



## Meeting of the Board of Directors

October 15, 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, expected to be 9:30  
AM)

*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**

September 17, 2014

SPECIAL MEETING

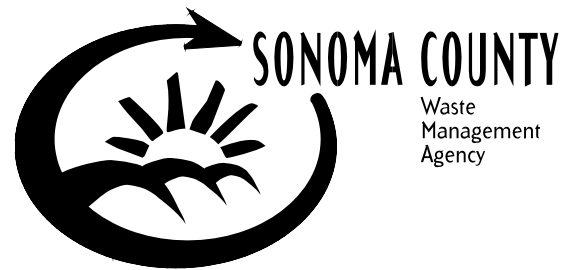
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*Note: This packet is 132 pages total*



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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,  
expected to be 9:30 AM)**

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

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

**Agenda**

**\*\*\* UNANIMOUS VOTE ON ITEM #7.4 \*\*\***

<u>Item</u>	<u>Action</u>
1. Call to Order Regular Meeting	
2. Agenda Approval	
3. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION GOVERNMENT CODE SECTION 54956.9(d)(1)	
Renewed Efforts of Neighbors Against Landfill Expansion vs. County of Sonoma, Sonoma Compost Company, Sonoma County Waste Management Agency Case 3:14-cv-03804-TEH	
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION GOVERNMENT CODE SECTION 54956.9(d)(2) and (e)(5)	

Threat of Litigation made by Roger Larsen on May 19, 2014 between 10:00 - 10:30 am at Happy Acres neighborhood east of the Compost Facility at the Central Landfill. The threat of litigation was made to Henry Mikus and Patrick Carter and concerned, in part, the construction of a new holding or retention pond at or near the Compost Facility. A contemporaneous record of this threat of suit was made by Henry Mikus and is available for viewing at Agency offices.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
GOVERNMENT CODE SECTION 54956.9(a),(d)(2) and (e)(3)

A threat of litigation was received via a letter sent to the Agency by email on September 26, 2014 from Michael Lozeau representing RENALE, regarding certification of the Final Environmental Impact Report for the Agency's Compost Facility.

4. Adjourn Closed Session
5. Agenda Approval
6. Public Comments (items not on the agenda)

**Consent** (w/attachments)

Discussion/Action

- 7.1 Minutes of September 17, 2014 Regular Meeting
- 7.2 Tip Fee Surcharge Adjustment
- 7.3 Petaluma Surcharge Agreement 9<sup>th</sup> Amendment
- 7.4 Consultant Contract Extension (Unanimous vote required)

**Regular Calendar**

- |     |                                                                        |                                      |
|-----|------------------------------------------------------------------------|--------------------------------------|
| 8.  | Sonoma Compost Amendment<br>[Mikus, Carter](Attachments)               | Discussion/Action<br><b>Organics</b> |
| 9.  | Compost Zero Discharge Plan Update<br>[Mikus](Attachments)             | Discussion/Action<br><b>Organics</b> |
| 10. | Central Proposed Site Engineering Report<br>[Mikus](Attachments)       | Discussion/Action<br><b>Organics</b> |
| 11. | New Compost Site Selection<br>[Mikus, Carter, Coleson](Attachments)    | Discussion/Action<br><b>Organics</b> |
| 12. | <b><u>Attachments/Correspondence:</u></b>                              |                                      |
|     | 12.1 Reports by Staff and Others:                                      |                                      |
|     | 12.1.a October and November 2014 Outreach Events                       |                                      |
|     | 12.1.b News articles regarding the Alameda County Meds Ordinance       |                                      |
|     | 12.1.c New legislation regarding organics materials: AB 1594 & AB 1826 |                                      |

- 12.1.d Sharps Flier: Proper Disposal
- 12.1.e California reusable bags ban summary report

- 13. Boardmember Comments
- 14. Staff Comments
- 15. Next SCWMA meeting: November 19, 2014
- 16. Adjourn

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

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

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

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

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



Date: September 18, 2014

To: SCWMA Board Members

From: Henry J. Mikus, SCWMA Executive Director

**Executive Summary Report for the SCWMA Board Meeting of September 17, 2014**

**Item 3:** The Board met in Closed Session to discuss “Anticipated Litigation”, there was nothing to report at its conclusion.

**Item 7:** The Consent Agenda contained several items: the Minutes of the August 20, 2014 regular Board Meeting, Annual Budget Adjustments, a Consultant Contract for Construction Management Services for the Combined Ponds Project (Tetra Tech BAS), and the Agreement for Special Counsel Services. Item 7.4 the Special Counsel Agreement was pulled and placed on the Regular Calendar, and the other three items were approved.

**Item 7.4:** As was reported out of “Closed Session” in August, the Board wished to retain Mr. Gene Tanaka, of the law firm Best, Best, & Krieger, to act as Special Counsel to work with the Board, Agency Counsel, and Agency staff, and to monitor and advise, on issues related to the lawsuit “*Renewed Efforts of Neighbors Against Landfill Expansion vs. County of Sonoma, Sonoma Compost Company, Sonoma County Waste Management Agency.*” The item was pulled from “Consent” to discuss setting an initial not-to-exceed cost limit in the agreement. This limit was set at \$45,000, and the Agreement was approved by unanimous vote.

**Item 8: Compost Zero Discharge Plan Update:** The initial progress report on Zero Discharge Plan progress was compiled and sent to the NCRWQCB Thursday September 11, 2014. The work on implementing the Zero Discharge Plan continues, with the recent month’s focus having been on accomplishing the interim measures that need to be in place for the upcoming winter rainy season. SCC has begun reconfiguring the compost site to achieve the 18% footprint reduction. Partial outhaul to other compost sites has begun, mainly to provide space for the reconfiguration to be done expeditiously. *The City of Sonoma and the City of Petaluma were specifically thanked for their efforts to divert green waste to provide assistance for the outhaul activities.* Also, the pond combination project began September 15, 2014 with a planned completion date of October 23, 2014. The written report contained a summary of expenses incurred thus far, and expenses allocated/approved per the Board’s request. There was no formal action required for this item.

**Item 9: Waste Characterization Study:** The Waste Characterization Study has been completed by SCS Engineers, who presented a report to the Board on the Study and its results. Waste samples from around the County solid waste system were taken and sorted, with the results tabulated and subject to statistical analysis. Results were also compared to the most recent similar study (from 2006/2007). In simple terms, waste generation is down compared to the past study, and although the percentage compositions of the different waste types have changed almost all categories show a decrease when measured by tons. The SCS report was accepted by the Board, and is available online at [www.recyclenow.org](http://www.recyclenow.org) for examination.

**Item 10: Compost Outhaul Agreement:** At the August meeting the Board approved an agreement in principal with the Ratto Group for outhaul of compost materials. However, despite the best intentions, the agreement could not be made final in the form that had been approved. In short, Ratto was not able to haul materials to sites other than Redwood Landfill and Jepson Prairie, which had significant financial consequences. The agreement with Ratto was presented again for approval to acknowledge the Ratto

limit on destination sites. Because the total outhaul possibility is an option in the Zero Discharge Plan that will only be used if all other Plan tracks cannot be made to work, the real immediate financial impact with the new version of the agreement is added annual costs of approximately \$50,000 for the partial outhaul related to site working footprint reduction. The Agreement was approved on a unanimous vote.

**Item 11: Tip Fee Surcharge Discussion:** The current tip fee surcharge, which funds our HHW, Education, and Planning/Reporting programs, has been at \$5.95/ton since July 2010 and is assessed on inbound trash only. The County-Republic landfill MOA (which is likely to be effective soon) has provision to assess the surcharge and other fees on all materials brought in to the solid waste system, not just trash. With a broader base of tons which would include compost raw materials, if the tip fee is left unchanged approximately \$500,000 in added revenue would accrue over the course of a year with potential increases to rate-payers. An alternative would be to reduce the surcharge to a level where annual income would remain at current amounts; this is calculated to be about \$4.85/ton and would not impact rate-payers. The Board directed staff to take the appropriate steps, including crafting a draft amendment to the agreement with the City of Petaluma for surcharge payment, to effect the change in surcharge to \$4.85 per ton on all inbound materials, for formal Board action.

**Item 12: Sonoma Compost Amendment:** This was continued to the October, 15, 2014 Board meeting.

**Item 13: Attachments/Correspondence:** The attachments were the September & October 2014 Outreach Calendar, a report on the Carryout Bags Ordinance Outreach efforts, and a flyer for the Safe Medicine Disposal Program Symposium on October 29, 2014..



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

**From:** Henry Mikus, Executive Director

**Subject:** October 15, 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.***

## 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 September 17, 2014 Board Meeting:** regular approval.
- 7.2 **Tip Fee Surcharge Adjustment:** After discussion during the September meeting, the Board directed staff to return with the formal documents to adjust the tip fee surcharge to be consistent with the landfill MOA which will soon be effective. The MOA suggests charging the surcharge on all inbound materials, not just trash, to bring stability to the surcharge revenue.
- 7.3 **Petaluma Surcharge Amendment:** Petaluma waste is taken to Redwood Landfill. However, because Petaluma is served by SCWMA for the programs funded by the tip fee surcharge, there has been an agreement since 2004 where Petaluma pays the surcharge for the waste they generate. The proposed agreement amendment changes the proposed tip fee surcharge adjustment to be consistent with the surcharge amount in Item 7.2, as it applies to Petaluma. Also, given that the current Petaluma agreement would end June 2015, the proposed amendment includes an agreement extension through January 2017.
- 7.4 **Consultant Contract Extension:** Stu Clark, of DEI, has been working for SCWMA to assist in formulating then implementing the Zero Discharge Plan. It is expected that his work will be complete by the end of this year. The contract amount is requested to be adjusted for additional \$26,000 to cover his work for November and December 2014.

## Regular Calendar

- 8. **Sonoma Compost Amendment:** The issue of a math error that had been inadvertently built into the revenue sharing formula for the new Sonoma Compost Company Contract from February 2013 was initially discussed as part of a larger topic related to a windrow turner and compost facility footprint reduction. Now that it is likely the windrow turner will not be



purchased anytime soon, the error still needs to be addressed. As part of the new contract the balance between processing fees paid to SCC and the revenue sharing was altered to provide more stability in forecasting and budget; the Agency paid less up front but earned less after sales with the changes on both ends of the equation supposed to be in balance. SCC lowered their per ton costs to the Agency in return for a decrease in the revenue sharing level. Revenue sharing had been on an even, split basis, with the mistake a factor of two in the new revenue sharing threshold. In effect the mistake resulted in the Agency getting the cost savings up front, then also the revenue sharing at an elevated level. An amendment to the contract is proposed to set the revenue sharing threshold at the correct level plus make an appropriate and fair adjustment for the recent year. The year adjustment is for \$183,773.50.

9. **Compost Zero Discharge Plan Update:** The work on implementing the Zero Discharge Plan has continued. In the recent month the construction project to combine the two small storm water ponds into a single pond with double capacity began and has progressed well. Anticipated completion is October 30. The reduction of the compost site working footprint by 18% by vacating 4.25 acres was accomplished. Partial overhaul of incoming raw materials was begun, in large part to provide some work flow relief so site reconfiguration could occur. The site reduction also required construction of a storm water diversion berm and some additional out-flow piping so that contact water could be reduced. Winter measures for storm water management are in place.
10. **Central Proposed Site Engineering Report:** Tetra Tech BAS completed their report to the Board that addressed three issues for the proposed new compost facility site at Central. First, that the site can accommodate the required capacity of 200,000 tons processed per year was confirmed. Second, a preliminary design which included a construction cost estimate was completed. Finally, the questions regarding the suitability or benefit to the new site from the proposed large storm contact water pond for the current site were answered. A roof option for the new site was examined, which showed that building the roof was less expensive than constructing the pond. Thus, if a roof was built, the new pond would not be of any advantage to the new site.
11. **New Compost Site Selection:** As a result of the information provided by Tetra Tech BAS about the proposed new compost at Central, the Board might be inclined to select the site for a new compost facility. If the Board does make a selection, the next step would be direction to Agency Counsel and staff to return with the documents required to formally certify the site selection EIR.
12. **Attachments/Correspondence:** The items this month are the Outreach Events Calendar, a news articles on the Alameda County Meds Ordinance being upheld in court, to California State items of legislation just signed by Governor Brown regarding organic materials, a flyer for proper disposal of sharps (needles and syringes), and a brief report on the recently signed California reusable bags ban that explains how that impacts the recent SCWMA ordinance.



## Minutes of September 17, 2014 Meeting

The Sonoma County Waste Management Agency met on September 17, 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 (via teleconference)  
Jim Wood  
Dan St. John  
Don Schwartz  
Jake Ours  
Larry McLaughlin  
Steve Barbose  
Shirlee Zane  
Debora Fudge

### Staff Present:

Counsel  
Staff

Janet Coleson  
Henry Mikus  
Patrick Carter  
Lisa Steinmann  
Karina Chilcott

Acting Clerk

Patrick Carter

### 1. Call to Order

The meeting was called to order at 9:01 a.m.

### 2. Open Closed Session

### 3. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION Government Code Section 54956.9(d)(2) and (e)(5) Two cases

Direction was given to Agency Counsel.

### 4. Adjourn Closed Session

### 5. Agenda Approval

There were no changes to the Agenda.

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

Margaret Kullberg objected to Site 40 being considered in the compost relocation EIR. Site 40 would cost millions of dollars, it is prime agricultural land under the Williamson Act, and the roads to the site are very busy, and Adobe Road has plenty of potholes already. Leaving the compost facility at the present site with a new basin built to contain the problem water has good roads and would be the obvious place to keep the site.

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

7.1 Minutes of the August 20, 2014 SCWMA meeting

7.2 Annual Budget Adjustments

7.3 Construction Management Services, Pond Combination Project

7.4 Agreement for Special Counsel Services

Shirlee Zane, County of Sonoma, asked whether Item 7.4 required a unanimous vote. After some discussion, Item 7.4 was pulled from the consent calendar.

**Bob Cox, City of Cloverdale, moved to approve the Consent Calendar, Jake Ours, City of Santa Rosa, seconded the motion.**

**Don Schwartz, City of Rohnert Park, and Jake Ours, City of Santa Rosa abstained from the vote of Item 7.1 the Minutes of July 16, 2014, due to their absences.**

**The motion passed with the noted abstentions.**

**7.1 Vote Count:**

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

**7.2 and 7.3 Vote Count:**

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

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

AYES -10- NOES -0- ABSENT -0- ABSTAIN -0-

**7.4 Agreement for Special Counsel Services**

Ms. Zane requested to know whether this item required a unanimous vote.

Janet Coleson, Agency Counsel, replied that the services of Mr. Gene Tanaka would be provided on an hourly basis, and that there are not typically not-to-exceed amounts on these types of contracts.

Chair Wood suggested that until the agreement is signed, perhaps it would be helpful to have a not to exceed amount. Ms. Zane agreed.

Ms. Coleson replied that because attorney agreements are based upon an hourly rate and can be terminated at any time, the structure allows them to continue by a majority vote without potential delays caused by unanimous votes. If the Board sets a not-to-exceed amount, the next time the item is up for review, it could cause the item to be a unanimous vote item.

Chair Wood stated that he doubted the Board would have an issue with needing to pay for the services of special counsel, but that they were reluctant to move forward with an unlimited amount.

Ms. Zane agreed and said that if special counsel needed an additional amount, the Board could consider the request, but that an amount needed to be established.

Steve Barbose, City of Sonoma, stated that as an attorney, any estimate the Board would receive would be a range of estimates depending on the complexities of the case.

**Mr. Barbose motioned approval of the Agreement for Special Counsel Services with the law firm, Best, Best, and Krieger LLP, in an amount not-to-exceed \$45,000 until staff returns for authorization of additional funds. Mr. Ours 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-

## **Regular Calendar**

### **8. Compost Zero Discharge Plan Update**

Mr. Mikus reported that the Agency promised to give monthly reports to the North Coast Regional Water Quality Control Board (NCRWQCB), and that was sent the previous week. The report followed the structure and nomenclature of the Zero Discharge Plan. The focus of the last month has been on the interim measures in the plan, including the footprint reduction and increasing the capacity of the existing ponds. Mr. Mikus reported that Sonoma Compost has created a plan for movement of materials from the 4.25 acres. The stakeholders have been meeting weekly to discuss the issues and ensure all tasks are being completed.

The other interim measure is the increased capacity of the ponds. Magnus Pacific was selected for the work and was scheduled to begin work on September 15, which they did. The schedule was to complete the work by October 23, which has the potential to be in the rainy season, but there was a plan to deal with potential runoff from a potential rain event which had been reviewed by both the County and the NCRWQCB staff.

Mr. Mikus stated that as it related to the pumping and trucking of water collected during the rainy season, the Agency has been receiving the services of Environmental Pollution Solutions when meeting with waste water treatment plant operators.

Mr. Mikus reported that the engineering analysis for the site selection is expected to be presented to the Board at the October Board Meeting.

Mr. Mikus also reported that the cities of Petaluma and Sonoma have directed their haulers to directly outhaul compostable material to other compost facilities to make it easier for Sonoma

Compost to achieve the footprint reduction in time. The City of Petaluma also committed to receiving some compost water.

### **Board Questions**

Don Schwartz, City of Rohnert Park, asked what percentage of compostable material was attributable to Petaluma and Sonoma.

Mr. Mikus replied that Petaluma was approximately twelve to fourteen percent and Sonoma was approximately three percent.

Dan St. John asked which other treatment plants had committed to receive compost waters in Sonoma County.

Stu Clark, DEI, responded that the Laguna Waste Water Treatment Plant has agreed to maximize the amount of water they can receive from Central. Staff has reached out to the Sonoma County Water Agency, specifically the Sonoma Valley plant, which had declined to take the water this year, but would be willing to revisit the issue next year. Beyond Sonoma County, the Novato Sanitary District as well as the Marin District considered the requests, but declined for various reasons. The East Bay Municipal Utilities District has agreed to take a minimum of 60,000 gallons of water per day at their Oakland facility.

Mr. St. John responded that the Agency would be receiving an official commitment to receive the 5,000 gallons per day from the Agency's compost facility.

Deb Fudge, Town of Windsor, asked whether the Windsor facility had been contacted.

Mr. Clark responded that they had not been contacted, but he would do so after this meeting.

Ms. Zane requested additional detail regarding how much water would be trucked to each facility and how it relates to the eighteen percent footprint reduction.

### **Public Comments**

Roger Larsen said he was happy to hear the cities were working together on the issues. Mr. Larsen asked whether the permit for the small pond was done through County's PRMD.

Mr. Mikus responded that the issue was complex and that staff would get back to him on that.

Allan Tose asserted that on an average year approximately 6 million gallons would be discharged into Stemple Creek. He also asserted that East Bay MUD would take as much water as the Agency would give them because they processed the water differently, and because they had the capacity to accept it.

### **Board Discussion**

Ms. Zane requested the contingency plan for rainfall be delivered to the Board for the next meeting.

## **9. Waste Characterization Study Report**

Patrick Carter, Agency staff, introduced the Waste Characterization Study (WCS) final report and gave a brief description of the history of waste characterization studies performed by the Agency

in the past. Mr. Carter introduced Michelle Leonard of SCS Engineers, the firm hired by the Agency to perform the study.

Ms. Leonard gave an overview of the purpose of the study being to compare the composition of waste between this study and past studies, to identify specific generators of divertible waste, and to identify household hazardous waste. Based on information from the hauler, the sampling plan was put together to study residential, commercial, and self-hauled waste. There was an approximately 30% decrease in waste from the 2007 Waste Characterization Study, due to the economic conditions as well as diversion programs.

Organics, paper, and Construction and Demolition materials made up the top three categories of waste in the overall waste composition. Food waste was about 17% of the overall waste. About 65% of the current waste stream is divertible or compostable. While most of the categories decreased in terms of tons disposed, however, plastics increased when compared to the previous WCS. Additional information about the residential, commercial, and self-hauled materials was discussed.

With regard to specific generator types, offices and healthcare facility generated and disposed of a significant amount of paper. There was a significant amount of glass in the lodging sector. Restaurants, health clubs, and golf courses produce a large amount of organics.

### **Board Questions**

Mr. Barbose asked about the analysis of food waste with regard to vegetative vs. non-vegetative food waste.

Ms. Leonard replied that the detailed tables in the report did analyze food waste in greater detail, and that the tables dealing with whether the material was divertible lumped all food waste together.

Mr. Barbose asked why plastic waste was increasing.

Ms. Leonard replied plastic packaging has been increasing, both in product packaging, and film to cover the products.

Ms. Zane asked about how the data should be applied. What recommendations should be made to meet the 90% diversion rate goals?

Ms. Leonard responded that there were opportunities to increase the diversion of organics as well as plastics.

Ms. Zane asked for more specifics on whether the programs should be broad or targeted to specific commercial generators.

Ms. Leonard said that with regard to organics there are programs around the country that are tailored to specific generators, like restaurants, that have been effective. With regard to plastic, extended producer responsibility may be an option. Trade groups may be good organizations to partner with for increase diversion.

Ms. Zane requested that additional policy recommendations be brought back by staff at a future meeting. Ms. Zane requested the tourism industry be targeted as well for increasing their diversion. Ms. Zane suggested that construction and demolition debris be targeted as well.

Ms. Fudge said that she felt this was an opportunity to improve programs for specific generator types.

Susan Harvey, City of Cotati, asked whether there were other successful program throughout the country targeting paper.

Ms. Leonard replied that many of the paper programs involved source reduction.

Mr. Schwartz stated that the Environmental Health Department inspects and provides resources to the facilities they inspect and asked whether there was partnership potential with that department.

Mr. Carter replied the mandatory commercial recycling program accomplishes the very targeted, pragmatic, easily implemented activities, and that working with the Environmental Health Department would be a great suggestion to incorporate with the mandatory commercial recycling program.

Mr. St. John asked what we might expect in terms of increased diversion once this county has a compost program that can accept meat, dairy, and fish.

Ms. Leonard responded that just having the facility does not necessarily result in increased diversion, it will also depend on how well the program is marketed and supported. Ms. Leonard believed another 5-10% diversion could be achieved.

### **Public Comments**

Steve McCaffrey, the Ratto Group, acknowledge the amount of work that took place to accomplish this program. Mr. McCaffrey asserted that the findings from this study backed up what was predicted by the SWAG Research Committee several years ago. A comprehensive food waste program and a dirty MRF were recommended by the SWAG, and both programs are in the process of being implemented through the MOA.

Nea Bradford expressed a frustration with lodging facilities and the lack of recycling options, but also with stores not having appropriate signage for people to make a quick decision on whether an item is recyclable or not.

Rick Downey, Republic Services, echoed the comments of Steve McCaffrey, in that the WCS mirrored the SWAG Research Committee report. The food waste program from the MOA will be taken to the Republic compost facility in Richmond, until capacity is available in Sonoma County. There will also be a wet/dry system for waste when the MOA is effective. Mr. Downey expects October 7, 2014 to be the date of the final approval of the MOA by all the cities except Petaluma.

Ernie Carpenter suggested that the education is paying off, and that the Board should consider the Agency's Third Amendment sooner than later. Mr. Carpenter informed that Board that Former Supervisor Mike Reilly works for the tourism bureau and would be a good contact for talking about increasing diversion in the tourism sector.

Mr. Clark said he was impressed by the study and echoed earlier comments about this study reinforcing the diversion programs that resulted from the SWAG process.

Ken Wells suggested that this WCS is a wealth of information. Mr. Wells suggested that there are many programs out there that could be beneficial to staff in providing policy recommendations. Mr. Wells suggested the shortcoming with implementing these programs in having enough staff at the Agency. As tipping fee increases and the work plan are considered, Mr. Wells suggested the Board consider increasing staff.

### **Board Discussion**

Ms. Zane requested staff return to the Board with policy recommendations and examine the MOA programs.

**Ms. Zane moved acceptance of the Waste Characterization Study. The motion was seconded by Mr. Cox.**

**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-

## **10. Compost Outhaul Agreement**

Mr. Carter gave an update on the outhaul agreement with the Ratto Group. There was direction from the Board at the August Board Meeting to approve the agreement with the Ratto Group as long as the agreement didn't materially differ from what was presented at that meeting. The result of further negotiations was materially different from what was presented, so staff is asking the Board for direction at this meeting. The major differences were the Ratto Group wishing to only use the Redwood Landfill and Jepson Prairie Organics for the regular hauling, with the reasoning given being the longer operating hours and different equipment that would be more advantageous to the Ratto Group. One outstanding issue relates to pressure treated wood, and staff expects that issue can be resolved in the next couple of months.

The financial implications of this agreement compared to the one presented previously are an annual cost of \$5.2 million for full outhaul compared to \$4.9 million with the previous agreement, and partial outhaul would be about \$115,000 over the current costs with Sonoma Compost. The Agency would cover the costs of hauling from the City of Sonoma to the Napa Compost facility, at about \$8/ton. The outhaul from the City of Petaluma to the Redwood Landfill would not have a financial impact on the Agency.

### **Board Questions**

Ms. Zane asked the Ratto Group to address the significant unresolved issues.

Mr. McCaffrey stated the outstanding issues have been resolved with the language in the agreement.



Mr. Barbose asked what was happening to the treated wood in the interim.

Mr. McCaffrey stated that the Sonoma Compost was loading the wood into debris boxes and the Ratto Group was hauling it to the proper disposal locations.

Mr. St. John asked about the WCC Republic facility.

Mr. Carter responded that the WCC Republic facility is more of an emergency backup if there is no capacity at Redwood Landfill or Jepson Prairie Organics.

### **Public Comments**

Sean O'Rourke, Cold Creek Compost, reported that the elimination of Cold Creek Compost and the City of Napa Compost Facility would come at greater expense to the ratepayers. Mr. O'Rourke stated that Cold Creek Compost was prepared to accept 10,000 tons per year of food, wood, and green materials at a rate of \$22.40/ton. Approximately \$190,000 would be saved by bringing material from the Healdsburg transfer station to Cold Creek Compost, as well as reducing traffic, and immediately allow additional compost material.

Mr. Barbose asked Mr. O'Rourke to respond to the comments on hours of operation.

Mr. O'Rourke responded that the facility is open and willing to accommodate any hours.

Roger Larsen stated that outhaul is only necessary because the Board insists on composting at the Central Landfill. If you moved the compost facility elsewhere no outhaul or ponds would be necessary.

### **Board Discussion**

Mr. Ours asked whether there is a rebuttal to the comments made by Cold Creek Compost.

Mr. Mikus replied that Cold Creek's comments were reflected in the Agency staff report last month. However, the hauler does not wish to bring material to that facility due to hours and efficiency of operations. The efficiency relates to the equipment the Ratto Group has available as opposed to what can be received at the other facilities.

Mr. Schwartz recalled that the Board approved an amendment with Sonoma Compost to purchase a piece of equipment that would assist in the reduction of the footprint, and wanted to know about the implications of the changes due to Petaluma and Cotati.

Mr. Mikus responded that the changes from Petaluma made the purchase of that equipment not making financial sense.

Mr. Barbose expressed his displeasure in the hauler not providing for the most cost effective option and asked whether all the changes proposed by the Ratto Group were reflected in the staff report.

Mr. Carter replied affirmatively.

Ms. Fudge asked about the difference in mileage from going to Jepson Prairie and Cold Creek.

Mr. Carter replied that the difference in tip fee was approximately \$4/ton so the rest of the difference was in the hauling cost. Mr. Carter stated that he believed the Ratto Group had more possum belly trucks available for hauling.

Mr. Mikus stated that staff does not like the situation the Agency has been put in but with the Ratto Group as the only bidder, he's focused on how do we move forward and get where we need to be.

Ms. Harvey stated that she remembered that Cold Creek could not accommodate all of the Healdsburg Transfer Station material, and that some other outhaul would still be necessary. Ms. Harvey also expressed disappointment that the agreement that was presented at the last meeting seemed almost like a bait-and-switch.

Mr. St. John stated he was surprised that Cold Creek had not had discussion with a different hauler to have material hauled from the Healdsburg Transfer Station to their facility.

Mr. Carter acknowledged that Cold Creek had done exactly that and sent that information to staff, but the complexity lies with the Ratto Group's operation of the transfer stations. When the Agency originally released the RFP, the scope of work was to haul from the transfer stations to the other compost facilities. However the Ratto Group stated the Agency did not have authority to do so, specifically for outside haulers to be loaded by the transfer station operator. Regardless of whether Agency staff agreed with that assertion, staff did change the scope of the RFP to only haul from the Central Compost Site to other compost facilities. The Ratto Group responded with a proposal which met the requirements of the RFP and included an alternate proposal to haul from the transfer stations to other facilities directly. Mr. Carter stated that he believed it would be a difficult situation for another hauler to bring material from the transfer stations to other compost facilities.

Ms. Zane felt that the process was uncomfortable, but that we need to move forward now. Staff did what was requested of them.

Mr. Barbose asked staff to confirm whether the RFP process generated the rates presented in the previous report or the current report.

Mr. Carter responded that the rates included in the current proposal were the rate originally proposed by the Ratto Group. The Ratto Group originally did not include rates to bring material to Cold Creek or the City of Napa. Agency staff negotiated with the Ratto Group to include those facilities due to the cost savings. Staff believed there was agreement on the costs to go to those facilities, but ultimately the negotiations resulting in what is before the Board currently.

Mr. Ours stated that the contractor's refusal to go to those facilities ties the Agency's hands.

**Ms. Zane moved to move forward with the agreement. Mr. Cox seconded the motion.**

**Mr. Barbose and Chair Wood requested a friendly amendment to include the other staff recommendations from the staff report.**

**The friendly amendment was accepted by both Ms. Zane and Mr. Cox.**

**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

AYES -10-

NOES -0-

ABSENT -0-

ABSTAIN -0-

## **11. Tip Fee Surcharge Discussion**

Mr. Mikus discussed the funding for the Agency's programs. The surcharge set by this Board is currently \$5.95/ton of garbage. The Master Operation Agreement that appears to be close to implementation contemplates spreading the Agency's surcharge across all inbound materials at the County transfer stations, not just garbage. Without changing the Agency surcharge, the result would be approximately \$500,000 of additional revenue. The MOA suggests the Agency surcharge should be reduced to a lower level to avoid this windfall. Agency staff has calculated that the surcharge should be \$4.85/ton to be approximately revenue neutral to the Agency. A consequence of implementing the surcharge on all material would be that the surcharge would be imposed on the inbound tip fees on wood and yard debris, as well as a convenience fee of \$9.25/ton by the County to cover maintenance of closed landfills not under Republic's responsibility. Staff is seeking direction from the Board on how to proceed.

### **Board Questions**

Mr. St. John requested clarification on the two new fees and the third fee related to assurance of future liabilities.

Mr. Mikus stated that he had been told by County Transportation and Public Works Director Susan Klassen that the third fee would only be assessed on garbage and not the green or wood waste.

Mr. St. John asked whether staff was requesting direction on the other two fees.

Mr. Mikus responded that the convenience fee is not under the control of this Agency, only the tip fee surcharge.

Mr. St. John asked what the difference was between what the Agency receives for income and what the Agency pays Sonoma Compost.

Mr. Mikus replied that the revenue doesn't just pay Sonoma Compost, but it also includes payment for the transfer of materials from the transfer stations to the compost site.

Mr. Carter stated that there is very little room to cushion the rate increase.

Ms. Zane stated that there has been a lot of staff time to vet the MOA and the amount listed in the MOA should be used. She recommends using the \$4.85/ton recommended rate.

### **Public Comments**

Ken Wells stated he was not sure the County has the ability to unilaterally apply the fees to the green waste. He stated the incentives are backwards, as the Agency should not be discouraging the use of the green waste program. Mr. Wells would urge leaving the tip fee at \$6/ton, remove it from the green waste, and use the extra funding for education.

Rick Downey stated that the amount in the MOA was \$4.50.

Mr. St. John asked what the discretion of the Board was to set the surcharge.

Mr. Mikus stated that it is the purview of this board to set the Agency surcharge. It is the County's right to set the fee at the gate at whatever they want to.

Ms. Coleson reiterated what Mr. Mikus stated. The County is obligated to provide the Agency the amount of revenue the Agency is due according to the tip fee surcharge the Agency sets. If the County wishes to include the surcharge amount on other materials, it may do so, as long as the Agency is made whole.

Roger Larsen stated that if the compost site was at Site 40, the County would not be the Agency's landlord and would not have a say on whether the surcharge was applied there.

Ms. Harvey asked for clarification about who sets the surcharge.

Ms. Coleson reiterated that the Agency Board has the sole authority to set the Agency surcharge amount. If the County, as the landlord, decides to apply other fees, that is their purview.

Mr. Barbose asked whether imposing the fee on green waste would create a disincentive on participation in the green waste program.

Mr. Mikus responded that the additional fees on the green waste would have the greatest effect on self hauled material. The impact on the fee at the green can is negligible, but the self hauled material might be a big enough difference to make financial sense for self haulers to go to a different site.

Ms. Zane asked for Mr. Downey to discuss the assumptions made in the MOA. Amendments to the agreement are possible.

Mr. Downey expressed concern that the price listed in the MOA that has been shown to the cities is \$4.50/ton, and is a pass-through cost. Mr. Downey feared that if the price presented to the cities was one amount, and the Board changes that amount, the difference may be a problem to the cities. Mr. Downey suggested that Mr. Mikus was a party to some of the discussions where the \$4.50/ton amount was discussed.

Mr. Mikus suggested that when the \$4.50/ton amount was calculated, there was a math error that didn't take the Petaluma waste into effect and the County was informed a year and a half ago. Mr. Mikus revisited the issue with County staff a few weeks ago, as the MOA is approaching implementation, wishing to resolve this issue. County staff asked him to calculate the fee, and that is what is in the staff report.

Ms. Zane stated that Ms. Klassen also recommended the \$4.85/ton amount and that the Agency should move forward with that surcharge amount.

Mr. Downey said that the amount does not bother him, it's just whether there will be a perception that the costs are increasing by \$0.35/ton more than what was previously presented.

Ms. Fudge did not believe the cities would be concerned with the difference in \$0.35/ton, but she was concerned that by drawing down reserves the actions may put the Agency in a poorer financial situation, and it doesn't make sense to reduce revenue in that situation.

Mr. Barbose stated that the MOA and the JPA don't match up on all items, and that it is the responsibility of all members to make sure the items match up. Mr. Barbose believes the Agency should go forward with the correct number of \$4.85/ton.

## **Board Discussion**

**Mr. Barbose moved to direct staff to proceed with the Agency tip fee set at \$4.85/ton on garbage and compost materials.**

**Ms. Zane seconded the motion.**

Mr. Ours agreed the funding at this point should be set at \$4.85/ton.

Mr. Schwartz stated that there is a 33% increase in tonnage and an 18% reduction the surcharge amount and creates an economic disincentive to bring material to this compost facility. Mr. Schwartz asked why the Board would decide to do this.

Mr. Mikus stated that the rationale behind spreading the surcharge over more materials was to provide long term stability for Agency funding. As trash decreases, the Agency receives less revenue, as is less able to fund its programs.

Mr. Schwartz hoped that these issues would be discussed more as the renewal of the Agency is considered, as to his understanding there were no assurances that the County would continue to provide a site as a subsidy after the 2017 normal expiration.

Mr. Mikus replied that, recognizing the compost site selection discussion would take place at the October meeting, he had written a letter to the County on the subject of providing a site with the expectation of a response in time for the October meeting.

Mr. St. John felt that all the information needed to make this decision was not in the staff report, including compost facility costs, why the decision needed to be made now, and the financial information about the current and future surcharge.

Mr. Mikus reiterated that Agency staff had written a letter to the County and spoke in front of the Board of Supervisors about the fee amount being incorrect two years ago and that he and Agency Counsel had met with Ms. Klassen and County Counsel and there was no resolution at the time. As it became clear the MOA was approaching implementation, Agency staff raised the issue again with the County. Regarding compost facility costs, Mr. Mikus reported that the data on how much the site would cost was presented to the Board about one year ago, and that it would be funded through a design/build operator with an agreement that would have a term sufficient to adequately finance the project. Mr. Mikus suggested the information about the surcharge calculation was included in the staff report.

Mr. St. John requested that if the surcharge change was to be made at the October meeting, that the amendment to the agreement with Petaluma be included as well.  
After much discussion between Mr. St. John and Agency Counsel, Mr. Barbose suggested the item be voted upon.

Mr. Schwartz and Ms. Harvey abstained as their councils have not yet voted on the MOA.

**The motion passed on the following vote.**

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

AYES -8-	NOES -0-	ABSENT -0-	ABSTAIN -2-
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Mr. Barbose and Mr. Ours left the meeting at 12:05 PM.

**12. Sonoma Compost Amendment**

This item was continued to the October 15, 2014 Agency meeting.

**13. Attachments/Correspondence:**

- 13.1 Reports by Staff and Others:
  - 13.1.a August 2014 and September 2014 Outreach Events

**14. Board Member Comments**

None

**15. Staff Comments**

None

**16. Next SCWMA meeting: October 15, 2014**

**17. Adjourn**

The meeting was adjourned at 12:06 PM.

Submitted by  
Patrick Carter



Agenda Item #: **7.2**  
Cost Center: **All**  
Staff Contact: **Mikus**  
Agenda Date: **10/15/2014**

ITEM: **Tip Fee Surcharge Discussion**

**I. BACKGROUND**

SCWMA revenues are primarily generated by user fees related to solid waste services, with a small portion of income from other sources such as grants. Of the four main programs, three: Household Hazardous Waste, Education & Outreach, and Planning & Reporting, are funded by a tip fee surcharge assessed on all trash received into the County solid waste system. Currently this surcharge is set at \$5.95 per ton; it has been at this level since July 2010 and the start of Fiscal Year 10-11. The fourth program, composting, is supported by per ton fees assessed on all raw materials brought to the compost facility or County transfer stations for processing; the range is \$27.60 to \$36.20 per ton. These user fees are set by the SCWMA Board, most frequently as a part of the annual budget discussions.

The County of Sonoma, which owns and operates the Central Landfill and the transfer stations at Annapolis, Guerneville, Healdsburg, and Sonoma, collects these fees on behalf of SCWMA. There is one exception however. Petaluma does not have their waste delivered to the County system as they use the Redwood Landfill in nearby Novato. As a result, Petaluma, via a separate agreement with SCWMA, provides their surcharge money separately via payments of \$5.95 per ton for waste sent by them to Redwood. The Petaluma Agreement began in January 2005, and was renewed in June 2012 to extend until June 2015.

For the past several years, the County has been working through a process that involves the nine incorporated Cities/Town to implement a Master Operating Agreement (MOA), a contractual arrangement whereby Republic Services and its Prime Subcontractor, the Ratto Group, will become responsible for operating the landfill and transfer stations while the County still maintains ownership. The MOA is expected to become effective as soon as November 2014. When that occurs, among its responsibilities, Republic will manage the scales and associated billing activities, so that Republic will collect the user fees on behalf of SCWMA and the County.

As a result of discussion held at the SCWMA Board meeting on September 20, 2014, the Board agreed to set the tip fee surcharge at \$4.85 per ton with a start date of December 1, 2014, and directed staff to return to the Board for formal approval of the requisite documentation.

**II. DISCUSSION**

One of the advantages the MOA will provide to the community is a focus on increasing waste diversion away from trash; the MOA sets goals for increased diversion levels for Republic. One significant change related to this step-up in waste diversion is that the MOA contemplates assessing the SCWMA tip fee surcharge on all inbound materials rather than just trash. The intent is to provide some stability to the amount of revenue generated per year because, as waste diversion efforts succeed, the amount of trash would reduce. By assessing the surcharge on all

materials the total revenue per fiscal year would not be adversely affected, as more and more waste materials go from burial to being diverted into various beneficial programs such as reuse or recycling.

With the change to a broader base for collecting the SCWMA tip fee surcharge at the start of the MOA, if the surcharge amount remained unaltered there would be an immediate increase in the revenue collected. On an annual basis the revenue increase could be in the range of \$460,000 to \$535,000 depending on how Petaluma chooses to dispose of its green waste in the future. However, the tip fee surcharge could be reduced effective with the start of the MOA in order to keep revenue level.

In round numbers, currently the annual budget predicts a total of \$1.6 M from surcharge revenue at the \$5.95 per ton rate from 270,000 tons of trash. The addition of the 90,000 annual compost tons would give a basis for the surcharge of 360,000 tons. To keep revenue level, for this expanded amount of tons the surcharge could go as low as \$4.75 per ton (which includes a 5% safety factor). If Petaluma diverts its green waste (somewhere between 10,000 to 12,000 tons annually) the leveled surcharge would be \$4.85 per ton.

### **III. FUNDING IMPACT**

By electing to adjust the tip fee surcharge to a rate of \$4.85 per ton income for the three programs funded by the surcharge will be kept level while the base over which the surcharge is assessed is broadened.

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

Staff recommends approval of revising the tip fee surcharge from \$5.95 per ton to \$4.85 per ton, effective with the start of the MOA start between the County and Republic.

### **V. ATTACHMENTS**

Resolution

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



RESOLUTION NO.: 2014-

DATED: October 15, 2014

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("AGENCY") ADJUSTING  
THE AGENCY TIPPING FEE SURCHARGE

WHEREAS, the Agency Board of Directors has the sole authority for setting the amount of the tipping fee surcharge, as defined by the Joint Powers Agreement ; and

WHEREAS, the Agency wishes to change the Agency tipping fee surcharge amount to \$4.85/ton on all incoming solid waste and compost facility green waste and wood waste received at County-owned waste facilities in Sonoma County.

NOW, THEREFORE, BE IT RESOLVED that the Agency hereby approves of the \$4.85/ton tipping fee surcharge amount, and directs Agency staff to submit documentation to County staff for implementation of this new rate on December 1, 2015.

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: October 15, 2014

\_\_\_\_\_  
Patrick Carter,  
Acting Clerk of the Sonoma County Waste Management Agency  
Agency of the State of California in and for the  
County of Sonoma



Agenda Item #: **7.3**  
Cost Center: **All**  
Staff Contact: **Carter**  
Agenda Date: **10/15/2014**

ITEM: **Petaluma Surcharge Agreement 9<sup>th</sup> Amendment**

**I. BACKGROUND**

On November 17, 2004, the Agency Board authorized the Chair to sign an agreement with the City of Petaluma in which the Agency provided Household Hazardous Waste (HHW) services to Petaluma residents for calendar year 2005. The cost for this service was paid directly by the City of Petaluma, instead of through the tipping fee surcharge, as Petaluma's solid waste by-passes the County disposal system. The agreement was subsequently amended on November 16, 2005, April 19, 2006, May 16, 2007, May 21, 2008, May 20, 2009, May 19, 2010, May 18, 2011, and June 20, 2012. The subsequent amendments expanded the scope of the agreement to include all Agency programs, not just HHW.

**II. DISCUSSION**

The implementation of the County/Republic Master Operations Agreement (MOA) is expected to occur in November 2014. As was discussed at the September 17, 2014 Agency Board Meeting, including the Agency's tipping fee surcharge on additional materials would increase the basis of the tipping fee calculation, and, unless modified, would result in a significant increase of revenue to the Agency. To ensure the transition to the new surcharge calculation is revenue neutral, the Agency would decrease the tipping fee surcharge from \$5.95/ton to \$4.85/ton for materials (as defined by the MOA) which enter the County's Transfer Stations. To ensure the tip fee surcharge is level throughout the county, it would be necessary to decrease the surcharge amount due to the Agency from the City of Petaluma from \$5.95/ton to \$4.85/ton. In the case of Petaluma, this surcharge payment would only apply to the garbage collected by the City's Franchised Hauler.

The attached Ninth Amendment decreases the surcharge payment to \$4.85/ton and extends the agreement through January 31, 2017.

**III. FUNDING IMPACT**

Decreasing the Agency tipping fee surcharge from \$5.95/ton to \$4.85/ton (assuming 30,000 tons per year, which is the approximate average over the past several years) would decrease the revenue received from the City of Petaluma from \$178,500 to \$145,500, a difference of \$33,000. The inclusion of the tipping fee surcharge on other materials at the County's transfer stations would provide compensation for this reduction.

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

Staff recommends approval of the Ninth Amendment to the Agreement with the City of Petaluma.

**V. ATTACHMENTS**

Ninth Amendment to the Agreement for Household Hazardous Waste and AB 939 Program  
Services  
Resolution

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

## **NINTH AMENDMENT TO AGREEMENT**

### **Household Hazardous Waste and AB 939 Program Services**

This Ninth Amendment to Agreement, effective the 1<sup>st</sup> day of December, 2014, ("Effective Date"), is made and entered into by and between the City of Petaluma, a municipal corporation and a charter city, hereinafter referred to as "CITY," and the Sonoma County Waste Management Agency, a joint powers agency, hereinafter referred to as "AGENCY."

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

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

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

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

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

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

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

WHEREAS, CITY and AGENCY approved the Seventh Amendment to the Agreement to compensate the AGENCY for services managed and performed by the AGENCY, and extend the term of the Agreement for an additional twelve (12) months, until June 30, 2012; and,

WHEREAS, CITY and AGENCY approved the Eighth Amendment to the Agreement to extend the term of the Agreement for an additional thirty-six (36) months, until June 30, 2015, and,

WHEREAS, CITY and AGENCY wish to amend the Agreement for a ninth time to adjust the compensation to the AGENCY by the CITY and extend the term of the agreement through January 31, 2017.

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

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

## 2. Compensation

- A. For the full performance of the Services as described herein, CITY shall compensate AGENCY under the terms defined in Exhibit A Services and Compensation. Payment of this amount is due monthly installments, upon invoice, beginning December 1, 2014.

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

3. **Term.** The term of this Agreement commences on the effective date of December 1, 2014 and terminates at midnight on January 31, 2017, unless extended or terminated sooner pursuant to the provisions of this Agreement.

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

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

CITY OF PETALUMA

SONOMA COUNTY WASTE MANAGEMENT AGENCY

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Agency Chair

APPROVED AS TO FORM:

\_\_\_\_\_  
Agency Counsel

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

APPROVED:

\_\_\_\_\_  
Risk Manager

APPROVED:

\_\_\_\_\_  
Finance Director

## **Exhibit "A" – Ninth Amendment**

### **Services and Compensation**

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

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

The annual compensation for services shall be calculated by applying the AGENCY tipping fee surcharge rate on the actual tonnages of solid waste disposed by the City of Petaluma's franchised waste hauler, Petaluma Refuse and Recycling. The amount of solid waste disposed for each month shall be reported to AGENCY for invoicing purposes by the 20<sup>th</sup> of the succeeding month. The AGENCY approved rate of \$4.85 per ton will be used for calculating invoices. Payment of each monthly invoice shall be due and payable to AGENCY ten (10) days after receipt of the invoice.

RESOLUTION NO.: 2014-

DATED: October 15, 2014

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

WHEREAS, on November 17, 2004 the Agency authorized the Agency Chair to sign a contract with the City of Petaluma, which was subsequently amended in November 2005, April 2006, May 2007, May 2008, May 2009, June 2010; May 2011, May 2012; and

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

WHEREAS, for FISCAL YEARS 12-13, 13-14, and 14-15, the basis of calculation for payment of the portion of tipping fees the City of Petaluma will be paying shall be the actual tonnage of solid waste disposed calculated at \$5.95 per ton and invoiced on a monthly schedule; and

WHEREAS, the City of Petaluma and the Agency agree to amend the Agreement for a ninth time to adjust the compensation to the AGENCY by the CITY from \$5.95/ton to \$4.85/ton and to extend the term of the agreement through January 31, 2017.

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

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: October 15, 2014

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Patrick Carter,  
Acting Clerk of the Sonoma County Waste Management Agency  
Agency of the State of California in and for the  
County of Sonoma





Agenda Item #: **7.4**  
Cost Center: **Organics**  
Staff Contact: **Mikus**  
Agenda Date: **10/15/2014**

ITEM: **Consultant Contract Extension**

**I. BACKGROUND**

The initial efforts to work to achieve Zero Discharge at the compost facility contemplated a fairly rapid construction project to provide a large pond for water storage. Stu Clark of DEI was retained to assist Agency staff in this effort. Because of the time-sensitivity of this project, Mr. Clark was initially retained for expense up to \$5,000 under the Executive Director's signing authority and the concurrence of the Board's Executive Committee. The Board approved retaining Mr. Clark for continued work on the project with additional expenditure of \$39,000 to cover his services through August 2014, with a subsequent extension approved by the Board in August 2014. As our Zero Discharge efforts evolved, it became clear the pond could not be built quickly and work on putting together a Zero Discharge Plan took shape. Mr. Clark has been a vital part of that effort.

Mr. Clark's work has been exemplary and his efforts quite key to the milestones achieved thus far.

**II. DISCUSSION**

Per the estimate for his services Mr. Clark's work has expended the amount allocated thus far. Even though the Zero Discharge Plan has been completed and submitted to the NCRWQCB, the project is ongoing. Staff wishes to continue to retain Mr. Clark's services. As similar not to exceed budget for \$26,000 which is expected to cover efforts through the end of the year is recommended. It is anticipated this will also cover his work until his services are complete and not required further on the Zero Discharge project.

**III. FUNDING IMPACT**

Project funding would need to be allocated from the Organics Reserve. The FY 14-15 estimated year-end balance is \$3,996,698, 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 \$26,000 fund allocation, and approve the fund transfer from the Organics Reserve for the project. As the cumulative amount for this series of agreements with DEI, Inc. exceeds \$50,000, this item requires a unanimous vote.

**V. ATTACHMENTS**

First Amendment to Agreement with DEI, Inc.  
Resolution

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

## FIRST AMENDMENT TO AGREEMENT

### Compost Facility Storm Contact Water Pond Project Submittals & Approvals

This First Amendment to Agreement, effective October 15, 2014, ("Effective Date"), is made and entered into by and between the Sonoma County Waste Management Agency, a joint powers agency, hereinafter referred to as "AGENCY" and D. Edwards Incorporated, hereinafter referred to as "DEI."

WHEREAS, AGENCY and DEI entered into an Agreement effective May 21, 2014 and terminating on September 1, 2014, relating the development of a Zero Discharge Plan (hereinafter the "Agreement"); and

WHEREAS, AGENCY approved a minute order to amend the Agreement to include an additional \$39,000 of funding to continue implementation of measures of the Zero Discharge Plan; and,

WHEREAS, AGENCY and DEI wish to amend the Agreement for a second time to include an additional \$26,000 and to extend the term of the agreement through January 21, 2015.

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

Section II of the Agreement, "AGENCY INFORMATION," is amended to read as follows:

Completion Date: January 21, 2015

Section IV of the Agreement, "Payment for Services," is amended to read as follows:

Contract Amount: not to exceed \$104,000 based on actual amount of time and direct expenses.

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

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

D. Edwards Incorporated

\_\_\_\_\_  
Title:

SONOMA COUNTY WASTE MANAGEMENT AGENCY

\_\_\_\_\_  
Agency Chair

APPROVED AS TO FORM:

\_\_\_\_\_  
Agency Counsel

\_\_\_\_\_  
Agency Executive Director

RESOLUTION NO.: 2014-

DATED: October 15, 2014

RESOLUTION OF THE SONOMA COUNTY WASTE MANAGEMENT AGENCY ("AGENCY") ADJUSTING  
THE AGENCY TIPPING FEE SURCHARGE

WHEREAS, it has become necessary to retain the services of DEI for consulting assistance regarding the formulation and management of a Zero Discharge Plan 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 14-15; and

WHEREAS, it is necessary to appropriate funds from the Organics Reserve to cover the unanticipated expenditures.

NOW, THEREFORE, BE IT RESOLVED that the Agency hereby approves of the amendment of the agreement with DEI Inc, to include a not-to-exceed budget of \$104,000 and term extension to December 31, 2014.

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: October 15, 2014

\_\_\_\_\_  
Patrick Carter,  
Acting Clerk of the Sonoma County Waste Management Agency  
Agency of the State of California in and for the  
County of Sonoma



Agenda Item #: **8**  
Cost Center: **Organics**  
Staff Contact: **Carter**  
Agenda Date: **10/15/2014**

ITEM: **Sonoma Compost Amendment**

**I. BACKGROUND**

Sonoma Compost Company (SCC) was the contractor awarded the composting operation agreement with the Agency on February 20, 2013 as the result of a competitive procurement process. SCC had been the Agency's compost contractor for 20 years previously.

The previous contract with SCC included provision for revenue sharing equally between the Agency and SCC after a guaranteed revenue amount was deducted by SCC. This amount paid to the Agency was variable year to year which made predicting program earnings difficult. As part of negotiations for the new contract Agency staff proposed a new model, which would eliminate revenue sharing in exchange for a reduced per ton fee paid to the selected contractor. SCC met that requirement, by reducing its per ton fees by at least \$2/ton, but also added back the revenue sharing provision to provide additional revenue to the Agency in the case of particularly robust material sales years.

In effect, revenue sharing was proposed to only occur above a set threshold, with the Agency share of that threshold amount to be converted to reduced up-front costs paid to SCC for processing. This put financial predictions on a firmer footing, as tonnage levels were predictable much more accurately than sales revenue. The new contract contained both lower per ton processing rates and set a threshold for revenue sharing, which was set at \$367,547. Thus, Section 4.2.3 of the Agreement stipulates that SCC and the SCWMA share in the revenue generated by the sale of finished products once a minimum level of revenues is reached. Staff's intent when negotiating this Agreement was to minimize the amount of revenue shared in order to reduce the ongoing operating costs paid by the SCWMA to SCC. This is evidenced by the relatively low amounts listed in the Agency's annual budgets for FY 13-14 (\$15,000) and 14-15 (\$15,000) compared to amounts when the previous agreement was in effect (\$130,000 in FY 11-12 and \$120,000 in FY 12-13). Per-ton processing costs by comparison dropped about \$2 in the new contract for operating cost savings to balance the drop in revenue sharing.

At the first interval under the new contract where revenue sharing was tabulated, it became apparent to both Agency staff and SCC that a numerical error was contained in the new contract which had been missed by all parties. The threshold number was too small by a factor of two and should have been \$735,547. The error was the failure to multiply by two because the revenue was split equally between SCC and the Agency.

At the July 16, 2014 Agency meeting, the Board approved of the First Amendment to the Agreement with SCC to purchase a windrow turner and increase site efficiency. However, because of the strong possibility Petaluma will send their green waste elsewhere coupled with a long machine delivery lead time, obtaining the windrow turner has been put in abeyance.

With the First Amendment not in effect, Agency and SCC staff believe the issue of revenue sharing payments need be resolved in a new First Amendment.

## II. DISCUSSION

The agreement with SCC went into effect on March 15, 2013, and the revenue sharing amount was set to be an annual payment instead of four quarterly payments. As described above, Agency and SCC staff are in agreement that Section 4.2.3 of the Agreement with SCC is incorrect, has been incorrect since the agreement inception, but was not discovered to be incorrect until May 2014 when Agency and SCC staff were discussing the amount of the revenue sharing payment that was to be made. The table below describes the revenue sharing from FY 2009/10 to FY 2013/14.

	Revenue Sharing			SCWMA
	Wood	Yard	Total	Payments to SCC
2009/10	\$ 102,637.51	\$ 208,332.64	\$ 310,970.15	\$ 2,539,256.41
2010/11	\$ 102,273.65	\$ 238,267.91	\$ 340,541.56	\$ 2,554,503.43
2011/12	\$ 110,682.70	\$ 288,355.04	\$ 399,037.74	\$ 2,633,936.25
2012/13 *	\$ 41,549.12	\$ 138,093.45	\$ 179,642.57	\$ 2,316,916.37
2013/14 **	\$ 92,048.00	\$ 252,092.00	\$ 344,140.00	\$ 2,396,862.66
* Revenue from Biofuel sales dropped significantly, resulting in lower wood revenue sharing. 4th Quarter revenue sharing not realized until June 2014.				
** Totals do not include March 16-June 30, 2014 revenue sharing as that is not due until June 2015.				

As can be seen from the table, revenue sharing in the prior agreement averaged around \$350,000 per year. The transition year from the prior agreement to the new agreement in FY 2012/13 had a few issues worth noting. First, the biofuel market decreased significantly, resulting in a drastic drop of revenue for wood waste. Secondly, as Agency staff did not expect a large sum due to the Agency from the revenue sharing with SCC and since the revenue sharing from March 14 to June 30, 2013 was not due until June 2014 (due to the change to an annual payment), Agency staff only allocated \$10,000 in accounts receivable for revenue sharing in FY 2012/13. The resulting revenue sharing allocated to FY 2012/13 is much lower than previous year. In FY 2013/14, when the issue with revenue sharing was discovered, the total revenue sharing due to the Agency was significantly higher than FY 2012/13.

Also worth noting from the table above is the amount paid to SCC by the Agency. In the previous agreement the annual amount paid to SCC was over \$2.5 million and as high as \$2.63 million, but with the implementation of the new agreement, the amount paid is less than \$2.4 million. This reduction of cost paid by the Agency was the intent of Agency staff and SCC, and is working as expected. In essence, the intent of the agreement was to shift revenue sharing payments by SCC to the Agency into a reduced rate charge by SCC to the Agency. The Agency has realized the decreased cost, but as can be seen by the table above, the Agency is also receiving a higher revenue amount as well. Essentially, due to the error SCC is double paying the Agency, and that was not the Agency or SCC staff's intent with this agreement.

A point that SCC has made repeatedly with Agency staff is that the revenue sharing payment to the Agency is revenue from the sale of products. It is not profit that SCC shares with the Agency after it has paid all of its expenses; revenue sharing is not profit sharing.

SCC has requested for an amendment to the agreement be made retroactive to the beginning of the agreement, which would result in \$183,773.50 less due to the Agency, which SCC has not yet paid. It must be noted that SCC has paid the full amount of revenue sharing that would be due if the correct threshold number had been used.

### **III. FUNDING IMPACT**

The agreement with SCC is advantageous to the Agency in that the Agency has continued to receive a service essentially the same as with the prior agreement with SCC for a reduced cost and receipt of revenue from SCC similar to that received in the prior agreement. Increasing the amount of revenue kept by SCC before revenue sharing begins to \$735,547 from \$367,547 would decrease the amount of revenue paid to the Agency by \$183,773.50. This would not have an effect on the current fiscal year budget, as these revenues were not expected at the time the preparation of the FY 2014/15 Agency Budget. SCC has not paid the \$183,773.50 due from the previous fiscal year, so the Agency would not have to outlay any funds, should the Board decide to amend the agreement such that this amount was not owed by SCC from the beginning of the agreement.

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

Staff recommends, at minimum, the agreement with SCC be amended to reflect that revenue not be shared between SCC and the Agency until SCC receives \$735,094 in revenue from the sale of finished products.

Staff is seeking direction from the Board regarding whether the amendment is retroactive to the beginning of the agreement regarding the revenue sharing payment from SCC.

Staff recommends the Board authorize the Chair to sign an amendment to the agreement with SCC, depending on the outcome of the Board deliberation on this issue.

### **V. ATTACHMENTS**

Agreement with Sonoma Compost Company

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

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

February 20, 2013

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#### LIST OF EXHIBITS

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

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

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

R E C I T A L S

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

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

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

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

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

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

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

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

A G R E E M E N T

**1. DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

“Contractor.” Contractor shall mean Sonoma Compost Company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Operating Term.” Operating Term shall mean the period of time from the Start Date to September 1, 2016

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

“Post-Operating Term.” Post Operating Term shall mean the period of time from September 1, 2016 to February 1, 2017.

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

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

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

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

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

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

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

“TPD.” TPD shall mean tons per day.

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

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

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

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

“Wood Debris Products.” Wood Debris Products shall mean products made from the woody fractions of Yard Debris or Wood Debris which have been mechanically reduced in size and screened for use as various finished bedding, mulch, soil amendments, decorative uses or as fuel to generate electricity.

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

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

## **2. SCOPE OF SERVICES**

### **2.1 Receiving, Weighing and Handling.**

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

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

**2.1.3 Determination of Acceptability of Materials.** In the event Contractor believes delivered material is unacceptable for processing due to the presence of Contaminants, Contractor shall first attempt to reach agreement with the individual Collector or Other Hauler who delivered such materials to the Facility. Should Contractor be unable to reach agreement with the particular Collector or Other Hauler responsible for delivering the Contaminants, Contractor shall set the disputed materials in an area adjacent to the processing area so that the Agency Representative can inspect the materials. The Agency Representative shall have forty-eight (48) hours to inspect such materials from the time the Agency Representative receives notice of the disputed materials. Agency Representative shall determine, in his or her sole discretion, the fractions of Wood Debris, Yard Debris and Contaminants. Once the Agency Representative has made such a written determination, Contractor shall be responsible for the appropriate disposition of the delivered material in a timely manner. Contractor reserves the right to reject Contaminated loads from entry onto the processing area of the Facility.

### **2.2 Disposal of Contaminants.** Contractor, at Contractor’s sole cost and expense, shall

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

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

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

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

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

Contractor shall insert in every subcontract or other arrangement which Contractor may make for performance of work or labor on such "public works" provided for in the Agreement, provision that subcontractor shall pay persons performing labor or rendering service under subcontract or other arrangement not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed in the Labor Code. Pursuant to Labor Code



Section 1775(b)(1), Contractor shall provide to each subcontractor a copy of Sections 1771, 1775, 1776, 1777.5, 1813 and 1815 of the Labor Code.

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

### **3. TERM OF AGREEMENT**

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

**3.2 Termination by Agency.** Agency may terminate or modify this Agreement: (a) for an Event of Default in accordance with the procedures set forth in Article 15; (b) in the event a third party regulator orders a shutdown of sixty (60) days or more of the Facility, (c) with at least twelve (12) months advanced written notice in the event the current site is required to be vacated, or (d) with at least twelve (12) months advanced written notice in the event a new site is to be developed. If termination occurs under 3.2.(c) above, Contractor and Agency shall negotiate in good faith to secure a financial settlement, not to exceed \$300,000.00 during the term of the contract, to reimburse Contractor for unamortized capital expenses incurred by Contractor for the remaining contract period through September 1, 2016.

### **4. COMPENSATION FOR SERVICES**

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

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

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

**4.2 Adjustments in Compensation.**

**4.2.1 Unforeseen Events Concerning Environmental Regulations.** In the event that requirements imposed on the Facility by state or local agencies, that are the result of new or revised regulations or requirements proposed and enacted after the Start Date of this Agreement, cause Contractor to have to expend more than Fifty Thousand Dollars (\$50,000) per calendar year during the Operating Term, the excess over Fifty Thousand Dollars (\$50,000) shall be considered pass through costs to the Agency; provided, however, that Agency shall have the right to renegotiate the terms of the Agreement if the new or revised regulations or requirements: (a) require the parties to

expend more than One Million Dollars (\$1,000,000) during the first three (3) years of the Operating Term; or (b) are imposed during the final two (2) years of the Agreement, and the estimated amount of the pass through costs to the Agency will create significant impacts to the viability of the organics diversion program (i.e., proposed pass through costs result in a Ten and No/100 Dollar (\$10.00) or greater increase in the tipping fee). Contractor shall have the burden of proving to the Agency, the amount of expense incurred as a result of such new or revised regulation.

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

**4.2.3 Revenue from Finished Products.**

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

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

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

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

**4.4 Agency Product Distribution.** Contractor shall make available to the Agency ten percent (10%) of the Finished Products, as set forth in the Marketing Plan, for Agency use. Distribution shall be among Agency members at the Facility as agreed upon by a majority vote of the

Agency. Finished Products allocated to Agency in accordance with this Section and not claimed within forty-five (45) days of notice by Contractor of its availability, shall be marketed by Contractor in the same manner as set forth in the Marketing Plan. In the event unclaimed materials are marketed by Contractor, Contractor shall account for revenue generated from such materials by allocating such revenue to the 50/50 revenue share with the Agency.

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

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

**4.7 Financial Offset for Transportation Costs.** Contractor shall reimburse the Agency Ten Thousand and No/100 Dollars (\$10,000.00) each fiscal year to help offset the cost of transporting yard debris and wood waste from the County transfer stations to the Program at the Central Disposal Site. Contractor shall make bi-annual payments beginning sixty (60) days after the effective date of this Agreement.

## **5. PROCESSING FACILITY**

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

**5.1.1 Existing Facility.** Contractor hereby represents and warrants to Agency that it has reviewed the design of the Facility and is satisfied that, it will perform as required and

accommodate an average monthly throughput capacity of 300 tons per day and a peak throughput capacity of 623 tons per day.

## **5.2 Facility Improvements.**

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

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

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

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

(d) Minimization of Odors. The Facility shall be designed to minimize odors, especially the migration of odors off-site to adjacent property. It is specifically acknowledged by the Agency, that by their nature, even well designed and operated aerobic composting facilities may occasionally generate odors, perceived by some to be offensive. The Contractor shall not be considered in default if offensive odors are generated occasionally, provided the Facility is operated according to the provisions of the Agreement and the requirements of applicable permits and regulations. In the event that offensive odors are generated occasionally which result in complaints and Contractor is operating the Facility in accordance with this Agreement and applicable permits and regulations, Contractor shall assist Agency in resolving such complaints.

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

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

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

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

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

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

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

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

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

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

Facility inspections by the RWQCB.

#### **5.4 Facility Maintenance.**

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

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

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

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

**5.4.5 Utilities.** Contractor shall be responsible for electricity and water use costs and maintaining, repairing and replacing all utilities within the Facility, except damage directly caused by County employees or contractors. Contractor shall notify County in writing, within forty-eight (48) hours of any damage caused by County employees or its contractors.

## **6. FINISHED PRODUCT STANDARDS**

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

**6.2 Process Testing.** The Facility shall be equipped with the necessary analytical

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

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

## **7. CONTAMINANTS**

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

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

## **8. MARKETING PLAN**

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

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

vote, whether to allow Contractor to deviate from the approved Marketing Plan.

## **9. ACCOUNTING AND RECORDS**

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

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

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

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

## **10. REPORTS**



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

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

Contractor shall submit the monthly report including the following:

- (a) A summary of tonnages for each material received per day;
- (b) Explanation of any changes from the operating plan including the type and amount of processing required by Finished Products. The Composting process report shall also include a brief discussion of operations including moisture addition, additives, amendments, temperature measurements and fluctuations, and type and frequency of aeration;
- (c) A description of any highlights or anomalies associated with this data, including, weather, operations, equipment shutdowns, Yard Debris and Wood Debris material delivered and processed;
- (d) Results of testing programs to include the date and the locations of samples taken, moisture content;
- (e) A summary of the sale and distribution of Finished Products organized by the types of materials sold. Although destination records shall be deemed confidential and shall remain in Contractor's possession, Agency shall have the right to review and inspect such records for purposes of verifying compensation records or other auditing functions;
- (f) Quantities (in tons) of Contaminants landfilled, recovered or recycled;
- (g) Record of complaints regarding environmental concerns and Contractor's steps taken to research and resolve complaint;
- (h) Record of other problems associated with the Facility and associated operations and considerations and accounts of what is being done to resolve the problem;
- (i) Tonnage, volume and composition of Finished Products produced by type;
- (j) Volumes of Finished Products due to Agency delivered to Agency by type.

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

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

- (a) Tonnage information provided by Agency in Agency's monthly tonnage report;
- (b) Processing fees derived from the Payment Matrix and associated with the respective materials;
- (c) Total due to Contractor.

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

- (a) A summary of the information contained in the monthly reports and total weight and volume of material processed;
- (b) A discussion of the Program, along with measures taken to resolve problems, increase efficiency and increase quality of Finished Products; and
- (c) A discussion of the markets for Finished Products and the types of marketing approaches used.

**10.4 Final Report.** Within sixty (60) calendar days of the end of the term of this Agreement, or within sixty (60) calendar days of the earlier termination of this Agreement, Contractor shall submit to Agency Representative a final report. Agency Representative will review Contractor's final report and notify Contractor of any deficiencies in writing within thirty (30) working days of receipt of the report. Contractor shall have thirty (30) working days from the receipt of notice of deficiencies to correct such deficiencies and resubmit the report to the Agency. The final report shall include at a minimum the following:

- (a) A summary of all the preceding year's data and annual reports; and
- (b) A discussion of the Program, including highlights, problems, and problem resolution.

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

## **11. CONTRACTOR REPRESENTATIONS**

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

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

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

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

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

## **12. INSURANCE; PERFORMANCE BOND**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

registered mail.

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

- (a) On or before the Effective Date, Contractor shall provide satisfactory proof that it will be able to obtain all of the insurance, including, endorsements, required hereunder by the Start Date.
- (b) Properly executed Certificates of Insurance clearly evidencing all coverage, limits, and endorsements required above. Said Certificates shall be submitted ninety (90) days prior to the Start Date.
- (c) Signed copies of the specified endorsements for each policy. Said endorsement copies shall be submitted with the Certificates of Insurance required under Section 12.1.5(b) above.
- (d) Upon Agency's written request, certified copies of insurance policies. Said policy copies shall be submitted within thirty (30) days of such request.

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

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

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

## 13. NOTICE

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

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

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

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

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

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

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

## 14. INDEMNIFICATION

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

shall be liable to Agency and its members for any loss or damage to Agency property or Agency's members' property arising from or in connection with Contractor's performance hereunder.

## **15. EVENTS OF DEFAULT; REMEDIES**

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

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

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

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

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

(e) (i) Contractor shall voluntarily commence any case, proceeding or other action (A) under the Federal Bankruptcy Code, as amended from time to time, or under any other existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, seeking to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, custodian or other similar official for it or for all or any substantial part of its

assets, or Contractor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Contractor any involuntary, proceeding or other action of a nature referred to in clause (i) of this subparagraph (g) which (A) results in the entry of an order for relief of any such adjudication or appointment or (B) remains unstayed and undismissed for a period of sixty (60) days; or (iii) there shall be commenced against Contractor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged or stayed or bonded pending appeal within thirty (30) days from the entry thereof; or (iv) Contractor shall take any action in furtherance of, or indicating its consent to approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) of this subparagraph (g); or (v) Contractor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) any termination or voluntary suspension of the transaction of business of Contractor, or any attachment, execution or other judicial seizure of all or any substantial portion of Contractor's assets which attachment, execution or seizure is not discharged within thirty (30) days.

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

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

## **16. EXPIRATION OF AGREEMENT**

**16.1 Normal Expiration.** Effective upon September 1, 2016, Agency shall stop accepting Yard Debris and Wood Debris. Contractor shall finish processing all existing material on site and to conclude its on-site operations during the Post-Operating Term. Agency shall pay Contractor for processing of materials delivered up to the date that Agency stops accepting such materials.

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

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

## **17. ARBITRATION**

Arbitration may be required for matters for which arbitration is mentioned in this Agreement or where this Section 17 is expressly referred to in this Agreement. For other matters, the party served with notice of arbitration may reject the notice by failing to respond to it, by giving notice of rejection, or by taking action inconsistent with arbitration. Arbitration is initiated and required by giving notice



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

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

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

## **18. ATTORNEYS' FEES**

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

## **19. GENERAL PROVISIONS**

### **19.1 Assignment.**

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

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

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

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

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

**19.5 Construction.** To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

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

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

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

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

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



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

“Agency”: SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: \_\_\_\_\_  
Chairperson, SCWMA Board of Directors

“Contractor”: SONOMA COMPOST COMPANY  
a California General Partnership

By: \_\_\_\_\_

APPROVED AS TO FORM FOR AGENCY:

\_\_\_\_\_  
Agency Counsel

APPROVED AS TO SUBSTANCE FOR AGENCY:

\_\_\_\_\_  
Agency Executive Director



Agenda Item #: 9  
Cost Center: Organics  
Staff Contact: Mikus  
Agenda Date: 10/15/2014

ITEM: **Compost Zero Discharge Plan Update**

**I. BACKGROUND**

At the August 20, 2014 meeting the Board decided to continue with implementation work on the Compost Wastewater Zero Discharge Plan that was submitted to the NCRWQCB July 11, 2014, and to not completely shut down the compost facility by beginning total outhaul of compost raw materials. Since that decision, the focus has been with the Interim Measures listed in the Plan that must be in place for the upcoming winter rain season. The two primary items are the compost site working footprint area reduction, and the construction project to combine the two small sedimentation ponds into a single, larger capacity pond.

**II. DISCUSSION**

Recent Rain: During the last portion of September two storms with measurable rainfall occurred. However, in neither case was the amount of water enough to cause any discharge off the compost facility. Prior to both storms occurring, the protective measures set forth in a plan for temporary storm water diversion were put in place. Per Board request at the September meeting, this rain plan is included as an attachment.

New Pond Construction: The initial public and SCWMA Referral Notice, an optional first step in the CEQA review process for the new pond project, was completed and distributed on August 29, 2014. The comment period for the Referral Notice closed on September 26, 2014; eight comment letters and three phone calls were received.

New Site: Tetra Tech BAS has submitted their report analyzing several facets of the proposed new compost facility at Central; their report is listed as a separate October meeting agenda item.

Footprint Reduction: Partial outhaul of incoming raw materials has continued, to allow space for the footprint reconfiguration. Once the site is settled into its winter configuration, the outhaul volume will be reduced to about 18%, or about 60 tons per day. This amount includes the green waste Petaluma is intending to divert to the Redwood Landfill. With Petaluma factored in, the compost site's net reduction of inbound material would be between 20 and 30 tons per day.

The clearing of the 4.25 acres of the compost facility, as detailed in the Plan, is nearly done and is to be finished by October 9, 2014.

In order to divert the non-contact water away from the active compost work area, a water diversion berm has been put in place. Some work with the piping for the landfill storm water collections system was required, also to keep the storm water and contact water separated.

Combine Existing Ponds: One Plan interim measure was to take the existing two small

sedimentation ponds at the compost site, and combine them into a single, larger capacity pond of 2 million gallons storage. The contractor, Magnus Pacific, began work September 15, 2014, with their original completion date set for October 23, 2014. Their work has largely proceeded well. As excavation progressed, some unexpected rock was encountered that required removal; the delay has been less than a week. Pond liner installation is set to begin no later than October 13, 2014. The project is now expected to be finished by October 30, 2014.

Pump and Truck Contact Water: East Bay MUD and Petaluma have committed to taking 60,000 and 5,000 gallons per day respectively. The Laguna Plant remains available to accept some water on a day by day basis depending on their daily circumstance. Once contact water accumulates in the new larger, combined pond from rain, measures are in place to commence pumping and hauling water for treatment. Also, in order to minimize expense, and maximize the displacement of ground water, as much water as possible will be used on-site.

Interim Water Quality Measures: SCC has implemented their normal winter/rain season preparatory work, which includes re-installing sedimentation traps and setting out straw wattles at the low end of the windrows.

### **III. FUNDING IMPACT**

Additional project funding beyond current Budgetary Adjustments would need to be allocated from the Organics Reserve Account. The FY 14-15 estimated year-end balance is \$3,996,698. This balance reflects previously budgeted and committed costs for the Zero Discharge Project as outlined above. However, this figure does not include any potential expenses from partial or complete outhaul.

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

This is a report only, no actions are required at this time.

### **V. ATTACHMENTS**

October 2014 Monthly Zero Discharge Report to NCRWQCB  
Rainfall Contingency Plan

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



Date: October 9, 2014

To: North Coast Regional Water Quality Control Board

From: Henry J. Mikus, SCWMA Executive Director

### **Monthly Progress Report for the SCWMA Compost Facility Zero Discharge Plan October, 2014**

As delineated in the "Compost Wastewater Zero Discharge Plan" (the Plan) submitted to the North Coast Regional Water Quality Control Board (NCRWQCB) on July 11, 2014, SCWMA will submit monthly progress reports about work accomplished in accordance with the Plan.

#### **Section 1 New Compost Storm Water Pond Development:**

- As reported previously, the initial public and SCWMA Referral Notice, was completed and distributed on August 29, 2014. The comment period for the Referral Notice closed on September 26, 2014; eight comment letters and three phone calls were received.

#### **Section 2 New Compost Site Selection & Development:**

- Tetra Tech BAS has submitted their information, including site capacity verification and a construction cost estimate, analyzing the prospective new Central Compost Site. Their report is on the agenda for discussion at the October 15, 2014 SCWMA Board meeting.
- The draft agenda for the November 19, 2014 SCWMA Board meeting includes provision for discussing certification of the Final EIR for the Compost Facility Relocation and new site selection.
- SCWMA member jurisdictions have continued deliberations towards adopting an Amendment to the SCWMA JPA Agreement that will extend the Agency term beyond February 2017. Several member jurisdictions' governing bodies have had discussions regarding the Amendment, while further input/comments have been received from other members.

#### **Section 3 Interim Component: Footprint Reduction Measures:**

- The clearing of the 4.25 acres of the compost facility to achieve an 18% working footprint reduction, as detailed in the Plan, is complete. This will reduce the amount of storm compost contact water that will be generated by the facility.
- Partial outhaul of incoming raw materials has continued, to allow space for the footprint reconfiguration. Once the site is settled into its winter configuration, the outhaul volume will be reduced to about 18%, or about 60 tons per day. This amount includes the green waste Petaluma is intending to divert to the Redwood Landfill. With Petaluma factored in, the compost site's net reduction of inbound material would be between 20 and 30 tons per day.
- In order to divert the non-contact water falling on the vacated 4.25 acre portion of the compost facility away from the active compost work area, a water diversion berm was been put in place. Some work with the piping for the landfill storm water collections system was required, also to keep the storm water and contact water separated.

#### **Section 4 Interim Component: Increased Interim Storage – Expand Existing Ponds:**

- One Plan interim measure was to take the existing two small sedimentation ponds at the compost site, and combine them into a single, larger capacity pond of 2 million gallons storage. The

contractor, Magnus Pacific, began work September 15, 2014, with their original completion date set for October 23, 2014.

- As excavation progressed, some unexpected rock was encountered that required removal; the delay has been nearly a week.
- Excavation is complete, as is finishing work to the pond slopes and bottom. Pond liner installation is set to begin no later than October 13, 2014 and is expected to take two weeks.
- The project is now expected to be finished by October 30, 2014.

#### **Section 5 Interim Component: Pump and Truck Measures:**

- There were two rain storms during the last 30 days, each resulted in less than .5 inch accumulation. In both storms no water collected at the low end of the compost deck and no discharge of storm contact water occurred.
- As a precautionary measure bypass piping was in place, but not needed, to keep compost deck accumulation of water from adversely impacting the pond construction.
- The City of Petaluma Ellis Creek WTP has committed to taking 5,000 gallons of storm compost contact water for treatment per day.

#### **Section 6 Interim Component: Water Quality Measures:**

- SCC has implemented their normal winter/rain season preparatory work, which includes re-installing sedimentation traps and setting out straw wattles at the low end of the windrows.

#### **Section 7 Testing and Reporting:**

- Draft recommendations for enhancements to the MRP sampling and testing protocols are done, and are undergoing legal review.

#### **Section 8 Out Haul Plan Components:**

- A contract with the Ratto Group for outhaul of compost materials was approved by the SCWMA Board at the September 17, 2014 meeting.



# Contingency Plan to divert compost storm water in the event of rain during pond construction

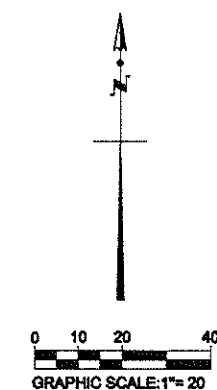
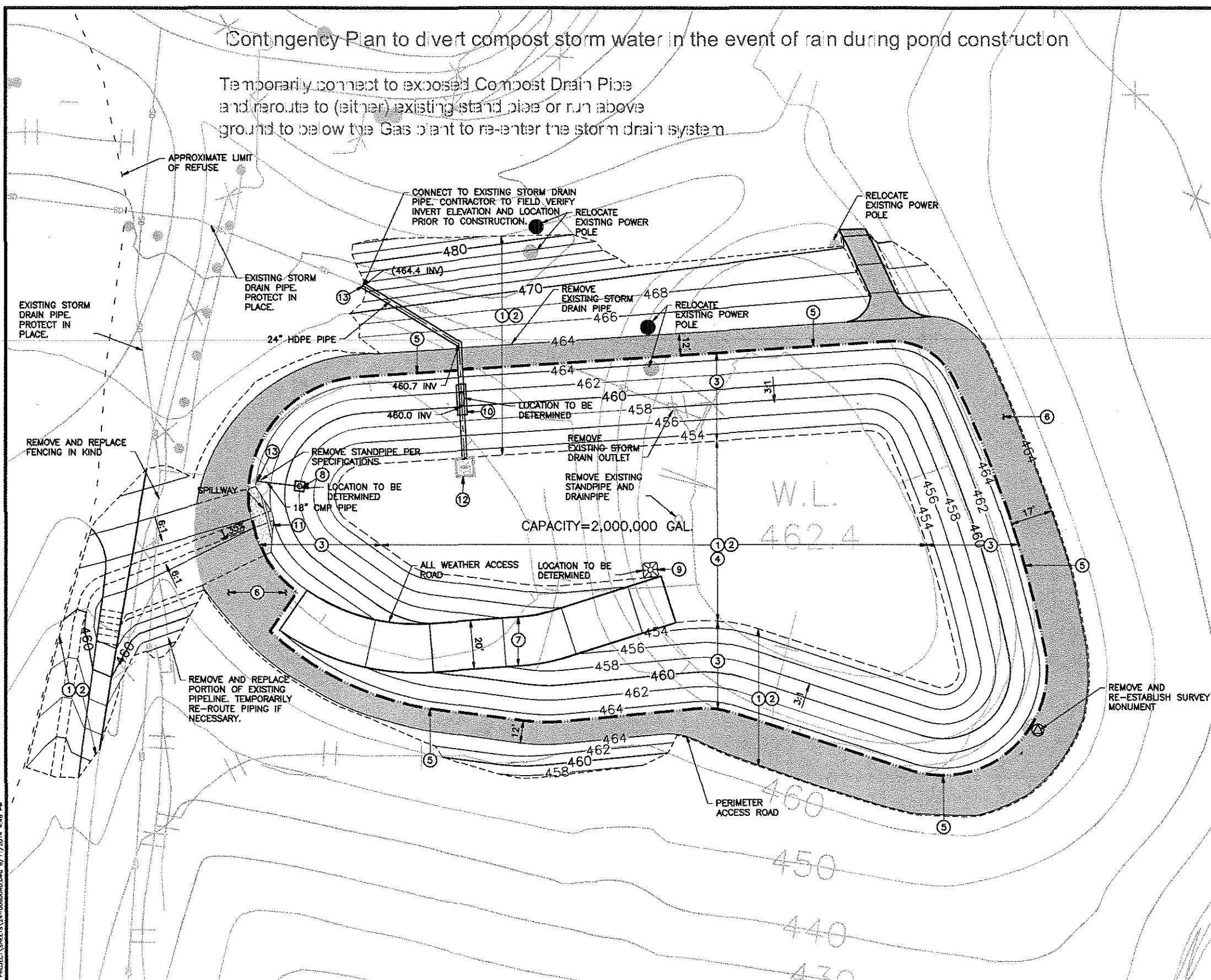
Temporarily connect to exposed Compost Drain Pipe and reroute to (either) existing stand pipe or run above ground to below the Gas plant to re-enter the storm drain system

## CONSTRUCTION NOTES

- ① CLEAR AND GRUB
- ② EXCAVATE TO GRADES SHOWN
- ③ CONSTRUCT SLOPE LINER PER \_\_\_\_\_ ① ④
- ④ CONSTRUCT BOTTOM LINER SYSTEM PER \_\_\_\_\_ ② ④
- ⑤ CONSTRUCT ANCHOR TRENCH PER \_\_\_\_\_ ③ ④
- ⑥ CONSTRUCT ACCESS ROAD PER \_\_\_\_\_ ④ ④
- ⑦ CONSTRUCT ACCESS RAMP PER \_\_\_\_\_ ⑤ ④
- ⑧ CONSTRUCT STANDPIPE PER \_\_\_\_\_ ⑦ ④
- ⑨ CONSTRUCT 2' X 2' SUMP PER \_\_\_\_\_ ② ⑤
- ⑩ CONSTRUCT CONCRETE APRON AND PIPE SUPPORT PER \_\_\_\_\_ ① ⑤
- ⑪ CONSTRUCT OVERFLOW WEIR CHANNEL PER \_\_\_\_\_ ③ ⑤
- ⑫ CONSTRUCT ENERGY DISSIPATER PER \_\_\_\_\_ ④ ⑤
- ⑬ CONSTRUCT PIPE CONNECTION \_\_\_\_\_ ⑤ ⑤

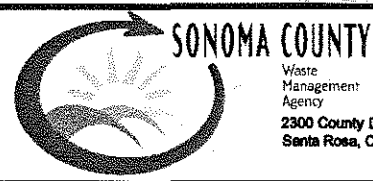
## LEGEND

- 10 EXISTING CONTOUR
- 440 PROPOSED MAJOR CONTOUR
- 442 PROPOSED MINOR CONTOUR
- DAYLIGHT/GRADE BREAK
- APPROXIMATE LIMIT OF REFUSE
- ANCHOR TRENCH



C:\WORK\SONOMA\CENTRAL LANDFILL\PROJECT\24-00600RD.DWG 8/11/2014 4:48 PM

NO.	REVISION	DESCRIPTION	BY:



SONOMA CENTRAL LANDFILL

## POND GRADING PLAN

DESIGNED BY : VHY/JSN	SCALE : AS SHOWN
DRAWN BY : ANP	DATE : 08-2014 FILE NO.: 24-00600RD.DWG
CHECKED BY : DLL	DATE : 08-2014
APPROVED BY : GES	DATE : 08-2014 SHEET 3 OF 5



Agenda Item #: **10**  
Cost Center: **Organics**  
Staff Contact: **Mikus**  
Agenda Date: **10/15/2014**

ITEM: **Central Proposed Site Engineering Report**

**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. The Board directed staff to conduct an RFP process to select a consulting firm to do analysis of several factors related to capacity, cost, and storm water to help in site evaluation.

At their May 21, 2014 meeting the Board selected Tetra Tech BAS as consulting engineers to perform this analysis focused on the Central Site as it is the "environmentally preferred alternative" as outlined in the EIR. Key components of the project were to do a preliminary site design of sufficient detail so that, in addition, an accurate construction cost estimate could be tabulated. The work also included analyzing the proposed site capacity to ensure it could accommodate the target annual throughput of 200,000 tons, and to study storm water issues particularly how a new large pond proposed for the current site could fit into the needs of the proposed new site. An added item to the project was cost and feasibility analysis for the new site for roofing work areas as an alternative to generating, managing, and disposing of storm contact water.

**II. DISCUSSION**

Tetra Tech BAS engaged the services of Clements Environmental to perform the site capacity analysis and to develop the compost process details for utilizing Aerated Static Pile technology. The Clements report is attached; the report clearly verifies that the available proposed site footprint can be used to process 200,000 tons of organic materials per year.

Staff has formulated the construction project cost estimate by Tetra Tech to follow the format of preliminary cost comparisons previously furnished to the Board; the most recent was October 2013. The estimate shows construction costs including equipment, and amortizes the total over 25 years to give a yearly expense. Yearly operating expenses are added, and the total annual expenses are broken down to per-ton costs so as to present a valid comparison to current pricing plus show the effect of future rates once the site is built and operating.

Two versions of the Central prices are shown: a conventional approach, and for a "cutting edge" facility that envisions fully enclosed negative air pressure buildings for processing materials. This was done to examine if a top of the line facility was affordable.

As a comparison the Central numbers, where applicable, plus any different items of significance

(such as land purchase price) were used to develop a cost for Site 40. This is by no means intended to be as in depth as the Central cost figures but at the least provides some sense of relative cost for Site 40.

All pricing estimate versions were done using fully roofed work areas. As the estimates unfolded it became very obvious that for the new site, using roofs to keep rain off all compost materials was cost effective compare to constructing a large pond to contain storm contact water. With roofs, rain water is considered ordinary storm water not subject to the zero discharge prohibitions that would occur if contact was made with compost materials. Thus, the answer to the Board's questions regarding the proposed new large pond for the current compost site is that at the new site the pond – and its large expense – would be unnecessary if the new facility was completely under roof. Further, the TT BAS work regarding the utility of the large pond showed that even if the pond were to be used, due to the relative elevations of the pond and the new site a pumped, force main would need to be built to convey contact water from the site to the pond; their estimated cost for this pipeline was \$550,000.

		<b>Purchase Site 40 Wall ASP</b>	<b>Lease Site 40 Wall ASP</b>	<b>Central, Conventional</b>	<b>Central, Enhanced</b>
a.	<b>Total up-front costs:</b>	\$56,405,286	\$50,005,286	\$43,476,162	\$51,172,119
b.	Less use of Reserves:	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
c.	<b>Net Up-front costs:</b>	\$54,405,286	\$48,005,286	\$41,476,162	\$49,172,119
d.	Up-front costs, yearly basis:	\$4,255,947	\$3,755,296	\$3,244,544	\$3,846,574
e.	Yearly Operations	\$2,648,340	\$2,648,340	\$3,191,340	\$3,191,340
f.	Lease/rent annually	\$0	\$250,000	\$0	\$0
g.	<b>Annual Operator Costs:</b>	\$6,904,287	\$6,653,636	\$6,435,884	\$7,037,914
h.	<b>Annual Operator Costs Per Ton, 200K tons</b>	<b>\$34.52</b>	<b>\$33.27</b>	<b>\$32.18</b>	<b>\$35.19</b>
i.	<b>Annual Operator Costs Per Ton, 150K tons</b>	<b>\$46.03</b>	<b>\$44.36</b>	<b>\$42.91</b>	<b>\$46.92</b>
j.	Transport, 200K tons	\$1,498,193	\$1,498,193	\$748,000	\$748,000
k.	Total annual cost 200K tons	\$8,402,480	\$8,151,829	\$7,183,884	\$7,785,914
l.	<b>Total per ton fee, 200K tons:</b>	<b>\$42.01</b>	<b>\$40.76</b>	<b>\$35.92</b>	<b>\$38.93</b>
m.	Transport, 150K tons	\$1,198,554	\$1,198,554	\$561,000	\$561,000
n.	Total annual cost 150K tons	\$8,102,841	\$7,852,190	\$6,996,884	\$7,598,914
o.	<b>Total per ton fee, 150K tons:</b>	<b>\$54.02</b>	<b>\$52.35</b>	<b>\$46.65</b>	<b>\$50.66</b>

### III. FUNDING IMPACT

Compared to current contract costs for processing of inbound raw materials for composting between \$21.12/ton to \$28.56/ton, the range of estimated potential costs associated with constructing and operating a new facility, amortized for 25 years, is a range from \$32.18/ton to \$46.92/ton (lines h. and i., from the table above). Current inbound tip fees range between \$34.10/ton and \$36.20/ton and are used to offset contractor and material transport costs; new tip

fees could be assumed to be of a relative range of \$2-20/ton higher than current tip fees (lines l. and o. subtracted from \$34.10/ton), depending on the site chosen and the tonnage of material received. It should be noted the estimated potential costs do not include any normal additions such as overhead or profit.

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

This is a report only, no actions are required at this time.

#### **V. ATTACHMENTS**

Tetra Tech Letter and Construction Cost Estimate

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



8 October 2014

Job # 2014-0085

Henry Mikus  
Sonoma County Waste Management Agency  
2300 County Center Drive, Suite B100  
Santa Rosa, California 95403

**Subject: West Canyon Compost Facility - Technical Analysis and Engineering Services for the Central Site**

The Tetra Tech BAS Team is pleased to submit the composting capacity calculations, preliminary site plan and cost estimate. The following summarizes the assumptions and results of the analysis.

### **Compost Capacity**

Based on our team's analysis, the proposed facility will be able to process 200,000 tons per year with the SG Mega™ System and Gore® Covers. The proposed design consists of 64 concrete bunkers (26' wide x 150' deep x 3.25' high), GORE covers, in-ground aeration piping and monitoring and control equipment. The GORE covers are deployed and removed from composting static piles with a GORE winder machine, however one machine can service all 64 bunkers. Additional details on the system design, calculations and assumptions are provided in Attachment 1.

### **Storm Contact Water Handling System Design**

The North Coast Regional Water Quality Control Board (RWQCB) has a "zero discharge" requirement for contact water, or storm water that has come in direct or indirect contact with compost material, at the Central Disposal Site. In order to meet this requirement, two options were considered for handling or eliminating the contact water:

- 1) Storing the liquids in a Class II Surface Impoundment;
- 2) Constructing roofs over the composting areas to eliminate contact water from forming.

Previous analysis for option 1 has included the design of a 5.5 acre 29 million gallon Class II impoundment, in order to store the contact water onsite. The engineer's estimate for the Class II impoundment is estimated to be \$6.5 M; this does not include costs for CEQA compliance such as mitigation expenses. In addition to these costs, the impoundment would require the ongoing operational expenses of pumping, and offsite treatment of the contact water. The only available area for the construction of the impoundment is on the opposite side of the site. The existing grades in the area are at a higher elevation than the location of the West Canyon Compost Area, thus a lined sump, pump, and pipeline would be required to convey the contact water from the composting facility to the pond. While the pumping system has not been designed we have estimated a construction cost of \$550K assuming that the system would comprised of a sump, 300 gpm pump, 2600 linear feet of above ground 8" HDPE pipe, and a control system to operate the pump.



Under this contract Tetra Tech BAS has considered option 2; the installation of a series of roofing structures over the composting and curing areas of the site in order to eliminate the generation of contact water. This option is preferred to the impoundment as it can ensure RWQCB compliance and will not require pumping and treatment costs. The construction cost of the roofing structures is estimated to be \$6.8M (\$6.1 M for the bunker area and \$675k for the curing area). The main receiving area and non-organic receiving areas are to be located in buildings as shown in the EIR. In addition to the roofing structures and buildings, best management practices will be used to further protect storm water from contamination from contact water generation and material loading areas will drain to an oil water separator.

### **Preliminary Site Plan**

The preliminary site plan was developed as a basis for the cost estimate. The grading design provides a large flat area for the facilities and generates approximately 590,000 cubic yards of cover soil for landfill operations, which will be excavated by the landfill operators at no cost to the County or Agency. During our review of the EIR's site layout it was determined that the processing building sizes were adequate and thus their dimensions remain the same as the original design. The final processing/stockpiling area provides approximately 1 acre for curing the final compost products. The retail area is located in an area that was accessible to the public and includes 14 covered storage bunkers for storage of the final product.

The bunker area has 64 bunkers grouped in 8 clusters each including 8 bunkers. The bunker clusters are spaced to meet the access road widths and turning radius requirements of the fire department and composting operations. The site plan also includes an administrative office near the retail sales area, and an additional gravel area next to the final processing for future expansion. The site plan is included as attachment 2.

### **Water Supply**

We propose that the water source for the West Canyon Compost Facility be the water line that feeds the nearby fire hydrant (existing) which is connected to the main storage tanks on top of the adjacent hill. This water line can be extended to the new facility and an additional hydrant(s) be installed. One of the advantages of the GORE system is its low water demand and thus no additional water tanks are required for composting operations.

As previously stated, the proposed design is intended to provide measures that eliminate the generation of contact water and therefore no large contact water storage is required, however a small detention storm water basin is included in the layout to reduce the velocity of storm water flows discharging from the developed site. The outlet from the basin will include a valve so that storm water can be stored and used for composting operation; however it is recommended that the valve be left open during storms to ensure adequate capacity.

### **Engineer's Cost Estimate**

The cost estimate is separated into three sections: construction, equipment, and architecture/engineering. The construction includes all civil improvements such as earthwork, paving, roofing, drainage, power, water



and bunkers. The equipment cost covers all additional equipment required to operate the new facility, and includes the specific GORE startup and training costs, as provided by Sustainable Generation. The engineering design and permitting is a multidisciplinary effort including architecture, electrical, civil and environmental. The construction management estimate includes the cost for full-time on-site supervision throughout the duration of construction. The engineering support covers all review of technical submittals, response to RFIs and participation in necessary construction meetings.

Sincerely,

Gregory E. Saul, P.E.

Attachments:

1. Compost Capacity Calculations
2. Preliminary Site Plan
3. Engineer's Cost Estimate

# **SONOMA COUNTY COMPOST FACILITY**

## **CAPACITY AND DESIGN STUDY**

*Prepared for:*

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**October 2014**



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## SONOMA COUNTY COMPOST FACILITY

### 1.0 CAPACITY ANALYSIS AND DESIGN RECOMMENDATIONS

At 200,000 tons per year, the Sonoma County Compost facility should be designed to accommodate 64, 26' wide x 150' long, GORE bunkers. The Fire Marshall limits overall "pile" dimensions to 250' in width and 150' in depth and requires 20 feet of separation between those "piles". Bunkers are typically developed in blocks of eight, and one block of eight GORE bunkers would meet the Fire Marshall's maximum size requirements. See **Figure 1** for a GORE bunker photo.

The proposed roof structure should be designed to accommodate a total of eight, 8-bunker blocks, along with required Fire Marshall access roads, vehicle maneuvering areas and material stockpile areas.

The following design parameters should be taken into consideration when designing the facility:

1. The open ends of the bunkers should be facing one another, with a 40 ft wide lane running between the open ends of the bunkers. See **Figure 2**, an aerial of the Cedar Grove Maple Valley facility, as an example.
2. Cover Handling Equipment:
  - a. One GORE cover winder system (the "wall winder") runs along rails mounted on the back of the bunker push walls. The GORE cover is deployed by a winch mounted on a loader. Each block of bunkers could be developed with a separate winder system, but it would be more cost effective if the winder rails could span the fire department access roads required between the blocks of eight bunkers. The rails for the bunker winder are typically installed at a height of at least 12' above the floor of the bunkers but could be installed up to 18' above floor level. The fire department vertical clearance requirements will need to be verified but our initial review indicates that 15' of unobstructed vertical clearance is required by the Fire Code. At least 3' of bunker separation is necessary to allow access and room for workers to secure the GORE covers to the bunker walls. Cal OSHA safety requirements for working in proximity to material piles could also affect the required separation between bunkers. Two of these winder systems could cover the entire site, one for each row of bunkers. The cost of each winder machine of this type is \$150,000. Drawings and a photo of this winder mechanism attached to a bunker push wall and the building structure are shown in **Figures 3 through 5**.
  - b. If the wheeled, self-propelled, mobile GORE winder is used instead, 6' of separation between bunkers will be required, but one winder unit could service the entire site. The cost of this type of winder machine is \$350,000. See **Figures 6 and 7** for examples of this GORE cover winder.
  - c. A non-motorized, mobile, GORE winder that can be pulled by a loader is another option. At approximately \$85,000, it is much less expensive than the other two

options. This winder is not as efficient as the others due to the fact that a loader may have to be diverted from a task in order to move the winder, and redeploying the winder between various locations could also reduce efficiency at the facility. A picture of the non-motorized mobile winder is provided as **Figure 8**.

3. At least 20' of clear height is necessary under the roof structure. A 24' clear height would be optimal to ensure enough height for front-end loaders of various types to be able to move material.
4. Conveyor material movement:
  - a. A conveyor system will provide a benefit by reducing loader mileage and wear and tear, the number and usage of dump trucks or roll-off trucks to transport material from the tipping mixing buildings to the bunkers; and labor.
  - b. Using a conveyor system will require, space in the building to stockpile material, which would enlarge the building proportionately.
  - c. The roof structure should be designed to support the conveyor system.
5. The required fire access roads must provide a minimum 40' inside turning radius.

## 2.0 BUNKER VOLUMES

The volume for a GORE bunker only was determined by multiplying the bunker width of 26' by the bunker depth of 150 by the bunker height of 4'.

The following formula was used to calculate the volume of compost material above the bunker walls of each compost pile:

Pyramid Volume Formula:

$$Volume = (Base Area + Top Area + \sqrt{(Base Area \times Top Area)}) \times Height/3$$

### 2.1 TYPICAL GORE BUNKER DESIGN

Bunker Volume: 165' (L) x 26' (W) x 3.25' (H) = 13,942 cu.ft./27 = 516 CY

Volume of Material Above Bunker: Height - 7'; Base of pile dimensions/area - 26' x 165' = 4,290 SF; Top of pile dimensions/area - 12' x 151' = 1,812 SF.

$$\begin{aligned} Pyramid Volume &= (4,290 \text{ sf} + 1,812 \text{ sf} + \sqrt{(4,290 \text{ sf} \times 1,812 \text{ sf})}) \times 7/3 \\ &= (6,102 \text{ sf} + \sqrt{(7,773,480 \text{ sf})}) \times 2.33 \\ &= (6,102 \text{ sf} + 2,788.09) \times 2.33 \\ &= 8,890.09 \times 2.33 \\ &= 20,713.9 \text{ CF} \end{aligned}$$

Pyramid volume = 20,713.9 CF/27 = 767 CY.

**TOTAL VOLUME: 516 CY + 767 CY = 1,283 CY**

### 2.2 SONOMA BUNKER DESIGN

Bunker Volume: 150' (L) x 26' (W) x 4' (H) = 15,600 cu.ft./27 = 577 CY

Volume of Material Above Bunker: Height - 7'; Base - 26' x 150' = 3,900 SF; Top - 12' x 136' = 1,632 SF.

$$\begin{aligned} Pyramid Volume &= (3,900 \text{ sf} + 1,632 \text{ sf} + \sqrt{(3,900 \text{ sf} \times 1,632 \text{ sf})}) \times 7/3 \\ &= (5,532 \text{ sf} + \sqrt{(6,364,800 \text{ sf})}) \times 2.33 \\ &= (5,532 \text{ sf} + 2,522.85) \times 2.33 \\ &= 8,054.85 \times 2.33 \\ &= 18,767.81 \text{ SF} \end{aligned}$$

Pyramid Volume: 18,767 CF/27 = 695 CY.

**TOTAL VOLUME: 577 + 695 = 1,272 CY**

**TABLE 1**  
**SONOMA COUNTY BUNKER CAPACITY**  
**26' W x 150' L**

<b>Volume (cy)</b>	<b>Density (lbs./cy)</b>	<b>Bunker Capacity (tons)</b>
1,272	895 <sup>1</sup>	569

Compost density can range from 465 to 2,000 pounds per cubic yard. The range of bulk densities will be determined by processing/handling methods and the type of feedstocks. Compost using large amounts of green material will have a lower bulk density than a compost made out of food waste.

### **2.3 SONOMA COUNTY COMPOST ASSUMPTIONS**

All material received will be processed and placed into GORE bunkers. At 200,000 tons per year (TPY) or approximately 3,850 tons per week (TPW), or approximately 550 tons per day (TPD) of material will require composting.

Processing times are as follows:

- Phase 1 – 4 weeks (28 treatment days)
- Phase 2 – 2 weeks (14 treatment days)
- Phase 3 – 2 weeks (14 treatment days)

### **2.4 PHASE 1 CAPACITY CALCULATIONS**

There has to be sufficient bunker capacity to accommodate 4 weeks treatment time for the incoming material as calculated below.

**TABLE 2**  
**REQUIRED NUMBER OF BUNKERS FOR PHASE 1**

<b>TPW</b>	<b>Treatment Time (Days)</b>	<b>Required Storage</b>	<b>Bunker Capacity</b>	<b>Required # of Bunkers (Required Storage/Bunker Capacity)</b>
3,850	28	15,400 tons	569 tons	27.06 = 27

For comparison purposes GORE calls for 16 of the standard (26' W x 165' L) bunkers for Phase 1 of a 110,000 TPY/2,115 TPW facility. Also, it appears that Cedar Grove is using a total of 32

<sup>1</sup> CaRecycle, California Department of Resources Recycling and Recovery, "Third Assessment of California's Compost- and Mulch-Producing Infrastructure – Management Practices and Market Conditions. August 2010", page 27, Produced Under Contract by Integrated Waste Management Consulting, LLC, Nevada City, California.

heaps, which have less capacity than bunkers, for Phase 1 of their 160,000 TPY facility. A total of 27 Phase 1 bunkers would seem reasonable for a 200,000 TPY/3,850 TPW facility.

## **2.5 PHASE 2 CAPACITY CALCULATIONS**

There must be sufficient bunker capacity to accommodate 2 weeks of material in the Phase 2 bunkers. Any reduction in the volume of the compost material as it progresses from Phase 1 to Phase 2 of the process would provide additional surge capacity at the facility.

**TABLE 3  
REQUIRED NUMBER OF BUNKERS FOR PHASE 2**

<b>TPW</b>	<b>Treatment Time (Days)</b>	<b>Required Storage</b>	<b>Bunker Capacity</b>	<b>Required # of Bunkers (Required Storage/Bunker Capacity)</b>
3,850	14	7,700 tons	569 tons	13.53 = 14

For comparison purposes GORE calls for 8 of the standard (26' W x 165' L) bunkers for Phase 2 of a 110,000 TPY/423 TPD facility. Also, it appears that Cedar Grove is using a total of 16 heaps, which have less capacity than bunkers, for Phase 2 of their 160,000 TPY facility. A total of 14 Phase 2 bunkers would seem reasonable for a 200,000 TPY/3,850 TPW facility.

## **2.6 PHASE 3 CAPACITY CALCULATIONS**

There must be sufficient bunker capacity to accommodate 2 weeks of material in the Phase 3 bunkers. Any reduction in the volume of the compost material as it progresses from Phase 2 to Phase 3 of the process would provide additional surge capacity at the facility.

**TABLE 4  
REQUIRED NUMBER OF BUNKERS FOR PHASE 3**

<b>TPW</b>	<b>Treatment Time (Days)</b>	<b>Required Storage</b>	<b>Bunker Capacity</b>	<b>Required # of Bunkers (Required Storage/Bunker Capacity)</b>
3,850	14	7,700 tons	569 tons	13.53 = 14

For comparison purposes GORE calls for 8 of the standard (26' W x 165' L) bunkers for Phase 3 of a 110,000 TPY/423 TPD facility. Also, it appears that Cedar Grove is using a total of 16 heaps, which have less capacity than bunkers, for Phase 3 of their 160,000 TPY facility. A total of 14 Phase 3 bunkers would seem reasonable for a 200,000 TPY/770 TPD facility.

### 3.0 CONCLUSION

The total number of GORE bunkers needed would be:

Phase 1 composting:	27 bunkers
Phase 2 composting:	14 bunkers
<u>Phase 3 curing:</u>	<u>14 bunkers</u>
Total:	55 bunkers

Because the GORE system typically comes in groups of eight bunkers, and to provide some surge capacity, we have assumed the design should accommodate 64 bunkers. This extra capacity will also provide flexibility in the assumptions regarding incoming material bulk density in the event that the actual incoming material is lighter than that assumed in these calculations.

Based on the site layout provided by Tetra Tech, the site will be able to accommodate 64 GORE bunkers as well as sufficient incoming feedstock receiving and processing, and final product screening and curing to handle 200,000 TPY of organics.

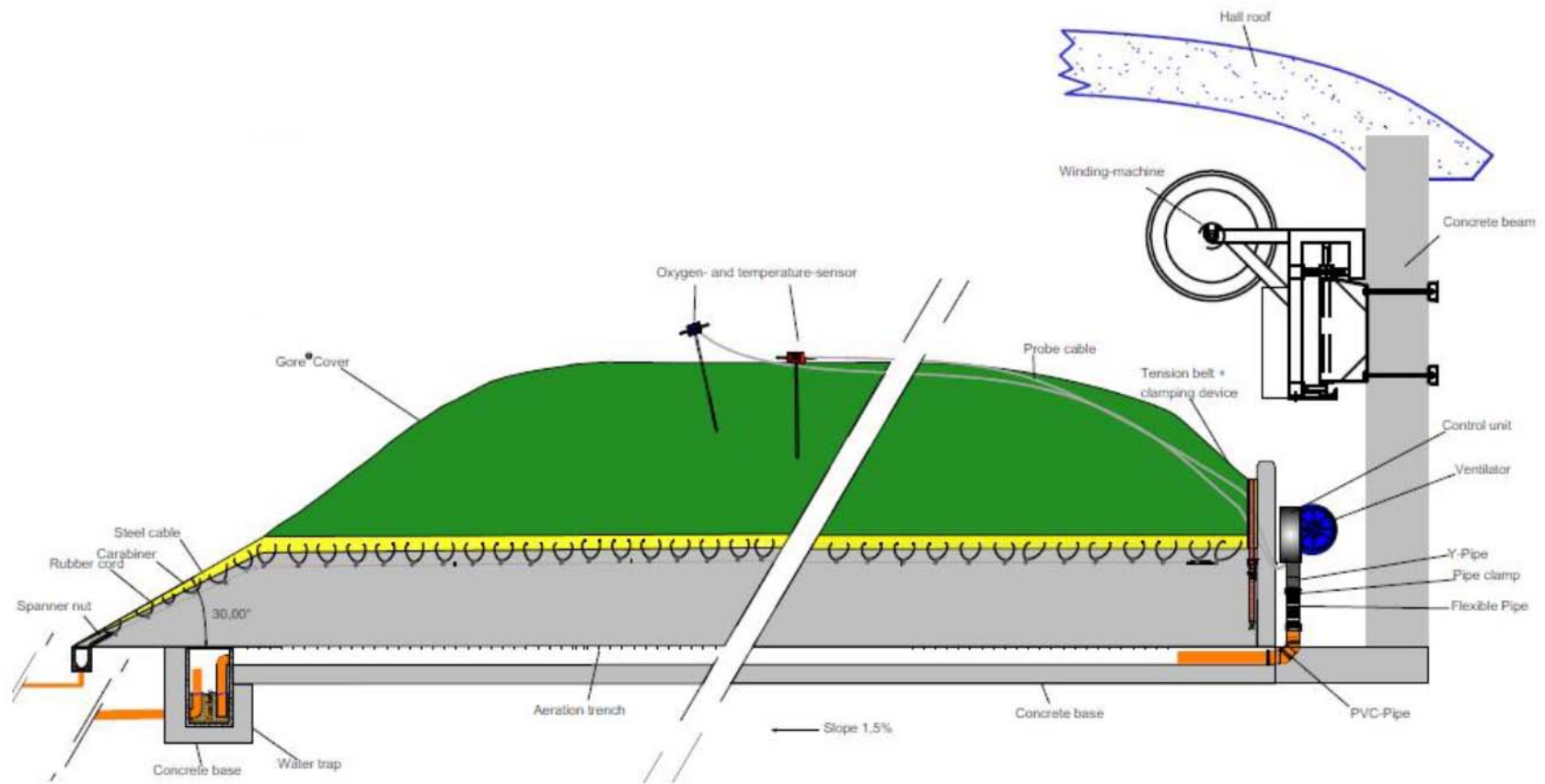


**FIGURE 1:** Photo of a standard GORE bunker.

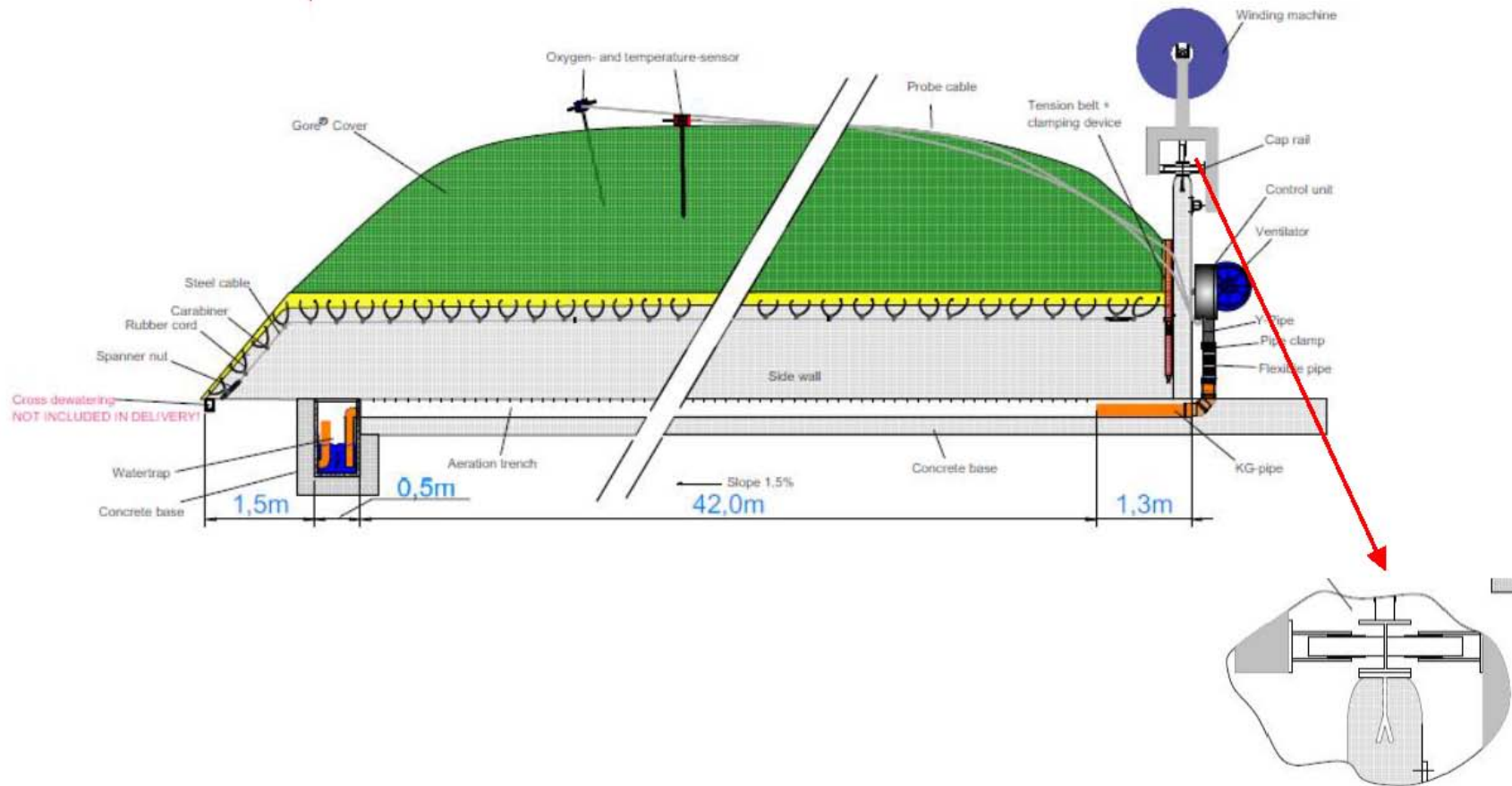




**FIGURE 2:** Aerial photo of the Cedar Grove Composting Facility in Maple Valley, Washington.



**FIGURE 3:** GORE cover wall winder system attached to roof support columns.

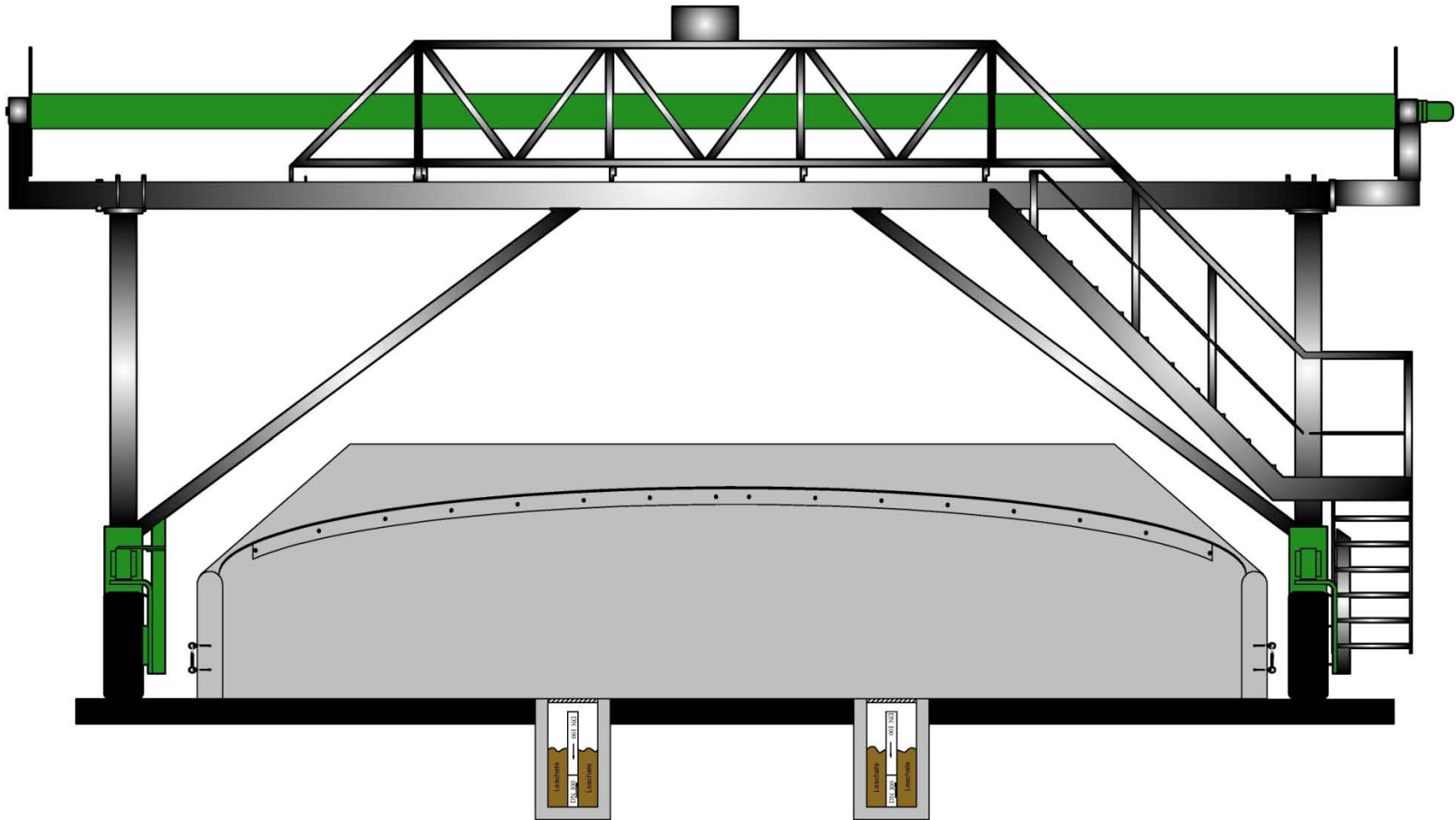


**FIGURE 4:** GORE cover winder system attached to push wall.





**FIGURE 5:** GORE cover wall winder system mounted on roof support columns.



**FIGURE 6:** Cross section of GORE bunker and mobile winder.

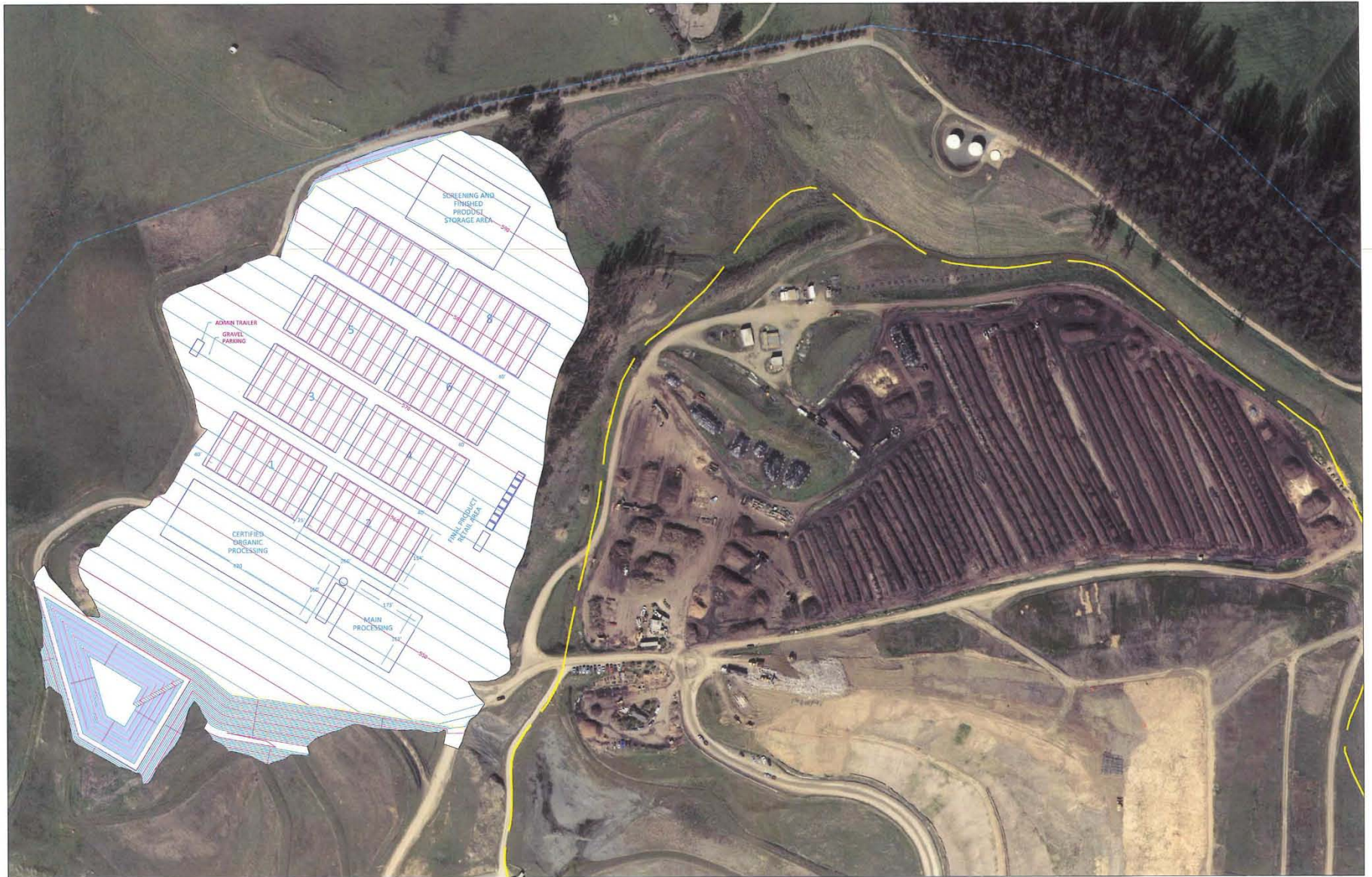


**FIGURE 7:** Photo of a self-powered mobile winder.



**FIGURE 8:** Non-motorized, mobile, GORE cover winder.









# SONOMA LANDFILL WEST CANYON COMPOST FACILITY

Description	Estimated Quantity	Units	Unit Price	Total
<b>Construction</b>				
Performance Bid Bond	1	%	\$0	\$0
Mobilization/Demobilization	1	LS	\$500,000	\$500,000
Survey	1	LS	\$70,000	\$70,000
Clear and Grub	5.0	AC	\$1,000	\$5,000
Administrative Office Trailer	1	EA	\$60,000	\$60,000
Interim Drainage Control <sup>1</sup>	1	LS	\$50,000	\$50,000
Hydroseeding	1.7	AC	\$3,000	\$5,100
Excavation	590,000	CY	\$0.00	\$0
Fill	160,000	CY	\$5.00	\$800,000
Storm Drains	4,500	LF	\$50	\$225,000
Basin	1	LS	\$50,000	\$50,000
Asphalt (8" AC over 14" CMB and Geotextile)	304,975	SF	\$9.00	\$2,744,775
Gravel Pad (18" with geotextile)	30,932	SF	\$5.00	\$154,660
Subdrain	4,000	LF	\$35.00	\$140,000
Compost Bunkers	64	EA	\$200,000	\$12,800,000
Roof - Compost Bunker & Roads (736' x 557')	409,952	SF	\$15.00	\$6,149,280
Roof - Final Screening, Curing and Stockpile	45,000	SF	\$15.00	\$675,000
Final Area - Concrete Flooring (9" #5 O.C. E.W.)	45,000	SF	\$20	\$900,000
Retail Area (bays with roof)	14	EA	\$10,000	\$140,000
Non-Organic Processing Building	27,853	SF	\$100	\$2,785,300
Main Processing Building	67,394	SF	\$100	\$6,739,400
Dust control (mister system)	1	LS	\$50,000	\$50,000
Fire Suppression	140,247	SF	\$1.65	\$231,000
Power	1	LS	\$250,000	\$250,000
Install Fire Hydrant	1	LS	\$5,000	\$5,000
Extend 8" Water Main	700	LF	\$160	\$112,000
Oil Water Separator	1	EA	\$60,000	\$60,000
Concrete Barrier	1,000	LF	\$140	\$140,000
Trees (Visual Barrier)	20	EA	\$2,000	\$40,000
Irrigation for Trees	1	LS	\$10,000	\$10,000
<b>Construction Subtotal</b>				<b>\$35,891,515</b>
<b>Composting Equipment</b>				
GORE Tarps	1	LS	\$7,800,000	\$7,800,000
GORE Winder	1	EA	\$320,000	\$320,000
Scale	1	EA	\$100,000	\$100,000
Wheel Loader	3	EA	\$520,000	\$1,560,000
Skid Steer Loader	1	EA	\$65,000	\$65,000
Backhoe	1	EA	\$150,000	\$150,000
Dump Truck	2	EA	\$120,000	\$240,000
Pickup Truck	2	EA	\$35,000	\$70,000
Grinder	2	EA	\$425,000	\$850,000
Screens	2	EA	\$175,000	\$350,000
Food processing	1	EA	\$250,000	\$250,000
<b>Equipment Subtotal</b>				<b>\$11,755,000</b>
<b>A &amp; E</b>				
Engineering Design & Permitting	1	LS	\$2,153,491	\$2,153,491
Construction Management	40	WK	\$9,000	\$360,000
Engineering Support During Construction	1	LS	\$538,373	\$538,373
<b>Subtotal</b>				<b>\$50,698,379</b>
<b>Construction Contingency (10%)</b>				<b>\$3,589,152</b>
<b>Total</b>				<b>\$54,287,530</b>



Agenda Item #: **11**  
Cost Center: **Organics**  
Staff Contact: **Mikus**  
Agenda Date: **10/15/2014**

ITEM: **New Compost Site Selection**

**I. BACKGROUND**

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

**II. DISCUSSION**

The EIR listed the Central site as the "environmentally preferred alternate" although that designation was not by a large margin. For both sites, the EIR identifies environmental impacts that remain significant even after mitigation. The significant and unavoidable impacts for Site 40 include temporary air quality impacts during construction, air quality impacts when examined in conjunction with cumulative development within the Bay Area Basin, land use and agricultural impacts with the potential to conflict with the Sonoma County General Plan and Zoning Ordinance, and land use and agricultural impacts with the conversion of Prime Farmland, Farmland of Statewide Importance, Farmland of Local Importance, and Grazing Land. The significant and unavoidable impacts for the Central Site Alternative include noise impacts with the potential to expose persons or generate noise levels in excess of standards established in local general plans or noise ordinances, land use and agriculture with the potential to conflict with the Sonoma County General Plan or Zoning Ordinance with regard to noise impacts, traffic impacts related to long term cumulative traffic volumes during weekday a.m. and weekend peak hours at the intersection of Highway 116 and Stony Point Road.

Through the work presented by our consultant, Tetra Tech BAS, in the preceding agenda item, Central was confirmed to have the space to process the required 200,000 tons per year, and has a lower estimated construction cost than Site 40 (including substantial expense for purchase of the Site 40 property).

However, utilizing the Central Site would require continued tenancy with the County on their landfill property (rather than SCWMA owning the property for Site 40), would introduce another party via the "soon to be" landfill MOA between the County and Republic Services, and would require a greater level of effort to adhere to compost contact water requirements when compared to Site 40.

Because of location and the organics collection and hauling infrastructure that is already in place, Site 40 would require added hauling expense.

The next logical steps in finding a new site would be for the Board to make a selection of a preferred site, then certify the EIR. Once a site is picked, based on the Board's choice Agency Counsel and staff would prepare and present the documents required for EIR certification to the Board.

### **III. FUNDING IMPACT**

The financial cost analysis suggested use of some portion of the Organics Reserve to offset some of the site development and construction costs. This same analysis revealed that regardless of which site was selected, the tip fee for inbound organic materials would need to increase to pay for the construction and operating costs. It has been anticipated that the Organics Reserve, which is currently estimated to contain a fund balance slightly less than \$4 million at the end of FY 14-15, would be used to mitigate the costs to purchase or develop the selected site.

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

Staff recommends the Board select a preferred site, and direct Agency Counsel and Staff to prepare the required documentation so that formal certification of the EIR can be made for that selected site at the November 19, 2014 SCWMA Board meeting.

### **V. ATTACHMENTS**

None

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



Agenda Item #: **12.1.a**  
 Agenda Date: **10/15/2014**

ITEM: **Outreach Calendar October 2014-November 2014**

**October 2014 Outreach Events**

<u>Day</u>	<u>Time</u>	<u>Event</u>
2	4 PM – 7 PM	Petaluma Business Expo, Petaluma
3	10 – 12 & 1 – 3 PM	Two tours for SRJC Students, Central Disposal Site
5	1 PM – 3 PM	Binational Health Week Event, Windsor Catholic Church, Windsor
5	11 AM – 4 PM	Jack London State Historic Park Sustainability Fair, Glen Ellen
5	1 PM-3 PM	Binational Health Week Event in Windsor
6	10 AM-2 PM	Rohnert Park Community Health and Safety Fair
7	4 – 8 PM	Community Toxics Collection Event, Cloverdale
7	12 AM- 4 PM	Environmental Forum of Marin Master Class Compost Component
11	11 AM-4 PM	Sonoma Valley Health Fair in Sonoma
12	1 PM – 4 PM	Guerneville Health Fair, Guerneville
14	4 – 8 PM	Community Toxics Collection Event, Santa Rosa, NE
14	7:45 AM – 8 AM	Tomorrow's Leaders Today Tour Landfill/compost tour
16	9:30 AM – 11 AM	Central Disposal Site Tour, Salmon Creek School
17	10 AM – 12 PM	Central Disposal Site Tour, Alexander Valley School
18,19	8 AM – 4 PM	E-Waste Recycling collection event, Walmart, Windsor
19	1:30 PM-4:30 PM	Cloverdale Health Fair
19	1 PM-4 PM	Santa Rosa Health Fair, Resurrection Catholic Church (Community Room)
21	4 – 8 PM	Community Toxics Collection Event, Petaluma
28	4 – 8 PM	Community Toxics Collection Event, Larkfield
29	8 AM – 2 PM	Safe Medicine Disposal Symposium, Santa Rosa

**November 2014 Outreach Events**

4	4 – 8 PM	Community Toxics Collection Event, Guerneville
8,9	8 AM – 4 PM	E-Waste Recycling collection event, Whole Foods, Sonoma
11	4 – 8 PM	Community Toxics Collection Event, Windsor
17	11 AM – 12 AM	Regional Parks Pesticide Applicators Training at Finley Center SR Compost As a Tool In IPM presentation
18	4 – 8 PM	Community Toxics Collection Event, Oakmont

# Alameda County wins ruling on drug-disposal costs

**Bob Egelko**

**San Francisco Chronicle**

**Published 5:06 pm, Tuesday, September 3, 2013**

A federal judge has rejected the pharmaceutical industry's challenge to Alameda County's first-in-the-nation ordinance requiring drugmakers to pay for collecting and discarding unused prescription drugs in people's medicine cabinets.

The ordinance is scheduled to take effect in November. It requires manufacturers of prescription drugs sold in the county to fund a program that picks up and disposes of leftover medications.

Alameda County now pays \$330,000 a year to operate about 30 drop-off sites where consumers can discard their pills. The new program, unanimously approved by county supervisors in July 2012, shifts those costs to drug companies and prohibits them from passing on the expense by raising prices to customers in Alameda County.

Organizations representing about 100 drug companies argued that the ordinance places an unconstitutional burden on interstate commerce. They said the county is discriminating against businesses in other states, where most drug manufacturers are located, by requiring them to pay costs formerly borne by the county and its taxpayers.

But U.S. District Judge [Richard Seeborg](#) of San Francisco said the ordinance treats all drug companies alike and does not discriminate against those located outside California.

"The ordinance applies to producers who elect to sell their products within Alameda County, regardless of where the producers are based," Seeborg said in a ruling issued Aug. 28.

The county measure "serves a legitimate public health and safety interest," the judge said, citing declarations in the ordinance that improper disposal of prescription drugs endangers children and the elderly and contaminates water supplies.

He said a pharmaceutical information company calculated prescription drug sales nationwide at \$308.6 billion in 2010.

The suit was filed by the [Pharmaceutical Research and Manufacturers of America](#), the [Generic Pharmaceutical Association](#) and the [Biotechnology Industry Association](#). They said they were disappointed by Seeborg's ruling, which can be appealed.

Programs like Alameda County's "place the entire responsibility on pharmaceutical manufacturers for the execution, finance, management and administration of otherwise municipal operations, and shift the costs and burden of such local programs to out-of-county consumers and companies," the industry groups said.

[Arthur Shartsis](#), a lawyer for the county, said California has laws requiring industries to pay disposal costs for products like batteries, but "this is the first time a county has taken the initiative on a health and safety matter like this."

*Bob Egelko is a [San Francisco Chronicle](#) staff writer. E-mail: [beigelko@sfgchronicle.com](mailto:beigelko@sfgchronicle.com)*

## Judges uphold Alameda County drug disposal law

By Matt O'Brien mattobrien@bayareanewsgroup.com

San Jose Mercury News, Contra Costa times

SAN FRANCISCO -- Drug manufacturers will have to pay to collect and discard unwanted prescription pills in Alameda County after a federal appeals court rejected an industry challenge to the nation's first drug take-back law.

A three-judge panel from the 9th Circuit Court of Appeals unanimously upheld Alameda County's drug disposal ordinance in a Tuesday ruling.

The drug industry had sued after the Alameda County Board of Supervisors passed the law in 2012 forcing drugmakers to take responsibility for the safe disposal of their products. The measure is meant to prevent unused drugs from poisoning local residents or the environment. Pharmaceutical groups said they were disappointed by the ruling but did not say if they will continue to challenge the local law by seeking another appeals court hearing or taking their fight to the U.S. Supreme Court.

"We certainly hope that this is the end of it," said Donna Ziegler, Alameda County chief counsel, noting that the county has already spent \$750,000 to fight the lawsuit.

A district court sided with the county last year and refused to delay the new law as drug companies sought their appeal.

As part of the law, drug companies must set up disposal bins in convenient spots around Alameda County and help advertise them to the public, then collect the drugs and destroy them at medical waste facilities. The companies can set up their own stewardship plan or pay someone else to do it. Drugmakers are also prohibited from charging Alameda County customers more to pay for the disposal costs.

The county began implementing the law in July but is still working with companies in developing their plans.

"We remain opposed to take-back programs like Alameda County's, which place the entire responsibility on pharmaceutical manufacturers for the execution, finance, management and administration of otherwise municipal operations," said a statement emailed Wednesday from the Biotechnology Industry Organization, based in Washington, D.C. "By exempting all local businesses and consumers from having to contribute any funding for or provide any assistance in implementation of these take-back programs, Alameda County has unfairly shifted the costs and burden to individuals in other counties, cities and states."

The industry group was a plaintiff in the case along with the Pharmaceutical Research and Manufacturers of America and the Generic Pharmaceutical Association. They argued that the county ordinance was unconstitutional because it interferes with the interstate flow of goods.

The judges disagreed, ruling this week that the law "neither discriminates against nor directly regulates interstate commerce," according to the opinion by Judge N.R. Smith.

"It applies to all manufacturers that make their drugs available in Alameda County -- without respect to the geographic location of the manufacturer," Smith wrote. The law also "does not directly regulate interstate commerce because it does not control conduct beyond the boundaries of the county."

Neither side disputed the facts of the case or the importance of safely discarding prescription drugs. Alameda County estimated the cost of the program will be \$330,000 annually, a small portion of the nearly \$1 billion in prescription drug sales each year in Alameda County. The drug companies believe the cost will be closer to \$1.2 million.

Smith wrote that "opinions vary widely as to whether adoption of the ordinance was good idea. We leave that debate to other institutions and the public at large. We needed only to review the ordinance and determine whether it violates the dormant Commerce Clause of the United States Constitution. We did; it does not."

The county's top attorney believes other local governments around the country will now follow Alameda County's lead.

"I do think that once the lawsuit has worked its way through the court and we're successful, it will close the door on (the drug industry) targeting other jurisdictions," Ziegler said.

**Assembly Bill No. 1594****CHAPTER 719**

An act to amend Sections 40507 and 41781.3 of the Public Resources Code, relating to solid waste.

[Approved by Governor September 28, 2014. Filed with  
Secretary of State September 28, 2014.]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1594, Williams. Waste management.

The California Integrated Waste Management Act of 1989, which is administered by the Department of Resources Recycling and Recovery, establishes an integrated waste management program. The act requires the department to file an annual report, on or before March 1 of each year, with the Legislature, regarding the administration of the act during the prior calendar year.

This bill would require the department to include in the annual report, on or before March 1, 2015, a status update on the adequacy of funding from the Integrated Waste Management Fund for programs implemented pursuant to the act and pursuant to other specified provisions regulating waste management facilities. The bill would authorize the department to recommend alternative funding mechanisms for the programs, as specified.

Existing law requires each city, county, and joint powers authority formed under the act, referred to as a regional agency, to develop a source reduction and recycling element of an integrated waste management plan. The act requires the source reduction and recycling element to divert from disposal 50% of all solid waste subject to the element through source reduction, recycling, and composting activities, with specified exceptions. Under the act, the use of solid waste for beneficial reuse in the construction and operation of a solid waste landfill, including the use of alternative daily cover, constitutes diversion through recycling and is not considered disposal.

This bill, commencing January 1, 2020, would provide that the use of green material, as defined, as alternative daily cover does not constitute diversion through recycling and would be considered disposal for purposes of the act. The bill, commencing August 1, 2018, would require a local jurisdiction to include information in an annual report on how the local jurisdiction intends to address these diversion requirements and divert green material that is being used as alternative daily cover. The bill would require a jurisdiction that does not meet certain diversion requirements as a result of not being able to claim diversion for the use of green material as alternative daily cover to identify and address, in an annual report, barriers to recycling green material and, if sufficient capacity at facilities that recycle green material is not expected to be operational before a certain date, to



include a plan to address those barriers. The bill would impose a state-mandated local program by imposing new duties upon local agencies with regard to the diversion of solid waste.

Existing law requires the operator of a disposal facility to pay a quarterly fee based on the amount of solid waste disposed of at each disposal site.

This bill would provide that, commencing January 1, 2020, green material used as alternative daily cover at a solid waste landfill is not subject to this fee.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Section 40507 of the Public Resources Code is amended to read:

40507. (a) (1) On or before March 1 of each year, the department shall file an annual report with the Legislature highlighting significant programs or actions undertaken by the department to implement programs pursuant to this division during the prior calendar year. The report shall include, but is not limited to, the information described in subdivision (b).

(2) On or before March 1, 2015, the department shall provide in the annual report required pursuant to paragraph (1) a status update on the adequacy of funding from the Integrated Waste Management Fund for programs implemented pursuant to this division or Division 31 (commencing with Section 50000), including the adequacy of funding for the oversight of solid waste that is accepted at a disposal facility and is not subject to the fee imposed pursuant to Section 48000. In its report, the department may recommend alternative funding mechanisms for the programs that would achieve the requirements and policy goals of this division and Division 31 (commencing with Section 50000), including the statewide recycling goal of 75 percent pursuant to Section 41780.01.

(b) The department shall file annual progress reports with the Legislature covering the activities and actions undertaken by the department in the prior fiscal year. The department shall prepare, and may electronically file with the Legislature, the progress reports throughout the calendar year, as determined by the department, on the following programs:

- (1) The local enforcement agency program.
- (2) The research and development program.
- (3) The public education program.
- (4) The market development program.
- (5) The used oil program.
- (6) The planning and local assistance program.
- (7) The site cleanup program.

(c) The progress report shall specifically include, but is not limited to, all of the following information:

(1) Pursuant to paragraph (1) of subdivision (b), the status of the certification and evaluation of local enforcement agencies pursuant to Chapter 2 (commencing with Section 43200) of Part 4.

(2) Pursuant to paragraph (2) of subdivision (b), all of the following information:

(A) The results of the research and development programs established pursuant to Chapter 13 (commencing with Section 42650) of Part 3.

(B) A report on information and activities associated with the establishment of the Plastics Recycling Information Clearinghouse, pursuant to Section 42520.

(C) A report on the progress in implementing the monitoring and control program for the subsurface migration of landfill gas established pursuant to Section 43030, including recommendations, as needed, to improve the program.

(D) A report on the comparative costs and benefits of the recycling or conversion processes for waste tires funded pursuant to Chapter 17 (commencing with Section 42860) of Part 3.

(3) Pursuant to paragraph (3) of subdivision (b), all of the following information:

(A) A review of actions taken by the department to educate and inform individuals and public and private sector entities who generate solid waste on the importance of source reduction, recycling, and composting of solid waste, and recommendations for administrative or legislative actions that will inform and educate these parties.

(B) A report on the effectiveness of the public information program required to be implemented pursuant to Chapter 12 (commencing with Section 42600) of Part 3, including recommendations on administrative and legislative changes to improve the program.

(C) A report on the status and effectiveness of school district source reduction and recycling programs implemented pursuant to Chapter 12.5 (commencing with Section 42620) of Part 3, including recommendations on administrative and legislative changes to improve the program's effectiveness.

(D) A report on the effectiveness of the integrated waste management educational program and teacher training plan implemented pursuant to Part 4 (commencing with Section 71300) of Division 34, including recommendations on administrative and legislative changes that will improve the program.

(E) A summary of available and wanted materials, a profile of the participants, and the amount of waste diverted from disposal sites as a result of the California Materials Exchange Program established pursuant to subdivision (a) of Section 42600.

(4) Pursuant to paragraph (4) of subdivision (b), all of the following information:

(A) A review of market development strategies undertaken by the board pursuant to this division to ensure that markets exist for materials diverted from solid waste facilities, including recommendations for administrative and legislative actions that will promote expansion of those markets. The recommendations shall include, but not be limited to, all of the following:

(i) Recommendations for actions to develop more direct liaisons with private manufacturing industries in the state to promote increased utilization of recycled feedstock in manufacturing processes.

(ii) Recommendations for actions that can be taken to assist local governments in the inclusion of recycling activities in county overall economic development plans.

(iii) Recommendations for actions to utilize available financial resources for expansion of recycling industry capacity.

(iv) Recommendations to improve state, local, and private industry product and material procurement practices.

(B) Development and implementation of a program to assist local agencies in the identification of markets for materials that are diverted from disposal facilities through source reduction, recycling, and composting pursuant to Section 40913.

(C) A report on the Recycling Market Development Zone Loan Program conducted pursuant to Article 3 (commencing with Section 42010) of Chapter 1 of Part 3.

(D) A report on implementation of the Compost Market Program pursuant to Chapter 5 (commencing with Section 42230) of Part 3.

(E) A report on the progress in developing and implementing the comprehensive Market Development Plan, pursuant to Article 2 (commencing with Section 42005) of Chapter 1 of Part 3.

(F) The number of retreaded tires purchased by the Department of General Services during the prior fiscal year pursuant to Section 42414.

(G) The results of the study performed in consultation with the Department of General Services pursuant to Section 42415 to determine if tire retreads, procured by the Department of General Services, have met all quality and performance criteria of a new tire, including any recommendations to expand, revise, or curtail the program.

(H) The number of recycled lead-acid batteries purchased during the prior fiscal year by the Department of General Services pursuant to Section 42443.

(I) A list of established price preferences for recycled paper products for the prior fiscal year pursuant to paragraph (1) of subdivision (c) of Section 12162 of the Public Contract Code.

(J) A report on the implementation of the white office paper recovery program pursuant to Chapter 10 (commencing with Section 42560) of Part 3.

(5) Pursuant to paragraph (5) of subdivision (b), both of the following information:

(A) A report on the annual audit of the used oil recycling program established pursuant to Chapter 4 (commencing with Section 48600) of Part 7.

(B) A summary of industrial and lubricating oil sales and recycling rates, the results of programs funded pursuant to Chapter 4 (commencing with Section 48600) of Part 7, recommendations, if any, for statutory changes to the program, including changes in the amounts of the payment required by Section 48650 and the recycling incentive, and plans for present and future programs to be conducted over the next two years.

(6) Pursuant to paragraph (6) of subdivision (b), all of the following information:

(A) The development by the department of the model countywide or regional siting element and model countywide or regional agency integrated waste management plan pursuant to Section 40912, including its effectiveness in assisting local agencies.

(B) The adoption by the department of a program to provide assistance to cities, counties, or regional agencies in the development and implementation of source reduction programs pursuant to subdivision (c) of Section 40912.

(C) The development by the department of model programs and materials to assist rural counties and cities in preparing city and county source reduction and recycling elements pursuant to Section 41787.3.

(D) A report on the number of tires that are recycled or otherwise diverted from disposal in landfills or stockpiles.

(E) A report on the development and implementation of recommendations, with proposed implementing regulations, for providing technical assistance to counties and cities that meet criteria specified in Section 41782, so that those counties and cities will be able to meet the objectives of this division. The recommendations shall, among other things, address both of the following matters:

(i) Assistance in developing methods of raising revenue at the local level to fund rural integrated waste management programs.

(ii) Assistance in developing alternative methods of source reduction, recycling, and composting of solid waste suitable for rural local governments.

(F) A report on the status and implementation of the "Buy Recycled" program established pursuant to subdivision (d) of Section 42600, including the waste collection and recycling programs established pursuant to Sections 12164.5 and 12165 of the Public Contract Code.

(7) Pursuant to paragraph (7) of subdivision (b), a description of sites cleaned up under the Solid Waste Disposal and Codisposal Site Cleanup Program established pursuant to Article 2.5 (commencing with Section 48020) of Chapter 2 of Part 7, a description of remaining sites where there is no responsible party or the responsible party is unable or unwilling to pay for cleanup, and recommendations for any needed legislative changes.

SEC. 2. Section 41781.3 of the Public Resources Code is amended to read:

41781.3. (a) (1) Except as provided in paragraph (2), the use of solid waste for beneficial reuse in the construction and operation of a solid waste landfill, including use of alternative daily cover, which reduces or eliminates the amount of solid waste being disposed pursuant to Section 40124, shall constitute diversion through recycling and shall not be considered disposal for purposes of this division.

(2) (A) Commencing January 1, 2020, the use of green material as alternative daily cover does not constitute diversion through recycling and shall be considered disposal for purposes of this division.

(B) Commencing January 1, 2020, a local jurisdiction that, as a result of not being able to claim diversion for the use of green material as alternative daily cover, does not meet the requirements of Section 41780 shall, in the next annual report required pursuant to Section 41821, identify and address barriers to recycling green material and, if sufficient capacity at facilities that recycle green material is not expected to be operational before the jurisdiction's next review pursuant to Section 41825, include a plan to address those barriers that are within the control of the local jurisdiction.

(C) Commencing January 1, 2020, green material used as alternative daily cover at a solid waste landfill is not subject to the fee imposed on disposed solid waste pursuant to Section 48000.

(3) Commencing August 1, 2018, a local jurisdiction shall include in the electronic annual report required pursuant to Section 41821 information on how the local jurisdiction intends to address the requirements of subparagraph (A) of paragraph (2) and divert green material that is being used as alternative daily cover.

(b) Before December 31, 1997, pursuant to the department's authority to adopt rules and regulations pursuant to Section 40502, the department shall, by regulation, establish conditions for the use of alternative daily cover that are consistent with this division. In adopting the regulations, the department shall consider, but is not limited to consideration of, all of the following criteria:

(1) Those conditions established in past policies adopted by the department affecting the use of alternative daily cover.

(2) Those conditions necessary to provide for the continued economic development, economic viability, and employment opportunities provided by the composting industry in the state.

(3) Those performance standards and limitations on maximum functional thickness necessary to ensure protection of public health and safety consistent with state minimum standards.

(c) Until the adoption of additional regulations, the use of alternative daily cover shall be governed by the conditions established by the department in its existing regulations set forth in paragraph (3) of subdivision (b) of, and paragraph (3) of subdivision (c) of, Section 18813 of Title 14 of the California Code of Regulations, as those sections read on January 1, 1997, and by the conditions established in the department's policy adopted on January 25, 1995.

(d) In adopting rules and regulations pursuant to this division, including, but not limited to, Part 2 (commencing with Section 40900), the department shall provide guidance to local enforcement agencies on any conditions and restrictions on the utilization of alternative daily cover so as to ensure proper enforcement of those rules and regulations.

(e) Nothing in this section modifies, limits, or abrogates the authority of a local jurisdiction with respect to land use, zoning, or facility siting decisions within that local jurisdiction.

(f) For purposes of this section, “green material” has the same meaning as “processed green material,” as defined in subdivision (b) of Section 20690 of Title 27 of the California Code of Regulations. The term does not include materials left over from the composting process, materials left over after the material recovery process, commonly referred to as “fines,” or processed construction and demolition waste materials.

(g) For purposes of this section, “processed construction and demolition waste material” has the same meaning as defined in subdivision (b) of Section 20690 of Title 27 of the California Code of Regulations.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

**Assembly Bill No. 1826****CHAPTER 727**

An act to add Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to solid waste.

[Approved by Governor September 28, 2014. Filed with  
Secretary of State September 28, 2014.]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1826, Chesbro. Solid waste: organic waste.

(1) The California Integrated Waste Management Act of 1989, which is administered by the Department of Resources Recycling and Recovery, establishes an integrated waste management program that requires each county and city and county to prepare and submit to the department a countywide integrated waste management plan. The act requires a business, which is defined as a commercial or public entity, that generates more than 4 cubic yards of commercial solid waste per week or is a multifamily residential dwelling of 5 units or more, to arrange for recycling services. Existing law also requires jurisdictions to implement a commercial solid waste recycling program meeting specified elements.

This bill would, commencing April 1, 2016, require a business that generates a specified amount of organic waste per week to arrange for recycling services for that organic waste in a specified manner. The bill would decrease the amount of organic waste under which a business would be subject to those requirements from 8 cubic yards or more to 4 cubic yards or more on January 1, 2017. The bill would also require a business that generates 4 cubic yards or more of commercial solid waste per week, on and after January 1, 2019, to arrange for organic waste recycling services and, if the department makes a specified determination, would decrease that amount to 2 cubic yards, on or after January 1, 2020.

This bill would require the contract or work agreement between a business and a gardening or landscaping service to require the organic waste generated by those services to comply with the requirements of this act.

This bill would require each jurisdiction, on and after January 1, 2016, to implement an organic waste recycling program to divert organic waste from the businesses subject to this act, except as specified with regard to rural jurisdictions, thereby imposing a state-mandated local program by imposing new duties on local governmental agencies. The bill would require each jurisdiction to report to the department on its progress in implementing the organic waste recycling program, and the department would be required to review whether a jurisdiction is in compliance with this act.

This bill would authorize a local governmental agency to charge and collect a fee from an organic waste generator to recover the local governmental agency's costs incurred in complying with this act.

This bill would require the department to identify and recommend actions to address permitting and siting challenges and to encourage the continued viability of the state's organic waste processing and recycling infrastructure, in partnership with the California Environmental Protection Agency and other specified state and regional agencies. The bill also would require the department to cooperate with local jurisdictions and industry to provide assistance for increasing the feasibility of organic waste recycling and to identify certain state financing mechanisms and state funding incentives and post this information on its Internet Web site.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 12.9 (commencing with Section 42649.8) is added to Part 3 of Division 30 of the Public Resources Code, to read:

#### CHAPTER 12.9. RECYCLING OF ORGANIC WASTE

42649.8. For purposes of this chapter, the following terms shall apply:

(a) "Business" means a commercial or public entity, including, but not limited to, a firm, partnership, proprietorship, joint stock company, corporation, or association that is organized as a for-profit or nonprofit entity, or a multifamily residential dwelling.

(b) "Commercial waste generator" means a business subject to subdivision (a) of Section 42649.2.

(c) "Organic waste" means food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste.

(d) "Organic waste generator" means a business subject to subdivision (a) of Section 42649.81.

(e) "Rural jurisdiction" means a jurisdiction that is located entirely within one or more rural counties, or a regional agency comprised of jurisdictions that are located within one or more rural counties.

(f) "Rural county" means a county that has a total population of less than 70,000 persons.

(g) "Self-hauler" means a business that hauls its own waste rather than contracting for that service and "self-haul" means to act as a self-hauler.

42649.81. (a) (1) On and after April 1, 2016, a business that generates eight cubic yards or more of organic waste per week shall arrange for



recycling services specifically for organic waste in the manner specified in subdivision (b).

(2) On and after January 1, 2017, a business that generates four cubic yards or more of organic waste per week shall arrange for recycling services specifically for organic waste in the manner specified in subdivision (b).

(3) On and after January 1, 2019, a business that generates four cubic yards or more of commercial solid waste, as defined in Section 42649.1, per week, shall arrange for recycling services specifically for organic waste in the manner specified in subdivision (b).

(4) On or after January 1, 2020, if the department determines that statewide disposal of organic waste has not been reduced to 50 percent of the level of disposal during 2014, a business that generates two cubic yards or more per week of commercial solid waste shall arrange for the organic waste recycling services specified in paragraph (3), unless the department determines that this requirement will not result in significant additional reductions of organics disposal.

(5) A business located in a rural jurisdiction that is exempted pursuant to paragraph (2) of subdivision (a) of Section 42649.82 is not subject to this chapter.

(b) A business subject to subdivision (a) shall take at least one of the following actions:

(1) Source separate organic waste from other waste and subscribe to a basic level of organic waste recycling service that includes collection and recycling of organic waste.

(2) Recycle its organic waste onsite or self-haul its own organic waste for recycling.

(3) Subscribe to an organic waste recycling service that may include mixed waste processing that specifically recycles organic waste.

(4) Make other arrangements consistent with paragraph (3) of subdivision (b) of Section 42649.84.

(c) A business that is a property owner may require a lessee or tenant of that property to source separate their organic waste to aid in compliance with this section.

(d) A business generating organic waste shall arrange for the recycling services required by this section in a manner that is consistent with state and local laws and requirements, including a local ordinance or local jurisdiction's franchise agreement, applicable to the collection, handling, or recycling of solid and organic waste.

(e) When arranging for gardening or landscaping services, the contract or work agreement between a business subject to this section and a gardening or landscaping service shall require that the organic waste generated by those services be managed in compliance with this chapter.

(f) (1) A multifamily residential dwelling that consists of fewer than five units is not a business for purposes of this chapter.

(2) A business that is a multifamily dwelling is not required to arrange for the organic waste recycling services specified in subdivision (b) for food waste that is generated by the business.

(g) If separate organic waste collection and recycling services are not offered through a local ordinance or local jurisdiction's franchise agreement, a business generating organic waste may arrange for separate organic waste collection and recycling services, until the local ordinance or local jurisdiction's franchise agreement includes organic waste recycling services.

42649.82. (a) (1) In addition to the requirements of Section 42649.3, on and after January 1, 2016, each jurisdiction shall implement an organic waste recycling program that is appropriate for that jurisdiction and designed specifically to divert organic waste generated by businesses subject to Section 42649.81, whether or not the jurisdiction has met the requirements of Section 41780.

(2) (A) A county board of supervisors of a rural county may adopt a resolution, as prescribed in this paragraph, to make the rural county exempt from the requirements of this section. If a rural jurisdiction is a city, the city council may adopt a resolution, as prescribed in this paragraph, to make the rural jurisdiction exempt from this section. If a rural jurisdiction is a regional agency comprised of jurisdictions that are located entirely within one or more rural counties, the board of the regional agency may adopt a resolution, as prescribed in this paragraph, to make the rural jurisdiction is exempt from the requirements of this section.

(B) A resolution adopted pursuant to subparagraph (A) shall include findings as to the purpose of and need for the exemption.

(C) A resolution to exempt a rural jurisdiction pursuant to subparagraph (A) shall be submitted to the department at least six months before the operative date of the exemption.

(D) On or after January 1, 2020, if the department determines that statewide disposal of organic waste has not been reduced to 50 percent of the level of disposal during the 2014 calendar year, all exemptions authorized by this paragraph shall terminate unless the department determines that applying this chapter to rural jurisdictions will not result in significant additional reductions of disposal of organic waste.

(b) If a jurisdiction, as of January 1, 2016, has in place an organic waste recycling program that meets the requirements of this section, it is not required to implement a new or expanded organic waste recycling program.

(c) The organic waste recycling program required by this section shall be directed at organic waste generators and may include, but is not limited to, one or more of the following:

(1) Implementing a mandatory commercial organic waste recycling policy or ordinance that addresses organic waste recycling.

(2) Requiring a mandatory commercial organic waste recycling program through a franchise contract or agreement.

(3) Requiring organic waste to go through a source separated or mixed processing system that diverts material from disposal.

(d) (1) The organic waste recycling program shall do all of the following:

(A) Identify all of the following:

(i) Existing organic waste recycling facilities within a reasonable vicinity and the capacities available for materials to be accepted at each facility.

(ii) Existing solid waste and organic waste recycling facilities within the jurisdiction that may be suitable for potential expansion or colocation of organic waste processing or recycling facilities.

(iii) Efforts of which the jurisdiction is aware that are underway to develop new private or public regional organic waste recycling facilities that may serve some or all of the organic waste recycling needs of the commercial waste generators within the jurisdiction subject to this chapter, and the anticipated timeframe for completion of those facilities.

(iv) Closed or abandoned sites that might be available for new organic waste recycling facilities.

(v) Other nondisposal opportunities and markets.

(vi) Appropriate zoning and permit requirements for the location of new organic waste recycling facilities.

(vii) Incentives available, if any, for developing new organic waste recycling facilities within the jurisdiction.

(B) Identify barriers to siting new or expanded compostable materials handling operations, as defined in paragraph (12) of subdivision (a) of Section 17852 of the Title 14 of the California Code of Regulations, and specify a plan to remedy those barriers that are within the control of the local jurisdiction.

(C) Provide for the education of, outreach to, and monitoring of, businesses. The program shall require the jurisdiction to notify a business if the business is not in compliance with Section 42649.81.

(2) For purposes of subparagraph (A) of paragraph (1), an “organic waste recycling facility” shall include compostable materials handling operations, as defined in paragraph (12) of subdivision (a) of Section 17852 of Title 14 of the California Code of Regulations, and may include other facilities that recycle organic waste.

(e) The organic waste recycling program may include any one or more of the following:

(1) Enforcement provisions that are consistent with the jurisdiction’s authority, including a structure for fines and penalties.

(2) Certification requirements for self-haulers.

(3) Exemptions, on a case-by-case basis, from the requirements of Section 42649.81 that are deemed appropriate by the jurisdiction for any of the following reasons:

(A) Lack of sufficient space in multifamily complexes or businesses to provide additional organic material recycling bins.

(B) The current implementation by a business of actions that result in the recycling of a significant portion of its organic waste.

(C) The business or group of businesses does not generate at least one-half of a cubic yard of organic waste per week.

(D) Limited-term exemptions for extraordinary and unforeseen events.

(E) (i) The business or group of businesses does not generate at least one cubic yard of organic waste per week, if the local jurisdiction provides the department with information that explains the need for this higher exemption than that authorized by subparagraph (C).

(ii) The information described in clause (i) shall be provided to the department with the information provided pursuant to subdivision (f).

(iii) This subparagraph shall not be operative on or after January 1, 2020, if the department, pursuant to paragraph (4) of subdivision (a) of Section 42649.81, determines that statewide disposal of organic waste has not been reduced to 50 percent of the level of disposal during the 2014 calendar year.

(f) (1) Each jurisdiction shall provide the department with information on the number of regulated businesses that generate organic waste and, if available, the number that are recycling organic waste. The jurisdiction shall include this information as part of the annual report required pursuant to Section 41821.

(2) On and after August 1, 2017, in addition to the information required by paragraph (1), each jurisdiction shall report to the department on the progress achieved in implementing its organic waste recycling program, including education, outreach, identification, and monitoring, on its rationale for allowing exemptions, and, if applicable, on enforcement efforts. The jurisdiction shall include this information as part of the annual report required pursuant to Section 41821.

(g) (1) The department shall review a jurisdiction's compliance with this section as part of the department's review required by Section 41825.

(2) The department also may review whether a jurisdiction is in compliance with this section at any time that the department receives information that a jurisdiction has not implemented, or is not making a good faith effort to implement, an organic waste recycling program.

(h) During a review pursuant to subdivision (g), the department shall determine whether the jurisdiction has made a good faith effort to implement its selected organic waste recycling program. For purposes of this section, "good faith effort" means all reasonable and feasible efforts by a jurisdiction to implement its organic waste recycling program. During its review, the department may include, but is not limited to, consideration of the following factors in its evaluation of a jurisdiction's good faith effort:

(1) The extent to which businesses have complied with Section 42649.81, including information on the amount of disposal that is being diverted from the businesses, if available, and on the number of businesses that are complying with Section 42649.81.

(2) The recovery rate of the organic waste from the material recovery facilities that are utilized by the businesses, all information, methods, and calculations, and any additional performance data, as requested by the department from the material recovery facilities pursuant to Section 18809.4 of Title 14 of the California Code of Regulations.

(3) The extent to which the jurisdiction is conducting education and outreach to businesses.

(4) The extent to which the jurisdiction is monitoring businesses and notifying those businesses that are not in compliance.

(5) The appropriateness of exemptions allowed by the jurisdiction.

(6) The availability of markets for collected organic waste recyclables.

(7) Budgetary constraints.

(8) In the case of a rural jurisdiction, the effects of small geographic size, low population density, or distance to markets.

(9) The availability, or lack thereof, of sufficient organic waste processing infrastructure, organic waste recycling facilities, and other nondisposal opportunities and markets.

(10) The extent to which the jurisdiction has taken steps that are under its control to remove barriers to siting and expanding organic waste recycling facilities.

42649.83. (a) If a jurisdiction adds or expands an organic waste recycling program to meet the requirements of Section 42649.82, the jurisdiction shall not be required to revise its source reduction and recycling element or obtain the department's approval pursuant to Article 1 (commencing with Section 41800) of Chapter 7 of Part 2.

(b) If an addition or expansion of a jurisdiction's organic waste recycling program is necessary, the jurisdiction shall include this information in the annual report required pursuant to Section 41821.

42649.84. (a) This chapter does not limit the authority of a local governmental agency to adopt, implement, or enforce a local organic waste recycling requirement, or a condition imposed upon a self-hauler, that is more stringent or comprehensive than the requirements of this chapter.

(b) This chapter does not modify, limit, or abrogate in any manner any of the following:

(1) A franchise granted or extended by a city, county, city and county, or other local governmental agency.

(2) A contract, license, or permit to collect solid waste previously granted or extended by a city, county, city or county, or other local governmental agency.

(3) The existing right of a business to sell or donate its recyclable organic waste materials.

(c) Notwithstanding any other requirement of this chapter, nothing in this chapter modifies, limits, or abrogates the authority of a local jurisdiction with respect to land use, zoning, or facility siting decisions by or within that local jurisdiction.

42649.85. A local governmental agency may charge and collect a fee from an organic waste generator to recover the local governmental agency's costs incurred in complying with this chapter.

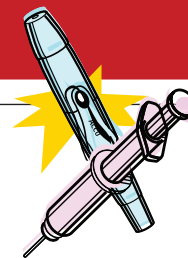
42649.86. (a) The department shall identify and recommend actions to address, with regard to both state agencies and the federal government, the permitting and siting challenges associated with composting and anaerobic digestion, and to encourage the continued viability of the state's organic waste processing and recycling infrastructure, in partnership with the California Environmental Protection Agency and other state and regional agencies. These other state and regional agencies shall include, but are not limited to, the State Air Resources Board, the State Energy Resources Conservation and Development Commission, the Public Utilities Commission, the Department of Food and Agriculture, the State Water

Resources Control Board, California regional water quality control boards, and air pollution control and air quality management districts.

(b) The department shall cooperate with local governmental agencies and industry to provide assistance for increasing the feasibility of organic recycling by promoting processing opportunities and the development of new infrastructure of sufficient capacity to meet the needs of generators, and developing sufficient end-use markets throughout the state for the quantity of organic waste required to be diverted.

(c) The department shall identify and post on its Internet Web site state financing mechanisms and state funding incentives that are available for in-state development of organic waste infrastructure to help the state achieve its greenhouse gas reduction goals and waste reduction goals.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.



# A Guide to Sharps Disposal

## Protect Yourself, Protect Others. Safe Options for Home Needle Disposal.

Sharps include hypodermic needles, pen needles, intravenous needles, lancets, and other devices that are used to penetrate the skin for the delivery of medications used in the care of people and animals. Once the syringe is no longer with the needle and no longer capable of piercing the skin, it can be disposed in the garbage assuming it's home-generated waste.

It is illegal to dispose of home-generated syringes/needles in the garbage. This includes needles, syringes and lancets used for the care of people and animals. When thrown into the trash, sharps can injure sanitation workers.

### Use FDA-approved mail-back and safe syringe disposal containers.

The following companies offer prepaid return service programs. In addition, most pharmacies sell FDA-approved mail-back and safe syringe disposal containers.

#### EnviroMed Safety & Compliance

[www.enviromedinc.com](http://www.enviromedinc.com)  
877-340-2430 M-F 8-5.  
Mail-back & fee.

#### GRP & Associates

[www.sharpsdisposal.com](http://www.sharpsdisposal.com)  
800-207-0976 M-Th 8-4, F  
8-3 (CST). Mail-back & fee.

#### Republic Services

[www.republicsharps.com](http://www.republicsharps.com)  
855-737-7871  
M-F 7-6. Mail-back & fee.

#### Sharps Compliance, Inc.

[www.sharpsinc.com](http://www.sharpsinc.com)  
800-772-5657 M-F 7-7 (CST).  
Mail-back & fee.

#### Stericycle

[www.stericycle.com/  
mailback\\_programs/sharps.html](http://www.stericycle.com/mailback_programs/sharps.html)  
800-355-8773  
M-F 7-6 (CST). Mail-back & fee.

#### WCM (Waste & Compliance Management)

[www.wastewise.com](http://www.wastewise.com)  
866-436-9264  
M-F 7:30-4:30. Mail-back & fee.

#### WM (Waste Management Healthcare Solutions)

[www.healthcare.wm.com](http://www.healthcare.wm.com)  
866-803-7561  
M-F 7-6 (CST). Mail-back & fee.

#### XMED Disposal

[www.xmeddisposal.com](http://www.xmeddisposal.com)  
866-735-9709  
M-F 8-5 (CST). Mail-back & fee.

**Drop off your syringes/needles in an FDA-approved container at the following locations.** Some offer syringe collection and disposal on-site for customers purchasing FDA-approved containers. Residents only, no businesses.

#### Asepsis Bio Group

[www.asepsistechnology.com](http://www.asepsistechnology.com)  
888-431-8976 By  
appointment. Drop-off, pick  
up & fee.

#### Dollar Drug

[www.dollardrug.com](http://www.dollardrug.com)  
1055 W. College Ave.  
Santa Rosa 575-1313  
M-F 9-7, Sa 9-5. Drop-off &  
fee.

#### Healdsburg District Hospital

[www.nschd.org](http://www.nschd.org)  
1375 University St.  
Healdsburg 431-6500  
M-F 8-5, Sa-Su 8-12. Drop-off.

#### Walgreens Pharmacy

[www.completeneedle.com](http://www.completeneedle.com)  
7800 Old Redwood Hwy., Cotati  
795-6014 M-F 9-9, Sa-Su 10-6.  
6285 Commerce Blvd., Rohnert Park  
583-0022 M-F 8-9, Sa 9-6, Su 10-6.  
3093 Marlow Rd., Santa Rosa 569-8504  
M-F 9-9, Sa-Su 10-6.  
4610 Sonoma Hwy., Santa Rosa 538-9275  
24 hour. Mailback and fee (\$4.99 for  
mailback shipping box): visit website for  
instructions.

**Dispose of sharps at no charge through the Sonoma County Waste Management Agency's Household Hazardous Waste programs.**

**Household Toxics Facility**  
Central Disposal Site (Bldg. 5)  
500 Meham Rd., Petaluma  
Th, F, Sa 7:30-2:30.

**Toxic Rover Pickup Service**  
By appointment only.  
Call 795-2025 or toll-free  
1-877-747-1870.

#### Community Toxics Collections

Visit [www.recyclenow.org](http://www.recyclenow.org) for a calendar  
of events. By appointment only. Call  
795-2025 or toll-free 1-877-747-1870.



## Free home sharps containers

Free gallon and quart size sharps waste containers are now available at the Household Toxics Facility. Limit one container per household user, while supplies last.

**Household Toxics Facility**  
Central Disposal Site (Bldg. 5)  
500 Meham Rd., Petaluma  
Th, F, Sa 7:30-2:30.

*These containers were purchased through a grant from The Department of Resources Recycling and Recovery (CalRecycle).*

*Syringes/needles must be in an FDA-approved sharps container.*

*The only legal way to transport used sharps is in an FDA-approved sharps container.*

*The container must be labeled "Sharps."*

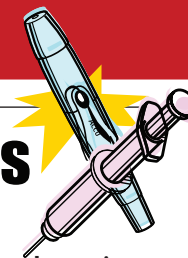
*Sharps waste will not be accepted in paper, plastic bags or non-approved containers.*

*Don't mix sharps with any other waste, including discarded medications or other pharmaceuticals.*

Local recycling and hazardous waste disposal information:

**[www.recyclenow.org](http://www.recyclenow.org)** Eco-Desk 565-3375 Updated September, 2014





# Una guía para la Eliminación de Objetos

## Protéjase Usted y Proteja a los Demás. Opciones Seguras para Deshacerse de las Agujas en el Hogar.

Los objetos corto-punzantes incluyen agujas hipodérmicas, pluma de agujas, agujas intravenosas, lancetas y otros dispositivos que se utilizan para penetrar la piel y administrar medicamentos que se utilizan en el cuidado de las personas y los animales. Una vez que la jeringa es separada de la aguja y que no pueda perforar la piel, se puede eliminar en la basura, siempre y cuando esta basura haya sido generada en su hogar.



### Contenedores gratuitos para eliminar los objetos corto-punzantes en el hogar.

Contenedores gratuitos de un galón y cuarto de galón para eliminar los objetos corto-punzantes ahora están disponibles en el Edificio de Recolección de Productos Tóxicos del Hogar. Hay límite de un contenedor por cada usuario en el hogar y hasta agotar existencia.

#### Edificio de Recolección de Productos Tóxicos del Hogar localizado en el Sitio de Eliminación Central (Edif. 5)

500 Meham Rd., Petaluma  
Juev., Vier., Sáb. 7:30-2:30.

Estos contenedores se adquirieron a través de una subvención del Departamento de Recursos de Reciclaje y Recuperación (conocido como CalRecycle).

Las jeringas/aguas deben estar en un contenedor de objetos punzo-cortantes aprobado por la FDA.

La única manera legal de transportar desechos punzo-cortantes es utilizando un contenedor aprobado por la FDA.

El recipiente debe estar etiquetado como "objetos punzo cortantes/Sharps."

Los desechos punzo-cortantes No se aceptarán si están en bolsas de papel o plástico o contenedores no autorizados.

No mezcle objetos punzo-cortantes con otros desechos, incluyendo los medicamentos desechados u otros productos farmacéuticos

Es ilegal deshacerse de las jeringas/aguas generadas en casa poniéndolas en la basura. Esto incluye agujas, jeringas y lancetas utilizadas para el cuidado de personas y animales. Cuando se tiran en la basura, los objetos cortantes pueden lastimar a trabajadores de las plantas de basura.

### Utilice contenedores aprobados por la Administración de Alimentos y Medicinas (FDA) para la eliminación segura de jeringas por correo.

Las siguientes compañías ofrecen programas de servicio prepagado para enviarlas de regreso. Además, la mayoría de farmacias venden contenedores aprobados por la (FDA) para la eliminación segura de jeringas por correo.

#### EnviroMed Safety & Compliance

[www.enviromedinc.com](http://www.enviromedinc.com)  
877-340-2430 Lun.-Vier. 8-5.

#### GRP & Associates

[www.sharpsdisposal.com](http://www.sharpsdisposal.com)  
800-207-0976 Juev. 8-4, Vier. 8-3 (CCT).

#### Republic Services

[www.republicsharps.com](http://www.republicsharps.com)  
855-737-7871  
Lun.-Vier. 7-6.

#### Sharps Compliance, Inc.

[www.sharpsinc.com](http://www.sharpsinc.com)  
800-772-5657 Lun.-Vier. 7-7 (CCT).

#### Stericycle

[www.stericycle.com/mailback\\_programs/sharps.html](http://www.stericycle.com/mailback_programs/sharps.html)  
800-355-8773  
Lun.-Vier. 7-6 (CCT).

#### WCM (Waste & Compliance Management)

[www.wastewise.com](http://www.wastewise.com)  
866-436-9264  
Lun.-Vier. 7:30-4:30.

#### WM (Waste Management Healthcare Solutions)

[www.healthcare.wm.com](http://www.healthcare.wm.com)  
866-803-7561  
Lun.-Vier. 7-6 (CCT).

#### XMED Disposal

[www.xmeddisposal.com](http://www.xmeddisposal.com)  
866-735-9709  
Lun.-Vier. 8-5 (CCT).

**Deje sus jeringas y agujas en un recipiente aprobado por la FDA en los siguientes lugares.** Algunos de estos lugares ofrecen a sus clientes recolección y eliminación de las jeringas y agujas al comprar contenedores aprobados por la FDA. Servicio para residentes solamente y no para los negocios.

#### Asepsis Bio Group

[www.asepsistechnology.com](http://www.asepsistechnology.com)  
888-431-8976 Se requiere que haga una cita. Pase a dejarlas, ellos pasan a recogerlas en su domicilio y hay una cuota.

#### Dollar Drug

[www.dollardrug.com](http://www.dollardrug.com)  
1055 W. College Ave.  
Santa Rosa 575-1313  
Lun.-Vier. 9-7, Sáb. 9-5. Pase a dejarlas y hay una cuota.

#### Healdsburg District Hospital

[www.nschr.org](http://www.nschr.org)  
1375 University St.  
Healdsburg 431-6500  
Lun.-Vier. 9-6:30, Sáb. 10-4.  
Pase a dejarlas y hay una cuota.

#### Walgreens Pharmacy

[www.completeneedle.com](http://www.completeneedle.com)  
7800 Old Redwood Hwy., Cotati 795-6014  
Lun.-Vier. 9-9, Sáb.-Dom. 10-6.  
6285 Commerce Blvd., Rohnert Park  
583-0022 Lun.-Vier. 8-9, Sáb. 9-6, Dom. 10-6.

3093 Marlow Rd., Santa Rosa 569-8504  
Lun.-Vier. 9-9, Sáb.-Dom. 10-6.

4610 Sonoma Hwy., Santa Rosa 538-9275  
24-horas. Envíelo por correo y hay una cuota (Cuota de \$ 4.99 por caja de envío de retorno postal): visite la página Web para obtener instrucciones.

### Deshágase de las agujas a través de los Programas de Recolección de Productos Peligrosos que ofrece la agencia.

#### Edificio de Recolección de Tóxicos del Hogar

Central Disposal Site (Bldg. 5)  
500 Meham Rd., Petaluma  
Juev., Vier., Sáb. 7:30-2:30.

#### Servicio de Recolección Toxic Rover Solamente con una cita previa.

Llame al 795-2025 o llame gratis al 1-877-747-1870.

#### Recolección de Tóxicos en la Comunidad Ver Eliminación de Tóxicos

Visite el [www.recyclenow.org](http://www.recyclenow.org) para ver el calendario de eventos. Se le atenderá solamente con cita.

Información local sobre reciclaje y eliminación de residuos peligrosos:

**[www.recyclenow.org](http://www.recyclenow.org) Eco-Desk 565-3375**

Actualizado en  
septiembre del 2014





## California versus Agency Bag Ban

On September 30, 2014, Governor Jerry Brown signed SB 270 into law, making California the first state to enact a law prohibiting certain single-use plastic bags. On February 19, 2014, the Sonoma County Waste Management Agency adopted Ordinance Number 2014-02 establishing a Waste Reduction Program for Carryout Bags. The Agency has the responsibility of enforcing Ordinance Number 2014-02 in all jurisdictions, except Santa Rosa.

The SCWMA ordinance pre-empts the state law wherever the SCWMA ordinance is more restrictive.

### Summary of Differences:

- The state law is not in effect until July 1, 2015, while the SCWMA ban is currently in effect.
- Overall, the state law has a less restrictive reach as initially it only covers large grocery stores with or without pharmacies. After January 1, 2016, convenience stores, smaller grocery stores and foodmarts would be subject to the state law. The SCWMA ordinance applies to all retail establishments regardless of size or annual sales

### Comparison chart

State Law SB 270	Sonoma County Waste Management Agency Ordinance No. 2014-2 Establishing a Waste Reduction Program for Carryout Bags
SB 270 applies to <b><u>all large grocery stores and pharmacies</u></b> (10,000 square feet of retail space or annual sales of \$2M) effective July 1, 2015. The ban will extend to all remaining small grocers, convenience and liquor stores effective July 1, 2016.	Effective September 1, 2014, the ordinance applies to <b><u>all commercial establishments</u></b> that sell perishable or nonperishable goods including, but not limited to clothing, food, and personal items, directly to the customer.
<b>Charges for checkout bags</b>	
<b>10 cent minimum charge of recycled paper bags.</b>  <b>10 cent minimum charge on reusable bags.</b>  <b>10 cent minimum charge on compostable bags.</b>	<b>10 cent minimum charge of recycled paper bags.</b>  <b>Ordinance silent on charging for reusable bags.</b> Thus, charging for reusable checkout bags is at the store's discretion.
<b>Definitions of bags</b>	
<b>Recycled paper carryout bags</b> are bags that contain a minimum of 40 percent postconsumer recycled materials; are accepted for recycling in curbside programs in a majority of households that have access to curbside recycling programs in the state; have printed on the bag the name of the manufacturer, the country where the bag was manufactured, and the minimum percentage of postconsumer content.  <b>Reusable grocery bag</b> are made by a certified reusable grocery bag producer to meet specified requirements. They are bags that have handles and are designed for at least 125 uses; have a volume capacity of at least 15 liters; are machine washable or made from a material that can be cleaned and disinfected; have printed on the bag, or on a tag the following information: the name of the	<b>Recycled paper checkout bags</b> are bags that contains no old growth fiber and a minimum of forty percent (40%) post-consumer recycled material; are one hundred percent (100%) recyclable; and have printed in a highly visible manner on the outside of the bags the words "Reusable" and "Recyclable," the name and location of the manufacturer, and the percentage of post-consumer recycled content.  <b>Reusable checkout bags</b> are either a bag made of cloth or other machine washable fabric that has handles, or a durable plastic bag with handles that is at least 2.25 mil thick designed and manufactured to withstand repeated uses over a period of time made from a material that can be cleaned and disinfected shall not contain lead, cadmium, or any other heavy metal in toxic amounts.

<p>manufacturer; the country where the bag was manufactured; a statement that the bag is a reusable bag and designed for at least 125 uses; if the bag is eligible for recycling in the state, instructions to return the bag to the store for recycling or to another appropriate recycling location; does not contain lead, cadmium, or any other toxic material that may pose a threat to public health.</p>	
<p><b>Types of bags where the ordinance does not apply</b></p>	
<p>A single-use carryout bag does not include the following:</p> <ul style="list-style-type: none"> <li>• A bag provided by a pharmacy provided to a customer purchasing a prescription medication.</li> <li>• A non-handled bag used to protect a purchased item from damaging or contaminating other purchased items when placed in a recycled paper bag, a reusable grocery bag, or a compostable plastic bag.</li> <li>• A bag provided to contain an unwrapped food item.</li> <li>• A non-handled bag that is designed to be placed over articles of clothing on a hanger.</li> </ul>	<p>Single-use carryout bags do not include bags without handles provided to the customer for the following uses:</p> <ul style="list-style-type: none"> <li>• To transport produce, bulk food or meat from a produce, bulk food or meat department within a store to the point of sale.</li> <li>• To hold prescription medication dispensed from a pharmacy.</li> <li>• To segregate food or merchandise that could damage or contaminate other food or merchandise when placed together in a reusable bag or recycled paper bag.</li> </ul>
<p><b>Consumer group exemptions</b></p>	
<p>Consumers purchasing groceries under the state's food assistance program (WIC/SNAP) <b><u>are exempt</u></b> from the charge.</p>	<p>Consumers purchasing groceries under the state's food assistance program (WIC/SNAP) <b><u>are NOT exempt</u></b> from the charge.</p>
<p><b>Full text of the bill/Agency ordinance</b></p>	
<p><a href="http://leginfo.ca.gov/pub/13-14/bill/sen/sb_0251-0300/sb_270_bill_20140930_chaptered.pdf">http://leginfo.ca.gov/pub/13-14/bill/sen/sb_0251-0300/sb_270_bill_20140930_chaptered.pdf</a></p>	<p><a href="http://www.recyclenow.org/pdf/Ordinance_2014-02_Waste_Reduction_Program_for_Carryout_Bags.pdf">http://www.recyclenow.org/pdf/Ordinance_2014-02_Waste_Reduction_Program_for_Carryout_Bags.pdf</a></p>

*Sources:*

Californians Against Waste <http://www.cawrecycles.org/sb270>

Sept 30 - CA Governor Signs Nation's First Statewide Plastic Bag Ban into Law (Press Release) [http://leginfo.ca.gov/pub/13-14/bill/sen/sb\\_0251-0300/sb\\_270\\_bill\\_20140930\\_chaptered.pdf](http://leginfo.ca.gov/pub/13-14/bill/sen/sb_0251-0300/sb_270_bill_20140930_chaptered.pdf)

**Senate Bill No. 270****CHAPTER 850**

An act to add Chapter 5.3 (commencing with Section 42280) to Part 3 of Division 30 of the Public Resources Code, relating to solid waste, and making an appropriation therefor.

[Approved by Governor September 30, 2014. Filed with  
Secretary of State September 30, 2014.]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 270, Padilla. Solid waste: single-use carryout bags.

(1) Existing law, until 2020, requires an operator of a store, as defined, to establish an at-store recycling program that provides to customers the opportunity to return clean plastic carryout bags to that store.

This bill, as of July 1, 2015, would prohibit stores that have a specified amount of sales in dollars or retail floor space from providing a single-use carryout bag to a customer, with specified exceptions. The bill would also prohibit those stores from selling or distributing a recycled paper bag at the point of sale unless the store makes that bag available for purchase for not less than \$0.10. The bill would also allow those stores, on or after July 1, 2015, to distribute compostable bags at the point of sale only in jurisdictions that meet specified requirements and at a cost of not less than \$0.10. The bill would require these stores to meet other specified requirements on and after July 1, 2015, regarding providing reusable grocery bags to customers, including distributing those bags only at a cost of not less than \$0.10. The bill would require all moneys collected pursuant to these provisions to be retained by the store and be used only for specified purposes.

The bill, on and after July 1, 2016, would additionally impose these prohibitions and requirements on convenience food stores, foodmarts, and entities engaged in the sale of a limited line of goods, or goods intended to be consumed off premises, and that hold a specified license with regard to alcoholic beverages.

The bill would allow a retail establishment to voluntarily comply with these requirements, if the retail establishment provides the department with irrevocable written notice. The bill would require the department to post on its Internet Web site, organized by county, the name and physical location of each retail establishment that has elected to comply with these requirements.

The bill would require the operator of a store that has a specified amount of sales in dollars or retail floor space and a retail establishment that voluntarily complies with the requirements of this bill to comply with the existing at-store recycling program requirements.

The bill would require, on and after July 1, 2015, a reusable grocery bag sold by certain stores to a customer at the point of sale to be made by a certified reusable grocery bag producer and to meet specified requirements with regard to the bag's durability, material, labeling, heavy metal content, and, with regard to reusable grocery bags made from plastic film on and after January 1, 2016, recycled material content. The bill would impose these requirements as of July 1, 2016, on the stores that are otherwise subject to the bill's requirements.

The bill would prohibit a producer of reusable grocery bags made from plastic film from selling or distributing those bags on and after July 1, 2015, unless the producer is certified by a 3rd-party certification entity, as specified. The bill would require a reusable grocery bag producer to provide proof of certification to the department. The bill would require the department to provide a system to receive proofs of certification online.

The department would be required to publish on its Internet Web site a list of reusable grocery bag producers that have submitted the required certification and their reusable grocery bags. The bill would require the department to establish an administrative certification fee schedule, which would require a reusable grocery bag producer providing proof to the department of certification or recertification to pay a fee. The bill would require that all moneys submitted to the department pursuant to these fee provisions be deposited into the Reusable Grocery Bag Fund, which would be established by the bill, and continuously appropriated for purposes of implementing these proof of certification and Internet Web site provisions, thereby making an appropriation. The bill would also require a reusable grocery bag producer to submit applicable certified test results to the department. The bill would authorize a person to object to a certification of a reusable grocery bag producer by filing an action for review of that certification in the superior court of a county that has jurisdiction over the reusable grocery bag producer. The bill would require the court to determine if the reusable grocery bag producer is in compliance with the provisions of the bill and, based on the court's determination, would require the court to direct the department to either remove or retain the reusable grocery bag producer on its published Internet Web site list.

The bill would allow a city, county, or city and county, or the state to impose civil penalties on a person or entity that knows or reasonably should have known it is in violation of the bill's requirements. The bill would require these civil penalties to be paid to the office of the city attorney, city prosecutor, district attorney, or Attorney General, whichever office brought the action, and would allow the penalties collected by the Attorney General to be expended by the Attorney General, upon appropriation by the Legislature, to enforce the bill's provisions.

The bill would declare that it occupies the whole field of the regulation of reusable grocery bags, single-use carryout bags, and recycled paper bags provided by a store and would prohibit a local public agency from enforcing or implementing an ordinance, resolution, regulation, or rule, or any

amendment thereto, adopted on or after September 1, 2014, relating to those bags, against a store, except as provided.

(2) The California Integrated Waste Management Act of 1989 creates the Recycling Market Development Revolving Loan Subaccount in the Integrated Waste Management Account and continuously appropriates the funds deposited in the subaccount to the department for making loans for the purposes of the Recycling Market Development Revolving Loan Program. Existing law makes the provisions regarding the loan program, the creation of the subaccount, and expenditures from the subaccount inoperative on July 1, 2021, and repeals them as of January 1, 2022.

This bill would appropriate \$2,000,000 from the Recycling Market Development Revolving Loan Subaccount in the Integrated Waste Management Account to the department for the purposes of providing loans for the creation and retention of jobs and economic activity in California for the manufacture and recycling of plastic reusable grocery bags that use recycled content. The bill would require a recipient of a loan to agree, as a condition of receiving the loan, to take specified actions.

(3) The bill would require the department, no later than March 1, 2018, to provide a status report to the Legislature on the implementation of the bill's provisions.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 5.3 (commencing with Section 42280) is added to Part 3 of Division 30 of the Public Resources Code, to read:

#### CHAPTER 5.3. SINGLE-USE CARRYOUT BAGS

##### Article 1. Definitions

42280. (a) "Department" means the Department of Resources Recycling and Recovery.

(b) "Postconsumer recycled material" means a material that would otherwise be destined for solid waste disposal, having completed its intended end use and product life cycle. Postconsumer recycled material does not include materials and byproducts generated from, and commonly reused within, an original manufacturing and fabrication process.

(c) "Recycled paper bag" means a paper carryout bag provided by a store to a customer at the point of sale that meets all of the following requirements:

(1) (A) Except as provided in subparagraph (B), contains a minimum of 40 percent postconsumer recycled materials.

(B) An eight pound or smaller recycled paper bag shall contain a minimum of 20 percent postconsumer recycled material.

(2) Is accepted for recycling in curbside programs in a majority of households that have access to curbside recycling programs in the state.

(3) Has printed on the bag the name of the manufacturer, the country where the bag was manufactured, and the minimum percentage of postconsumer content.

(d) “Reusable grocery bag” means a bag that is provided by a store to a customer at the point of sale that meets the requirements of Section 42281.

(e) (1) “Reusable grocery bag producer” means a person or entity that does any of the following:

(A) Manufactures reusable grocery bags for sale or distribution to a store.

(B) Imports reusable grocery bags into this state, for sale or distribution to a store.

(C) Sells or distributes reusable bags to a store.

(2) “Reusable grocery bag producer” does not include a store, with regard to a reusable grocery bag for which there is a manufacturer or importer, as specified in subparagraph (A) or (B) of paragraph (1).

(f) (1) “Single-use carryout bag” means a bag made of plastic, paper, or other material that is provided by a store to a customer at the point of sale and that is not a recycled paper bag or a reusable grocery bag that meets the requirements of Section 42281.

(2) A single-use carryout bag does not include either of the following:

(A) A bag provided by a pharmacy pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Business and Professions Code to a customer purchasing a prescription medication.

(B) A nonhandled bag used to protect a purchased item from damaging or contaminating other purchased items when placed in a recycled paper bag, a reusable grocery bag, or a compostable plastic bag.

(C) A bag provided to contain an unwrapped food item.

(D) A nonhandled bag that is designed to be placed over articles of clothing on a hanger.

(g) “Store” means a retail establishment that meets any of the following requirements:

(1) A full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000) or more that sells a line of dry groceries, canned goods, or nonfood items, and some perishable items.

(2) Has at least 10,000 square feet of retail space that generates sales or use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code) and has a pharmacy licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Business and Professions Code.

(3) Is a convenience food store, foodmart, or other entity that is engaged in the retail sale of a limited line of goods, generally including milk, bread, soda, and snack foods, and that holds a Type 20 or Type 21 license issued by the Department of Alcoholic Beverage Control.

(4) Is a convenience food store, foodmart, or other entity that is engaged in the retail sale of goods intended to be consumed off the premises, and that holds a Type 20 or Type 21 license issued by the Department of Alcoholic Beverage Control.

(5) Is not otherwise subject to paragraph (1), (2), (3), or (4), if the retail establishment voluntarily agrees to comply with the requirements imposed upon a store pursuant to this chapter, irrevocably notifies the department of its intent to comply with the requirements imposed upon a store pursuant to this chapter, and complies with the requirements established pursuant to Section 42284.

## Article 2. Reusable Grocery Bags

42281. (a) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may sell or distribute a reusable grocery bag to a customer at the point of sale only if the reusable bag is made by a producer certified pursuant to this article to meet all of the following requirements:

(1) Has a handle and is designed for at least 125 uses, as provided in this article.

(2) Has a volume capacity of at least 15 liters.

(3) Is machine washable or made from a material that can be cleaned and disinfected.

(4) Has printed on the bag, or on a tag attached to the bag that is not intended to be removed, and in a manner visible to the consumer, all of the following information:

(A) The name of the manufacturer.

(B) The country where the bag was manufactured.

(C) A statement that the bag is a reusable bag and designed for at least 125 uses.

(D) If the bag is eligible for recycling in the state, instructions to return the bag to the store for recycling or to another appropriate recycling location. If recyclable in the state, the bag shall include the chasing arrows recycling symbol or the term “recyclable,” consistent with the Federal Trade Commission guidelines use of that term, as updated.

(5) Does not contain lead, cadmium, or any other toxic material that may pose a threat to public health. A reusable bag manufacturer may demonstrate compliance with this requirement by obtaining a no objection letter from the federal Food and Drug Administration. This requirement shall not affect any authority of the Department of Toxic Substances Control pursuant to Article 14 (commencing with Section 25251) of Chapter 6.5 of Division 20 of the Health and Safety Code and, notwithstanding subdivision (c) of Section 25257.1 of the Health and Safety Code, the reusable grocery bag shall not be considered as a product category already regulated or subject to regulation.

(6) Complies with Section 260.12 of Part 260 of Title 16 of the Code of Federal Regulations related to recyclable claims if the reusable grocery bag producer makes a claim that the reusable grocery bag is recyclable.

(b) (1) In addition to the requirements in subdivision (a), a reusable grocery bag made from plastic film shall meet all of the following requirements:

(A) On and after January 1, 2016, it shall be made from a minimum of 20 percent postconsumer recycled material.

(B) On and after January 1, 2020, it shall be made from a minimum of 40 percent postconsumer recycled material.

(C) It shall be recyclable in this state, and accepted for return at stores subject to the at-store recycling program (Chapter 5.1 (commencing with Section 42250)) for recycling.

(D) It shall have, in addition to the information required to be printed on the bag or on a tag, pursuant to paragraph (4) of subdivision (a), a statement that the bag is made partly or wholly from postconsumer recycled material and stating the postconsumer recycled material content percentage, as applicable.

(E) It shall be capable of carrying 22 pounds over a distance of 175 feet for a minimum of 125 uses and be at least 2.25 mils thick, measured according to the American Society of Testing and Materials (ASTM) Standard D6988-13.

(2) A reusable grocery bag made from plastic film that meets the specifications of the American Society of Testing and Materials (ASTM) International Standard Specification for Compostable Plastics D6400, as updated, is not required to meet the requirements of subparagraph (A) or (B) of paragraph (1), but shall be labeled in accordance with the applicable state law regarding compostable plastics.

(c) In addition to the requirements of subdivision (a), a reusable grocery bag that is not made of plastic film and that is made from any other natural or synthetic fabric, including, but not limited to, woven or nonwoven nylon, polypropylene, polyethylene-terephthalate, or Tyvek, shall satisfy all of the following:

(1) It shall be sewn.

(2) It shall be capable of carrying 22 pounds over a distance of 175 feet for a minimum of 125 uses.

(3) It shall have a minimum fabric weight of at least 80 grams per square meter.

(d) On and after July 1, 2016, a store as defined in paragraph (3), (4), or (5) of subdivision (g) of Section 42280, shall comply with the requirements of this section.

42281.5. On and after July 1, 2015, a producer of reusable grocery bags made from plastic film shall not sell or distribute a reusable grocery bag in this state unless the producer is certified by a third-party certification entity pursuant to Section 42282. A producer shall provide proof of certification to the department demonstrating that the reusable grocery bags produced by the producer comply with the provisions of this article. The proof of certification shall include all of the following:



(a) Names, locations, and contact information of all sources of postconsumer recycled material and suppliers of postconsumer recycled material.

(b) Quantity and dates of postconsumer recycled material purchases by the reusable grocery bag producer.

(c) How the postconsumer recycled material is obtained.

(d) Information demonstrating that the postconsumer recycled material is cleaned using appropriate washing equipment.

42282. (a) Commencing on or before July 1, 2015, the department shall accept from a reusable grocery bag producer proof of certification conducted by a third-party certification entity, submitted under penalty of perjury, for each type of reusable grocery bag that is manufactured, imported, sold, or distributed in the state and provided to a store for sale or distribution, at the point of sale, that meets all the applicable requirements of this article. The proof of certification shall be accompanied by a certification fee, established pursuant to Section 42282.1.

(b) A reusable grocery bag producer shall resubmit to the department proof of certification as described in subdivision (a) on a biennial basis. A reusable grocery bag producer shall provide the department with an updated proof of certification conducted by a third-party certification entity if any modification that is not solely aesthetic is made to a previously certified reusable bag. Failure to comply with this subdivision shall result in removal of the relevant information posted on the department's Internet Web site pursuant to paragraphs (1) and (2) of subdivision (e) for each reusable bag that lacks an updated proof of certification conducted by a third-party certification entity.

(c) A third-party certification entity shall be an independent, accredited (ISO/IEC 17025) laboratory. A third-party certification entity shall certify that the producer's reusable grocery bags meet the requirements of Section 44281.

(d) The department shall provide a system to receive proofs of certification online.

(e) On and after July 1, 2015, the department shall publish a list on its Internet Web site that includes all of the following:

(1) The name, location, and appropriate contact information of certified reusable grocery bag producers.

(2) The reusable grocery bags of producers that have provided the required certification.

(f) A reusable grocery bag producer shall submit applicable certified test results to the department confirming that the reusable grocery bag meets the requirements of this article for each type of reusable grocery bag that is manufactured, imported, sold, or distributed in the state and provided to a store for sale or distribution.

(1) A person may object to the certification of a reusable grocery bag producer pursuant to this section by filing an action for review of that certification in the superior court of a county that has jurisdiction over the

reusable grocery bag producer. The court shall determine if the reusable grocery bag producer is in compliance with the requirements of this article.

(2) A reusable grocery bag producer whose certification is being objected to pursuant to paragraph (1) shall be deemed in compliance with this article pending a determination by the court.

(3) Based on its determination, the court shall direct the department to remove the reusable grocery bag producer from, or retain the reusable grocery bag producer on, its list published pursuant to subdivision (e).

(4) If the court directs the department to remove a reusable grocery bag producer from its published list, the reusable grocery bag producer shall remain off of the published list for a period of one year from the date of the court's determination.

42282.1. (a) A reusable grocery bag producer shall submit the fee established pursuant to subdivision (b) to the department when providing proof of certification or recertification pursuant to Sections 42281.5 and 42282.

(b) The department shall establish an administrative certification fee schedule that will generate fee revenues sufficient to cover, but not exceed, the department's reasonable costs to implement this article. The department shall deposit all moneys submitted pursuant to this section into the Reusable Grocery Bag Fund, which is hereby established in the State Treasury. Notwithstanding Section 11340 of the Government Code, moneys in the fund are continuously appropriated, without regard to fiscal year, to the department for the purpose of implementing this article.

### Article 3. Single-Use Carryout Bags

42283. (a) Except as provided in subdivision (e), on and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not provide a single-use carryout bag to a customer at the point of sale.

(b) (1) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not sell or distribute a reusable grocery bag at the point of sale except as provided in this subdivision.

(2) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may make available for purchase at the point of sale a reusable grocery bag that meets the requirements of Section 42281.

(3) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, that makes reusable grocery bags available for purchase pursuant to paragraph (2) shall not sell the reusable grocery bag for less than ten cents (\$0.10) in order to ensure that the cost of providing a reusable grocery bag is not subsidized by a customer who does not require that bag.

(c) (1) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not sell or distribute a recycled paper bag except as provided in this subdivision.

(2) A store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may make available for purchase a recycled paper bag. On and after July 1, 2015, the store shall not sell a recycled paper bag for less than ten cents (\$0.10) in order to ensure that the cost of providing a recycled paper bag is not subsidized by a consumer who does not require that bag.

(d) Notwithstanding any other law, on and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, that makes reusable grocery bags or recycled paper bags available for purchase at the point of sale shall provide a reusable grocery bag or a recycled paper bag at no cost at the point of sale to a customer using a payment card or voucher issued by the California Special Supplemental Food Program for Women, Infants, and Children pursuant to Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code or an electronic benefit transfer card issued pursuant to Section 10072 of the Welfare and Institutions Code.

(e) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may distribute a compostable bag at the point of sale, if the compostable bag is provided to the consumer at the cost specified pursuant to paragraph (2), the compostable bag, at a minimum, meets the American Society for Testing and Materials (ASTM) International Standard Specification for Compostable Plastics D6400, as updated, and in the jurisdiction where the compostable bag is sold and in the jurisdiction where the store is located, both of the following requirements are met:

(1) A majority of the residential households in the jurisdiction have access to curbside collection of foodwaste for composting.

(2) The governing authority for the jurisdiction has voted to allow stores in the jurisdiction to sell to consumers at the point of sale a compostable bag at a cost not less than the actual cost of the bag, which the Legislature hereby finds to be not less than ten cents (\$0.10) per bag.

(f) A store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not require a customer to use, purchase, or accept a single-use carryout bag, recycled paper bag, compostable bag, or reusable grocery bag as a condition of sale of any product.

42283.5. On and after July 1, 2016, a store, as defined in paragraph (3), (4), or (5) of subdivision (g) of Section 42280, shall comply with the same requirements of Section 42283 that are imposed upon a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280.

42283.6. (a) The operator of a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280 that makes recycled paper or reusable grocery bags available at the point of sale, shall be subject to the provisions of the at-store recycling program (Chapter 5.1 (commencing with Section 42250)).

(b) A store that voluntarily agrees to comply with the provisions of this article pursuant to subdivision (g) of Section 42280, shall also comply with

the provisions of the at-store recycling program (Chapter 5.1 (commencing with Section 42250)).

42283.7. All moneys collected pursuant to this article shall be retained by the store and may be used only for the following purposes:

- (a) Costs associated with complying with the requirements of this article.
- (b) Actual costs of providing recycled paper bags or reusable grocery bags.
- (c) Costs associated with a store's educational materials or educational campaign encouraging the use of reusable grocery bags.

42284. (a) A retail establishment not specifically required to comply with the requirements of this chapter is encouraged to reduce its distribution of single-use plastic carryout bags.

(b) Pursuant to the provisions of subdivision (g) of Section 42280, any retail establishment that is not a "store," that provides the department with the irrevocable written notice as specified in subdivision (c), shall be regulated as a "store" for the purposes of this chapter.

(c) The irrevocable written notice shall be dated and signed by an authorized representative of the retail establishment, and shall include the name and physical address of all retail locations covered by the notice. The department shall acknowledge receipt of the notice in writing and shall specify the date the retail establishment will be regulated as a "store," which shall not be less than 30 days after the date of the department's acknowledgment. The department shall post on its Internet Web site, organized by county, the name and physical location or locations of each retail establishment that has elected to be regulated as a "store."

#### Article 4. Enforcement

42285. (a) A city, a county, a city and county, or the state may impose civil liability on a person or entity that knowingly violated this chapter, or reasonably should have known that it violated this chapter, in the amount of one thousand dollars (\$1,000) per day for the first violation of this chapter, two thousand dollars (\$2,000) per day for the second violation, and five thousand dollars (\$5,000) per day for the third and subsequent violations.

(b) Any civil penalties collected pursuant to subdivision (a) shall be paid to the office of the city attorney, city prosecutor, district attorney, or Attorney General, whichever office brought the action. The penalties collected pursuant to this section by the Attorney General may be expended by the Attorney General, upon appropriation by the Legislature, to enforce this chapter.

#### Article 5. Preemption

42287. (a) Except as provided in subdivision (c), this chapter is a matter of statewide interest and concern and is applicable uniformly throughout the state. Accordingly, this chapter occupies the whole field of regulation

of reusable grocery bags, single-use carryout bags, and recycled paper bags, as defined in this chapter, provided by a store, as defined in this chapter.

(b) On and after January 1, 2015, a city, county, or other local public agency shall not enforce, or otherwise implement, an ordinance, resolution, regulation, or rule, or any amendment thereto, adopted on or after September 1, 2014, relating to reusable grocery bags, single-use carryout bags, or recycled paper bags, against a store, as defined in this chapter, unless expressly authorized by this chapter.

(c) (1) A city, county, or other local public agency that has adopted, before September 1, 2014, an ordinance, resolution, regulation, or rule relating to reusable grocery bags, single-use carryout bags, or recycled paper bags may continue to enforce and implement that ordinance, resolution, regulation, or rule that was in effect before that date. Any amendments to that ordinance, resolution, regulation, or rule on or after January 1, 2015, shall be subject to subdivision (b), except the city, county, or other local public agency may adopt or amend an ordinance, resolution, regulation, or rule to increase the amount that a store shall charge with regard to a recycled paper bag, compostable bag, or reusable grocery bag to no less than the amount specified in Section 42283.

(2) A city, county, or other local public agency not covered by paragraph (1) that, before September 1, 2014, has passed a first reading of an ordinance or resolution expressing the intent to restrict single-use carryout bags and, before January 1, 2015, adopts an ordinance to restrict single-use carryout bags, may continue to enforce and implement the ordinance that was in effect before January 1, 2015.

#### Article 6. Financial Provisions

42288. (a) Notwithstanding Section 42023.2, the sum of two million dollars (\$2,000,000) is hereby appropriated from the Recycling Market Development Revolving Loan Subaccount in the Integrated Waste Management Account to the department for the purposes of providing loans for the creation and retention of jobs and economic activity in this state for the manufacture and recycling of plastic reusable grocery bags that use recycled content, including postconsumer recycled material.

(b) The department may expend, if there are applicants eligible for funding from the Recycling Market Development Revolving Loan Subaccount, the funds appropriated pursuant to this section to provide loans for both of the following:

(1) Development and conversion of machinery and facilities for the manufacture of single-use plastic bags into machinery and facilities for the manufacturer of durable reusable grocery bags that, at a minimum, meet the requirements of Section 42281.

(2) Development of equipment for the manufacture of reusable grocery bags, that, at a minimum, meet the requirements of Section 42281.

(c) A recipient of a loan authorized by this section shall agree, as a condition of receiving the loan, to retain and retrain existing employees for the manufacturing of reusable grocery bags that, at a minimum, meet the requirements of Section 42281.

(d) Any moneys appropriated pursuant to this section not expended by the end of the 2015–16 fiscal year shall revert to the Recycling Market Development Revolving Loan Subaccount for expenditure pursuant to Article 3 (commencing with Section 42010) of Chapter 1.

(e) Applicants for funding under this section may also apply for funding or benefits from other economic development programs for which they may be eligible, including, but not limited to, both of the following:

(1) An income tax credit, as described in Sections 17059.2 and 23689 of the Revenue and Taxation Code.

(2) A tax exemption pursuant to Section 6377.1 of the Revenue and Taxation Code.

SEC. 2. No later than March 1, 2018, the department, as a part of its reporting requirement pursuant to Section 40507 of the Public Resources Code, shall provide a status report on the implementation of Chapter 5.3 (commencing with Section 42280) of Part 3 of Division 30 of the Public Resources Code.