HHW program, including an HHW annual report, E-Waste annual report and others.

The Agency's actual Planning and Reporting costs allocated to each Member Jurisdiction for FY 2012-13 are provided in Table 12 below.

TABLE 12
FY 2012-13 Planning and Reporting Costs by Member Jurisdiction⁶

Member Jurisdiction	Agency Planning & Reporting Program Costs
Cloverdale	\$ 2,810
Cotati	\$ 2,810
Healdsburg	\$ 2,810
Petaluma	\$ 2,810
Rohnert Park	\$ 2,810
Santa Rosa	\$ 2,810
Sebastopol	\$ 2,810
Sonoma	\$ 2,810
Sonoma County	\$ 2,810
Windsor	\$ 2,810
Total	\$ 28,096

Potential Alternatives

The majority of Jurisdictions contacted by R3 did not express interest in assuming responsibility for the Planning and Reporting services currently provided by the Agency.

The Cities of Petaluma and Santa Rosa, however, did express interest in completing the required Planning and Reporting functions. The City of Santa Rosa stated that they could fulfill this function using existing staff, while the City of Petaluma stated that an additional half-time staff member may be required to complete the function.

If the individual Member Jurisdictions were to begin providing their own planning documents and reports, some Member Jurisdictions would be affected more than others. Larger Jurisdictions may be able to address the planning and reporting workload with existing staff, while smaller Jurisdictions would be required to take on new solid waste management staff (estimated between one half-time and one full-time position). Member Jurisdictions would be required to complete CalRecycle's Electronic Annual Report (EAR) each year, and each Jurisdiction would initially be required to complete a Base Year Study. Currently the Agency completes one EAR each year for all Member Jurisdictions as a whole.

In addition, it should be noted that if any jurisdictions were to opt out of the current regional reporting agency (as recognized by CalRecycle), all Member Jurisdictions would incur additional costs in order to complete required new "base year" waste generation studies, and additional waste tracking methods would need to be implemented at regional facilities in order to identify tonnages received from each jurisdiction.

⁶ Actual expense total for FY 12-13 (as shown in most recent Agency budget), allocated evenly to each Member Jurisdiction (each Member Jurisdiction receives substantially the same Planning and Reporting services regardless of size).

As an alternative to the Agency's Planning and Reporting function, Member Jurisdictions would be required to develop (or update if possible)⁷ the following planning documents for submission to CalRecycle:

- Source Reduction and Recycling Element (SRRE);
- Household Hazardous Waste Element (HHWE); and
- Nondisposal Facility Element (NDFE).

In addition, the County of Sonoma would be required to develop a Five-Year Countywide Integrated Waste Management Plan (CIWMP) for submission CalRecycle every five years which includes:

- The SRRE for each Jurisdiction;
- The HHWE for each Jurisdiction;
- The NDFE for each Jurisdiction;
- Countywide Siting Element (SE) (for County as a whole); and
- Summary Plan (SP) (for County as a whole).

If assistance is required from third-party contractors, the following estimated costs would apply:

- CalRecycle Annual Report preparation: \$5,000–\$15,000 per Jurisdiction (depending on size);
- Base Year Study: \$20,000–\$40,000 per Jurisdiction (depending on size);
- Updated planning documents (SRRE, HHWE, NDFE): \$15,000–\$100,000 per Jurisdiction (depending on size); and
- Updated CIWMP: \$20,000–\$30,000.

Findings

The Agency's current Planning/Reporting function is very cost-effective. Rather than requiring each individual Member Jurisdiction to provide planning documents and annual reports to CalRecycle, the Agency can complete the planning and reporting requirements for all Member Jurisdictions as a whole. This greatly reduces the collective reporting workload of the County and its Member Jurisdictions. In addition, if any jurisdictions were to opt out of the current regional reporting agency (as recognized by CalRecycle), all Member Jurisdictions would incur additional costs in order to complete required new "base year" waste generation studies, and additional waste tracking methods would need to be implemented to support the change. As such, R3 does not recommend eliminating the Agency's Planning and Reporting function.

⁷ Original Planning Documents would be required for the Town of Windsor and unincorporated Sonoma County (i.e., Windsor was previously unincorporated, and Sonoma County's Planning Documents included unincorporated Windsor). Other Jurisdictions may have suitable Planning Documents already, but those will need to be updated.

Overall Findings

Table 13 below provides each Member Jurisdiction's surcharge contributions (i.e., user fees) as compared to the Agency's total program costs for FY 2012-13.

TABLE 13
FY 2012-13 Surcharge Contributions and Agency Program Costs (as reported by Agency)

Member Jurisdiction	Surcharge Contributions	FY 2012-13 Agency Program Costs			Value of Free Compost and Mulch	Total Value of Services	Net Value to Member Jurisdiction
		Household Hazardous Waste (HHW)	Education & Outreach	Planning & Reporting			
	A	B	C	D	E	F	G
							F - A =
Cloverdale	\$ 31,079	\$ 14,650	\$ 12,817	\$ 2,810	\$ 1,067	\$ 31,344	\$ 265
Cotati	\$ 27,301	\$ 53,495	\$ 3,825	\$ 2,810	\$ 888	\$ 61,017	\$ 33,716
Healdsburg	\$ 82,027	\$ 30,029	\$ 14,135	\$ 2,810	\$ 3,031	\$ 50,004	\$ (32,023)
Petaluma	\$ 218,824	\$ 359,084	\$ 37,877	\$ 2,810	\$ 8,447	\$ 408,218	\$ 189,394
Rohnert Park	\$ 125,270	\$ 132,908	\$ 29,710	\$ 2,810	\$ 3,836	\$ 169,264	\$ 43,994
Santa Rosa	\$ 630,413	\$ 513,205	\$ 152,021	\$ 2,810	\$ 17,729	\$ 685,764	\$ 55,351
Sebastopol	\$ 58,055	\$ 191,640	\$ 21,642	\$ 2,810	\$ 1,778	\$ 217,870	\$ 159,815
Sonoma	\$ 63,158	\$ 58,466	\$ 29,188	\$ 2,810	\$ 4,755	\$ 95,219	\$ 32,061
Sonoma County	\$ 356,072	\$ 189,717	\$ 22,939	\$ 2,810	\$ 18,890	\$ 234,356	\$ (121,716)
Windsor	\$ 79,794	\$ 49,849	\$ 13,439	\$ 2,810	\$ 3,817	\$ 69,914	\$ (9,880)
Total	\$ 1,671,993	\$ 1,593,043	\$ 337,594	\$ 28,096	\$ 64,238	\$ 2,022,971	\$ 350,978

Notes:

- A** Actual surcharge contributions from landfill disposal fees (data provided by Agency).
- B** Actual expense total for FY 12-13 (as shown in most recent Agency budget), allocated to Member Jurisdictions based on % of total HHW program users in each jurisdiction.
- C** Actual expense total for FY 12-13 (as shown in most recent Agency budget), allocated to Member Jurisdictions based on % of total guides, Eco-desk, web, and events services in each jurisdiction.
- D** Actual expense total for FY 12-13 (as shown in most recent Agency budget), allocated evenly across all Member Jurisdictions.
- E** Data provided by Agency. Member Jurisdiction allocations based on % of incoming tons at Central Compost Site, using costs of \$7.25 per ton for mulch and \$12.00 per ton for compost. This column does not include an additional estimated \$326,000 in financial benefits received by Santa Rosa and its regional Laguna Wastewater Treatment Plant partners.

Based on the financial data in Table 13 above, it does appear that some Member Jurisdictions are receiving Agency services valued greater than their surcharge contributions, while other Member Jurisdictions are receiving Agency services which are valued as less than their surcharge contributions. For example, the City of Sebastopol received services valued at approximately \$159,000 in FY 2012-13, as compared to Sebastopol's surcharge contributions of only \$58,000 for that same time period. During the same fiscal year, the City of Healdsburg received services valued at approximately \$50,000 while contributing over \$82,000 in surcharges. This does not necessarily mean, however, that certain Member Jurisdictions could realize overall cost savings by pursuing alternative services to those provided by the Agency.

The total surcharge amount paid to the Agency by customers/ratepayers in each Jurisdiction is based on the amount of garbage tons landfilled by the Jurisdiction at the Central Disposal Site and transfer stations. However, based on the information provided in Table 13 above, Member Jurisdictions which dispose more tons do not necessarily receive a greater level of service from the Agency's four core programs. For example, the Agency's administrative costs for Planning and Reporting services are similar for each Member Jurisdiction, regardless of tonnage quantities, and HHW program costs for each Member Jurisdiction are greater for Member Jurisdictions located closer to the Toxics Collection Facility. Therefore, R3 recommends that the Agency and Member Jurisdictions explore alternative surcharge structures to provide for more even benefits to all Member Jurisdictions.

It should also be noted that the Agency's current surcharge structure would most likely need to be revised in the event of any programmatic changes, or in the event that any Member Jurisdictions choose to pursue alternative programs to those provided by the Agency.

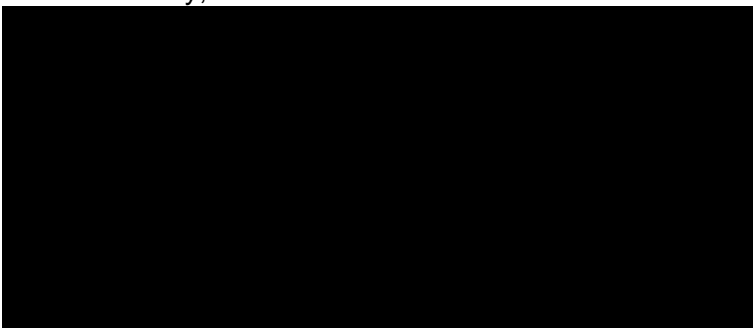
JPA Comparison

Attachment A provides additional information regarding various Joint Powers Authorities with solid waste management functions in Northern California.

* * * * *

We appreciate the opportunity to be of assistance to the Agency. Please do not hesitate to contact me by phone at (916) 782-7821, or by email at rtwin@r3cqi.com, if you have any questions regarding this submittal.

Yours truly,



	Attachment A Northern California Solid Waste Management Authorities									
	Name of Authority									
Item	Marin Hazardous and Solid Waste JPA	Western Placer County Waste Management Authority	Sonoma County Waste Management Agency	Salinas Valley Solid Waste Authority	Humboldt Waste Management Authority	Del Norte Solid Waste Management Authority	Monterey Regional Waste Management Authority	Central Contra Costa Solid Waste Authority	South Bayside Waste Management Authority	West Contra Costa Solid Waste Authority
Member Agencies	City of Belvedere Town of Corte Madera Town of Fairfax City of Larkspur City of Mill Valley City of Novato Town of Ross Town of San Anselmo City of San Rafael Town of Tiburon County of Marin	Lincoln Rocklin Roseville County of Placer Auburn Loomis	Cloverdale Cotati Healdsburg Petaluma Rohnert Park Santa Rosa Sebastopol City of Sonoma Windsor County of Sonoma	City of Salinas City of Gonzales City of Greenfield City of King City of Soledad County of Monterey (South)	City of Eureka City of Arcata City of Blue Lake City of Rio Del City of Ferndale County of Humboldt	Crescent City County of Del Norte	Carmel-by-the-Sea Del Rey Oaks Marina Monterey Pacific Grove Sand City Seaside County of Monterey (North)	Town of Danville City of Lafayette Town of Moraga City of Orinda City of Walnut Creek Contra Costa County (east)	Atherton Belmont Burlingame East Palo Alto Foster City Hillsborough Menlo Park Redwood City San Carlos City of San Mateo County of San Mateo West Bay Sanitary District	El Cerrito Hercules Pinole Richmond San Pablo Contra Costa County (west)
Board Members	One member per jurisdiction – Either an elected official or Member Agency staff.	2 – County of Placer 1 – Lincoln 1 – Rocklin 1 – Roseville Auburn & Loomis – non voting members	One member per jurisdiction – an elected official or appointee	3 – City of Salinas 2 – County of Monterey 1 – each City of Gonzales City of Greenfield City of King City of Soledad	One member per jurisdiction – an elected official or appointee <u>Executive Committee</u> consists of City & County Managers from each jurisdiction.	2 – Board of Supervisors 2 – City Council 1 – Public member	One member per jurisdiction – an elected official or appointee	12 Total 2 per jurisdiction – an elected official or appointee	One member per jurisdiction. Position is filled by: City Manager, Asst. City Manager, Finance Director, or Public Works Director. No elected officials.	3 – Richmond 1 –member per jurisdiction – 1 – County of Contra Costa (non-voting) Members are an elected official or appointee
Voting Process	One vote per member	One vote per member	One vote per member	One vote per member	One vote per member	One vote per member	One vote per member	One vote per member	One vote per member	One vote per member except County seat
Residential / Commercial Accounts (approx)	70,400 / 5,800	86,000 / 20,000	130,000 / 13,000	48,000 / 5,000	40,000 / 5,000	10,000 / 1,100	47,000 / 6,200	62,000 / 3,000	86,000 / 10,000	25,000 / 5,000
AB 939 Reporting	Regional Authority	No	Regional Authority	Individual Jurisdictions	Individual Jurisdictions	Regional Authority	Individual Jurisdictions	Individual Jurisdictions	Individual Jurisdictions	Individual Jurisdictions
Source of Revenue ¹	Tipping Fees and grants	Tipping Fees	Tipping Fees	Tipping Fees	Tipping Fees	Franchise Fees	Tipping Fees	Franchise Fees & Recycling Revenue	Tipping Fees	Tipping Fees

¹ These include dedicated sources of revenue. Revenue received through various grant programs is not listed, however most JPA's receive some funding through grants.

	Attachment A Northern California Solid Waste Management Authorities									
	Name of Authority									
Item	Marin Hazardous and Solid Waste JPA	Western Placer County Waste Management Authority	Sonoma County Waste Management Agency	Salinas Valley Solid Waste Authority	Humboldt Waste Management Authority	Del Norte Solid Waste Management Authority	Monterey Regional Waste Management Authority	Central Contra Costa Solid Waste Authority	South Bayside Waste Management Authority	West Contra Costa Solid Waste Authority
Agency Staff (# of full time staff)	Program Manager and staff (5)	Assigned from County Solid Waste Department (7)	Director and Staff (6)	Director and Staff (22)	Director and Staff (27)	Director and Staff (8)	General Manager and Staff (over 100)	Director and Staff (4)	Director and Staff (6)	Director and Staff (6)
Staff Employer	Contracted from County	Waste Authority	Contracted from County	Waste Authority	Waste Authority	Waste Authority	Waste Authority	Waste Authority	Waste Authority	Waste Authority
Publicly Owned Facilities	None	None	1 – Landfill 4 – Transfer Stations	None	None	None	None	None	None	None
Issue Revenue Bonds	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Facilities Owned by Waste Authority	None	1 – Landfill 1 – MRF 1 – HHW Facility 1 – Composting (all on same site)	None	3 – Landfills 3 – Transfer Stations 1 – HHW	1 – Landfill 2 – Transfer Stations 1 – HHW 1 – Composting	1 – Transfer Station 1 – HHW Facility (all on same site)	1 – Landfill 1 – MRF 1 – HHW Facility 1 – Composting (all on same site)	1 – Buy Back & Drop off Center 1 – Green Waste Drop off 1 – HHW Facility	1 – Transfer Station 1 – MRF 1 – HHW facility (all on same site)	1 – Landfill (closed)
Public & Agency Owned Facility Operations	None	Contracted	By County and Private operators	Contracted	Waste Authority staff	Waste Authority staff	Operated by Waste Authority staff	Private	Contracted	Contracted
Privately Owned Facilities	None	None	MRF's	Transfer Station, MRF & Composting	1 – MRF 1 – C&D	1- MRF	2 - Transfer Station, 1 - MRF & 1 - Composting	2 – Landfills 5 – Transfer Stations/MRF 2 – Composting	1 – Landfill	2 – Transfer Stations 1 – MRF 1 – HHW Facility 1 – Composting (all on same site)
Facility Designation (Flow Control)	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rate Setting/Approval	No; Approved by Member Agencies	Review & Recommend Rates, approved by member agencies	No	Yes	Yes	Yes	Yes	Yes	Review & Recommend Rates, approved by member agencies	Yes
Rates for Member Agencies	Vary based on service requirements of member agencies	Same	Vary based on service requirements of member agencies	Equalized	Equalized	Same	Same	Same	Vary based on service requirements of member agencies	Same

	Attachment A Northern California Solid Waste Management Authorities									
	Name of Authority									
Item	Marin Hazardous and Solid Waste JPA	Western Placer County Waste Management Authority	Sonoma County Waste Management Agency	Salinas Valley Solid Waste Authority	Humboldt Waste Management Authority	Del Norte Solid Waste Management Authority	Monterey Regional Waste Management Authority	Central Contra Costa Solid Waste Authority	South Bayside Waste Management Authority	West Contra Costa Solid Waste Authority
Closure & Post Closure Monitoring & Maintenance	No	Yes	County	Yes	Yes	Yes	Yes	Yes	No	Yes
Solid Waste Planning	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
Public Education & Outreach	Some; most done by Member Agency haulers	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Enter into Collection Franchise Agreements	No	Yes	No	No	No	No	No	Yes	Negotiate – Approved by member agencies	No
Enter into Facility Operating Agreements	No	Yes	Yes	Yes	Operated by Authority	Yes	Operated by Authority	Yes	Yes	Yes
Enter into Disposal Agreements	No	Yes	Yes	Yes	Yes	Yes	Operated by Authority	Yes	Yes	Yes
Enter into Processing Agreements	No	Yes	Yes	No	No	Yes	Operated by Authority	Yes	Yes	Yes
Permanent HHW Facility in region	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
HHW Program Management	Yes	Yes	Yes	Yes	Operated by Authority	Yes	Operated by Authority	Yes	Yes	Yes
Enter into HHW Operating Agreements	Yes	Yes	Yes	Yes	Operated by Authority	Yes	Operated by Authority	Yes	Yes	Yes



Agenda Item #: **13**
Cost Center: **Contingency**
Staff Contact: **Coleson**
Agenda Date: **5/21/2014**

ITEM: **Administrative Penalties Resolution**

I. BACKGROUND

The Administrative Penalties ordinance was adopted by the Agency Board at the February 19, 2014 Board of Directors meeting. The Administrative Penalties ordinance applies to any and all ordinances of the Agency that are currently in effect or that the Agency may adopt in the future.

II. DISCUSSION

Section 1.12 (d) allows the Board to establish by resolution the amount of the fine to be assessed for Administrative Citations, or violations of the ordinance.

The fine amounts listed in the resolution are consistent with state statute: \$100 for the first offense, \$200 for the second offense within one year of the first offense, and \$500 for the third and each additional offense within one year of the first offense.

Strong feedback from Agency members indicated a preference for warnings to be issued prior to the imposition of fines. The fine amounts listed in the resolution would be issued after a warning was issued.

III. FUNDING IMPACT

There are no immediate funding impacts as a result of this item. Though there is potential for revenue generation as a result of approving this resolution, in the experience of other jurisdictions, the imposition of a fine is uncommon.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

Staff recommends approval of the Resolution establishing Administrative Citation Penalties

V. ATTACHMENTS

Administrative Citation Penalties Resolution

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

RESOLUTION NO. 2014-

**RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ESTABLISHING
ADMINISTRATIVE CITATION PENALTIES**

WHEREAS, Ordinance No. 2014-02 established an administrative citation program for violations of Sonoma County Waste Management Agency ("Agency") ordinances, including authority for the adoption of administrative citation penalties; and

WHEREAS, the Agency Board has determined the penalties should be set at the rate provided by state statute.

**NOW, THEREFORE, THE SONOMA COUNTY WASTE MANAGEMENT AGENCY HEREBY
RESOLVES AS FOLLOWS:**

Section 1: The following administrative citation penalties are established:

\$100.00 for the first offense,

\$200.00 for the second offense within one year of the first offense, and

\$500.00 for the third offense and each additional offense within one year of the first offense,

for any violation of any provision of any Ordinance now in effect or hereafter adopted by the Agency.

Section 2: This Resolution shall take effect immediately.

PASSED, APPROVED, AND ADOPTED by the Sonoma County Waste Management Agency
this ____th day of _____, 2014.

MEMBERS:

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

AYES -10- NOES -- ABSENT -- ABSTAIN --

SO ORDERED.

Jim Wood
Chair,
Sonoma County Waste Management Agency

ATTEST:

Rebecca Lankford
Clerk of the Board,
Sonoma County Waste Management
Agency

APPROVED AS TO FORM:

Janet E. Coleson
Agency Counsel



Agenda Item #: **14.1.a**
 Agenda Date: **5/21/2014**

ITEM: **Outreach Calendar May 2014- June 2014**

May 2014 Outreach Events

3	10:30 AM -12:30 PM	Restoring Habitat at Rincon Vallery Library
3	12 PM– 4 PM	Windsor Cultural Festival and Cinco de Mayo, Windsor
5	3 PM – 9 PM	Cinco de Mayo Celebration, Santa Rosa
6	4 PM – 8 PM	Community Toxics Collection, Guerneville
8	4 PM – 7 PM	Santa Rosa Chamber of Commerce Business Showcase, Santa Rosa
9	9 AM- 11 AM	Staff Meeting presentation, Jack London State Park
13	11AM- 2 PM	Bag Fair, Cotati
13	4 PM – 8 PM	Community Toxics Collection, Boyes Hot Springs
14	11AM- 2 PM	Bag Fair, Santa Rosa
15	11AM- 2 PM	Bag Fair, Windsor
17-18	8AM- 4PM	E-Waste Event, Whole Food Coddington
20	4 PM – 8 PM	Community Toxics Collection, Healdsburg
27	4 PM – 8 PM	Community Toxics Collection, Sonoma
28	5 – 8:30 PM	Water Expo during Wednesday Market, Santa Rosa

June 2014 Outreach Events

<u>Day</u>	<u>Time</u>	<u>Event</u>
3	4 PM – 8 PM	Community Toxics Collection, NW Santa Rosa
7	11AM- 2PM	Resource Fair, Rancho Feliz Rohnert Park
10	4 PM – 8 PM	Community Toxics Collection, Oakmont
17	4 PM – 8 PM	Community Toxics Collection, Cloverdale
18-22	1 PM – 10 PM	Sonoma Marin Fair, Petaluma
24	4 PM – 8 PM	Community Toxics Collection, Graton
21	8 AM – 4 PM	E-waste Event, Oakmont Central Facility Parking Lot
25	4 PM – 8 PM	Community Toxics Collection, Bodega Bay
27	9 AM – 1 PM	HazMobile, Point Arena Pier
28	9 AM – 1 PM	HazMobile, The Sea Ranch North Fire Station
28	10:30 AM -12:30 PM	Optimizing Your Garden in a Drought Year, Harvest for Hungry Santa Rosa



Agenda Item #: **14.1.b**
 Cost Center: **Education**
 Staff Contact: **Chilcott/Mikus**
 Agenda Date: **5/21/14**

ITEM: **Mandatory Commercial Recycling (MCR-3) progress report**

I. BACKGROUND

As defined by the Agency's Work Plan for FY 13-14, adopted by the Board on March 20, 2013, \$20,017 in Agency staff time was allocated for continuation of this project. On the October 16, 2013 Agency Boardmeeting, the Board approved the Mandatory Commercial Recycling (MCR) Phase 3 Project proposal. On January 15, 2014, Agency staff provided a progress report on activities.

II. DISCUSSION

The following is a summary of outreach conducted from October, 2013 to present, specifically describing outreach activities that were completed between January 15, 2014 to present. MCR-3 is scheduled to be completed on or shortly after June 30, 2014.

Task #																	
1	MCR-2 feedback online survey																
	Outreach goal: 100 emails	Actual to date: 82 emails	Status: Completed October 2013														
2	Business targeted mailing																
	Outreach goal: 9,000 letters mailed	Actual to date: 9,253 letters mailed	Status: Completed December, 2013														
3	Business follow-up site visits																
	Outreach goal: 75 business visits	Actual to date: 66	Status: 1 in progress														
	<p>Summary:</p> <p>37 businesses requested outreach in response to the targeted mailing effort. 14 business received outreach materials in response to C2 services Spanish language businesses targeted outreach. An effort was made to reach out to affordable lodgings, as well.</p> <p>The following summarizes outreach to businesses:</p> <table><tr><th>Business outreach, visits & follow up visits</th><th>Numbers</th></tr><tr><td>Number of businesses mailed letter</td><td>9,253</td></tr><tr><td>Number of businesses visited</td><td>67</td></tr><tr><td>Number of waste analyses conducted</td><td>20</td></tr><tr><td>Number of properties that received outreach materials</td><td>44</td></tr><tr><td>Number of properties that held an event</td><td>10</td></tr><tr><td>Number of properties that held more than one event</td><td>0</td></tr></table>			Business outreach, visits & follow up visits	Numbers	Number of businesses mailed letter	9,253	Number of businesses visited	67	Number of waste analyses conducted	20	Number of properties that received outreach materials	44	Number of properties that held an event	10	Number of properties that held more than one event	0
Business outreach, visits & follow up visits	Numbers																
Number of businesses mailed letter	9,253																
Number of businesses visited	67																
Number of waste analyses conducted	20																
Number of properties that received outreach materials	44																
Number of properties that held an event	10																
Number of properties that held more than one event	0																

Area	Number of businesses visited	Names
Healdsburg	4	Chris Zootis Performance Center, Judith Stadler, Outlander, 101
Petaluma	14	Amy's Kitchen, Public Storage, Maltby Electric, Strauss Creamery, Western Landscaping, Creations by Francis G, Argent Bank, Memorial Hospice of Petaluma, Coda Technology Group, Hillside Landscaping, 101 North Brewing Co., Fishman's Supply, Xandex, WorldCentric
Rohnert Park	5	La Perla Market and Plaza Garibaldi Taqueria, El Tapatio Taqueria, Vem Dance Academy, Sprint Store, Golden Bean Coffee
Santa Rosa	31	Taqueria El Mariachi, Chelino's Mexican Restaurant, El Patio Mexican Restaurant, El Palomar Mexican Food, Taqueria La Guadalupana, Tu Salud, Alvarez Mariscos Seafoods, Tarascos Market #3, Bellos Suenos, Venus Photography, Joyeria Maria, Mariscos La Jaiba, The Engine Is Red, Taylor Mountain Inc, Storage Master Self-Storage, Barber Insurance, Betty's Fish & Chips, ReStore, Hahn Automotive, True Value Hardware, Radrods, Leslie's Pool Service, Leadership Institute-Ecology, Earth & Upheaval, Slakey Brothers, St. Vincent de Paul Kitchen, Pasta Etc., Empire Eye Doctors, Discovery Office Systems, Annadel Medical Group 500 Doyle Park building, Memorial Hospice of Santa Rosa, A Naked Pig
Sonoma	4	O'Reilly Auto Parts, Sonoma Springs Brewing Co., Sonoma Internal Medicine, Synergy Dental
Sebastopol	1	Permaculture Skills Center
Unincorporated area	8	Efficiency Mechanical Heating & Cooling, River Family Services Center, Russian River Empowerment Center, Coffee Bazaar, Jack London State Historic Park, Cazadero Performing Arts Camp, Huffstutter Hauling, Annapolis Winery
Total	67	

Outreach materials distributed to businesses	Number distributed
Recycling Guides (English)	259
Recycling Guides (Spanish)	41
Single-stream recycle posters (8 ½" x 11")	335
Single-stream recycling posters (11"x17")	17
Compost curbside yard debris posters (8 ½" x 11")	16
"We recycle, it's the law" fliers	14
Safe Medicine Disposal fliers	38
Motor oil & filter Drop-off locations fliers	3
Reusable shopping bags	39
28-quart blue recycling bins	111
32-gallon blue recycling bins	43

The following summarizes outreach to lodgings/motels:

Lodgings outreach, visits & follow up visits	Numbers
Number of lodgings visited	9

	Number of waste analyses conducted		8
	Number of lodgings that received outreach materials		9
	Number of lodgings that held an event		5
	Number of lodgings that held more than one event		1
	Area	Number of lodgings visited	Names
	Cloverdale	1	Super 8 Motel
	Healdsburg	1	America's Best Value Inn
	Petaluma	1	Petaluma Hotel
	Rohnert Park	2	Rodeway Inn, Budget Inn
	Santa Rosa	3	Palms Inn, Extended Stay America south Santa Rosa, Monte Vista Motel
	Unincorporated	1	Jenner Inn
	Total	9	
	Outreach materials distributed to lodgings		Number distributed
	Recycling Guides (English)		3
	Recycling Guides (Spanish)		2
	Single-stream recycle posters (8 ½" x 11")		161
	Single-stream recycling posters (11"x17")		16
	"We recycle, it's the law" fliers		15
	Reusable shopping bags		1
	28-quart blue recycling bins		166
	32-gallon blue recycling bins		16
4	Conduct presentations for school age children		
	Outreach goal: 25 presentations	Actual to date: 24 school-age presentations 1 college class presentation 1 school staff meeting	Status: 6 In progress
	<p>Summary: On 10/24/13 an email was distributed by the Community Programs Coordinator at Redwood Empire Food Bank recruiting groups to receive free Agency kids recycling presentations. While only a few responses were received from this effort, contacts were made with the Sonoma County Office of Education, Boys & Girls Clubs of Sonoma County, and multiple schools throughout the county. These contacts scheduled school-aged children's presentations and generated numerous referrals for several more school-aged presentations. Almost all recipients of the school-aged presentation offered positive feedback that the children were excited about recycling and expressed interest in having the presentation annually.</p>		

Figure 1: Judith Hoffman presenting to kids at Helen Lehman Boys & Girls Club , May 2014



Figure 2: Science Night at Marguerite Hahn Elementary School, February 2014

School presentations	Numbers
Number of school sites requested outreach	30
Number of school sites visited	21
Number of school sites that held a presentation	20
Number of school sites that held more than one presentation	4



Area	Number of school sites visited	Names
Cloverdale	2	Boys & Girls' Club Washington Club, Boys & Girls' Club Jefferson Club
Rohnert Park	2	Boys & Girls' Club Rohnert Park, Marguerite Hahn Elementary
Santa Rosa	13	Sonoma County Office of Education, Santa Rosa Charter School, Santa Rosa Junior College, Boys & Girls' Club Sheppard Club, Boys & Girls' Club JX Wilson Club, Apples & Bananas Preschool, A Special Place Preschool, Boys & Girls' Club Roseland Creek, Boys & Girls' Club Steele Lane, Boys & Girls' Club Biella Club, Boys & Girls' Club Cook Middle School, Boys & Girls' Club Comstock, Boys & Girls' Club Helen Lehman,
Sebastopol	1	Analy High School
Unincorporated area	2	Mark West Elementary, Geyserville Elementary
Windsor	1	Boys & Girls' Club Cali Calmecac Language Academy
Total	21	

Outreach materials distributed to schools	Number distributed
Recycling Guides (English)	676
Recycling Guides (Spanish)	156
Single-stream recycle posters (8 ½" x 11")	772
Single-stream recycling posters (11"x17")	26
Reusable shopping bags	20
28-quart blue recycling bins (in home use)	22
32-gallon blue recycling bins (common area use)	13

5	Multifamily outreach targeting tenants (bi-lingual)																				
	Outreach goal: Visits to 75 multifamily complexes and outreach events at 25 complexes	Actual to date: 61 visits 19 presentations: -15 community events -2 door-to-door events -2 kids' presentations	Status: 6 In progress																		
	Summary: 25 properties were selected from MCR-2 for follow-up outreach as a result of low attendance rates at events held (less than 20% of all units); outreach not received due to property undergoing renovation at time of site visit; expressed an interest in outreach event but did not schedule one; and properties experiencing ongoing issues with contamination of their recycle stream. The selected properties from MCR-2 were offered further outreach opportunity via email; 5 properties responded and received further outreach and held events. 50 properties were selected from the database for site visits that have not previously received outreach; these properties were visited for waste assessment and offered outreach.																				
	<table><tr><th>Multi-family property visits & follow up visits</th><th>Numbers</th></tr><tr><td>Number of multifamily properties visited</td><td>61</td></tr><tr><td>Number of waste analyses conducted</td><td>59</td></tr><tr><td>Number of properties that received outreach materials</td><td>21</td></tr><tr><td>Number of properties that held an event</td><td>17</td></tr><tr><td>Number of properties that held more than one event</td><td>7</td></tr></table>			Multi-family property visits & follow up visits	Numbers	Number of multifamily properties visited	61	Number of waste analyses conducted	59	Number of properties that received outreach materials	21	Number of properties that held an event	17	Number of properties that held more than one event	7						
Multi-family property visits & follow up visits	Numbers																				
Number of multifamily properties visited	61																				
Number of waste analyses conducted	59																				
Number of properties that received outreach materials	21																				
Number of properties that held an event	17																				
Number of properties that held more than one event	7																				
	The number of multifamily complexes visited by jurisdiction is detailed below:																				
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	Unincorporated area	3	Valley of the Moon Apartments, FAHA Manor Senior Apartments, Madrone Apartments	
	Total	61		
	Outreach materials distributed		Number distributed	
	Door hanger event notices		1,769	
	Recycling Guides (English)		488	
	Recycling Guides (Spanish)		176	
	Single-stream recycle posters (8 ½" x 11")		995	
	Single-stream recycling posters (11"x17")		20	
	Compost curbside yard debris posters (8 ½" x 11")		15	
	"We recycle, it's the law" fliers		498	
	Safe Medicine Disposal fliers		328	
	Motor oil & filter Drop-off locations fliers		72	
	Reusable shopping bags		454	
	28-quart blue recycling bins (in home use)		548	
	32-gallon blue recycling bins (common area use)		19	
6	English paid advertising & Facebook promotion			
		Status: Completed April, 2014		
7	Spanish paid advertising			
		Status: Completed December, 2013		
8	Access database maintenance/updates			
	Outreach goal: N/A	Actual to date: N/A	Status: In progress	
	On-going, as needed.			
9	Bin purchase, printing supplies & USPS postage			
	Outreach goal: N/A	Actual to date: N/A	Status: In progress	
	Summary: In response to business and multifamily requests, an order was placed for 300 small and 50 large blue recycling containers on January 9, 2014. Another order of 300 small and 10 large blue recycling containers was placed on March 17, 2014.			

Summary of community impact:

Below is a summary of results from recent outreach.

Community impact, businesses	Numbers
Adults that received outreach	189
Number of businesses that established recycling service for the 1 st time	3
Number of businesses that significantly increased the number of recycling bins and/or bin size	2

Community impact, lodgings	Numbers
Adults that received outreach	8
Number of lodgings that established recycling service for the 1 st time	1
Number of lodgings that significantly increased the number of recycling bins and/or bin size	1

Community impact, schools	Numbers
Children that received outreach	810

Community impact, multifamily properties	Numbers
Adults that received outreach	425
Children that received outreach	58
Number of properties that established recycling service for the 1 st time	1
Number of properties that significantly increased the number of recycling bins and/or bin size	0

Figure 3: Excerpts of feedback

Email received April 17, 2014

Hi Judith,

I am so happy that the presentations are going well! I've heard great things on our end as well about them—specifically, Members are asking teachers and our Team Members about recycling before they throw things away and are jazzed about the whole process!

Thank you so much for your time and effort!

Katie Welch
Director of Program Services

Boys & Girls Clubs of Central Sonoma County
1400 N. Dutton Avenue, Suite 24, Santa Rosa, CA 95401
707-528-7977, ext. 111 office
707-528-7933 fax
bgccsc.org | www.facebook.com/bgccsc

GREAT SUMMERS START HERE 

Learn how you can provide great summers for Sonoma County children at bgccsc.org/greatsummers.

III. FUNDING IMPACT

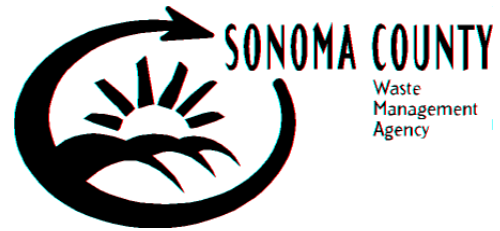
The MCR-3 project is currently operating within budget.

IV. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

None required.

V. ATTACHMENTS

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



May 12, 2014

Assemblymember Das Williams
State Capitol, Room 4005
P.O. Box 942849
Sacramento, CA 95814-0037

SUBJECT: SUPPORT OF ASSEMBLY BILL 2284: ALKALINE BATTERY RECYCLING

Dear Assemblymember Williams:

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 household batteries. In Fiscal Year 12/13, the cost to dispose of 45,512 pounds of non-rechargeable household batteries collected through Sonoma County's Household Toxics Facility (HHTF) was \$31,858. This cost does not include the labor involved to collect and sort the batteries.

The SCWMA strongly supports Assembly Bill (AB) 2284, which would create a sustainable, cost-effective and convenient collection and recycling program for non-rechargeable batteries sold in California to finally achieve the goal of the 2006 household battery disposal ban.

AB 2284 will allow producers of non-rechargeable household batteries to create and manage a collection system that is safe and convenient for California consumers to recycle spent batteries. We think this is business friendly and supports a private-sector approach with proper government oversight. AB 2284 builds off of two years of work with Senator Ellen M. Corbett to create a statewide producer responsibility program for all household batteries. This legislation should provide a level playing field for the producers of primary batteries to operate the program.

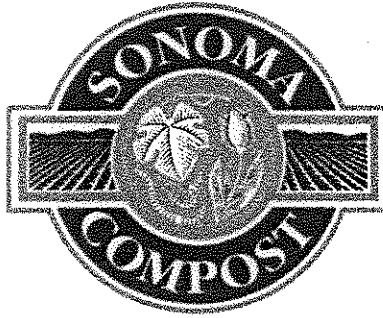
We support the parties continuing to work together to find a solution that will work for all stakeholders in California. As the bill language is changing we see this as an opportunity to work with industry to find a solution for all involved with clear communication to move this bill forward.

The SCWMA is delighted to be in support of this important piece of legislation. If you have any questions about our position, please contact Lisa Steinman, at (707) 565-3632 or Lisa.Steinman@sonoma-county.org.

Sincerely,

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

cc: Tatum Holland, Legislative Assistant, Office of Assembly Member Das Williams
Assembly Member Das Williams fax: 916.319.2137
Senator Lou Correa fax: 916.323.2323
Assembly Appropriations Committee Fax: 916.319.2181
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



550 Mecham Road, Petaluma CA 94952

(707) 664-9113 www.sonomacompost.com

May 7, 2014

Mr. Mikus,

Sonoma Compost Company respectfully withdraws its request for financial assistance in the form of the First Amendment to our Agreement with the Sonoma County Waste Management Agency to facilitate the purchase of a new windrow turner and sortline/screen to facilitate operations and compliance at the Central Compost facility.

The intent of the SCC proposal was to improve operations and efficiency, and to help assure compliance with permit requirements. Were we in a position to amortize these improvements over time, in addition to other significant investments we have made in the past year, we would have assumed that responsibility directly.

However it is clear that there are several key issues facing the Agency that require your immediate attention, and that these other matters must be resolved prior to navigating needed operational changes.

Sonoma Compost Company intends to continue to participate and problem solve with staff and other stake-holders in addressing the immediate concern of zero-discharge, and will continue to provide the best and most efficient compost operation possible as this, and other, issues are resolved.

We look forward to continuing to help work towards solutions with the Agency as you navigate long term planning, and development of a new compost facility. As in the past, we welcome the opportunity to assist by providing technical and operational support.

Sincerely,

A large black rectangular box redacting the signature of Will Bakx.

Will Bakx
Co-owner, Sonoma Compost

cc: Jim Wood, Chair, Sonoma County Waste Management Agency