

**FINAL REPORT**

**Review of Assignment of TRG Agreements to  
Recology Sonoma Marin**



**CLIENTS:**

**City of Petaluma, Cities and County of Sonoma,  
County of Marin, and Novato Sanitary District**

November 9, 2017

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November 9, 2017

Mr. Dan St. John  
Director, Public Works and Utilities, City of Petaluma  
202 N. McDowell Blvd  
Petaluma, CA 94954

**Subject: Final Report on Review of Assignment of TRG Agreements to Recology**

Dear Mr. St. John,

R3 Consulting Group, Inc. (R3) is pleased to submit the attached Final Report of our review of the proposed assignment of solid waste franchise (and other) agreements currently held by The Ratto Group (TRG) to Recology Sonoma Marin, a California corporation and a wholly-owned subsidiary of Recology Inc. (Recology). This report presents our findings-to-date based on the information made available by TRG and Recology. We are submitting this report to the City of Petaluma (City), and other agencies', for the purpose of considering the request by TRG to assign agreements to Recology Sonoma Marin.

To summarize findings to date:

- Recology's operational experiences qualify the company to provide services under the agreements;
- Recology's financial resources appear sufficient to meet the obligations of the agreements, including vehicle and equipment capital replacements planned for 2018;
- The City and other agencies should anticipate that Recology will request rate increases in the near future; and
- The City and other agencies generally have some discretion regarding whether or not to consider and accept these rate increases (depending on their timing and justification).

We offer these findings with the caveat that neither Recology nor TRG provided us access to the Asset Purchase Agreement (APA), and our findings are limited by lack of access to this information. Moreover, R3 has found that the vehicle fleet to be purchased by Recology from TRG will likely largely require replacement in the near future. We have found that the average age of the vehicle fleets assigned to some Agencies is much greater than others, meaning that those agencies could face a larger rate increase than other agencies.

Thank you for the opportunity to provide assistance to the City (and other agencies) in considering assignment of TRG agreements to Recology. Should you have any questions, or need any additional information, please contact me by phone at (916) 813-3702 or by email at [rterwin@r3cgi.com](mailto:rterwin@r3cgi.com).

Sincerely,

**R3 CONSULTING GROUP**



Richard Tagore-Erwin | Principal

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# Table of Contents

<b>Section 1: Executive Summary .....</b>	<b>1</b>
1.1 Introduction .....	1
1.2 What is the Asset Purchase Agreement (APA)? .....	1
1.3 What is the Assignment? .....	3
1.4 Recology's Qualifications for Assignment.....	3
1.5 Potential Impacts of Assignment .....	5
1.6 Next Steps .....	5
1.7 Limitations.....	6
<b>Section 2: Financial Ability .....</b>	<b>7</b>
<b>Section 3: Operational Qualifications .....</b>	<b>10</b>
3.1 Collection and Street Sweeping Operations .....	10
3.2 Safety .....	16
3.3 Facilities and Environmental Compliance .....	18
3.4 Customer Service .....	21
3.5 Outreach, Education, and Diversion .....	23
3.6 References .....	28
<b>Section 4: Rates and Rate Adjustments .....</b>	<b>32</b>
<b>Section 5: Individual Agreement Assignment .....</b>	<b>34</b>
5.1 Cloverdale .....	35
5.2 Cotati .....	37
5.3 Healdsburg .....	39
5.4 Marin County .....	41
5.5 Novato Sanitary District .....	42
5.6 Petaluma .....	44
5.7 Rohnert Park .....	46
5.8 Santa Rosa .....	48
5.9 Sebastopol.....	50
5.10 Sonoma County .....	51
5.11 SCWMA Organics Transport.....	51
5.12 SCWMA E-Waste .....	51
<b>Section 6: Transition Activities After Assignment .....</b>	<b>52</b>

November 9, 2017

Report on Review of Assignment of TRG Agreements to Recology Sonoma Marin

**Attachments**

- Attachment 1 Good Standing Letter from Bank of America
- Attachment 1a Recology Corporate Documents
- Attachment 2 Customer Service & Diversion Reporting Plan
- Attachment 3 Onboarding & Transition Plan
- Attachment 4 Operations, Vehicles, and Containers Plan
- Attachment 5 Recology Sonoma Marin Organization Chart
- Attachment 6 Truck Compliance and Replacement Plan
- Attachment 7 Summary of Management Tools
- Attachment 8 Street Sweeping Operations Plan
- Attachment 9 Overview of Recology's Examination of The Ratto Group's Assets
- Attachment 10 Safety Plan
- Attachment 11 FY 2017 Safety Performance Report Narrative
- Attachment 12 FY 2016 Safety Performance Report Email - Management Distribution
- Attachment 13 Screenshot of Internal Safety Communication Page
- Attachment 14 Detailed Facility Review
- Attachment 15 Customer Service Plan
- Attachment 16 Recology San Mateo County Assessment - Customer Service
- Attachment 17 Diversion Plan and Public Education and Outreach Plan
- Attachment 18 Comparative Matrix of Current TRG Agreement Terms and Conditions

# Section 1: Executive Summary

## 1.1 Introduction

The cities, towns, counties and other agencies (Agencies) holding solid waste collection franchise agreements and other agreements (Agreements) with the various subsidiary companies of The Ratto Group, Inc. (TRG) have received requests from TRG to assign the Agreements to Recology Sonoma Marin, a California corporation and a wholly-owned subsidiary of Recology Inc. (Recology<sup>1</sup>). Recology Sonoma Marin's board of directors is comprised of Michael J. Sangiacomo (President & Chief Executive Officer of Recology Inc.) and Mark R. Lomele (Executive Vice President & Chief Financial Officer of Recology Inc.). Recology Sonoma Marin's Federal Tax ID number is 82-2403486.

TRG and Recology Sonoma Marin have entered into an Asset Purchase Agreement (APA) that involves Recology Sonoma Marin acquiring substantially all of the assets of TRG, including the Agreements as well as all equipment and facilities currently used by TRG to perform services for the Agencies. Unlike a stock purchase, wherein the entire company would be purchased and operations taken over under a new name, this asset purchase would effectively render TRG without assets to provide services, as those assets would become the property of Recology Sonoma Marin.

The City of Petaluma has engaged R3 Consulting Group, Inc. (R3)<sup>2</sup> to conduct a review of the fitness of Recology on behalf of the Agencies in order to establish findings regarding the proposed assignment. This review included a thorough assessment of:

- Assignment provisions and other requirements of available Agreements;
- Financial and operational information provided by TRG and Recology, and establishment of findings of the appropriateness of assignment based on our review; and
- Likely effects of assignment on rates and services for individual agencies.

It should be made clear that R3 was not able to review the APA as TRG and Recology stated that the APA is confidential and would not be provided for review. As a result, R3's review of the fitness of Recology was limited to a review of the vehicle and facility assets subject to the APA and financial and operational documents provided by Recology as they relate to Recology's ability to perform services for the Agencies per their respective Agreements.

## 1.2 What is the Asset Purchase Agreement (APA)?

Recology has stated to R3 that they are purchasing all of the assets used by TRG to perform its contractual obligations under the Agreements, including the Agreements and the assets listed below. Recology has stated that unlike in a traditional business acquisition by way of merger or stock purchase, Recology is not acquiring any of the actual subsidiaries of TRG. Moreover, Recology is not acquiring, nor hiring, all of TRG's existing employees. TRG will not be a subsidiary or affiliate of Recology.

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<sup>1</sup> Throughout this report, the term "Recology" is used interchangeably to refer to both Recology Sonoma Marin and Recology, Inc.

<sup>2</sup> The engagement is under a contractual relationship with the City of Petaluma, to be paid for by TRG per the assignment terms of the collection agreement.

Although R3 was unable to review the APA, Recology listed the following as being included under the APA. R3 has requested specifics regarding the items listed below, most of which have been made available.

- All permits;
- All franchise agreements;
- All other agreements such as transport;
- All equipment used by TRG and its subsidiaries, including:
  - An estimated 600,000 carts;
  - An estimated 15,000 bins; and
  - Software, spare parts, computers, etc.
- All motor vehicles used by TRG and its subsidiaries:
  - 238 Collection, Transfer, and Street Sweeping Vehicles, of which 19 are subject to immediate replacement by Recology; and
  - 50 Support Vehicles, of which 8 are subject to immediate replacement by Recology.
- All materials handling equipment, including the Material Recovery Facility located at 3417 Standish Avenue;
- All real property used in the business, including:
  - Transfer Station & Maintenance Facility at 2543 Petaluma Blvd South, Petaluma, CA;
  - Material Recovery Facility at 3417 Standish Avenue, Santa Rosa, CA;
  - Administration & Maintenance Facility and Material Recovery Facility at 3400 Standish Avenue, Santa Rosa, CA;
  - Truck Yard at 3284 and 3296 Dutton Ave., Santa Rosa, CA;
  - Commercial bin and debris box storage at 3845 and 3855 Santa Rosa Ave., Santa Rosa;
  - Petaluma - Administration & Maintenance Facility at 1309 Dynamic Street, Petaluma, CA; and
  - Novato - Buy Back and HHW (leased) at 7576 Redwood Blvd, Novato, CA.

It should also be noted that TRG and Recology were required to file a premerger notice to the Federal Trade Commission (FTC) pursuant to the Hart-Scott-Rodino (HSR) Act. Per the HSR Act, proposed transactions valued over \$80 million – such as the Recology APA of TRG – require premerger notification, a \$45,000 filing fee, and a waiting period. Parties subject to the HSR Act may not close their deal until the waiting period outlined in the HSR Act has passed, or the government has granted early termination of the waiting period. The FTC completed an early termination notice of the deal on September 15, 2017, with permission for the transaction granted.<sup>3</sup>

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<sup>3</sup> <https://www.ftc.gov/enforcement/premerger-notification-program/early-termination-notice/20171870>



## 1.3 What is the Assignment?

Assignment is the transfer of an agreement's obligations and benefits from one party to another party. In this case, TRG is seeking to assign its obligations and benefits under the Agreements between the Agencies and TRG to Recology Sonoma Marin, a wholly owned subsidiary of Recology Inc. All current TRG Agreements made available for review require that TRG obtain consent to assign the Agreements for the assignment to Recology to be valid.

The majority of the Agreements require TRG to furnish the Agencies with satisfactory proof that the proposed assignee (Recology) has refuse management experience on a scale equal to or exceeding the sale of operations conducted by TRG, three to five years of audited financial statements, and any other information required by the Agencies to ensure that Recology can fulfill the terms of the Agreements in a timely, safe, and effective manner.

Recology has stated that because they are purchasing all of the assets used by TRG to perform contractual obligations, TRG will no longer be able to perform under the Agreements once the asset purchase has been completed because TRG will no longer possess assets needed to perform services.

## 1.4 Recology's Qualifications for Assignment

### Financial and Operational Qualifications

Section 2 of this Report provides R3's review of Recology's audited financial statements as well as a letter from Bank of America (Attachment 1); Bank of America is Recology's primary creditor and has reviewed the APA. This is followed by Section 3, which provides R3's assessment of Recology's fitness to perform the activities covered under the Agreements. Specifically, we have reviewed Recology's qualifications to performs services currently provided by TRG, their performance under current Agreements with other jurisdictions, and plans submitted by Recology demonstrating ability to meet terms and conditions of the agreements. The general qualification areas reviewed by R3 are as follows:

- Financial Ability;
- Collection and Street Sweeping Operations;
- Safety;
- Facilities and Environmental Compliance;
- Customer Service;
- Outreach, Education, and Diversion; and
- References.

### Findings

Overall, from an operational and financial perspective, R3 finds that Recology is qualified to perform services required by the Agreements. Specifically, we find that Recology:

- Understands and is committed to complying with all terms and conditions in the Agreements;
- Has more than 10 years of solid waste collections experience;

- Generally operates in compliance with all applicable laws and regulations;<sup>4</sup>
- Has an established employee onboarding, training and safety program that includes tracking, analyzing, and reporting workers' compensation, and automobile/general liability safety metrics;
- Operates its facilities in accordance with State Minimum Standards;<sup>5</sup>
- Has a defined plan to manage the aging fleet and maintain a vehicle replacement schedule to reduce the average age down to 7.5 years by the end of 2018 (compared to the current average of 13 years);
- Demonstrates waste zero specialist training and outreach and education materials to provide communities focused resources that address the needs of the Agencies;
- Has stated that reporting will be provided in a timely manner and in a format as agreed on mutually between Recology and each individual Agency;
- Provides enterprise-class tools and adequate processes, staffing, training, and management to deliver effective customer service;
- Was recommended by all but one jurisdiction of the 23 contacted during reference checks;
- Maintenance tools and overall approach are adequate and incorporate current industry practices;
- Has outreach and educations plans indicating that they will be capable of performing all Agreement requirements;
- Is financially capable of performing its duties if assigned the Agreements under consideration. Recology's financial health is within expectations for solid waste companies of its size, which should allow it access to sufficient lines of credit which may be used in performing services under the Agreements;
- Has approximated their capital investment outlay at \$60 Million in 2018 for replacing vehicles and collection containers. Per Bank of America, Recology has access to over \$580 Million of available liquidity for direct borrowing, subject to certain conditions. Recology is in good standing with Bank of America and is in compliance with all covenants related to its credit;

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<sup>4</sup> On June 8, 2000, Norcal Waste Systems, Inc. (Norcal), which changed its name to Recology Inc. in 2009, along with 21 other entities and individuals, including certain present and former County officials, were named in a lawsuit was one of a number of parties regarding a bribery scheme related to waste management contracts and services for the County of San Bernardino. Kenneth James Walsh, a vice president of Norcal who was terminated by Norcal on August 27, 1999, pleaded guilty to a federal criminal charge of conspiracy to commit bribery and was sentenced in 2000 to 18 months in federal prison. The County of San Bernardino, and other County-related entities, filed a civil complaint against Norcal, Walsh, and others alleging a variety of claims including breach of fiduciary duty, fraud, and unjust enrichment. Norcal denied that it had engaged in any wrongdoing of any kind and, in particular, that it had any liability in connection with the matter. Norcal entered into a settlement agreement before trial, which included a \$6,561,000 payment to the County and cancellation of its contract. More information about the matter can be found at <http://caselaw.findlaw.com/ca-court-of-appeal/1490527.html>

<sup>5</sup> Limited permit violations documented in our analysis are commonplace among facility operators throughout the State.

- Obligations from the acquisition of TRG's assets, Agreement revenues, and operations represents an approximate 13% growth in company size for Recology, which will be a company with over \$1 Billion in annual revenue post-assignment; and
- Estimated 2018 Recology overall net profits are within the range of Recology's five-year profit trend based on the combination of revenues and expenses from Recology and TRG, escalated conservatively and in keeping with prior trends, and including moderate assumptions about changes in revenues and expenses in 2018.

## 1.5 Potential Impacts of Assignment

Based on statements and information provided by Recology, as well as our professional assessment of the asset purchase and assignment of the Agreements, it is clear that Recology will be requesting rate increases in the near future. Reasons that we expect rate increases to be imminent include:

- Higher cost of operations due to need for new trucks, containers, and other equipment (in addition to the assets being purchased from TRG) to fulfill the terms and conditions of the Agreements, especially in the case of Agreements whose terms are not currently being met;
- Higher cost of labor resulting from a collective bargaining agreement (CBA) between Recology and Teamsters Local 665; and
- Recology has stated that it intends to present rate increase requests to Agencies as soon as six months after the TRG purchase is completed.

Though Agencies should expect to receive a request for rate increases in the near future, it should be noted that ***most Agencies are not obligated to consider or accept rate increase requests*** except under specific conditions (with the specifics and timelines varying by Agency). Additionally, though Agencies should anticipate rate increases in the near future, neither Recology nor R3 is presently able to provide accurate estimates of the magnitude of likely increases.

Seven of the Agreements (Cloverdale, Cotati, Healdsburg, Marin County, Novato Sanitary District, Petaluma, and Rohnert Park) include a detailed rate review provision, meaning that (for those agencies) Recology may submit a detailed rate application demonstrating actual and forecasted costs and revenues from operations and providing detailed justification for a rate increase request.

Under these provisions, Agencies have the ability to conduct a detailed review of the rate application, make adjustments to the rate application to ensure that costs are reasonable and appropriate, and then consider adjustments to rates. In some cases, Agencies may deny the entire request at their full discretion. A more detailed analysis of the applicable Agreement terms for each Agency (as made available to R3) is in Section 5 of this Report.

## 1.6 Next Steps

Agencies should anticipate next steps for assignment as described below. R3 is available to work with each Agency individually to assist in any of the following areas:

- Reviewing Agency specific assignment details;
- Preparing Agreement amendments;
- Participating in Agency meetings related to the assignment request;

- Overseeing transition activities;
- Conducting operational performance reviews; and
- Reviewing additional requests (i.e., rate increases, route changes, etc.).

Prior to accepting an assignment each individual Agency should confirm that all prerequisites for assignment of their Agreement have been met as stipulated by their Agreement, commonly including but not limited to:

- Any payments required to be made (often inclusive of staff time spent evaluating TRG's request for assignment and other reasonable expenses);
- Those requirements that have been reviewed by R3 and findings reported via this Report; and
- Those requirements that may not have been reviewed by R3, as applicable.

Agencies should prepare:

- Staff report for Council understanding of assignment;
- Council resolution accepting, denying, or deferring TRG's request for assignment; and
- If assignment is to be approved, an amendment to the applicable Agreement accepting assignment, adjusting company name as appropriate, and any other prerequisites to assignment of agreement as determined by Agency (including provisions in the Agreement that refer to insurance provisions, as Recology is self-insured).

Should Agencies choose to accept the assignment of the Agreements to Recology, Recology will commence transition activities, which are described in Section 6 (Transition Activities After Assignment); Section 6 also includes additional considerations for the Agencies relating to assignment.

## 1.7 Limitations

The following sections of this Report, and our findings, were compiled based on the information and documents listed in each of the following sections. Neither Recology nor TRG provided us access to the APA, and our findings are limited by lack of access to this information. While we were able to review the truck list and replacement schedule, insufficient information exists in order to determine how many containers in service will require replacement due to incorrect color, incorrect or inadequate labeling, or non-functionality; therefore, the financial scale of container replacement was not evaluated.

Additionally, it should be noted that while this Report presents overall findings regarding Recology's fitness for assignment of Agencies' Agreements, it does not comprise of the entirety of the due diligence necessary for review of assignment, elements of which must be conducted by each individual Agency. R3 is available to review those specific items as requested on an individual basis with the Agencies

## Section 2: Financial Ability

### Objective

To evaluate Recology's financial ability to perform services to Agencies covered under Agreement terms.

### Documents and Information Reviewed

- Recology's audited financial statements for 2012 through 2016;
- TRG audited financial statements for 2013 through 2016;
- Good Standing Letter from Bank of America (**Attachment 1**); and
- Corporate documents (**Attachment 1a**).

### Statement of Findings

- Recology is financially capable of performing its duties if assigned the Agreements under consideration. Recology's financial health is within expectations for solid waste companies of its size, which should allow it access to sufficient lines of credit which may be used to secure capital necessary for providing services under the Agreements;
- Recology has approximated their capital investment outlay at \$60 Million in 2018 for replacing vehicles and collection containers. Per Bank of America, Recology has access to over \$580 Million of available liquidity for direct borrowing, subject to certain conditions. Recology is in good standing with Bank of America and is in compliance with all covenants related to its credit;
- The acquisition of TRG's assets, Agreement revenues, and operational obligations represents an approximate 13% growth in company size for Recology; post-assignment, Recology will become a company with over \$1 Billion in annual revenue; and
- The combination of revenues and expenses from Recology and TRG, escalated conservatively and in keeping with prior trends, and including moderate assumptions about changes in revenues and expenses in 2018, yields estimated 2018 net profits to Recology within the range of Recology's five-year profit trend.

### Discussion

#### Financial Health

Our review of Recology's financial statements indicates that Recology is a profitable company, with sufficient levels of revenue to cover its expenses. Recology's average debt-to-income ratio over the past three years is appropriate for capital intensive industries such as solid waste collection. The TRG asset purchase represents 13% of Recology's overall annual book of business of nearly \$1 Billion, meaning that additional income, expenses and debt relating to the asset purchase will be a relatively minor impact to Recology's overall financial health. Recology is not acquiring any book liabilities through the acquisition, although some of the assets may be fully depreciated and/or un-usable, or may require capital outlay in order to be usable in Recology's operations.

R3 has evaluated common financial ratios that lending institutions use to determine financial health and fitness for lending. These ratios are guidelines that financial institutions refer to when making determinations regarding lendability.

The Liquidity Ratio is a measure of the company's ability to pay short-term and long-term obligations, and a value of greater than 1 is generally considered acceptable and is an indicator of less risk. Recology and TRG values are acceptable. TRG's is higher, which is not necessarily an indication of greater financial health as it could also be an indication of high amount of owned assets and low liabilities (which can be the result of low levels of investment in additional capital). Solvency Ratios are all measures of financial leverage, with lower numbers being indicators of lower risk. Levels of acceptability vary by industry, with R3's understanding that Recology's figures are all acceptable (as are TRG's).

Overall, R3 has found that these ratios indicate that Recology's financial health is appropriate for the purposes of assignment consideration.

#### Capital Investment

Recology has stated that it intends to spend approximately \$60 Million in capital investments in 2018 including capital investments related to the new Santa Rosa franchise agreement as well as other capital investments throughout the service area (a summary of which is provided in Attachment 6). Per documentation from Bank of America (Attachment 1), which reviewed the terms and conditions of the asset purchase, Recology has access to over \$580 Million in liquid capital to perform its contractual obligations, including the replacement of vehicles and containers (the operational plans of which are discussed elsewhere in this Report).

R3 has evaluated the \$60 Million against the information we have about the assets which Recology will acquire and finds that the figure is appropriate for the first year of operations, based on Recology's projection of needing to replace 61 new trucks. Based on a 10-year amortization schedule, 6% interest, and monthly payments, this yields approximately \$8 Million in new annual debt expenses starting in 2018.

R3 anticipates that additional capital replacement for trucks and containers may be necessary in order to ensure that Recology meets all terms and conditions in the Agreements, but it is not possible at this time for R3 to fully determine whether the \$60 Million will be sufficient to meet all capital investment needs. That said, our analysis shows that Recology should be in a position to finance additional capital investment above the \$60 Million should that be necessary for compliance with the Agreements.

#### Estimates of Financial Health Post-Acquisition

R3 has prepared a rough estimate of Recology's financial health post-acquisition of TRG assets, Agreements, revenues, and obligations. The estimate sums Recology's and TRG's net revenues and expenses presented in audited financial statements, escalates values based on historical trends (conservatively adjusted for the purposes of projection), and further adjusts for estimates of new revenues and expenses in 2018, post-assignment. Assumptions utilized in our estimates include:

- Combined Recology and TRG revenues and expenses escalated from 2016 to 2018 at 3% per year (5% less than Recology's average annual increase 2012 through 2016);
- Approximately \$20 Million in additional annual net revenue on TRG Agreements due to Santa Rosa award and requested detailed rate adjustments for Rohnert Park and Cotati (and others);
- Approximately \$8 Million in additional amortized annual principle and interest on the \$60 Million in capital investments in 2018; and
- Conservative 10% estimated increase in other operational expenses, based on assumptions of labor cost increases as well as other potential unknown effects of transition.

Based on these assumptions, R3 estimates that Recology will, post-acquisition, continue to earn overall company profit within the range of its annual profits between 2013 through 2016. In 2018, certain

expenses will increase, as will revenues from certain Agencies, which, based on information available to R3, we estimate will mitigate the increase in Recology profits, but also effectively provides a “buffer” to Recology. Put another way, based on R3’s evaluation, Recology should be able to weather modest to significant increases in additional capital outlay and/or operational expenses without greatly risking overall company profitability; likewise, our analysis indicates that Recology should be able to maintain operations without the need for immediate revenue adjustment.

This latter point is important, in that it indicates that Recology should be in a position to fully meet terms and conditions in the Agreements without critical need for revenue adjustment (although Recology indicates that is their intention, as is discussed elsewhere in this Report). In other words, if Agencies do not consent to Recology rate adjustment requests (in the near term), it does not appear that Recology is at significant financial risk or at risk of non-performance under the Agreement’s (which is consistent with what Recology represented to R3 during completion of this Report).

#### Other Current Recology Acquisitions

Simultaneous to the TRG asset purchase, Recology is also in the process of acquiring Davis Waste Removal, which has revenues of approximately \$10 Million annually, about 10% of the size of the TRG acquisition. Based on the findings stated above, R3 does not find that that assignment would limit Recology’s ability to perform under the Agreements that are the subject of this Report. No other acquisitions are known at this time, and Recology has stated that the TRG asset purchase represents the largest and most significant financial consideration at this time.

#### Limitations

Our findings are based on audited financial statements provided to R3 by Recology and TRG. The affiliates and subsidiaries subject to the asset purchase and included in financial statements reviewed by R3 include:

- Mariposa County Total Waste Systems, Inc.;
- Mendocino-Pacific Coast Refuse and Recycling, Inc.;
- North Bay Corporation;
- North Bay Portables, Inc.;
- Novato Disposal Service;
- Petaluma Refuse & Recycling, Inc.;
- Redwood Empire Disposal Inc.;
- Redwood Empire Disposal Sonoma County Inc.;
- Redwood Empire Realty LLC;
- Reward Leasing, Inc.;
- Rohnert Park Disposal, Inc.;
- Santa Rosa Recycling and Collection, Inc.;
- Sunrise Garbage Service, Inc.;
- Timber Cove Recycling, Inc.;
- Total Waste Systems, Inc.;
- Unicycler LLC;

- West Sonoma County Disposal Service, Inc.; and
- West Sonoma County Transfer, Inc.

## Section 3: Operational Qualifications

Recology will be required to operate in full compliance with the terms and conditions of each assigned Agreement. R3 reviewed the terms and conditions of Agencies' Agreements, as well as statements and plan summaries provided by Recology, in order to determine Recology's qualifications and abilities to fulfill those terms and conditions.

### 3.1 Collection and Street Sweeping Operations

Collection and street sweeping operations are the primary operational requirements under the Agreements, and Recology needs to demonstrate adequacy in providing these services in order to be deemed fit for assignment.

#### **Objective**

To evaluate Recology's qualifications and fitness to perform collections and street sweeping services to Agencies.

#### **Documents and Information Reviewed**

- Agencies' Agreements;
- TRG Annual Reports;
- Onboarding & Transition Plan (**Attachment 3**);
- Operations, Vehicles, and Containers Plan (**Attachment 4**);
- Recology Sonoma Marin Organization Chart (**Attachment 5**);
- Truck Compliance and Replacement Plan (**Attachment 6**);
- Summary of Management Tools (**Attachment 7**);
- Street Sweeping Operations Plan (**Attachment 8**); and
- Overview of Recology's Examination of The Ratto Group's Assets (**Attachment 9**).

#### **Statement of Findings**

Recology is qualified to perform collections and street sweeping operations, and other services required under Agencies' Agreements.

#### **Discussion**

##### Vehicle Compliance and Replacement

Agreements held by the Agencies have various requirements for the vehicles that are to be operated within a given Agency. For example:

- Petaluma and Marin County Agreements require the use of split-body trucks;
- Petaluma's Agreement requires Diesel Particulate Matter control measures;



- Novato Sanitary District has specific restrictions on vehicles associated with a BAAQMD grant; and
- Marin County's Agreement requires ultra-low sulfur diesel.

Recology understands that it will be required to comply with each Agreement's individual requirements for vehicles operating within a given Agency.

A few Agencies' Agreements require special consideration as part of the vehicle replacement schedule. For example, the City of Petaluma's Agreement includes a vehicle replacement schedule, with which Recology will be required to comply. The City of Rohnert Park's recent detailed rate review incorporated the purchase and replacement of the entire fleet by the end of calendar year 2018. Recology has stated that it understands these requirements and will meet these and all other vehicle requirements under the Agreements.

Recology has described a three-phased approach to achieving vehicle safety and operational standards and Agreement compliance for vehicle assets, outlined below:

- Phase 1: Detailed safety inspection using 63-Point Inspection protocol;
- Phase 2: Replace vehicles not in compliance with state law with either new vehicles or vehicles from other Recology subsidiaries by January 1, 2018; and
- Phase 3: Replace additional vehicles with an all-new set of vehicles, rotating existing vehicle stock to retire vehicles which will no longer be compliant with state law in 2019 and replacing the vehicles according to age, around May 2018.

The resulting vehicle fleet will be a mix of TRG vehicles, Recology vehicles from other operations, and new vehicles which Recology plans to purchase. We have reviewed Recology's maintenance plan and provided an explanation later in this section of the Report.

R3 has reviewed the vehicle replacement plan provided by Recology as well as the list of vehicle assets provided by Recology and the vehicle lists provided in TRG's annual reports. Though Recology's inspection and replacement plan is adequate in its description, R3 notes that over 60% (131) of the vehicles to be acquired by Recology are over 10 years old, the typical useful life of collection vehicles, depending on the specific type, configuration, maintenance, and operating conditions. In most cases, that would mean that these vehicle assets have exceeded their useful lives and would be fully depreciated.

It should be noted that in 2018, Recology has stated that it plans to receive 61 new trucks in 2018 for the Recology Sonoma Marin operation, approximately 30% of the existing fleet. Recology has stated that 27 trucks are subject to immediate replacement before the end of 2017, and that, 67 trucks will be replaced with new or used vehicles by the end of 2018. That is roughly half of the trucks that are over 10 years old, meaning that approximately one third of Recology's fleet, after the replacements noted above are made in 2018, will still be over 10 years old. 10 years old is generally considered the typical useful life of daily-use residential and commercial collection vehicles, depending on the specific type, configuration, maintenance, and operating conditions. Of the 27 trucks that are subject to immediate replacement by the end of 2017:

- 19 are collection trucks;
- The remaining replacements are tractor trailers, specialty vehicles, such as water trucks, and pickups and were not included in this analysis; and
- 2 collection trucks have been identified as junk and will not be replaced because they are no longer used.

R3 has compiled a summary of the vehicles as they are currently distributed among the Agencies, including the 19 collection trucks identified by Recology to be replaced by the end of 2017, based on the information provided in TRG's annual reports. This summary is provided in Table 1 below. As shown, the average age of the vehicles will be reduced to an average age of 9.6 years by the end of 2017. With the replacement of contractually required replacements (i.e., Santa Rosa, Rohnert Park and Petaluma) the overall average age of the fleet will likely be reduced to an average of between 7 and 8 years by the end of 2018.

**Table 1: Vehicle Assignments, including Street Sweepers  
(as Reported by TRG for 2016)**

Agency	# of Vehicles Assigned	Average Age (years)
Cloverdale*	10	11.6
Cotati*	4	4.5
Cotati & Sebastopol (shared)	3	13.7
Marin County	5	5.8
Marin County & Petaluma (shared)	1	1.0
Petaluma	15	11.3
Rohnert Park	9	8.9
Santa Rosa	27	10.7
Santa Rosa & Rohnert Park	1	10.0
Sebastopol	3	16.7
Windsor	8	9.9
Not listed on TRG Annual Reports +17 to be Replaced by Recology in 2017/18	118	13.0
<b>Grand Total</b>	<b>204</b>	<b>9.6</b>

\* Includes 1 vehicle subject to immediate replacement, which is considered 0 years old for the purposes of this average.

While this will be an improvement overall, R3 is concerned that the remaining one third of the fleet will require replacement in the near future, and that this will require additional capital investment and potential rate increases as discussed in Section 2 of this Report.

As shown in Table 1, the average age of fleets assigned to some Agencies is much greater than others. Recology has stated that they plan to shift vehicles among agencies. R3 advises that Agencies require that Recology account for and assign trucks to individual agencies as per prior TRG practice, which would prevent Recology from shifting the rate impacts of vehicle replacement between jurisdictions. We have identified vehicle replacement schedules for Petaluma, Rohnert Park, and a full-inventory replacement for Santa Rosa. Those vehicles we anticipate will be replaced via these scheduled replacements on or before December 31, 2018 are listed in Table 2, below.

**Table 2: Vehicles to be Replaced  
On or Before December 31, 2018**

City Name	Truck Type	Number of Trucks	Average Age (years)
Petaluma	All types	10	11.3
Rohnert Park	CONTAINER	1	13.0
Rohnert Park	FRONTLOADER	2	9.0
Rohnert Park	ROLLOFF	1	1.0
Rohnert Park	SIDELOADER	4	9.5
Rohnert Park	SWEEPER	1	10.0
Santa Rosa	FRONTLOADER	9	10.7
Santa Rosa	ROLLOFF	2	11.0
Santa Rosa	SIDELOADER	16	10.6

These vehicles may be available to replace some of the vehicles in the other Agencies' fleets. R3 advises that the Agencies monitor current truck inventory and require that Recology continue to provide a full vehicle inventory. Furthermore, R3 advises Agencies to require that Recology inform Agencies when there is a change in the inventory of vehicles used in the performance of services under each Agency's Agreement.

#### Cart and Bin Conditions and Replacement

Recology has stated that it will use existing TRG carts and containers, and that it will maintain all carts and containers according to the requirements outlined in the Agreements. As needed, Recology will ensure all carts and containers are properly repaired, maintained, or replaced. R3 clarified that this also will need to include labeling and uniformity requirements as described in various Agreements (for example, Petaluma and Rohnert Park's collection service Agreements require that carts are labeled with the contractor's name, phone number, and the materials to be placed in the container).

Recology has acknowledged that replacement of existing carts may be needed in order to meet the above requirements, but the company will not be able to provide a specific replacement until after assignment is completed and more hands-on details regarding the status of carts and containers in the field can be established. These replacements are included in the \$60 Million in capital investments which are discussed in Section 2 of this Report.

#### Facilities

Subsequent to assignment, Recology will own and operate all TRG facilities including:<sup>6</sup>

- Transfer Station & Maintenance Facility at 2543 Petaluma Blvd South, Petaluma, CA;
- Material Recovery Facility at 3417 Standish Avenue, Santa Rosa, CA;

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<sup>6</sup> TRG currently operates a maintenance yard out of Cotati that is a leased property. Recology will not be continuing the lease, and the property is not subject to the APA.

- Administration & Maintenance Facility at 3400 Standish Avenue, Santa Rosa, CA;<sup>7</sup>
- Truck Yard at 3284 and 3296 Dutton Ave., Santa Rosa, CA;
- Commercial bin and debris box storage at 3845 and 3855 Santa Rosa Ave., Santa Rosa;
- Petaluma - Administration & Maintenance Facility at 1309 Dynamic Street, Petaluma, CA; and
- Novato - Buy Back and HHW (leased) at 7576 Redwood Blvd, Novato, CA.

R3 has previously had the opportunity to visit and review these facilities and has previously found them to be adequate, with the exception of 3417 Standish. Since that time, TRG has completed upgrades to 3417 Standish, and the facility is now operational and fully permitted. Recology will own and operate the upgraded 3417 Standish Ave Material Recovery Facility to process recyclable materials. Under the facility's revised Transfer Processing Report and approved Solid Waste Facilities Permit, the MRF is permitted to operate 24 hours per day, seven days per week. The facility's general operating plan features two 10-hour processing shifts, seven days per week. The processing schedule varies depending on the volumes of incoming material. Routine equipment maintenance and cleaning is conducted during the scheduled non-operating hours each day.

It should be noted that the 3417 Standish facility has sufficient capacity to accept the material for the Agencies. Recology has also stated that in the event that additional processing support is required Recology has committed its near-by processing facilities in Vallejo and Yuba for both interim and longer-term needs.

#### Staff Hiring, Onboarding, and Training

R3 has reviewed Recology's overview of staff hiring, onboarding, and training approach (Attachment 3) and Recology's Procedures Manual and found that they are both adequate. R3 has also reviewed Recology's safety systems and our findings are presented in Section 3.2. Recology has demonstrated experience training drivers to operate split-body trucks such as those required in some Agencies' Agreements (Petaluma and Marin County) and has been providing split-body truck collection services in San Francisco for over 10 years.

#### Equipment Maintenance

Maintenance of equipment and facilities is a key component of any responsible and sustainable operation. To identify needed maintenance and repairs, Recology plans to use three strategies:

- A software-based program tracks preventative maintenance on the entire vehicle fleet;
- Recology drivers are required to inspect their vehicles at the beginning and end of each shift and fill out a report; and
- Safety inspections are conducted every 90 days.

R3 finds that Recology's maintenance strategies and overall approach are adequate and incorporate current industry best practices.

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<sup>7</sup> The MRF at 3400 Standish is no longer operational. Recology is developing plans for this portion of the site. Before processing recyclables at 3400 Standish can occur, Recology will need to work with the Local Enforcement Agency and other appropriate parties to fully permit the 3400 Standish facility.

### Routing

Recology plans to use the RouteSmart system for routing. This system is proven to be effective in other jurisdictions, including San Francisco, and is a state-of-the-art technology that will help Recology maximize routing efficiency and improve data management and tracking over the current TRG systems.

Recology does not anticipate any changes in collection days; however, after the transition takes place, Recology will review the current routes. If changes are requested, Recology will first notify the appropriate representative from the Agency followed by applicable notification to the impacted customers in the event that routing days change. R3 suggests that Agencies require Recology to not change single family residential routing days without notification, review, and approval by each individual Agency.

### Street Sweeping Operations

Recology has provided R3 with a general Street Sweeping Operations Plan (Attachment 8). The plan states that Recology does not intend to use subcontractors to perform street sweeping operations. Recology has also stated that it does not intend to change street sweeping route days, and R3 suggests that Agencies require that Recology not change street sweeping days without notification, review, and approval by individual agencies.

While Recology does not perform street sweeping in its two largest service areas, San Francisco and San Mateo, it does provide street sweeping in two of the jurisdictions included in R3's reference check: Vallejo and Morgan Hill. Recology's street sweeping operations plan is brief but adequately addresses the primary areas of concern regarding best practices in street sweeping performance. Recology adheres to the following best practices:

- All sweepers perform operations within 4-6 mph;
- All sweepers perform operations with water;
- All sweepers perform operations with the brooms engaged;
- All street sweeping vehicles adhere to Recology's preventative maintenance program; and
- Street sweeping operations will keep to their established dates and times.

### Reporting

Recology has stated that they plan to comply with each Agreement's reporting requirements. Recology claims that residual solid waste is weighed out while leaving each facility and will be taken into account in Recology's final reporting. This is important for accuracy, but can often be a challenge and should be confirmed upon receipt of reports. Agencies may want to request a sample diversion and tonnage report to confirm it is acceptable with regard to file format and content, and require changes as needed.

### Commercial Source Separated Food Waste Collection and Mixed Dry Waste Processing

The Cities and County of Sonoma may "opt in" to the commercial source separated food waste and dry mixed waste processing services as provided for in the Waste Delivery Agreements between the Cities and the County of Sonoma (WDAs). These programs are currently administered by TRG via an Agreement between TRG and Republic Services. Subsequent to assignment, Recology would also be required to provide source separated food scraps and mixed dry waste collection services. Both services are paid through a surcharge added to the garbage tipping fee via the WDAs and would be provided without additional cost to the ratepayers. Further information regarding potential changes to the provision of these services (including handling of costs and revenues) was not analyzed as a part of this Report as these matters are subject to the determination of the County, Republic, and TRG/Recology.

Recology has stated that it has reviewed the “AGREEMENT FOR OPERATIONS OF THE CENTRAL LANDFILL AND COUNTY TRANSFER STATIONS BETWEEN COUNTY OF SONOMA AND REPUBLIC SERVICES OF SONOMA COUNTY INC, APRIL 23,2013” as well as the “AGREEMENT FOR OPERATION OF SONOMA COUNTY TRANSFER STATIONS AND MATERIALS RECOVERY FACILITY BETWEEN THE RATIO GROUP OF COMPANIES, INC. AND REPUBLIC SERVICES OF SONOMA COUNTY, INC., MARCH 21,2013”.

Recology has acknowledged that it will assume the TRG existing obligation to repair, maintain, operate, and monitor the Materials Recovery Facility for the purposes of recycling the following material: construction and demolition debris, and recyclable rich materials (including dry commercial material, mixed waste, and self-haul waste). Moreover, Recology has acknowledged that the above agreements include commitments related to source separated food waste collected by TRG, which are not to come at an additional cost to the ratepayers.

It should be noted that the City of Petaluma has not entered into the WDA with the County. Therefore, subsequent to assignment, Recology will not be required to provide Petaluma source separated food scraps and mixed dry waste collection services through the surcharge added to the garbage tipping fee via the WDA, and would not be required to provide these services without additional cost to the ratepayers.

The commercial food waste services are a part of the WDAs; however, regulations from AB 1826 and AB 341 are not optional. Recology has stated that its Waste Zero team will be reaching out to all applicable customers and no discounts are available for non-compliance or non-participation.

## 3.2 Safety

Safety is the backbone of effective solid waste management operations. It impacts cost, customer service, employee morale, and other factors. Our experience has been that a company that has an effective focus on safety tends to pay attention to the other aspects of its operation.

### Objective

To determine if Recology has appropriate attention to safety.

### Documents and Information Reviewed

- Safety information obtained from Recology as part of R3’s review of Recology’s efforts to control workers’ compensation costs for the City of San Francisco (as part of the review of Recology’s 2017 Rate Adjustment Application);
- Onboarding & Transition Plan – Driver Training Summary (**Attachment 3**);
- Summary of Management Tools (**Attachment 7**);
- Safety Plan (**Attachment 10**);
- FY 2017 Safety Performance Report Narrative – August 2017 (**Attachment 11**);
- FY 2016 Safety Performance Report Email – Management Distribution (**Attachment 12**); and
- Screenshot of Internal Safety Communication Page (**Attachment 13**).

### Statement of Findings

Recology has established safety programs that includes tracking, analyzing, and reporting workers’ compensation, and automobile/general liability safety metrics. An electronic record is maintained of the dates, topics, locations, and participants of all Recology training events. Recology’s 2016 safety metrics

were better than 2015, and Recology achieved or exceed annual targets. Recology has set a 2017 Lost Time Frequency Rate (accident severity) target of a 4.9% reduction over 2016, and an automobile/general liability accident severity rate reduction of 5.7% over FY 2016.

Recology's safety program is based on the following principles:

- Focus on accident prevention and claims cost containment;
- Provide ongoing safety training for all personnel;
- Conduct routine safety inspections of vehicles and facilities;
- Advance continuous improvement by tracking safety metrics;
- Align safety process improvement with technology;
- Promote safe work practices and apply appropriate corrective actions for violations;
- Recognize employee owners who accomplished excellent safety performance;
- Actively involve line supervisors and managers; and
- Hold supervisors and managers responsible and accountable for safety through the performance appraisal process.

## **Discussion**

### City of San Francisco Review of Recology's Safety Performance

R3 conducted a high-level review of Recology's safety performance and its efforts to control workers' compensation costs and improve safety as part of our review of Recology's FY 2017 Detailed Rate Adjustment Application for the City of San Francisco. As part of that review, Recology identified the following five measures it has taken to control workers' compensation costs:

- Increasing safety staffing and expanding safety education opportunities;
- Adding an on-site physical therapy clinic;
- Moving a claims adjuster on-site;
- Safety immersion training for Temporary Assigned Work (TAW) employees; and
- The retention of a consultant to design a comprehensive program encompassing the above elements.

### Overweight Vehicles

Recology institutes policies and training procedures to ensure that its vehicles are in compliance with California Vehicle Code (CVC) sections 35550-35558. Collection and long-haul vehicle weights are recorded daily at the facility scale house. This information is collected by dispatch operations who in turn generate daily weight reports for each collection/hauling vehicle in service. Reports are shared with operations managers, district managers, and route supervisors. Overweight vehicles from the previous day are flagged and the management team works with the route driver to determine the cause of overweighting and make the necessary adjustments to ensure compliance.

### DriveCam

Recology has expanded its use of DriveCam throughout its operations and has proposed "Drive-Cam or equivalent" in Santa Rosa, but as far as we are aware has made no commitment for its use in other

Marin/Sonoma jurisdictions. DriveCam is designed to capture video and audio inside and outside the vehicle when triggered by abrupt actions (such as hard braking, sudden acceleration, swerving, or a collision) and provide real-time feedback to the driver. The risky driving events are then analyzed, scored, and posted to a secure website for driver coaching and improvement.

#### Safety Director

William Lyons, Vice President and Senior Director of Risk, Safety, and Environmental Compliance, oversees Recology's safety program. The Company engages Beecher Carlson as third-party broker / actuary and Corvel to manage claim activity.

#### Self-Insurance

Recology is self-insured for its workers' compensation risk that covers workers injured on the job. Claims above \$1 million are fully insured to limit the exposure and risk. Because it is self-insured, Recology does not have an experience modification factor generated by external rating agencies or its excess workers' compensation carrier.

### 3.3 Facilities and Environmental Compliance

Recology will be required to operate in full compliance with state law. Inspection reports for Recology-owned and -operated facilities are available publicly. R3 reviewed twelve major facilities owned and/or operated by Recology to summarize violations and identify any notices of violation (NOVs).

#### **Objective**

To evaluate Recology's performance operating selected solid waste facilities throughout California by reviewing inspection reports prepared by Local Enforcement Agencies and/or CalRecycle in jurisdictions where Recology facilities are located.

#### **Documents and Information Reviewed**

- Recology website;
- CalRecycle website – Facility/Site Summary Detail and Inspection reports (2015 through 2017, most recent available) for the facilities listed below in Table 3; and
- Telephone call with David Thompson, Director, City of Los Angeles Local Enforcement Agency, September 18, 2017.

The inspection reports which form the basis for this Report are available for review upon request.

#### **Statement of Findings**

Our analysis shows that Recology operates its facilities in accordance with State Minimum Standards. The permit violations documented in our analysis are relatively minor and not uncommon among facility operators throughout the State.

#### **Discussion**

Recology is acquiring the Timber Cove Materials Recovery Facility (MRF) formerly owned and operated by TRG and plans to operate this facility to process recyclables collected under the Agreements to be assigned. Recology is also acquiring various equipment yards and office locations throughout Sonoma County. Recology will direct organic materials, including commercial source-separated organics, to those facilities operated by Republic Services and owned by the County of Sonoma.



Inspection Reports for the most recent three years (from 2015 to July/August 2017) were reviewed for 12 facilities owned and/or operated by Recology. Seven of the facilities are categorized as Transfer/Processing Facilities (Large Volume), one is a Solid Waste Landfill and Asbestos Containing Waste (ACW) Disposal Site, and four are Composting Facilities. Those facilities are listed in Table 3, below.

**Table 3: Listing of Twelve Recology Facilities, Sorted by Facility Description**

Facility Name	Facility Description	Location	Recology Status
San Francisco Solid Waste Transfer and Recycling Center	Transfer/Processing – Large Volume	San Francisco	Owner
Recycle Central at Pier 96	Transfer/Processing – Large Volume	San Francisco	Owner
Recology Vallejo	Transfer/Processing – Large Volume	Vallejo	Owner
San Bruno Transfer Station	Transfer/Processing – Large Volume	San Bruno	Owner
Recology San Martin Transfer Station	Transfer/Processing – Large Volume	San Martin	Owner
Shoreway Environmental Center	Transfer/Processing – Large Volume	San Carlos	Operator
Crown Recycling Services	Transfer/Processing – Large Volume	Los Angeles	Owner
Recology Hay Road	Solid Waste Landfill, ACW Disposal Site	Vacaville	Owner
Jepson Prairie Organics Composting Facility	Composting Facility – Mixed Waste	Vacaville	Owner
Recology Blossom Valley (Vernalis)	Composting Facility – Mixed Waste	San Joaquin County	Owner
Recology Blossom Valley Organics - South	Composting Facility – Mixed Waste	Kern County	Owner
Recology Blossom Valley (North/Modesto)	Composting Facility – Green Waste	Stanislaus County	Owner

Using the CalRecycle website, Inspection Reports from each facility were reviewed to identify and categorize violations between January 2015 and the present. For definitional purposes, a violation is a determination made during an inspection or other site visit where the facility is found not to be in compliance with applicable statutes and/or regulations and/or the terms and conditions of the solid waste facilities permit or enforcement agency notification, etc.

Of these facilities, seven (58% of the twelve facilities) were large volume transfer/processing facilities, four (33%) were composting facilities, and one (8%) was a solid waste landfill/asbestos containing waste disposal site. Among the highlights:

- There were no violations at three of the seven large volume transfer/processing facilities during the review period;
- There was only one violation recorded at two of the four composting facilities during the review period;
- There are no current violations (as of August 2017) at the transfer/processing facilities and composting facilities;
- The most common violation reported at three transfer/processing facilities was Permit and Filings Related. Inspection Reports identified unique violations at three transfer/processing facilities. As noted above, the most recent Inspection Reports do not include these violations;
  - San Francisco Solid Waste Transfer and Recycling Center exceeded the traffic limit of 1,100 Vehicles Per Day (VPD) on certain dates for a limited time period beginning with Inspection Reports in December 2016. Over time, the operator submitted documents to increase the number of VPD. The LEA accepted the application as complete in May 2017;
  - Recology Vallejo Inspection Reports identified issues with the accuracy and timing of submittal of a few monthly tonnage reports and a special occurrences log; and
  - There were repeated permit violations at the Crown Recycling Services facilities over the course of the review period. These violations were inherited from the actions of the previous owner who was operating under a Cease and Desist Order when Recology acquired the facility. Recology resolved the permit violations while they were operating that facility.
- The second most common violation reported at two transfer/processing facilities was Vector, Bird, and Animal Control:
  - San Francisco Solid Waste Transfer and Recycling Center Inspection Reports cited rodents in three non-consecutive months in mid-2015 through March 2016. Subsequent Inspection Reports have not documented this as a violation; and
  - Recycle Central at Pier 96 Inspection Report cited the need to control and prevent rodents and take steps to minimize bird attraction, including pigeons and sea gulls in seven non-consecutive months in mid-2015 through August 2016. Subsequent Inspection Reports have not documented this as a violation.
- The third most common violation reported at two transfer/processing facilities was Operating Criteria:
  - Recology Vallejo Inspection Reports showed violations related to Record Keeping Requirements (i.e., the LEA was not notified within 24-hours of two required incidents and corrected/revised tonnage numbers in one month); and
  - Recycle Central at Pier 96 Inspection Reports showed violations related to Roads (i.e., repair and maintain the conditions of the roads throughout the facility to prevent standing water).

- There were no Personnel Health and Safety violations noted in the Inspection Reports at any of the transfer/processing facilities; and
- There were no Handling Equipment and Maintenance violations noted in the Inspection Reports at any of the transfer/processing facilities.

#### Operations Manager

Daniel Pankau will be the Environmental Compliance Manager. He is moving from the Los Angeles and Recology Blossom Valley Organics (South) facilities, where he was the Environmental Compliance Manager. Both facilities were reviewed as part of this facilities review (summaries provided as Attachment 14 to this Report).

The City of Los Angeles LEA was complimentary of Recology's actions to bring the Los Angeles facility, Crown Recycling Services, into compliance after operating under a Cease and Desist order issued by the City of Los Angeles to the former operator in 2004. The facility was in compliance less than a year after Recology acquired the facility.

### 3.4 Customer Service

Delivering a positive customer experience is an important goal for solid waste management companies providing services. Customer satisfaction is impacted not just by the quality of the performance of services but also by every touchpoint in the customer journey, covering a variety of interaction topics over a variety of communication channels. Handling customer interactions effectively and consistently requires adequate technology, staffing, training, processes, and management.

R3 conducted a review of Recology's Customer Service Plan and practices to assess their ability to deliver a consistently positive customer experience and identify gaps that might need to be addressed.

#### **Objective**

To determine if Recology's Customer Service Plan and practices are adequate.

#### **Documents and Information Reviewed**

- 2015 National Citizen Survey™ Community Livability Report for Issaquah, WA;
- Customer Service & Diversion Reporting Plan (**Attachment 2**);
- Onboarding & Transition Plan (**Attachment 3**);
- Summary of Management Tools (**Attachment 7**);
- Customer Service Plan (**Attachment 15**); and
- Recology San Mateo County Customer Service Report (**Attachment 16**).

#### **Statement of Findings**

Recology provides enterprise-class tools and adequate processes, staffing, training, and management to deliver effective customer service. Agencies may want to review certain elements of Recology's customer service to ensure Recology meets their expectations and the relevant provisions of each specific Agreement.

## **Discussion**

### Communication Channels

Recology provides customer service through multiple channels, including in-office, call center, website, and Facebook page specific to the service area. Other channels such as web chat and text messaging could be added to create a more comprehensive omni-channel approach, however, the options provided are adequate and provide convenience to customers for common touchpoints.

Recology has stated that it would create a website for each jurisdiction served. The website would contain a variety of self-service options, including online bill pay and tailored information about services and programs. Self-service options provide convenience and improved customer experience by allowing customers to complete items like paying bills and managing their account without needing to contact a Customer Service Specialist (CSS).

Online bill pay, using Recology's e-Billpay product, is available 24 hours a day, 7 days a week and allows customers to receive their bills and make payments electronically through an adequate number of methods, including recurring automatic payments via Automated Clearing House (ACH) direct debits from a customer-authorized bank account.

In-office and call center inquiries will be fielded by CSSs during adequate hours of operation of 7:00 a.m. to 6:00 p.m., Monday through Friday, and 7:00 a.m. to 3:00 p.m. on Saturdays. Certain jurisdictions (such as Novato, Petaluma, and Rohnert Park) have specific requirements in their Agreements with regard to office location which may need to be addressed with Recology.

### Technology

Recology's telephony system, using the ShoreTel Voice Over IP (VOIP) system, and management is adequate and appears to provide flexibility for operations, handling adequate simultaneous call volume, call routing, and reporting. Language interpreting is available in over 175 languages using AT&T's Language Line interpreting service. A TDD relay service will also be available for hearing-impaired customers. The Customer Service Plan states that Recology will identify multilingual CSSs. The jurisdictions and customers should be made aware of the language capabilities and options.

Data management, using the Recology Customer Relationship Management (RCRM) platform, appears to handle the primary functions related to service delivery. There are likely operational benefits from having modules for the following functions all in one system:

- Customer and service level information;
- Billing and payment history;
- Customer service issues and inquiries;
- Routing;
- Ticketing; and
- Dispatching.

### Staffing and Training

Recology has stated that it plans to use a staffing ratio of 1 per 4,080 customers, which Recology estimates provides capacity for 80 calls per CSS per day. Recology implements a training program for their CSSs, covering:

- Recology CORE On-boarding;

- Creating Memorable Customer Service;
- Franchise Training;
- Technical Training Elements (RCRM);
- Contamination Training; and
- In-Field Ride-Along with a Driver.

Recology appears to provide sufficient CSS staffing, and the CSSs appear to have access to adequate training and data to effectively assist customers.

#### Processes and Management

The customer concern resolution process appears adequate and is managed in RCRM. The timeframe of 24 hours for calling back customers requiring follow-up is appropriate. When a CSS creates a ticket on a service issue, it is immediately escalated to a supervisor to be addressed in the field as necessary. At the end of each day, an open ticket report is distributed to department managers, including dispatch. Supervisors investigate all misses in the daily reports and provide corrections and re-training as necessary. Recology holds weekly operations meetings including the full management team and supervisors of all departments in order to review performance metrics and address issues. These processes appear to support timely resolution of customer issues and provide avenues to realize continuous improvement.

#### Reporting

Recology's telephony and RCRM systems appear to provide the flexibility to provide detailed reports on customer service interactions to meet reporting requirements. Recology offers to work with the jurisdictions to determine the frequency and methodology for sharing this information. The sample Customer Service Report from Recology San Mateo County includes the following key performance indicators (KPIs): Average Speed of Answer (ASA), total calls received by year, and customer satisfaction % by year. The telephony system is also capable of tracking and reporting wait time. Jurisdictions may want to work with Recology to determine if their periodic Customer Service Reports will include those KPIs in shorter time intervals and also include Service Level (% of transactions responded to within a specified time frame, e.g. 80% of incoming calls answered within 30 seconds). Agencies may also want to review the questions asked in Recology's customer satisfaction survey and/or require the complete survey results as part of the periodic Customer Service Reports.

#### Past Performance

The sample Customer Service Report from Recology San Mateo County shares strong results from third-party customer satisfaction surveys conducted by Godbe Research, including an Overall Quality of Service Satisfaction rating of 91.9%.

### 3.5 Outreach, Education, and Diversion

Benchmarking diversion success can be a complicated matter, but increasing state requirements for diversion (especially of organics) makes diversion an issue imprudent to ignore. One of the primary tools that haulers and jurisdictions can use to improve diversion success is an effective outreach and education program. Many of the collection services Agreements considered for assignment also have specific diversion targets and requirements and/or outreach and education requirements.

## Objective

To determine if Recology's outreach and education plan, diversion performance, and general practices related to outreach, education, and diversion are adequate.

## Documents and Information Reviewed

1. Onboarding & Transition Plan (**Attachment 3**);
2. Organization Chart (**Attachment 5**);
3. Outreach & Education Plan and Diversion Performance (**Attachment 17**)
4. Commercial Benchmarking Study of Recology San Mateo (**Available upon request**);
5. CalRecycle Website;
6. Recology San Mateo Annual Report;
7. Recology San Francisco Rate Application; and
8. Agencies' Annual Reports.

## Statement of Findings

Recology's outreach and education plans, and supporting documents, indicate that they will be capable of performing the Agreement requirements. The diversion performance achieved by Recology's other customers of comparable size sets the industry standard in diversion. The planned staffing level for the Agreements to be assigned may be sufficient, but does not provide for much additional staffing beyond the level specified in those Agreements with specific FTE requirements.

## Discussion

### Diversion Goals and Comparative Diversion Success

Increasing diversion of waste material from landfill by encouraging source reduction, processing recyclables at Material Recovery Facilities (MRFs), and processing compostables at organics processing facilities is a goal shared by many Agencies. Table 4, below, shows the goals set in the collection services Agreements being considered for assignment.

**Table 4: Goals Set in Collection Agreements**

Agency Name	Diversion Goal
Cloverdale	50%
Cotati	50%
Healdsburg	50%
Novato San	60% by 2015; 70% by 12/31/2020; 80% by 12/31/2025
Petaluma	50%
Rohnert Park	45%
Santa Rosa (agreement to be assigned)	50%
Santa Rosa (agreement beginning 2018)	50% (2018); 55% (2024); 60% (2028)

Measuring diversion success can be a challenge because the diversion of recycling and compostable materials from landfill and the reduction of total waste sent to landfill are not always the same. Moreover, different communities may have different levels of interest in potentially time-consuming and difficult

source separation of target materials, especially the commercial sector. There are two main methods for measuring diversion success:

- Pounds Per Person Per Day (PPD) as calculated by CalRecycle, which accounts for all waste declared to have been disposed by a jurisdiction and benchmarks diversion against an extrapolated target representing 50% disposal; and
- Diversion by franchised tons, which may or may not count Construction and Demolition Debris, and may or may not account for residual remaining after processing recycling and organics.

Tables 5 and 6 show Recology's diversion success in comparable jurisdictions (San Francisco and San Mateo). Because most of the Agreements do not specify which measurement of diversion is to be used, we have provided an analysis of both below. Table 5 shows the PPD diversion success, with Target Pounds Disposed as calculated by CalRecycle to represent 50% landfill diversion. All data is taken from the CalRecycle website.<sup>8</sup>

**Table 5: Pounds Per Person Per Day, as Calculated by CalRecycle**

Jurisdiction	Target Pounds Disposed (representing 50% of initial levels)	Adjusted Reporting-Year Disposal	Reporting Year Population	Current Disposal Level	Current % Level
San Francisco	6.6	573,179	845,602	3.7	71.97%
San Mateo*	6.9	325,411	447,124	4.0	71.09%
Sonoma	7.1	386,901	496,253	4.3	69.72%

\* Cities, Towns, and County of San Mateo, comprising the South Bayside Waste Management Agency. Target Pounds Disposed is an average, disposal and population are totals, and Current Disposal Level and % are derived from disposal and population.

Table 6 shows franchised tonnage diversion success for the franchised tonnage in the jurisdictions shown. C&D tonnage is included in the analysis where C&D is franchised and tons were reported.

<sup>8</sup> Full database available here:

<http://www.calrecycle.ca.gov/LGCentral/reports/diversionprogram/JurisdictionDiversionPost2006.aspx>

**Table 6: Diversion by Tons, Based on Annual Reports**

Year	Jurisdiction	Recycling	Residual	Organics	C&D	Garbage	Total Received	Diversion %
2015	San Francisco	370,878	Inc'l in garbage	166,648		389,559	927,085	58%
2015	San Mateo	72,863	Inc'l in garbage	95,405	3,468	177,591	349,327	49%
2016	Cloverdale	1,782	Not reported	1,485	302	4,450	8,019	45%
2016	Cotati	1,772	129	1,084		4,294	7,279	39%
2016	Healdsburg	No data available						
2016	Novato San	10,751	Not reported	14,190	2,464	28,236	55,641	49%
2016-2017	Petaluma	12,188	Not reported	11,886		31,273	55,347	43%
2016	Rohnert Park	6,076	422	5,842		25,988	38,328	31%
2016	Santa Rosa <sup>9</sup>	26,607	Not reported	27,221		94,608	148,436	36%

Recycling Coordinator Minimum Staffing Levels

In addition to these diversion goals, some Agreements include outreach and education staff time requirements. Table 7 shows the staff time requirements where requirements are set in Agreements.

**Table 7: Recycling Coordinator FTE Staff Requirement**

Agency Name	FTE Required
Marin County	1/4 FTE
Novato San	2/5 FTE
Petaluma	1 FTE
Rohnert Park	1/5 FTE
Santa Rosa (agreement beginning 2018)	4 FTE

The total FTE time required by these Agreements is nearly six FTE. Some Agreements have diversion requirements which may require staff time in order to reach, above any specific Agreement-prescribed activities, and the requirement to respond to requests for help from the multi-family or commercial sectors and schools. The requirement to attend city events is also common.

Recology has provided a plan to hire two “Waste Zero Managers” and seven “Waste Zero Specialists.” R3 has determined that a total of six outreach and education staff would be adequate to cover Agreement requirements. The additional managers and one FTE may be sufficient to provide for the additional outreach and education efforts needed to pursue higher levels of waste diversion from landfill disposal.

Finally, it should also be noted that there is some overlap between Recycling Coordinators and the Customer Service functions within a solid waste company, as the first contact between a customer and the hauler is often through a call center. Questions about proper source separation, for example, are often

<sup>9</sup> Based on data provided during Request for Proposals for collection services.



directed at Customer Service Representatives (CSRs). Effective CSRs and an effective customer service database support outreach and education activities.

#### Single family Residential

The single family residential customer base normally comprises the clear majority of the total material collected, and often also represents the best success in diverting material from landfill as a sector. Agreements may require some mix of the following education and outreach materials, and activities, targeting the single family residential sector: newsletters, newspaper ads, contamination/corrective action tags, community event tabling, announcements on community cleanup days, and/or drop-off events. Recology has provided an outreach and education plan that accommodates the above requirements.

#### Multi-Family and Commercial Sectors and Schools

While the multi-family residential and commercial sectors may have very different waste streams and outreach and educational materials should be designed differently for the two sectors, actual diversion success and outreach and education strategies are often similar for each of these sectors. Agreement requirements may include contamination/corrective action tags, commercial outreach upon request, a set number of site visits and/or waste audits per year, and sometimes detailed reporting requirements.

These sectors are also regulated on the state level under Assembly Bills 341 and 1826. These laws require that local jurisdictions implement recycling and organics collection programs that, at a minimum, monitor covered businesses and multi-family complexes, inform them of the law and educate them about how to comply, and provide services that would allow these businesses and multi-family complexes to comply with the law.

Because haulers have continuous access to the database of their customers, it is imperative that jurisdictions work closely and collaborate with their haulers to comply with these legislative requirements. Some Agreements may explicitly require the hauler to undertake some of the activities required under AB 341 and AB 1826.

R3 evaluated multiple commercial diversion programs in a benchmarking study for the South Bayside Waste Management Authority<sup>10</sup>. Recology provides commercial recycling outreach and education programs for two of the largest service territories in the Bay Area, and performs comparably to other similar programs despite operating on a bigger scale. Recology outreach staff work with jurisdictions to achieve high diversion goals, state legislative compliance, and promote resource recovery. Recology San Mateo and Recology San Francisco were both included in this study, and the programs provided by Recology were compared to those programs in four nearby jurisdictions for comparative purposes and to provide recommendations for increased efficacy in the Recology San Mateo service area. Recology has provided a thorough and adequate plan for commercial outreach & education which includes commercial waste audits and the distribution of educational materials including posters (see Attachment 17).

#### Construction and Demolition Materials

The collection of construction and demolition materials is often franchised in the Agreements to be assigned. This material stream may therefore appear in annual reports and may be credited as diverted material. Outreach and education activities are not prescribed in Agreements, and such activities in support of the CALGreen-mandated diversion from landfill are often led by a jurisdiction's building department as part of the normal permitting process.

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<sup>10</sup> Commercial benchmarking study available upon request.

Construction and demolition debris recycling facilities in the County include:

- Stony Point Rock Quarry;
- Global Materials Recovery Services/Industrial Carting;
- Windsor Material Recovery Facility; and
- Central Landfill MRF.

Recology is likely to deliver construction and demolition debris collected in the jurisdictions to those facilities due to proximity.

#### Recycling “Waste Zero” Manager

The Outreach and Education Program Manager for Recology Sonoma Marin will be Celia Furber, who has four years of experience with Recology as a “Waste Zero” Manager in Mountain View.

## 3.6 References

### **Objective**

To determine the satisfaction level of jurisdictions served, as well as the services performed under the various Agreements held by Recology.

### **Information Reviewed**

- Responses from jurisdictions used for reference checks.

### **Statement of Findings**

R3 has found that the cities and agencies Recology serves are generally satisfied with Recology’s services. 10 of the 11 jurisdictions that answered the question, “Would you recommend Recology?” said “yes”.<sup>11</sup>

### **Discussion**

R3 contacted 23 jurisdictions, many of which had been provided by Recology and others which were identified by R3. Table 8, next page, shows the meaning of scores assigned to responses from reference jurisdictions. Table 9 displays the average scores and other responses to the survey questions. Table 10 displays the services provided under the agreements between Recology and the various agencies surveyed.

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<sup>11</sup> R3 received a negative reference for a recent Recology acquisition, the contract for which Recology has recently assigned to another company.

**Table 8: Ratings**

<b>KEY</b>	
5	Very Satisfied/Very Confident
4	Somewhat Satisfied/Somewhat Confident
3	Ambivalent
2	Somewhat Dissatisfied/Somewhat Unconfident
1	Very Dissatisfied/Very Unconfident

**Table 9: Summary of Reference Scoring**

<b>Question</b>		<b>Rating / Answer</b>
1.	How would you rate your satisfaction with Recology's overall collection service?	4.73
2.	How satisfied are you with Recology's recycling diversion programs?	4.55
3.	How satisfied are you with Recology's organic waste diversion programs?	4.00
4.	How satisfied are you with Recology's collection vehicles and containers used (cleanliness, appearance, etc.)?	4.45
5.	How would you rate your confidence in the validity of information received from the Recology?	4.60
6.	How satisfied are you with the quality and amount of the Recology's education and outreach programs?	4.28
7.	How satisfied are you with Recology's customer service (responsiveness, complaints received, resolution of complaints)?	4.41
8.	If Recology transitioned from a different hauler, were you satisfied?	5 out of 6 said "yes" (those applicable)
9.	Have you ever had to assess liquidated damages?	8 out of 9 said "no"
10.	Has Recology ever asked for non-scheduled and unexpected rate increases?	8 out of 11 said "no"
11.	Would you recommend Recology?	10 out of 11 said "yes"

**Table 10: Services Provided Under Agreements with Surveyed Agencies**

<b>Jurisdiction Name</b>	<b>San Francisco</b>	<b>Morgan Hill</b>	<b>Oroville</b>	<b>San Bruno</b>	<b>Colusa</b>	<b>Menlo Park</b>	<b>Burlingame</b>	<b>Vallejo</b>	<b>San Mateo</b>
<b>Split-body Collection Vehicles</b>	Yes	No	No	Yes	No	No	No	Yes	No
<b>Garbage, Recycling, and Green Waste</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Residential Food Scraps</b>	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
<b>Commercial Food Scraps</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Curbside Battery Collection</b>	Yes	Yes	No	Yes	No	Yes	Yes	No	Yes
<b>Curbside Motor Oil/Filter Collection</b>	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
<b>Special Event Collection Services</b>	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Portable Toilet Service for Special Events</b>	No	No	No	No	No	No	No	Yes	No
<b>Bulky Waste at Curbside</b>	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes
<b>Bulky Waste at Drop-off</b>	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
<b>Community Cleanup/Illegal Dumping</b>	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes
<b>Street Sweeping</b>	No	Yes	Unknown	No	Unknown	No	Yes	Yes	No
<b>Street Cans</b>	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes

Some representatives of the jurisdictions surveyed provided the following comments:

- *“They're employee-owned, and they're the right size - not too big, not too small to have the resources to do what the customer wants, and don't push back on City requests. Recology is responsive to their customers. Good sized, progressive, flexible company that provides good service. They're heading into the future.”*
- *“Recology had a flawless transition [in San Mateo County], on one of the biggest transitions on population base in the industry.”*
- *“Very pleased with their service, and very pleased with their increased efforts to address any problems quickly and completely. Reps were responsive and pleasant to work with. We had past issues with the GM but that has since been resolved.”*
- *“They get more than 1000 calls a day, and they watch their wait time & dropped call rate. We don't get many calls to the city, but when we do, we tell them to call Recology, and then to call back if they're not happy - nobody really calls back. I get a customer service log every 6 months and their responsiveness is within industry standards. Sometimes they get overwhelmed, after a rate increase. They adjust their phone center to accommodate surges.”*
- *“Best employees, community driven, big sponsors of City events, and very involved in the community. Offer services to help under-privileged areas with clean up events.”*
- *“They're the best in the business [on diversion]. They have good resources - good equipment, facilities. They have the ethic of finding other diversion opportunities.”*

## Section 4: Rates and Rate Adjustments

### Objective

To evaluate the degree of exposure that the Agencies may have to an increase in rates if they approve the assignment of their Agreements to Recology.

### Documents and Information Reviewed

- Agencies' Agreements with TRG.

### Statement of Findings

Agencies should anticipate requests from Recology for rate increases in the near future. Agreement provisions provide for a set schedule and methodology for applying for rate increases, and a review and adjustment process to ensure that rate adjustments are reasonable and justified. Agencies are not obligated to consider or accept requests for increases outside of those provisions.

### Discussion

As discussed in the Executive Summary of this Report, there are several reasons why R3 anticipates that some amount of infrastructure improvements will be necessary in order for Recology to be in compliance with the Agreements for which TRG is requesting assignment to Recology. These primarily include vehicle and container replacement and increased labor-related expenses, but may also include other investments.

Recology has stated that if Agreements are assigned to them, they will adjust operations over the period of approximately six months, potentially gaining efficiencies over current operations through a variety of avenues such as adjusting collection vehicle routing, street sweeping routing and schedule, driver work hours, and reducing customer service needs by missing fewer pick-ups and promptly replacing customer cart sizes. After the six-month transition period, Recology has reported that it intends to request rate adjustments via either mechanisms set forth in the collections Agreements or through special requests to the Agencies.

Agencies whose Agreements allow detailed rate reviews via review of the contractor's expenses and revenues are listed below:<sup>12</sup>

- Cloverdale (as requested by City or Contractor, under limited conditions which may not occur);
- Cotati (as requested by City or Contractor);
- Healdsburg (as requested by Contractor, under limited conditions which may not occur);
- Marin (next in 2021);
- Novato Sanitary District (as requested by District or Contractor, no more than once every 3 years; last was completed more than three years ago);
- Petaluma (as requested by City, no more than once every 3 years; last was completed more than three years ago); and

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<sup>12</sup> Only the Sonoma County Waste Management Agency (SCWMA) agreements do not include detailed review provisions, which is not unexpected given those agreements are a long-haul agreement and processing agreement which do not generally require detailed rate reviews due to the fact that the financial terms are much simpler than in collection services agreements.

- Rohnert Park (as requested by City or Contractor, no more than once every 3 years; last was completed in 2017).

In nearly all cases, these reviews allow these agencies to accept, adjust, or deny the contractor's request, depending upon reasonableness.

#### Vehicle and Cart Inventories

In addition to normal activities undertaken in such a detailed rate review, because of the unique circumstance of the assignment of many Agreements along with vehicle and cart inventory and the full transition to a new contractor, Agencies should be prepared to require that Recology clearly demonstrate that the ratepayers within each Agency would be paying for services (including vehicle or other equipment replacements) within their own Agency and not required to pay for the replacement of equipment used to serve other Agencies. This will require Recology to provide detailed information on areas served by individual trucks across Agencies, vehicle information including vehicle age and whether those vehicles were purchased as part of the TRG acquisition, as well as due justification for Recology's use of those vehicles within any given Agency and the necessity for the replacement of those vehicles.

#### Cost of Labor and Unions

R3 anticipates that assignment of each Agency's Agreement to Recology will be accompanied by increased labor costs. Recology has entered into a Collective Bargaining Agreement with Teamsters Local 665 and has stated:

*"The job classifications that are currently included in the CBA are all drivers, waste/recycling/organics collectors, commercial drivers, utility drivers, semi-drivers, sweepers, helpers, sorters, vehicle and equipment maintenance, general laborers, heavy equipment operators, leads, and customer service representatives employed in the facilities located in Santa Rosa, Cotati, Petaluma, Healdsburg, Guerneville, Sonoma, Annapolis, and Novato, California."*

R3's understanding as represented by Recology is that the Collective Bargaining Agreement is in effect with Recology, and not with TRG. As such, assuming that wages and benefits are more favorable to employees under the Collective Bargaining Agreement (which Recology has not provided for review), then Agencies should anticipate that assignment will result in increased labor and benefit costs.

## Section 5: Individual Agreement Assignment

### Objective

To review individual agreement requirements and provide a summary.

### Information Reviewed

R3 has reviewed the individual Agreement requirements for the following Agencies:

- Cloverdale
- Cotati
- Healdsburg
- Marin County
- Novato Sanitary District
- Petaluma
- Rohnert Park
- County of Marin

### Findings

- Insurance and performance bonds are not able to be purchased until an Agreement has been made between Recology and the individual Agency. It is recommended that each individual Agency's Risk Manager review these limits to ensure they meet the jurisdiction's current standards.
- Payments due to agencies for the assignment review or transfer include:
  - Cloverdale: \$25,000 initial deposit to cover all reasonable expenses to investigate suitability of proposed assignee;
  - Cotati: \$150,000 initial deposit to cover all reasonable expenses to investigate suitability of proposed assignee;
  - Healdsburg: All direct and indirect expenses to adequately analyze the application;
  - Marin County: Reasonable expenses necessary to investigate the suitability of any proposed assignee;
  - Novato Sanitary District: Reasonable expenses necessary to investigate the suitability of any proposed assignee;
  - Petaluma: \$500,000 initial deposit to cover all reasonable expenses to investigate suitability of proposed assignee;
  - Rohnert Park: All reasonable expenses to investigate suitability of proposed assignee; and
  - Santa Rosa: \$375,000 assignment transfer fee.
- Detailed rate review requests may be anticipated over the next 3 years for the following agencies:
  - Cloverdale (as requested by City or Contractor, under limited conditions which may not occur);



- Cotati (as requested by City or Contractor);
  - Healdsburg (as requested by Contractor, under limited conditions which may not occur);
  - Marin (scheduled for 2021);
  - Novato Sanitary District (as requested by District or Contractor, no more than once every 3 years; last was completed more than three years ago);
  - Petaluma (as requested by City, no more than once every 3 years; last was completed more than three years ago); and
  - Rohnert Park (as requested by City or Contractor, no more than once every 3 years; last was completed in 2017).
- Most detailed rate review provisions require one year of financials after starting services, which means that a detailed rate review request must be delayed until such financial statements are available. In other words, if the Agreements are assigned to Recology prior to January 1, 2018, the soonest that a detailed rate review can be conducted would be in 2019, using Recology's 2018 audited financial statements as a basis;
  - Other findings from the review of individual Agreements are addressed in various locations throughout this Report.

### Individual Agreement Assignments

The key points identified for the collection Agreements are summarized below. A matrix comparing each individual Agreement side-by-side is provided as Attachment 18 to the Report.

## 5.1 Cloverdale

**One exclusive agreement for trash, recyclables, and organics.** Services include collection, disposal, and processing of solid waste, recyclables, and compostable materials (green and food waste), including solid waste and construction and demolition debris boxes.

**Curbside Cleanup Events.** Single family and multi-family units have 1 collection/year as part of bundled rate. Each collection includes either 2 bulky items or up to 2 cubic yards (14 bags) of trash.

**Bulky Item Collection.** In addition to the curbside cleanup events, customers can request bulky item collection for a fee.

**Holiday Collection Services.** Franchisee provides 1 drop box location from December 26 until mid-January as well as curbside collection for one week as agreed upon by City.

**City Services.** Trash, recyclables, and organics collection at all City buildings and facilities at no cost. Hauler provides up to 20 recycling and solid waste carts which are serviced through bins at on-going public events and up to 5 community clean-up events per year.

**Portable Toilet Service.** Franchisee provides 3 portable toilets at six special events up to 12 days per year.

**Street Sweeping.** Services provided to commercial areas weekly and monthly to residential streets with increased service on residential streets from September to January.

**Term Expiration.** 6/30/2025 with extension options of up to 1 additional year.

**Performance Bond.** The franchisee will keep a performance bond with the City in the amount of \$700,000.

**Insurance Requirement.** The franchisee will secure and maintain the following insurance coverage throughout the term of the agreement:

- General Liability: \$5,000,000 single limit per occurrence;
- Automobile Liability: \$5,000,000 per occurrence;
- Workers' Compensation and Employers Liability: \$1,000,000 per occurrence; and
- Pollution, Environmental Impairment and Professional Liability: \$3,000,000 per occurrence / \$10,000,000 policy aggregate.

**Hauler Diversion Requirements.** Franchisee diversion requirements set to meet 50%, or as required by applicable law, or as set by Sonoma Countywide Solid Waste Management Plan. Tons diverted include materials collected by hauler and delivered to a recycler or re-user.

**Billing.** Hauler is responsible for billing and collecting payments. Customers may be billed quarterly, but not more than monthly.

**Payments to City.** The franchisee is responsible for paying a 12% franchise fee as well as \$15,000 per year for the City to use for recycling efforts and other waste stream reduction initiatives. The franchisee is also responsible for paying for the costs associated with rate adjustments, special rate reviews and amendments to the Agreement.

**Sustainability Support Staff.** Franchisee provides the City with staff resources to support public school education and public events, and will visit City facilities annually to promote recycling and evaluate current service levels. Additional education and outreach requirements include 2 newsletters mailed to customers annually, information bill inserts, mailers describing solid waste and recycling options, and outreach staff available to assist in evaluating program options with multi-family complexes and commercial business.

**Customer Rate Adjustment Methodology.** Maximum customer rates take effect on September 1<sup>st</sup> annually. Adjustments to the collection portion of the rates are based on the prior year 12-month change of the refuse rate indices published by the U.S. Department of Labor, Bureau of Labor Statistics, and the disposal and organics portion of the rates are based on per-ton tip fee charged.

**Detailed Rate Review.** The City or franchisee may request a detailed review of maximum customer rates due to mid-year tipping fee changes, changes in facilities affecting transportation costs, changes in state, local, or franchise fees, and other change in applicable law or change in scope of work.

**Reporting.** The franchisee is required to submit monthly, quarterly, and annual reports. At a minimum, the reports will include:

Monthly. Franchise statement and payment including franchise fees, liquidated damages, and other payments.

Quarterly. Past due accounts report to City Manager.

Annually. Monthly summary of prior year's gross revenues and payments to City, tonnage by material type and sector, public education and information activities, customer service data, account information by number of customers and service level, summary of overweight loads, street sweeping services, equipment inventory, and summary assessment of operational problems and actions taken.

**Vehicles.** Vehicle inventory as updated in the 2016 annual report.

**Table 11: Cloverdale Vehicle Inventory**

TRK #	LIC #	TYPE	MANUFACTURER
1003	8T57515	Cart Delivery	INTL
2022	5Y5136	Front Loader	PETERBILT
9039	1486s1	Split Body	AUTO CARE
105 P	7Y62218	Sweeper	TYMCO
108 R	8M78224	Bin Delivery	VOLVO
203R	5W17250	Front Loader	VOLVO
210 R	5Y75136	Front Loader	VOLVO
213R	6N43823	Split Body	VOLVO
715 R	5W17249	Rear Loader	VOLVO
9032R	02123N1	Split Body	AUTOCAR

**Containers.** Containers are to be standard color, but different for each material type collected. They are to be labeled with the material to be placed in the container. Franchisee shall maintain, repair, clean, paint, and replace containers as needed to maintain a clean, attractive, functional, new-like condition. All graffiti shall be removed immediately.

**Assignment Requirements.** Franchisee is required to deposit \$25,000, to be restored as costs are incurred until assignment costs are covered. Current franchisee is responsible for all reasonable expenses to investigate suitability of proposed assignee. Proposed assignee shall provide 5 years of audited financials, have no citations over waste management operations due to significant failure to comply, 10 years similar waste management experience, and current operations are environmentally safe and within compliance with applicable law.

## 5.2 Cotati

**One exclusive agreement for trash, recyclables, and organics.** Services include collection, disposal, and processing of solid waste, recyclables, and compostable materials (green and food waste), including solid waste and construction and demolition debris boxes.

**Curbside Cleanup Events.** Single family and multi-family units have 2 collections/year as part of bundled rate. Each collection includes either 2 bulky items or up to 2 cubic yards (14 bags) of trash.

**Bulky Item Collection.** In addition to the curbside cleanup events, customers can request bulky item collection for a fee.

**Holiday Collection Services.** Franchisee provides 1 drop box location from December 26 until mid-January as well as curbside collection for one week as agreed upon by City.

**City Services.** Trash, recyclables, and organics collection at all City buildings and facilities at no cost. Hauler provides up to 20 recycling and solid waste carts which are serviced through bins at on-going public events, and a 20-cubic yard box at up to 5 community clean-up events per year.

**Portable Toilet Service.** Franchisee provides 3 portable toilets at six special events up to 12 days per year.

**Street Sweeping.** Services provided to commercial and residential streets weekly.

**Term Expiration.** 6/30/2023 with a 5-year extension option if franchisee is meeting performance requirements.

**Performance Bond.** The franchisee will keep a performance bond with the City in the amount of \$700,000.

**Insurance Requirement.** The franchisee will secure and maintain the following insurance coverage throughout the term of the agreement:

- General Liability: \$10,000,000 single limit per occurrence;
- Automobile Liability: \$10,000,000 per occurrence;
- Workers' Compensation and Employers Liability: \$1,000,000 per occurrence; and
- Pollution, Environmental Impairment and Professional Liability: \$3,000,000 per occurrence / \$10,000,000 policy aggregate.

**Hauler Diversion Requirements.** Franchisee diversion requirements set to meet 50%, or as required by applicable law, or as set by Sonoma Countywide Solid Waste Management Plan. Tons diverted include materials collected by hauler and delivered to a recycler or re-user.

**Billing.** Franchisee is responsible for billing and collecting payments. Residential customers shall be billed quarterly and commercial customers monthly.

**Payments to City.** The franchisee is responsible for paying a 14.3% franchise fee, \$12,300 per month vehicle impact fee, and a \$50,000 annual franchise fee. The franchisee is also responsible for paying for the costs associated with rate adjustments, changes to franchise payment, detailed rate reviews and amendments to the Agreement.

**Sustainability Support Staff.** Franchisee provides the City with staff resources to support up to 4 public events annually, and to visit City facilities annually to promote recycling and evaluate current service levels. Additional education and outreach requirements include 2 newsletters mailed to customers annually, information bill inserts, mailers describing solid waste and recycling options, and outreach staff available to assist in evaluating program options with multi-family complexes and commercial business.

**Customer Rate Adjustment Methodology.** The franchisee's rate adjustment application is due annually on October 1<sup>st</sup>. Maximum customer rates take effect on January 1<sup>st</sup> annually. Adjustments to the collection portion of the rates are based on a 70% change of the prior year 12-month change of the consumer price index published by the U.S. Department of Labor, Bureau of Labor Statistics, and the disposal and organics portion of the rates are based on per-ton tip fee charged.

**Detailed Rate Review.** The City or franchisee may request a detailed review of maximum customer rates due to mid-year tipping fee changes, changes in facilities affecting transportation costs, changes in state, local, or franchise fees, and other change in applicable law or change in scope of work.

**Reporting.** The franchisee is required to submit monthly, quarterly, and annual reports. At a minimum, the reports will include:

Monthly. Franchise statement and payment including gross revenues, franchise fees, vehicle impact fees, liquidated damages, and other payments).

Quarterly. Summary of monthly reports, public education and information activities, tonnage collected by material type, customer service logs, account information by customer and service level, over summary of overweight loads, equipment inventory and summary assessment of operational problems and actions taken.

Annually. Draft CalRecycle report data, summary of quarterly reports, and an annual report documenting street sweeping miles, hours worked and any correspondence with the public.

**Vehicles.** Vehicle inventory as updated in the 2016 annual report.

**Table 12: Cotati Vehicle Inventory**

TRK #	LIC #	VIN#	TYPE	YEAR
104R	2NQJ178	1FDWR72P6JVA56608	Sweeper	1988
138	14667B1	3HAMMAAL2CL598308	Cart Delivery	2016
7007	1279571	4V5KC9EH9FN923091	Roll-Off	2015
205R	7P68315	4VMDCMHE0XN768188	Front Loader	1999
209R	5Y75135	4VMDCMHE8XN768231	Front Loader	1999
139	375571	516MID9B1CH214120	Sweeper	2012
9041	14884S1	5VCD6MF06H202957	Side Loader	2006

**Containers.** Containers are to be standard color, but different for each material type collected. They are to be labeled with the material to be placed in the container. Franchisee shall maintain, repair, clean, paint, and replace containers as needed to maintain a clean, attractive, functional, new-like condition. All graffiti shall be removed immediately.

**Assignment Requirements.** Franchisee is required to deposit \$150,000, to be restored as costs are incurred until assignment costs are covered. Current franchisee is responsible for all reasonable expenses to investigate suitability of proposed assignee. Proposed assignee shall provide 5 years of audited financials, have no citations over waste management operations due to significant failure to comply, 10 years similar waste management experience, and current operations are environmentally safe and within compliance with applicable law.

## 5.3 Healdsburg

**One exclusive agreement for trash, recyclables, and organics.** Services include collection, disposal, and processing of solid waste, recyclables, and compostable materials (green and food waste), including solid waste and construction and demolition debris boxes.

**City Services.** Trash, recyclables, and organics collection at locations set by Agreement; plus, up to 40 events per year, including portable toilet service and street sweeping after events.

**Term Expiration.** 12/31/2020 with three 1-year extensions, plus one 180-day extension for transition.

**Diversion.** Minimum diversion as set by State (e.g. 50% or as otherwise set by State).

**Payments to City.** The franchisee is responsible for paying a 10% franchise fee on rate revenue and recyclable sales revenue, \$15,000 discretionary fund for City, and \$8,000 for fireworks display annually.

**Customer Rate Adjustment Methodology.** Maximum customer rates take effect in September annually. Adjustments are based on RRI.

**Detailed Rate Review.** Allowed, under certain specific conditions. Contractor to submit request six months prior to proposed effective date.

November 9, 2017

Report on Review of Assignment of TRG Agreements to Recology Sonoma Marin

Page 40 of 53

**Reporting.** Due June 1. Annual Contractor-prepared AB 939 annual reports, including Gross Rate Revenues, Franchise Fees, LDs, other payments to City, number of customers by type, monthly remittance; full account list by request; public education activities undertaken; programs and diversion; customer complaints received; missed pickups; street sweeping summary. Can include tonnage and equipment inventory by City request.

**Motor Oil and Filter Collection.** Included in recyclable materials.

**Clean-up Events.** One per year.

**Holiday Collection Services.** Two weeks following Christmas.

**Backyard/Side-Yard Service.** Free to disabled or frail customers.

**Bulky Items.** Provided at a fee.

**Performance Reviews.** 3 times per term, up to \$40,000 or \$120,000 total.

**Street Can Collection.** City containers in central business district, and bus stops.

**Illegal Dumping Cleanup.** 12 times per calendar year.

**Street Sweeping.** Services provided to commercial and residential streets weekly.

**Education and Outreach.** Staff to visit City facilities annually; staff tables at public events. Educational materials in English and Spanish; new customer packet; 2 newsletters/year; annual bill insert; on-site evaluation by request, at no cost; educational materials provided at no cost.

**Website.** Include information on services provided, contact information, "how-to" guide to recycling; downloadable posters; online bill pay option.

**Performance Bond.** The franchisee will keep a performance bond with the City in the amount of \$700,000.

**Insurance Requirement.** The franchisee will secure and maintain the following insurance coverage throughout the term of the agreement:

- General Liability: \$5,000,000 single limit per occurrence;
- Automobile Liability: \$3,000,000 per occurrence;
- Workers' Compensation and Employers Liability: \$1,000,000 per occurrence; and
- Pollution, Environmental Impairment and Professional Liability: \$3,000,000 per occurrence / \$10,000,000 policy aggregate.

**Vehicles.** Vehicle inventory is not yet available (requested from TRG).

**Containers.** Containers are to be a standard color, with different colors for garbage, recycling, and organics. Contractor to maintain, repair, clean, paint, and replace Containers as needed to maintain a clean, attractive, functional, new-like condition. All graffiti shall be moved immediately. Contractor shall, at no charge, replace any Containers which become unusable by reason of normal wear and tear or damaged by collection operations.

**Assignment.** Contractor must pay reasonable expenses, provide assignee's audited financial statements for 5 years, and provide prior performance of assignee (10 years' experience on equal scale; In the last five (5) years, has not suffered any significant citations or other censure from any federal, state or local agency having jurisdictions over its waste management operations and that the assignee has provided a complete list of such citations and censures; Has at all times conducted its operations in an

environmentally safe and conscientious fashion; Conducts its solid waste management practices in full compliance with all federal, state and local laws, including hazardous wastes; Any other information required by City).

## 5.4 Marin County

**One exclusive agreement for trash, recyclables, and organics.** Services include collection, disposal, and processing of solid waste, recyclables, and compostable materials (green and food waste), for the West Marin Franchise Area, including solid waste and construction and demolition debris boxes.

**County Services.** Trash, recyclables, and organics collection at five locations, and one special event per year, set by Agreement; plus, up to 10 additional events per year.

**Term Expiration.** 6/30/2029 with no extensions.

**Performance Bond.** The franchisee will keep a performance bond with the County in the amount of \$10,000.

**Payments to County.** The franchisee is responsible for paying a 15% franchise fee, \$40,000 Countywide Zero Waste Outreach Fund, and \$20,000 West Marin Zero Waste Outreach Fund annually.

**Customer Rate Adjustment Methodology.** Maximum customer rates take effect on January 1<sup>st</sup> annually. Adjustments are based on RRI.

**Detailed Rate Review.** The franchisee shall submit information required for a detailed review of maximum customer rates starting on July 2017, and every four years thereafter over the term of the Agreement.

**Reporting.** The franchisee is required to submit quarterly reporting of AB 939-required information.

**Motor Oil and Filter Collection.** On-call curbside.

**Street Can Collection.** In public areas as set forth in Agreement and may be changed based on community need.

**Illegal Dumping Cleanup.** Twice per year at no cost; thereafter, at \$75/hour.

**Street Sweeping.** Services provided to commercial and residential streets monthly.

**Bulky Item Collection.** Single family and multi-family customers receive bulky item collection at no additional cost twice per year, at a maximum of 3 cubic yards per collection, on a publicized schedule.

**Education and Outreach.** ¼ FTE staff to provide outreach and education in service area. Four newsletters/year, in English and Spanish; new service brochure; outreach if called, and for high contamination; provide signs, recommendation for increasing diversion; County review prior to distribution.

**Performance Bond.** The franchisee will keep a performance bond with the County in the amount of \$10,000.

**Insurance Requirement.** The franchisee will secure and maintain General Liability Insurance in the amount of \$100,000 per person / \$300,000 per occurrence / \$50,000 property damage.

**Vehicles.** Required to be ultra-low sulfur diesel, split-body. Vehicle inventory as updated in the 2016 review of operations report.

**Table 13: Marin County Vehicle Inventory**

TRK #	LIC #	VIN#	TYPE	YEAR	MANUFACTURER
1007	94927A2	1FVACXDT7HHHX6459	Sweeper	2015	FREIGHTLINER
2023	64581T1	5VCACL8F2BH212072	Front Loader	2001	AUTOCAR
939R	68256X1	5VCACRJF2AH210057	Automated	2010	AUTOCAR
940R	68257X1	5VCACRJF2AH210799	Automated	2010	AUTOCAR
938R	68255X1	5VCACRJF9AH210802	Automated	2010	AUTOCAR
9044	03756Z1	JHHHDM2HOFK001662	Side Loader	2015	HINO

**Assignment.** Contractor must pay reasonable expenses, provide assignee's audited financial statements for 3 years, and provide prior performance of assignee (10 years' experience; In the last five (5) years, has not suffered any significant citations or other censure from any federal, state or local agency having jurisdictions over its waste management operations due to any significant failure to comply with state, federal or local environmental laws and that the assignee has provided County with a complete list of such citations and censures; Has at all times conducted its operations in an environmentally safe and conscientious fashion; Conducts its solid waste management practices in accordance with sound waste management practices in full compliance with all federal, state and local laws regulating the collection and disposal of solid waste, including hazardous wastes; Any other information required by County)

## 5.5 Novato Sanitary District

**One exclusive agreement for trash, recyclables, and organics.** Services include collection, disposal, and processing of solid waste, recyclables, and compostable materials (green and food waste). Temporary construction and demolition debris boxes are also franchised.

**Bulky Item Collection.** Single family and multi-family units have 4 collections/year as part of bundled rate. Each collection includes 4 bulky items or up to 3 cubic yards of trash.

**Holiday Collection Services.** Franchisee provides curbside collection of trees for 1 week in January.

**District Services.** Franchisee assists in semi-annual e-waste collection events by sorting, providing a supervisor, and assisting with surveys.

**Term Expiration.** 12/31/2025, except if assigned; if assigned, 7 years after date of assignment or original expiration date, whichever is sooner.

**Performance Bond.** The franchisee will keep a performance bond with the District in the amount of \$100,000.

**Insurance Requirement.** The franchisee will maintain limits no less than:

- General Liability: \$5,000,000 single limit per occurrence;
- Automobile Liability: \$5,000,000 per accident; and
- Workers' Compensation and Employers Liability: \$1,000,000 per occurrence.

**Hauler Diversion Requirements.** 60% currently (starting in 2015); 2020 (70%), and 2025 (80%).

**Billing.** Franchisee is responsible for billing and collecting payments. Residential customers shall be billed quarterly, and multi-family and commercial customers monthly.



**Illegal Dumping Cleanup.** Franchisee is required to provide illegal dumping cleanup on an on-call basis.

**Recycling Facilities.** Franchisee is required to provide 1 drop-off location and 2 buy-back locations with District approval of their location.

**Compost Delivery.** Compost delivery of up to 360

**Payments to District.** The franchisee is responsible for paying a \$45,000 franchise fee annually. The franchisee is also responsible for paying for the costs associated with detailed rate reviews.

**Sustainability Support Staff.** Franchisee provides the District with 2/5 full-time equivalent Diversion Coordinator. Detailed requirements for outreach and education contained in Exhibits 4, 5, and 6 of the Agreement, including school outreach plan, implementation schedule for zero waste program, and outreach material requirements.

**Customer Rate Adjustment Methodology.** The franchisee's rate adjustment application is due annually on September 1<sup>st</sup>. Maximum customer rates take effect on January 1<sup>st</sup> annually. Adjustments to the collection portion of the rates are based on RRI.

**Detailed Rate Review.** The District or Contractor may request a detailed review of maximum customer rates no more than once every 3 years.

**Reporting.** The franchisee is required to submit quarterly and annual reports. At a minimum, the reports will include:

Quarterly. Tons of garbage, recycling, organics by month, and debris box organic waste by month and disposition. Number of accounts by sector and container size. Bulky item class and weight.

Annually. Financial statement for rate adjustments, and vehicle inventory.

**Vehicles.** Vehicle inventory not known.

**Assignment Requirements.** Per the Agreement: (i) that the proposed assignee has at least ten (10) years of solid waste management experience on a scale equal or to exceeding the sale of operations conducted by the Company under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any federal, state, or local agency having jurisdiction over its waste management operations due to any significant failure to comply with state, federal, or local waste management laws and that the assignee has provided the District with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its solid waste management practices in accordance with sound waste management practices in full compliance with all federal, state, and local laws regulating the collection and disposal of waste, including hazardous waste; (v) that the proposed assignee has a net worth, liquidity, and debt structure at least as favorable as the Company's; (vi) that the proposed managing official of assignee is qualified to supervise assignee's operations in performing the Agreement; (vii) of any other information required

## 5.6 Petaluma

**One exclusive agreement for trash, recyclables, and organics.** Services include collection, disposal, and processing of solid waste, recyclables, and compostable materials (green and food waste). Temporary construction and demolition debris boxes are regulated through a permit system and not included as part of the exclusive agreement.

**Curbside Cleanup Events.** Single family and multi-family units have 2 collections/year as part of bundled rate. Each collection includes 1 major appliance or up to 4 cubic yards of trash.

**Bulky Item Collection.** In addition to the curbside cleanup events, customers can request bulky item collection for a fee.

**Holiday Collection Services.** Franchisee provides 2 drop box locations from December 26<sup>th</sup> until the third Monday in January as well as curbside collection from December 26<sup>th</sup> to January 20<sup>th</sup>.

**City Services.** Trash, recyclables, and organics collection at all City buildings and facilities and collection from public litter cans 6 days per week at no cost. Franchisee also provides collection at up to 20 special events per year.

**Street Sweeping.** Services provided to commercial and residential streets from November 1 to February 28 weekly, and bi-weekly for the remainder of the year. The downtown district streets and alleys are swept daily, and parking lots are scheduled to be swept either weekly or bi-weekly as requested by the City.

**Term Expiration.** 12/31/2027

**Performance Bond.** The franchisee will keep a performance bond with the City in the amount of \$3,500,000.

**Insurance Requirement.** The franchisee will secure and maintain the following insurance coverage throughout the term of the agreement:

- General Liability: \$10,000,000 single limit per occurrence;
- Automobile Liability: \$10,000,000 per occurrence;
- Workers' Compensation and Employers Liability: \$1,000,000 per occurrence;
- Pollution, Environmental Impairment and Professional Liability: \$10,000,000 per occurrence / \$10,000,000 policy aggregate; and
- Employee Blanket Fidelity Bond: \$500,000 per employee.

**Hauler Diversion Requirements.** Franchisee diversion requirements set to meet 50%, or as required by applicable law.

**Billing.** Franchisee is responsible for billing and collecting payments. Residential and multi-plex customers shall be billed quarterly, and multi-family and commercial customers monthly in advance of the provision of service.

**Payments to City.** The franchisee is responsible for paying a 10% franchise fee, 10.27% vehicle impact fee, \$500,000 annual franchise fee and a \$41,000<sup>13</sup> annual contract administration fee. The franchisee is also responsible for paying for the costs associated with rate adjustments.

**Sustainability Support Staff.** Franchisee provides the City with one full-time equivalent supervisor that devotes at least 50% of the time out in the field checking collection and street sweeping operations, including addressing customer complaints and one full-time equivalent residential and commercial education coordinator to prepare and distribute education materials and conduct educational outreach to promote recycling programs. Additional education and outreach requirements include biannual newsletters, flyers, door hangers, notification tags, and direct contact with residents and businesses.

**Customer Rate Adjustment Methodology.** The franchisee's rate adjustment application is due annually on March 1<sup>st</sup>. Maximum customer rates take effect on July 1<sup>st</sup> annually. Adjustments to the collection portion of the rates are based on the prior year 12-month change of the refuse rate index published by the U.S. Department of Labor, Bureau of Labor Statistics, and the disposal and organics portion of the rates are based on per-ton tip fee charged.

**Detailed Rate Review.** The City may request a detailed review of maximum customer rates no more than once every 3 years.

**Reporting.** The franchisee is required to submit monthly, quarterly, and annual reports. At a minimum, the reports will include:

Monthly. Franchisee shall meet with the City monthly to discuss service issues. The monthly report shall summarize franchise fee payments, tonnage by material type and service, and the diversion level.

Quarterly. The quarterly report must summarize customer service representative training sheets and training agenda, a summary of monthly reports, customer participation in diversion programs, customer service logs, account information by customer and service level, clean up events, abandoned waste, education activities, pilot and new programs, summary of overweight loads, high contamination, and summary assessment of operational problems and actions taken.

Annually. A report of the billing review is due July 30<sup>th</sup> annually and draft CalRecycle report data is due to City 60 day prior to the report due date. The annual report shall include a summary of quarterly reports, financial information, related parties' transactions, a list of contractor's officers and board members, event-specific reporting and operational information.

**Vehicles.** Vehicle inventory as updated in the 2016 annual report.

**Table 14: Petaluma Vehicle Inventory**

TRK #	LIC #	VIN#	TYPE	YEAR	MANUFACTURER
101P	7210001	1FDAF56P06EA79651	F550	2006	FORD
102P	7205642	1FDAF56PH6EA77949	F550	2006	FORD
106P	7Y24701	1FTSWO2P16EB13645	F250	2006	FORD
300P	7W98433	1FVACWCS46DW12946	Rear Loader	2006	FREIGHTLINER
1007	94927A2	1FVACXDT7HHX6459	Sweeper	2016	FREIGHTLINER

<sup>13</sup> 2013 dollars, adjusted annual by the percentage used to adjust the City-Approved Maximum Service Rates for that year.

**Table 14: Petaluma Vehicle Inventory**

TRK #	LIC #	VIN#	TYPE	YEAR	MANUFACTURER
103P	7Y62221	1HTMPAFN26H293578	Sweeper	2006	TYMCO
903P	8A07223	1NPZL00X25D716225	Side Loader	2005	PETERBILT
906P	8A07112	1NPZL00X36D716643	Side Loader	2006	PETERBILT
907P	8A07113	1NPZL00X36D716644	Side Loader	2006	PETERBILT
904P	8A07224	1NPZL00X45D716226	Side Loader	2005	PETERBILT
905P	8A07225	1NPZL00X45D716227	Side Loader	2005	PETERBILT
901P	8A07228	1NPZL00X65D716230	Side Loader	2005	PETERBILT
201P	7V68242	5VCDC6MF36H202483	Front Loader	2006	AUTOCAR
202P	7V68243	5VCDC6MF36H202484	Front Loader	2006	AUTOCAR
203P	7V68245	5VCDC6MF96H202486	Front Loader	2006	AUTOCAR
2024	03710Z1	5VCDC6MFX6H202948	Front Loader	2006	AUTOCAR

**Containers.** Containers specifications are to be standard color, but different for each material type collected. They are to be labeled with the material to be placed in the container. Franchisee shall replace damaged or stolen carts for no additional cost once per year.

**Assignment Requirements.** Franchisee is required to deposit \$500,000 to cover assignment costs. Current franchisee is responsible for all reasonable expenses to investigate suitability of proposed assignee. Proposed assignee shall provide 5 years of audited financials, have no citations over waste management operations due to significant failure to comply, have 10 years similar waste management experience, and have current operations that are environmentally safe and within compliance with applicable law.

## 5.7 Rohnert Park

**One exclusive agreement for trash, recyclables, and organics.** Services include collection, disposal, and processing of solid waste, recyclables, and compostable materials (green waste). Temporary construction and demolition debris boxes are regulated through a non-exclusive franchise system and not included as part of the exclusive agreement.

**Curbside Cleanup Events.** Single family and multi-family units have 2 collections/year as part of bundled rate. Each collection includes 2 bulky items or up to 2 cubic yards of trash.

**Holiday Collection Services.** Franchisee provides curbside collection of bundled boxes and trees for 2 weeks following Christmas Day as well as collection of trees dropped off at the City's corporation yard.

**City Services.** Trash, recyclables, and organics collection at all City buildings and facilities, and collection from public litter cans 6 days per week at no cost. Franchisee also provides collection of batteries from City facilities.

**Street Sweeping.** Services provided weekly to commercial and residential streets, and bi-weekly to bike paths and public parking lots.

**Term Expiration.** 6/30/2020 with a 5-year option to extend if franchisee is meeting performance and diversion standards.

**Performance Bond.** The franchisee will keep a performance bond with the City in the amount of \$1,000,000.

**Insurance Requirement.** The franchisee will secure and maintain the following insurance coverage throughout the term of the agreement:

- General Liability: \$10,000,000 single limit per occurrence;
- Automobile Liability: \$10,000,000 per occurrence;
- Workers' Compensation and Employers Liability: \$1,000,000 per occurrence; and
- Employee Blanket Fidelity Bond: \$50,000 per employee.

**Hauler Diversion Requirements.** Franchisee diversion requirements set to meet 45% diversion.

**Billing.** Franchisee is responsible for billing and collecting payments.

**Payments to City.** The franchisee is responsible for paying a 13.5% franchise fee, 8.5% vehicle impact fee, and a 3.5% AB 939 fee. The franchisee is also responsible for paying for the costs associated with rate adjustments and amendments to the Agreement.

**Sustainability Support Staff.** Franchisee provides a minimum of 8 hours per week in educating customers on programs provided and visits a minimum of 100 businesses and 100 multi-family complex dwellings per year to provide one-on-one education on recycling.

**Customer Rate Adjustment Methodology.** The franchisee's rate adjustment application is due annually on May 1<sup>st</sup>. Maximum customer rates take effect on July 1<sup>st</sup> annually. Adjustments to the collection portion of the rates are based on the prior year 12-month change of the refuse rate indices published by the U.S. Department of Labor, Bureau of Labor Statistics and the per ton tip fee at the disposal facility.

**Detailed Rate Review.** The City or franchisee may request a detailed review of maximum customer rates no more than once every 3 years.

**Reporting.** The franchisee is required to submit monthly, quarterly, and annual reports. At a minimum, the reports will include:

Monthly. An accounting of gross revenues collected and a listing of delinquent accounts.

Quarterly. A summary of tonnage collected by material type and sector, customer service call and training logs, cleanup events and special services, public education activities, notification activities, pilot programs, and summary assessment of operational problems and actions taken.

Annually. A summary of quarterly reports, financial information, related party transaction and operational information.

**Vehicles.** Vehicle inventory as updated in the 2016 annual report.

**Table 15: Rohnert Park Vehicle Inventory**

TRK #	LIC #	VIN#	TYPE	YEAR	MANUFACTURER
104	8X09959	1HTMLAFM84H674366	PAL TRUCK	2004	INTL
135	8G42756	1HTMPAFN37H402874	Sweeper	2007	INTL
7004	73444Y1	2NP3LJOXGM326083	Box Truck	2016	PETERBUILT
2008	8L41336	5VCDC6BE7H205031	Front Loader	2008	AUTOCAR

**Table 15: Rohnert Park Vehicle Inventory**

TRK #	LIC #	VIN#	TYPE	YEAR	MANUFACTURER
9035R	42631P1	5VCDC6JF38H205911	Side Loader	2008	AUTCAR
9025	8N22594	5VCDC6JF48H206193	Automated	2008	AUTC
2015	8P15351	5VCDC6JF88H205838	Front Loader	2008	AUTOCAR
9024	8P71910	5VCDC6JF98H206285	Automated	2008	AUTC
2017	8R49417	5VCDC6JFX8H205839	Front Loader	2008	AUTOCAR
9036R	33622X1	5VCDC6JHF206953	Side Loader	2008	AUTOCAR

**Containers.** Containers specifications are to be standard color, but different for each material type collected. They are to be labeled with the material to be placed in the container. Franchisee shall replace damaged or stolen carts for no additional cost once per year.

**Assignment Requirements.** Current franchisee is responsible for all reasonable expenses to investigate suitability of proposed assignee. Proposed assignee shall provide 3 years of audited financials, have no citations over waste management operations due to significant failure to comply, have 10 years similar waste management experience, and have current operations that are environmentally safe and within compliance with applicable law. No increase in costs to service provided directly or indirectly from assignment.

## 5.8 Santa Rosa

*Santa Rosa has already selected Recology as their service provider to begin new services in January 2018. As such, details outlined below of the current agreement are limited to key areas regarding transition and assignment.*

**Term Expiration.** 12/31/17

**Transition.** Transition to Recology beginning in October 2017 and new services to begin January 2018.

**Performance Bond.** The franchisee will keep a performance bond with the City in the amount of \$1,000,000.

**Insurance Requirement.** The franchisee will secure and maintain the following insurance coverage throughout the term of the agreement:

- General Liability: \$3,000,000 combined single limit, \$5,000,000 general aggregate;
- Automobile Liability: \$3,000,000 per occurrence;
- Workers' Compensation and Employers Liability: \$3,000,000 per occurrence; and
- Pollution, Environmental Impairment and Professional Liability: \$3,000,000 per accident.

**Vehicles.** All new collection vehicles have been purchased and will be phased in as they are received under the new agreement with Recology beginning January 2018. The following is the vehicle list as updated in 2015.

**Table 16: Santa Rosa Vehicle Inventory**

TRK #	LIC #	TYPE	YEAR
2000	8C09880	Front Loader	2006
2003	8H95559	Front Loader	2007
2004	8H95558	Front Loader	2007
2005	8H95561	Front Loader	2007
2006	8H95560	Front Loader	2007
2008	8L41336	Front Loader	2007
2009	8L41335	Front Loader	2007
2011	8K55987	Front Loader	2007
2012	8E28600	Front Loader	2007
2013	8E28818	Front Loader	2007
7001	8B97944	Roll-Off	2005
7002	8K56115	Roll-Off	2005
9000	8E07544	Side Loader	2006
9001	8D20761	Side Loader	2006
9002	8E51428	Side Loader	2006
9003	8E51429	Side Loader	2006
9004	8E51427	Side Loader	2006
9005	8F51430	Side Loader	2006
9006	8F96659	Side Loader	2006
9007	8F96662	Side Loader	2006
9008	8G44864	Side Loader	2006
9009	8G44863	Side Loader	2006
9010	8F96882	Side Loader	2006
9011	8F96827	Side Loader	2006
9017	8L30672	Side Loader	2007
9018	8M78386	Side Loader	2007
9020	8L30674	Side Loader	2007
9021	8M78383	Side Loader	2007

**Containers.** New customer bins and carts are being purchased and will be phased in within the first five months on the new agreement with Recology beginning January 2018.

**Assignment Requirements.** Franchisee is responsible for a \$375,000 transfer fee upon approval of assignment or transfer.

## 5.9 Sebastopol

**One exclusive agreement for trash, recyclables, and organics.** Services include collection, disposal, and processing of solid waste, recyclables, and compostable materials (green waste).

**Bulky Item Collection.** Customers can request bulky item collection for a fee.

**Holiday Collection Services.** Franchisee provides collection of trees through a drop box in a location agreed upon by City from December 26 through mid-January.

**City Services.** Trash, recyclables, and organics collection at all City buildings and facilities. Franchisee also provides collection of batteries from City facilities.

**Street Sweeping.** Services provided twice weekly to commercial and every other week to residential.

**Term Expiration.** 12/31/23 with an option to extend in periods of at least 12 months.

**Performance Bond.** \$100,000

**Insurance Requirement.** The franchisee will secure and maintain the following insurance coverage throughout the term of the agreement:

- General Liability: \$5,000,000 single limit per occurrence;
- Automobile Liability: \$5,000,000 per occurrence; and
- Workers' Compensation and Employers Liability: \$1,000,000 per occurrence.

**Billing.** Franchisee is responsible for billing and collecting payments.

**Payments to City.** The franchisee is responsible for paying a 10% franchise fee.

**Customer Rate Adjustment Methodology.** Maximum customer rates take effect on July 1<sup>st</sup> annually. Adjustments to the collection portion of the rates are based on the prior year 12-month change of the refuse rate indices published by the U.S. Department of Labor, Bureau of Labor Statistics and the per ton tip fee at the disposal facility.

**Reporting.** The franchisee is required to submit an annual report. At a minimum, the report will include a summary of tonnage collected by material type and sector, Christmas tree collection, annual outreach efforts, pilot programs, equipment inventory, and summary assessment of operational problems and actions taken.

**Vehicles.** Vehicle inventory as updated in the 2016 annual report.

**Table 17: Sebastopol Vehicle Inventory**

TRK #	LIC #	VIN#	TYPE	YEAR	MANUFACTURER
934R	8E28516	4V2EC2HE8YN249845	Side Loader	2000	Volvo
703P	6T66457	4VHJCMGF1XN867680	Debris Box	2000	Volvo
205R	7P68315	4VMDCMHE0XN768188	Front Loader	1999	Autocar
209R	5Y75135	4VMDCMHE8XN768231	Front Loader	1999	Volvo
139R	375571	516M1D9B1CH214120	Sweeper	2012	Autocar
100P	7V95759	JALC4B16867006868	Cart Delivery	2005	Isuzu



**Containers.** Containers specifications are to be standard color, but different for each material type collected. They are to be labeled with the material to be placed in the container. Franchisee shall replace damaged or stolen carts for no additional cost once per year.

**Assignment Requirements.** All costs incurred by the City related to Assignment shall be reimbursed by the Contractor or Assignee prior to final approval of Assignment by the City.

## 5.10 Sonoma County

Sonoma County's agreement with TRG was not provided to R3 and thus has not been assessed as a component of this review.

## 5.11 SCWMA Organics Transport

**Compostable Materials Collection and Transportation.** Collection of compostable materials from County of Sonoma Transfer Stations and transportation of those materials to the approved disposal site.

**Term.** Effective through February 11, 2018

**Performance Bond.** \$5,000,000

**Insurance Requirement:**

- General Liability: \$10,000,000;
- Automobile Liability: \$10,000,000 per accident;
- Workers' Compensation: \$1,000,000 per accident; and
- Pollution \$5,000,000.

**Reporting.** The franchisee is required to submit monthly progress reports to the SCWMA. These reports are to identify the source and tonnage of all collected materials, where the materials were delivered, and the amount due to the franchisee for the services performed.

**Assignment Requirements.** Must have prior written consent from both parties prior to assignment, delegation, sublet, or transfer.

## 5.12 SCWMA E-Waste

**E-Waste Transportation and Recycling Services.** Accept and palletize electronic waste (e-waste) delivered to Sonoma County disposal sites from the public, and coordinate with the SCWMA's transport and recycling vendors for pickups and to load trucks for shipments.

**Term.** Effective through February 11, 2018.

**Insurance Requirement:**

- Worker's Comp within Labor Code laws;
- General Liability: \$1,000,000;
- Automobile Liability: \$1,000,000 per occurrence;
- Pollution \$1,000,000 each occurrence/\$2,000,000 policy aggregate.

**Reporting.** The franchisee shall fax shipping papers to SCMWA's contract manager within 24 hours of a shipment. The franchisee is required to submit monthly reports to the SCWMA including an original of each shipping document.

**Assignment Requirements.** Must have prior written consent from both parties prior to assignment, delegation, sublet, or transfer.

## Section 6: Transition Activities After Assignment

If the Agencies choose to accept the assignment of their Agreements to Recology, a number of additional steps may be considered, commencing when a given Agency accepts the request for assignment.

Within the immediate time frame of the next six months, in order to comply with the Agreements TRG and Recology are requesting to be assigned, Recology's main obligations will be to:

- Hire and train drivers, sorters, mechanics, driver helpers, recycling coordinators, administration, management, and route supervisors;
- Inform customers of new service provider (and, optionally, new payment methods, new CSR language capabilities, confirmation of service levels, and service level changes) via Agency-approved mailer;
- Begin collection services;
- Evaluate current vehicle and cart inventory, perform equipment maintenance activities, and paint trucks with Recology branding;
- Evaluate and adjust routing if needed;
- Implement Recology management systems over matters such as customer billing, equipment maintenance, routing, customer service, and education and outreach;
- Correct deficiencies from recent performance reviews;
- Affirm direct Agreement requirements such as franchise fee payments and reporting format and schedule with Agencies; and
- Begin responding to customer requests for changing container size, and commercial and schools outreach and education requests as applicable in each Agreement.

Because Recology was awarded the franchise agreement for the City of Santa Rosa (commencing January 1, 2018), some activities related to transitioning are anticipated to be completed the day following closing of the asset purchase:

- Transition of call center to Recology phone system (using same phone numbers as currently used);
- Transition to Recology website (via URL redirect from current TRG websites); and
- Purchase of an all-new vehicle fleet and container inventory for services in Santa Rosa.

Recology has a history of performing transitions for other collection services. In 2011, Recology transitioned services from Allied Waste in the 12 jurisdictions comprising the South Bayside Waste Management Authority (SBWMA), which is a transition of roughly equivalent size as that set to occur in Sonoma County. Please see Section 3.6 (References).

November 9, 2017

Report on Review of Assignment of TRG Agreements to Recology Sonoma Marin

Page 53 of 53

The Agencies may consider the following actions in order to facilitate a smooth transition:

- For those Agencies with cart and bin sizes not in alignment with Recology container sizes, consider a letter of understanding accepting Recology container sizes;
- For those Agencies with a list of accepted material for recycling and organics service that may differ from the materials that Recology plans to accept, consider a letter of understanding establishing the accepted materials list;
- Request that Recology provide an up-to-date vehicle inventory on a continuous basis during the transition period;
- Review Recology's proposed mailers announcing new service provider;
- Review Recology's proposed reporting format and confirm adequacy; and
- Adjust websites where necessary to direct customers to the Recology website.



November 9, 2017

Michael J. Sangiacomo  
President and CEO  
Recology, Inc.  
50 California Street, 24<sup>th</sup> floor  
San Francisco, CA 94111

RE: Recology Sonoma Marin and Recology Mariposa, California corporations

Bank of America, N.A. (the "Bank") serves as Lead Arranger and Administrative Agent for Recology Inc.'s (the "Company") \$800 Million Senior Secured Credit Facility (the "Credit Facility"). The Credit Facility has been handled as agreed. The Company is in compliance with all covenants.

The Bank has been informed that the Company has entered into an Asset Purchase Agreement dated August 11, 2017 to acquire substantially all of the assets (the "Transaction") of The Ratto Group of Companies and their affiliates ("TRG").

Recology Sonoma Marin and Recology Mariposa (the "Entities") are newly formed subsidiaries of the Company for the purpose of supporting the TRG Transaction.

As a condition to closing the TRG Transaction, the Company will promptly cause the Entities to become guarantors under the Credit Facility agreement and shall grant a security interest in all assets as collateral for the benefit of the lenders as secured parties. The Company, on behalf of the Entities, will be able to draw upon the Credit Facility as necessary to fulfill its obligations.

Should you have additional questions, please do not hesitate to contact me by phone at: (312) 992-3882 or by email at [michael.contreras@baml.com](mailto:michael.contreras@baml.com).

Please note that the information set forth in this letter is subject to change without notice, and is provided in strict confidence, without any responsibility or liability on the part of Bank of America, N.A. Bank of America, N.A. undertakes no responsibility to update the information set forth in this letter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael Contreras".

Michael Contreras  
Vice President  
Corporate Credit Risk  
Bank of America Merrill Lynch  
540 W. Madison St | IL4-540-22-23 | Chicago, IL 60661



Secretary of State

ARTS-GS

Articles of Incorporation of a  
General Stock Corporation

**FILED**  
 Secretary of State  
 State of California

AUG 04 2017

**IMPORTANT — Read instructions before completing this form.****Filing Fee** - \$100.00**Copy Fees** - First page \$1.00; each attachment page \$0.50;  
Certification Fee - \$5.00*Note:* Corporations may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

This Space For Office Use Only

**1. Corporate Name** (Go to [www.sos.ca.gov/business/be/name-availability](http://www.sos.ca.gov/business/be/name-availability) for general corporate name requirements and restrictions.)The name of the corporation is Recology Sonoma Marin**2. Business Addresses** (Enter the **complete** business addresses.)

a. Initial Street Address of Corporation - Do not list a P.O. Box	City (no abbreviations)	State	Zip Code
50 California Street, 24th Floor	San Francisco	CA	94111
b. Initial Mailing Address of Corporation, if different than item 2a	City (no abbreviations)	State	Zip Code

**3. Service of Process** (Must provide either Individual **OR** Corporation.)**INDIVIDUAL** - Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
Roxanne	L.	Frye	
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
50 California Street, 24th Floor	San Francisco	CA	94111

**CORPORATION** - Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) - Do not complete Item 3a or 3b

**4. Shares** (Enter the number of shares the corporation is authorized to issue. Do not leave blank or enter zero (0).)

This corporation is authorized to issue only one class of shares of stock.

The total number of shares which this corporation is authorized to issue is 100.**5. Purpose Statement** (Do not alter the Purpose Statement.)

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

**6. Read and Sign Below** (This form must be signed by each incorporator. See instructions for signature requirements.)

Signature

Lindsay Young  
 Type or Print Name

**ACTION BY INCORPORATOR  
OF  
RECOLOGY SONOMA MARIN**

The undersigned, being the sole incorporator of **RECOLOGY SONOMA MARIN**, a California corporation (the "Corporation"), hereby adopts the following resolutions:

Bylaws

RESOLVED, the bylaws attached hereto as **Exhibit A** are hereby adopted as the bylaws of the Corporation.

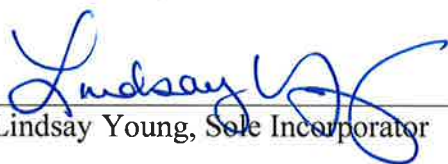
Initial Directors

RESOLVED, that the initial directors of the Corporation, to serve until their successor or successors are elected and qualified shall be:

Michael J. Sangiacomo  
Mark R. Lomele

Having adopted the foregoing resolutions as the action necessary and proper to perfect the organization of the Corporation, the responsibility of the undersigned with respect to the Corporation shall cease forthwith, subject to revival (at the option of the undersigned and then only for the limited purpose of electing new initial directors) if the initial directors shall fail or refuse to accept their position within a reasonable time after the date hereof.

Dated: August 4, 2017

  
Lindsay Young, Sole Incorporator



August 3, 2017

California Secretary of State  
Document Examiner  
1500 11th Street  
Sacramento, CA 95814

Re: Consent to Use of Name

Ladies and Gentlemen:

Cary Chen, Secretary of Recology Inc., a California corporation, hereby gives consent to Lindsay Young, the sole incorporator of RECOLOGY SONOMA MARIN to the use of the name "Recology" in its corporate name.

RECOLOGY INC.

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

  
Cary Chen, Secretary



I hereby certify that the foregoing transcript of 2 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office.

AUG - 7 2017

*SH*

Date: \_\_\_\_\_

*Alex Padilla*

ALEX PADILLA, Secretary of State



**ACTION BY UNANIMOUS WRITTEN CONSENT  
OF  
THE BOARD OF DIRECTORS  
OF  
RECOLOGY SONOMA MARIN  
IN LIEU OF FIRST MEETING**

**AUGUST 4, 2017**

The undersigned, constituting the entire Board of Directors (the “Board”) of RECOLOGY SONOMA MARIN, a California corporation (the “Corporation”), in accordance with Section 307(b) of the California Corporations Code, without the formality of convening a meeting, do hereby consent to and adopt the following resolutions. It is the undersigned’s intent that this consent be executed in lieu of, and constitute, the first or organizational meeting of the Board, which consent shall be filed by the Secretary of the Corporation with the minutes of the meetings of the Board.

**FORMATION**

WHEREAS, the Articles of Incorporation of the Corporation were filed with the Secretary of State of the State of California on August 4, 2017.

RESOLVED, that the Secretary of the Corporation is hereby directed to insert the certified copy of the Articles of Incorporation in the Corporation’s minute book;

RESOLVED FURTHER, that all the acts of the sole incorporator of the Corporation in forming and organizing the Corporation are hereby approved, ratified, and adopted as valid and binding acts of the Corporation; and

RESOLVED FURTHER, that the Corporation, to the full extent permitted by law, indemnify the sole incorporator against any and all damages, costs, and injury sustained in connection with the formation and organization of the Corporation.

**ELECTION OF OFFICERS**

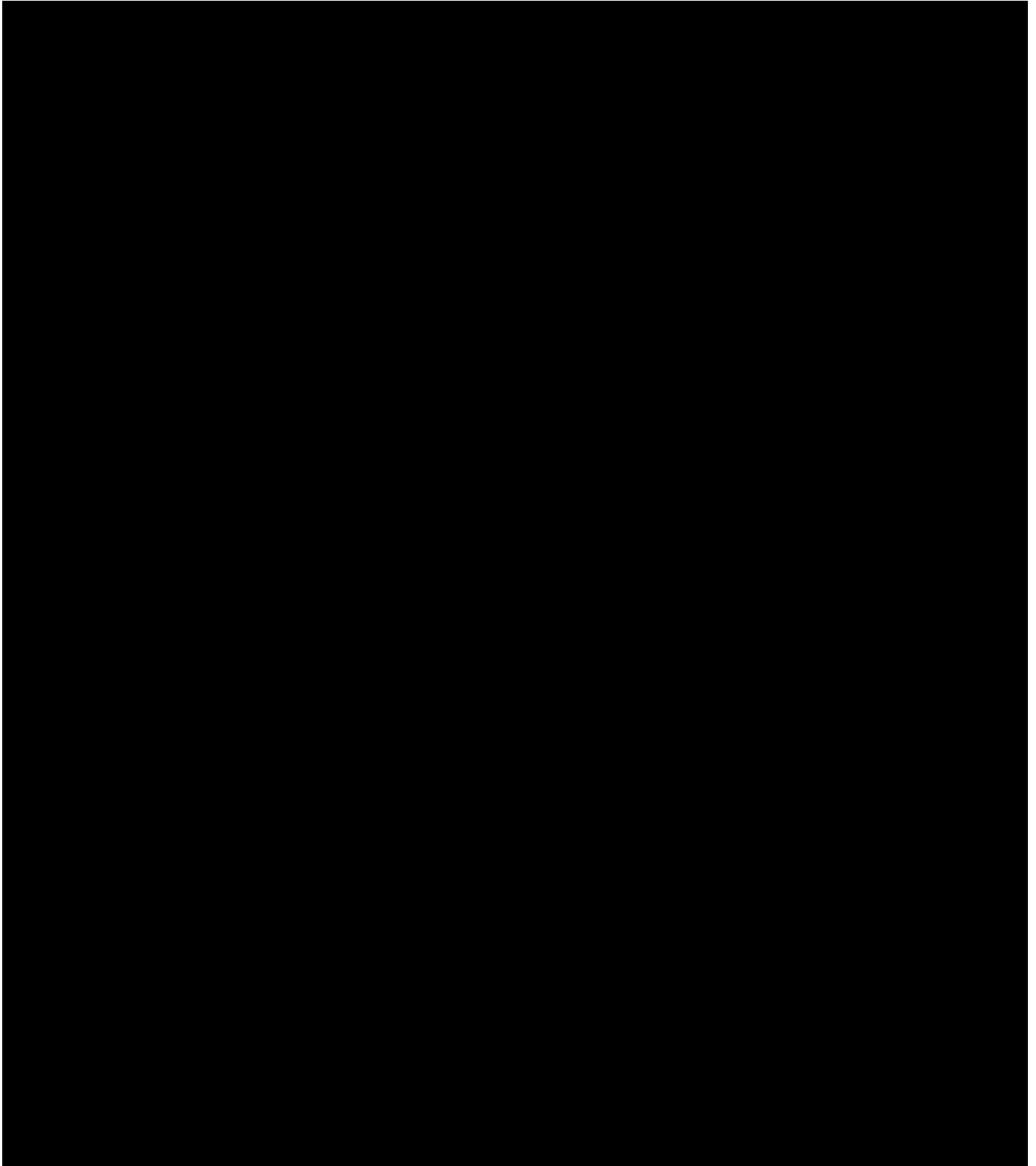
WHEREAS, the bylaws provide for the election of officers of the Corporation by the Board.

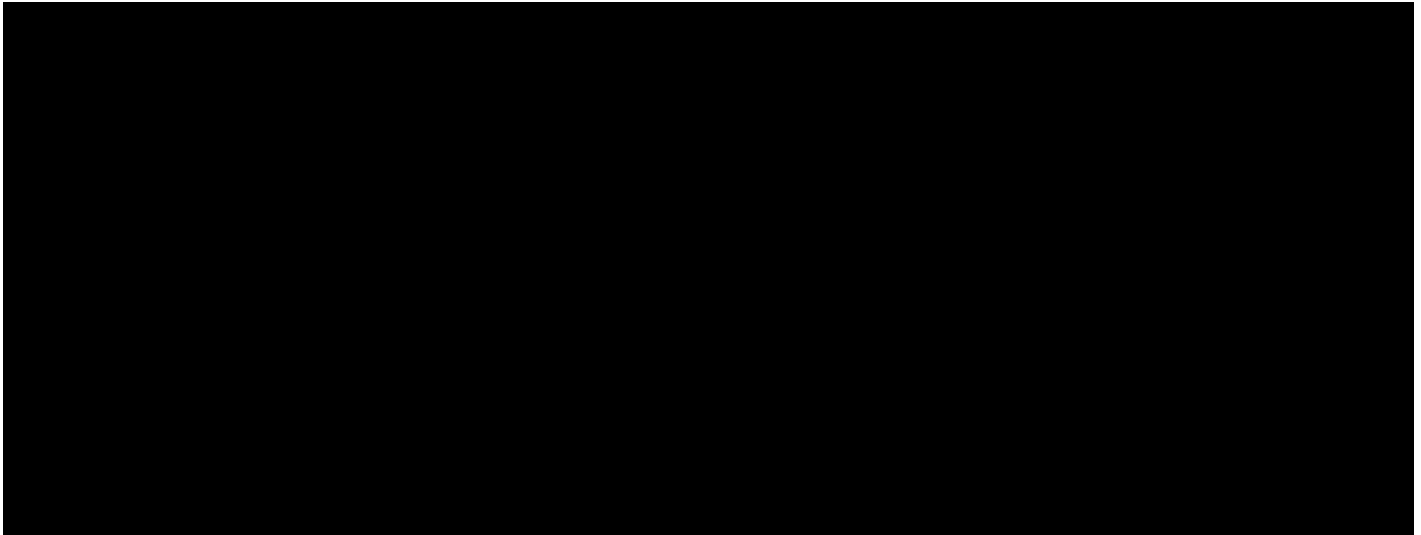
RESOLVED, that the following persons are hereby elected to the office indicated after the name of each to serve until their removal or resignation, or the appointment and qualification of their successors, whichever shall first occur:

<u>Name</u>	<u>Title</u>
Michael J. Sangiacomo	President & Chief Executive Officer
Mark R. Lomele	Executive Vice President & Chief Financial Officer
George P McGrath	Executive Vice President & Chief Operating Officer

Cary Chen  
Roxanne L. Frye  
Lindsay Young

Secretary  
Assistant Secretary  
Assistant Secretary





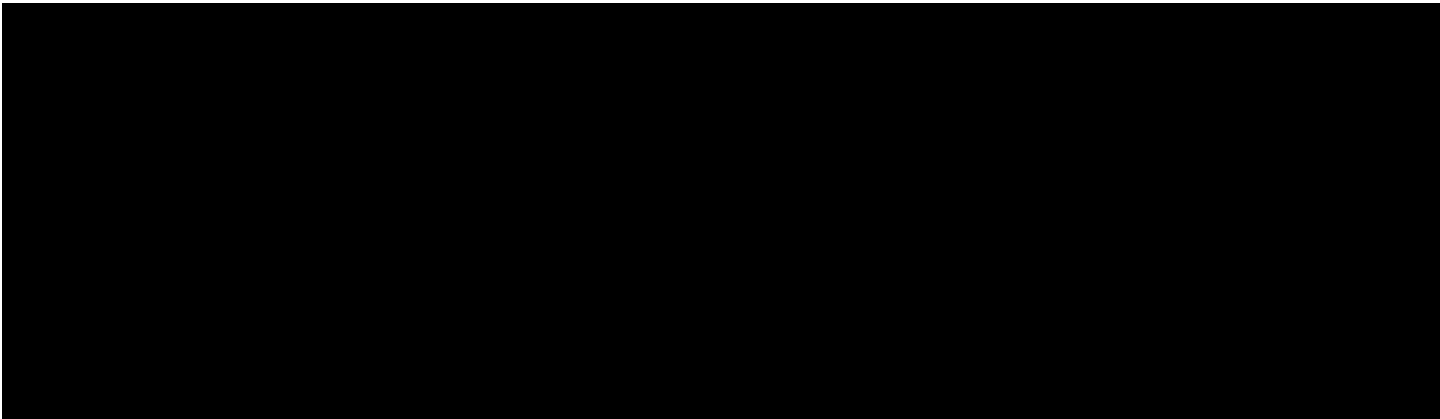
### ISSUANCE OF CAPITAL STOCK

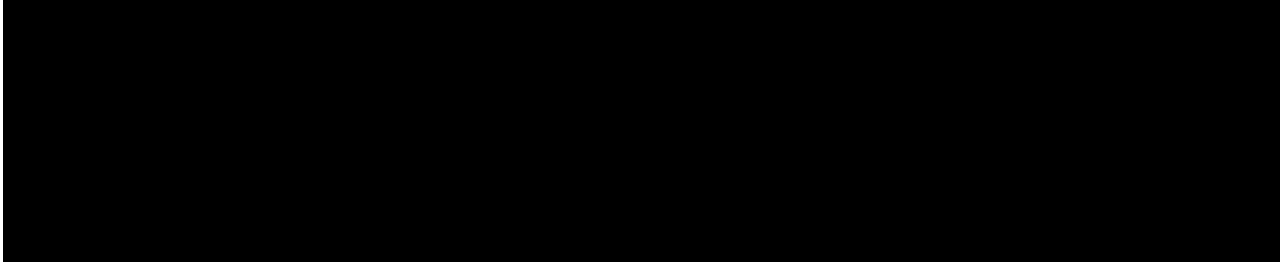
RESOLVED, that the form of share certificate attached hereto is hereby adopted for use by the Corporation and the Secretary is instructed to insert a copy thereof in the minute book immediately following this action by consent;

RESOLVED FURTHER, that the Corporation issue and sell a total of 100 shares of its authorized capital stock to the following persons in the number and for the consideration set forth opposite their names respectively:

<i>Name</i>	<i>Number of Shares</i>	<i>Consideration</i>
Recology Inc.	100	

RESOLVED FURTHER, that each of the officers of the Corporation is hereby authorized and directed to take all actions that may be necessary and proper for the Corporation to issue the above shares to the persons named in accordance with applicable federal and state laws, including, without limitation and where necessary, filing with the California Commissioner of Corporations an appropriate notice under § 25102(f) or § 25102(h) of the California Corporations Code or obtaining qualification of the offer and sale of shares from the California Commissioner of Corporations.





**GENERAL AUTHORITY**

RESOLVED, that any and all actions heretofore or hereafter taken by the officers or directors of the Corporation within the terms of any of the foregoing resolutions are hereby ratified and confirmed as the act and deed of the Corporation; and

RESOLVED FURTHER, that each of the officers and directors of the Corporation is hereby authorized and directed to execute and deliver any and all documents and to take such other action as he or she deems necessary, advisable, or appropriate to carry out the purposes and intent, but within the limitations, of the foregoing resolutions.

*[THE REMAINDER OF THE PAGE IS INTENTIONALLY LEFT BLANK.]*

IN WITNESS WHEREOF, the undersigned, being all the directors serving on the Board, have executed this Action by Unanimous Written Consent to be effective as of the first date written above. This consent may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**BOARD OF DIRECTORS**

  
\_\_\_\_\_  
Michael J. Sangiacomo

  
\_\_\_\_\_  
Mark R. Lomele

## CUSTOMER SERVICE & DIVERSION REPORTING

### ***Diversion and Tonnage Reporting***

Recology will ensure that all reports needed by the jurisdiction are provided in a timely manner, and in a mutually agreed upon format. Reports will include data for monitoring and reporting compliance with Assembly Bill (AB) 341, AB 939, AB 1594, and AB1826. Recology can transmit the reports to the City electronically through an FTP site.

The tonnage collected will be reported using scale data from the receiving facilities (such as the transfer station, MRF, etc). Recology will use daily weight tags from each site. Residual solid waste is weighed out while leaving each facility, and will be taken into account in Recology's final reporting.

### ***Customer Service Reporting***

Recology records customer service data in its Recology Customer Relationship Management (RCRM) system. The system allows Recology to record the history of all customer-related service and interactions, including customer complaints and disputes. Recology can therefore provide the City a report that details the types of disputes, as well as details on the resolution. Recology can work with the jurisdiction to determine the frequency and methodology for sharing this information.

## ONBOARDING & TRANSITION

Recology's goal is to ensure a smooth transition that minimizes any impact to customers. The implementation team understands the needs of the Agreement, and has created the following transition plan.

### Transition Period

The Recology team will be integrating the Recology systems and standards for customer service, billing, safety, trainings, environmental compliance, and more. Recology will also onboard key members of the team, including Drivers, Customer Service Specialists, and Waste Zero Specialists.

Recology has an established training program for its collection service employees, customer service staff, and Waste Zero staff. Below is an overview of these training programs:

Driver Training: All Recology drivers receive training in the operation of Recology equipment and the unique aspects of the collection program. Training is provided in the classroom and in the vehicle. Topics include:

- ❑ Recology CORE On-boarding, to welcome and integrate employees into Recology's culture. During this segment, drivers are taught about their job roles and expectations, as well as Recology's culture and values.
- ❑ Customer service training: This training explores the differences between basic customer service versus excellent customer service, and how every interaction with a customer is an experience and it should be positive and memorable. Drivers will learn methods to maintain professionalism when faced with difficult customers, and tips on how to resolve issues on their routes.
- ❑ Franchise training: During this session, drivers are taught general collection protocols to meet the requirements of the Collection Service Agreement.
- ❑ Contamination training: This training, delivered by a Recology Waste Zero Team member, teaches drivers how to identify and document contaminated containers. Drivers will be trained on the procedures for tagging contaminated containers and using Recology systems to track contaminated loads.
- ❑ Maintenance training: This training teaches drivers their responsibilities for daily vehicle maintenance inspections.
- ❑ Dispatch Operations training: This training guides drivers through their Route Manual, which answers questions that a driver may have regarding their position and route responsibilities. Drivers can use the Route Manual as a frame of reference for specific job responsibilities, route practices and route expectations.
- ❑ Safety and Equipment Overview: This program guides drivers through the requirements of Recology's safety training program, to ensure compliance with regulations and industry best practices.

- ❑ Truck Training and Obstacle Course: The majority of Recology's driver on-boarding program is spent in the trucks, actively educating drivers on their use of the vehicles to ensure safety, efficiency, and customer service are top-of-mind as they perform their day-to-day job duties.

Customer Service Specialist Training: Recology will implement the Recology Customer Relationship Management System (RCRM) database to manage and handle the customer interactions. Recology also invests in the development of Customer Service Specialists (CSSs) through a comprehensive training program, covering:

- ❑ Recology CORE On-boarding, to welcome and integrate employees into Recology's culture. During this segment, CSSs are taught about their job roles and expectations, as well as Recology's culture and values.
- ❑ Creating Memorable Customer Service: The goal of this training is to educate the CSS on Recology's customer base, the services Recology provides, and the CSS's role in delivering excellent service.
- ❑ Franchise Training: Franchise Training teaches the CSSs general protocols related to the Agreement
- ❑ Technical Training Elements: The Technical Training portion covers the majority of the CSS training program. During these weeks, the CSSs learn the practical, technical skills they need to work with the Recology Customer Relationship Management System (RCRM) database.
- ❑ Contamination Training Delivered by an experienced Recology Waste Zero Specialist, the Contamination Training will teach CSSs on the proper procedures for identifying and documenting accounts with contamination.
- ❑ In-Field Ride-Along with a Driver: Communication between customer service, operations, and the route driver is vital to ensure customer needs are met. Therefore, Recology CSSs will go on a ride-along with a driver to observe field conditions and better understand how their role relates to customers and collection operations.

Waste Zero Specialist Training: Recology invests in the development of Waste Zero Specialists (WZS) through a comprehensive training program, covering:

- ❑ Recology CORE On-boarding, to welcome and integrate new employees into Recology's culture. During this segment, WZSs are taught about their job roles and expectations, as well as Recology's culture and values.
- ❑ Customer Service Training: The WZSs will then complete a training titled "Creating Memorable Customer Service," delivered by the Customer Service Manager. The goal of this training is to educate the WZSs on Recology's customer base, the services Recology provides, and their role in delivering excellent service.
- ❑ Outreach and Education Material Overview: The WZSs will receive focused training on the types of outreach materials available to teach customers about their programs and services.
- ❑ Franchise Training: During this session, WZSs are taught the protocols related to the Agreement.



- ❑ Contamination Training: Delivered by an experienced Recology WZS, the Contamination Training teaches employees how to identify and document contaminated containers.
- ❑ Facilities Tours: The WZSs will receive tours of the processing facilities, to better understand this fundamental aspect of the diversion process.
- ❑ Developing Presentation Skills: This training will provide the WZSs the tools they need to deliver hands-on presentations to an array of organizations, including homeowners' associations, business groups, environmental organizations, and schools.
- ❑ Conducting Waste Audits: During this training, WZS will be taught how to analyze a particular customer's material stream, with a focus on the diversion opportunities available to customers by business type.
- ❑ Providing On-Site Technical Assistance: This training will teach WZS the various types of Technical Assistance and training they will provide customers related to Recology's programs and the City's diversion goals.
- ❑ Reporting and Technical Requirements: This segment of the On-Boarding Program will teach the WZSs about the reporting requirements and their role in meeting those reporting needs
- ❑ Recology in the Community: During this on-boarding component, the WZSs will meet with a Recology Ownership Communication Committee (ROCC) Representative and a Recology Volunteer Liaison to learn more about Recology's dedication to the community
- ❑ Supervisor and Driver Ride-Alongs: During this component of training, the WZSs will ride with a Supervisor and/or Driver, to get an overview of the service area, the routes, and their responsibilities to support diversion goals.

### Transition to Recology's Standard of Environmental Compliance

Recology seeks to offer safe collection services to all of its communities in a way that minimizes impact on the environment. All operating companies follow Recology's comprehensive Environmental Compliance Program.

The goal of the Program is to ensure the Recology Sonoma Marin Material Recovery Facility and all collection operations comply with applicable environmental permits, laws, codes, and regulations. Under the Program, the Environmental Compliance Manager monitors operations using a combination of checklists and audits, and works directly with local and state regulators on environmental compliance activities.

The Environmental Compliance Manager directly reports to Recology's Corporate Environmental Manager, and works closely with Recology's well-established and dedicated network of trained environmental health and safety personnel.

Recology tracks regulations, permits, and environmental activities using a custom-made, proprietary software system called the Recology Online Compliance Tracker (ROCT). ROCT enables Recology to systematically monitor and report data on environmental trends at its facilities.

ROCT also records regulatory agency inspections. Any inspection violation or area of concern is documented in the system, with a description of how the issue will be addressed. The Environmental Compliance Manager can assign due dates to staff for each activity, helping Recology make progress towards its “zero violations” goal.

To support the Environmental Compliance Program, Recology provides trainings to help employees comply with the program (as applicable to their job functions).

The Environmental Compliance Manager and key operations positions (including managers, supervisors, and maintenance staff) receive training on the following topics, as applicable to their job functions. Please note this is not a comprehensive list of all environmental trainings provided:

- Asbestos Awareness, including an annual refresher training
- Hazardous Waste Operations and Emergency Response (HAZWOPER), as set by the guidelines of the Occupational Safety and Health Administration
- Load Check Policy, identifying any contamination of hazardous materials in a given load
- Spill Prevention Control & Countermeasures (SPCC) training
- Stormwater Sampling
- Use of the Recology Online Compliance Tracker (ROCT) system
- Underground Storage Tank training, including tank monitoring system training and spill/overflow response

To conduct these trainings, Recology uses corporate-sponsored training courses, as well as attendance at professional environmental conferences and other external training courses.

### **Outreach and Education during the Transition Period**

#### ***Announcement of New Services and Subscription Mailer***

Recology will prepare and distribute an initial mailing to customers explaining the change from the existing collection company to the services provided by Recology. Different announcements will be tailored to single-family, multi-family, and commercial customers. The exact content would be agreed upon by the jurisdiction and Recology. Contents could include:

- ❑ Information on billing and payment options
- ❑ Website URL
- ❑ Description of the collection programs
- ❑ Links to posters, flyers, and other downloadable documents online
- ❑ Guidance on setting up account access online
- ❑ Identifies the various container or cart size options for recyclable, organic, and solid waste materials

Recology does not anticipate any change in collection days, but in the event that a change in collection day occurs, Recology will first notify the appropriate representative from the jurisdiction followed by the applicable notification to the impacted customers.

### ***Multi-Family and Commercial Posters***

These posters are designed to educate program participants on proper sorting. Below are examples of Recology's successful commercial posters provided to businesses in San Mateo County.



## COLLECTION OPERATIONS, VEHICLES, & CONTAINERS

Recology's administrative operations, including the call center and billing services, would be housed locally at 3400 Standish Ave in Santa Rosa. Dispatch operations would be housed next door at 3417 Standish Ave. Route truck parking, container storage and repair, and maintenance will be located at 3284 and 3296 Dutton Ave.

### Vehicles

#### **Vehicle Branding and Appearance**

All vehicles will feature Recology's brand identity. The vehicles will be painted white, with blue and green accents. The Recology logo with customer service telephone number and website will be immediately visible.

All collection vehicles will meet or exceed Federal Motor Vehicle Safety Standards (FMVSS). Vehicles will be equipped with flashing LED lighting for high-visibility.

All front-loader trucks will be equipped with load compaction mechanisms that operate at the truck engine's idling speed, minimizing ambient noise and improving fuel economy.

Recology's collection vehicles will be equipped with the following items to assure both public and employee safety during all on-route and off-route operations:

- |  |   |
|--|---|
| <input type="checkbox"/> ABS braking system    | <input type="checkbox"/> Reverse motion sensor alarm                    |
| <input type="checkbox"/> Back-up alarm warning | <input type="checkbox"/> 7" x 16" side mirrors                          |
| <input type="checkbox"/> Dual air horn         | <input type="checkbox"/> Dual convex safety mirror                      |
| <input type="checkbox"/> Battery disconnect    | <input type="checkbox"/> Lift arm, tipper, and rear door warning alarms |
| <input type="checkbox"/> Safety triangles      | <input type="checkbox"/> Rear working strobe warning light              |
| <input type="checkbox"/> Fire extinguisher     | <input type="checkbox"/> Spill kit                                      |

Other safety features include back-up lights, audible warning devices, and yellow hazard lights that are activated when the collection vehicle is required to maneuver in safety-sensitive areas, ensuring the highest level of safety.

#### **Vehicle Maintenance**

Recology's Vehicle Maintenance Program features three main elements:

- ☐ Preventive Maintenance
- ☐ Vehicle Condition Reports (VCRs)
- ☐ 63-Point Inspections (scheduled safety inspections)

#### Preventive Maintenance

This program is computer-generated and based on the amount of hours, days, or miles a vehicle has been in service, as well as the time since the last scheduled service. The services are completed at several vehicle operating intervals: 150, 250, 500, 1000, and 2000 hours. The services include but are not limited to:

- ☐ Inspection of hydraulic and air hoses and lines for wear or leaks

- ❑ Check and adjust all fluid levels
- ❑ Changing of filters (oil / fuel / air / hydraulic / etc.)
- ❑ Lubricate truck chassis and body per specifications.

#### Vehicle Condition Reports (VCRs)

All drivers are required to complete a VCR at the beginning and end of each shift in order to identify any equipment defects, leaks, or necessary repairs and/or adjustments. The VCRs are signed off by mechanics and reviewed by the Maintenance Manager. Recology's entire fleet is inspected every other year by the California Highway Patrol.

#### Safety Inspection

Safety inspections are performed at least every 90 days, and are subject to Compliance Audits by the California Highway Patrol to ensure Recology complies with all DOT standards and regulations.



#### **Containers**

##### **Container Specifications**

Recology will be using all current containers as acquired by The Ratto Group.

**Container Maintenance Program**

Recology will maintain all carts and containers according to the requirements outlined in the Service Agreement. As needed, Recology will ensure all carts and containers are properly repaired, maintained, or replaced.

Customers will be able to contact Recology Customer Service to report any damaged carts or containers in need of replacement or repair. Containers will be stored and repaired at Recology's facilities at 3284 and 3296 Dutton Ave.

Drivers monitor the carts and containers to help identify any needed repairs. If the driver notes a damaged or cracked lid, for example, the driver can make a notation to have the repair addressed.

Recology maintains an adequate inventory of replacement parts and components for all carts and container sizes to ensure carts and containers can be placed back into service quickly.

**Facilities**

The below tables list the facilities and their respective addresses that Recology will own and utilize to provide the services as required by the collection agreement. Disposal and organics material handling will continue as it is performed today under the agreement.

Administration (Including Call Center, Billing, Administrative Services, Payments)
<b>Address:</b> 3400 Standish Ave., Santa Rosa, CA

Route Truck Parking, Container Storage and Repair, Maintenance
<b>Address:</b> 3284 and 3296 Dutton Ave., Santa Rosa, CA 94931

Material Recovery Facility
<b>Address:</b> 3417 Standish Ave., Santa Rosa, CA

Transfer Station
<b>Address:</b> 2543 Petaluma Blvd South, Petaluma, CA

Petaluma Maintenance and Customer Service
<b>Address:</b> 1309 Dynamic Street, Petaluma, CA

### ***Facility Recovery Rates***

Recology will work closely with the jurisdiction to reach all diversion requirements and goals. The below table shows the anticipated recovery rate from the recently upgraded Material Recovery Facility in Santa Rosa, which will be used to process all the collected source separated recyclables.

Recovery Rates	
Facility	Recovery Rate (net of residual)
3417 Standish MRF	80.0%

Recology will work to provide customers the tools and education they need to adopt proper sorting habits, with the goal of minimizing contamination in the recycling stream and thereby reducing residual levels.

The 3417 Standish MRF recently underwent improvements to make all necessary upgrades, improvements, and repairs and obtained the required Solid Waste Facility Permits (SWFPs) to operate.

### ***MRF Operations Information***

Recology will own and operate the upgraded 3417 Standish Ave Material Recovery Facility to process recyclable materials. Under the facility's revised Transfer Processing Report and approved Solid Waste Facilities Permit, the MRF is permitted to operate 24 hours per day, seven days per week. The facility's general operating plan features two 10-hour processing shifts, seven days per week. The processing schedule varies depending on the volumes of incoming material. Routine equipment maintenance and cleaning is conducted during the scheduled non-operating hours each day.

The facility accepts and processes material that has been separated for reuse, including source-separated recyclables from residential and commercial customers, and prepares them for end use



markets. It is not open to the general public. Any non-recyclable residual material remaining after processing is transported to the Sonoma County Central Disposal Site for landfill disposal.

Specific types of recyclable material received at the facility include:

- ❑ Comingled recyclables
- ❑ Cardboard
- ❑ Newspaper
- ❑ Mixed paper
- ❑ Plastic containers
- ❑ Glass bottles & jars
- ❑ Aluminum cans
- ❑ Used motor oil
- ❑ Steel cans
- ❑ Small electronic devices (no TV monitors)

Drivers are able to drop off material at the facility Monday through Saturday, from 4 AM to 11 PM, and Sunday from 5 AM to 4 PM.

The facility's processing equipment has an average overall throughput capacity of approximately 25 tons per hour. Based on the hours outlined in the facility's operating plan, the processing system would have an overall throughput capacity of up to 500 tons per day, or 3,500 tons per week. This allows for ample processing capacity of the collected recyclable material.

### ***Marketing Recyclable Materials***

Once recyclable materials are recovered and separated at the MRF, they are prepared for sale to domestic and foreign customers. The Recology Products sales team is experienced in marketing recyclable commodities for the company's network of MRFs. The team has longstanding relationships with end users, which minimizes the reliance on brokers and ensures materials are sold for the best value possible.

Recology has a great reputation industrywide for the quality of materials it markets. Great measures are taken to ensure that only the highest quality materials are sold. By focusing on quality, Recology not only sells its products for the highest values possible, but also rarely has a product rejected due to quality issues.

Several years ago, Recology developed a Standard Operating Procedure (SOP) to help ensure commodities are sold for their highest and best value. The SOP requires Recology obtain multiple quotes for each commodity on a monthly basis; only the highest offers for materials are accepted. The SOP is overseen by Recology's Commodity Sales Manager and the Director of Sales & Marketing, who also monitor performance against key market indicators. When benchmarked against other companies in our industry, Recology consistently sells its materials for higher values.

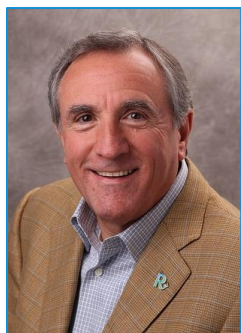
The global commodity market can fluctuate greatly depending on market demand, pricing of other replacement products, and correlating commodities. Additionally, the quality of product and the



outbound freight costs must be considered. In 2016, the average price for a MRF processing single-stream recyclables in the Bay Area was \$111 per ton.

## QUALIFICATIONS & ORGANIZATIONAL CHART

### Key Executive Team



**MICHAEL J. SANGIACOMO**  
President and Chief Executive Officer

As the Chief Recologist, Mike Sangiacomo has led and inspired many of Recology's innovative recycling and diversion programs. Mike has served as Recology's Chief Executive and a director since 1990. From August 1988 to November 1990, he served as Chief Financial Officer of Recology.

Mike serves as a director and an executive officer of all of Recology's subsidiaries. He is also an executive officer of Nortech Waste LLC, a joint venture in which the Company is a minority investor, and serves as President of South Bay Recycling, LLC, a joint venture between Recology and Potential Industries of Wilmington, CA. Mike earned a Bachelor's of Science in Business Administration from the University of San Francisco.



**GEORGE P. MCGRATH**  
Executive Vice President and Chief Operating Officer

George McGrath is Executive Vice President and Chief Operating Officer of Recology, responsible for all collection, processing, and disposal operations of Recology. He also serves as Chief Operating Officer of South Bay Recycling, LLC.

George previously served as Senior Vice President and Chief Information Officer of Recology, responsible for the strategy and management of the company's information systems. From July 1996 to June 1997 George served as Vice President and General Manager of Alta Environmental Services, Inc., a Recology subsidiary that markets certain types of landfill space to third parties and contracts landfill operations with municipalities. George holds a Bachelor's of Science degree from Western Michigan University.



**MARK R. LOMELE**  
Executive Vice President, Chief Financial Officer, and Treasurer

Mark Lomele is Executive Vice President, Chief Financial Officer, and Treasurer of Recology. Mark has been the company's Chief Financial Officer since 1996. From September 1988 to July 1996 Mark served as Recology's Corporate Controller. Mark serves as a director and an executive officer of all of Recology's subsidiaries. He also serves as Chief Financial Officer of Nortech Waste, LLC, and Chief Financial Officer of South Bay Recycling, LLC.

Mark is the leader of all activities related to employee ownership at Recology. Mark has been a member of Recology's ESOP's Administrative Committee since 1991 and has served as

its Chair since February 1995. He is a former chair of the ESOP Association and is the current chair of the Employee Ownership Foundation. Mark holds a Bachelor's of Science in Business Administration from the University of San Francisco and began his career as a Certified Public Accountant.

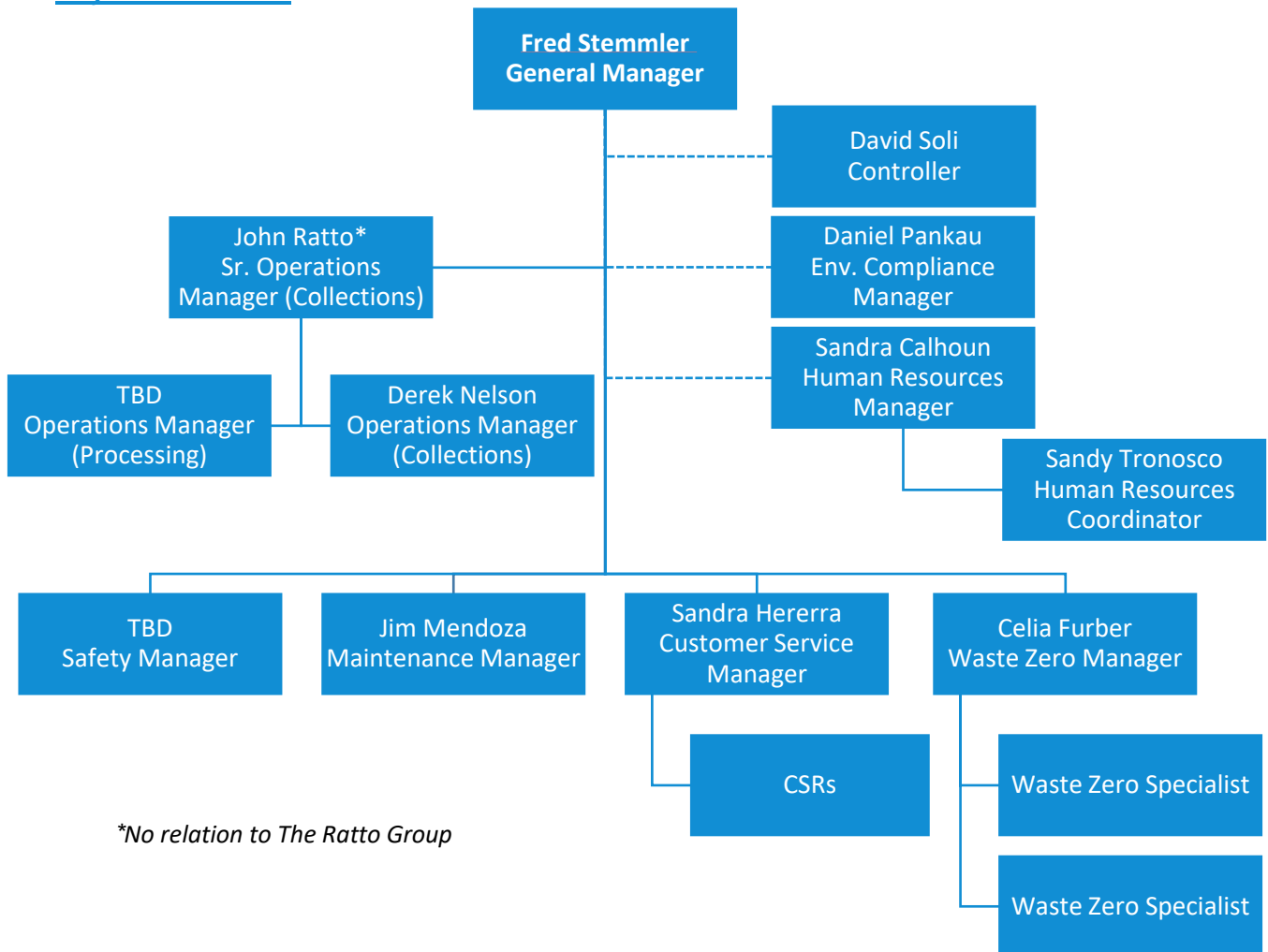


**ED C. FAREWELL**  
**Vice President and Group Manager**  
**Recology Northern California Group**

Ed Farewell joined Recology in 1983. Since 2012, he has served as Group Manager at Recology's Northern California Group. Ed directs the operation of a variety of recycling, organics, and solid waste management services. He is responsible for ensuring efficiency and quality service in materials recovery, recycling, residential, commercial & industrial waste collection, and compactor service for the residents, businesses and public entities within Recology's Northern California collection companies

Ed possesses over 33 years of experience in the refuse business, including positions as general manager, operations manager, and materials recovery facility manager. At Recology, he has served as Assistant Group Manager at Recology Vacaville Solano from 2011 to 2012, General Manager at Recology Vallejo from 2010 to 2011, and General Manager at Recology Vacaville Solano from 2004 through 2010.

In addition, Ed has served on the board of a number of community organizations, including the Vallejo Chamber of Commerce (2010 to 2011) and the Vacaville Museum (2008 through 2011). Ed holds a Bachelor's of Science from California State University at Sacramento.

Key Staff Persons



**FRED STEMMLER**  
**General Manager**

As the General Manager of Recology Sonoma Marin operations, Fred will plan, direct, and evaluate all aspects of Recology's organics, recyclables, and solid waste collection programs in Sonoma and Marin Counties to ensure safe, efficient, and high-quality service is provided to all customers.

Fred is currently the General Manager of Recology Western Oregon, and is experienced in running top-notch collection, processing and diversion based operations, while creating effective and collaborative public education programs and services, including the start-up of an Artist in Residence Program.

Prior to becoming General Manager in 2012, Fred held several key positions with Recology, including Operations Manager at Recology Vacaville Solano and Recology Sunset Scavenger, and Financial Compliance Manager for the Recology Corporate Finance and Accounting Department. Since joining Recology in 2008, Fred graduated from two internal leadership programs and participated in long term strategic planning and development committees that focused on business process improvement and excellence in service.

Prior to Recology, Fred worked as a certified public accountant and finance professional serving a variety of Fortune 500 businesses and began his professional career with Deloitte. Fred sits on the board for multiple non-profit organizations, is an active Chamber of Commerce member, and has served on civic and state advisory boards relating to Oregon's long term diversion planning, community leadership, and municipal budget and audit reviews.



**DAVID SOLI**  
**Controller**

As the Controller at Recology Sonoma Marin, David will manage all aspects of the accounting department to ensure timely and accurate financial reporting of all operations.

David has over 27 years of accounting and management experience at Recology. David is experienced in financial reporting, budgeting, assessing and improving internal controls, and managing internal and external audits.

David currently serves as Group Controller for Recology's Northern California operations. He oversees the finances for ten Recology companies, whose services and facilities include transfer stations, recycle processing centers, hazardous waste facilities, street sweeping, and curbside collection programs in urban and rural areas. David is responsible for the accurate and timely preparation of monthly, quarterly and annual financial statements and related analysis, annual operational budgets, recording of all transactions, governmental reporting, and audit schedules/ information requests related to these operations.

David hold a Bachelor of Science in Business Administration from California State University, Chico and began his career as a Certified Public Accountant. He received his Master of Science in Taxation from Golden Gate University.



**DANIEL PANKAU**  
**Environmental Compliance Manager**

Daniel is currently the Environmental Compliance Manager at Recology Los Angeles and Recology Blossom Valley Organics (south). Daniel joined Recology in 2015, having experience managing projects at large scale transfer stations, compost facilities and landfills. As Environmental Compliance Manager at Recology Sonoma Marin, Daniel will ensure that all operations are in compliance with local and state environmental regulations.

Daniel's experience includes stormwater permit compliance, stormwater sampling and storage, emissions monitoring and reporting, environmental outreach and education, hazardous materials management, regulatory agency inspections, and compost sampling and analysis.

Prior to joining Recology, Daniel gained extensive municipal solid waste and NPDES permit experience working for the City of Calabasas Environmental Services Department. Additionally, Daniel worked as a Fisheries and Hydrology Technician for United Water Conservation District, where he assisted with the migration of the endangered Southern California Steelhead. He holds a Bachelor's degree in Environmental Science and Resource Management from California State University Channel Islands.

**SANDRA CALHOUN**  
**Group Human Resources Manager**

The Group Human Resources Manager for the North Bay Group of Recology will provide human resources and labor relations guidance to the operations team to ensure compliance with local, state, and federal regulations, as well as consistency with Recology's policies and any Collective Bargaining Agreements. This role will assist in planning and executing recruitment efforts, hiring, and training for Recology Sonoma Marin during the transition.



**SANDRA TRONOSCO**  
**Human Resources Coordinator**

Sandy began working in the waste industry in 2016 as Human Resources Coordinator at Recology Los Angeles. Currently, she is the first point of contact for all employees regarding onboarding, benefits, and personnel matters at Recology Los Angeles and Recology Blossom Valley Organics (south).

As Human Resources Coordinator for Recology Sonoma Marin, her experience in legal compliance, employee relations, leave of absence administration, and recruitment and onboarding will be a great asset in ensuring a smooth employee transition.

Prior to joining Recology, Sandy worked as Human Resources Representative with BrightView Landscape, supporting the Employee Relations Department.



**DEREK NELSON**  
**Operations Manager (Collections)**

As the Operations Manager, Derek will provide oversight of all collection operations with the primary goals of safety, customer service, operational efficiency and waste diversion.

Currently, Derek is the Operations Manager at Recology Vacaville Solano and Recology Dixon. Previously, he worked as an Operations Manager and Safety Manager at Recology Sunset Scavenger. Prior to coming to Recology in 2010, Derek served 9 years in the United States Air Force.

Derek is experienced in optimizing operations through efficient routing and logistics planning. Derek is also experienced in enhancing and maintaining DOT and OSHA compliance programs. Derek holds a Bachelor's of Science in Technical Management and an MBA from Embry Riddle Aeronautical University.

**TBD**  
**Operations Manager (Processing)**

Recology's Operations Manager (processing) will work closely with the Operations Manager (collections) to supervise recyclables processing and material recovery facility operations. In addition to supervising drivers, the Operations Manager will train, conduct monthly safety meetings, monitor routes for service performance and efficiency, address customer complaints, and other responsibilities.

**TBD**  
**Safety Manager**

As Safety Manager, this person will be responsible for managing the safety program at Recology Sonoma Marin, overseeing all aspects of safety, risk management, and regulatory compliance associated with workplace safety and commercial drivers.



**JIM MENDOZA**  
**Maintenance Manager**

Jim has been with Recology since 1990 and has held a variety of operational and maintenance positions within the company. In his current role as Senior Equipment Maintenance & Facilities Manager at Recology Corporate, Jim is responsible for ensuring the Recology's maintenance facilities support a safe and reliable fleet of over 3,600 vehicles and 500 pieces of off-road equipment for its collection, hauling and processing operations daily.

Prior to joining Recology Corporate in 2013, Jim served as the Maintenance Manager at Recology South Bay, Operations Manager at Recology Golden Gate, and Maintenance Manager at Recology Sunset



Scavenger.

As Maintenance Manager with Recology Sonoma Marin, Jim will be responsible for specifying and procuring vehicles and equipment to meet the needs of the Sonoma and Marin communities.

Jim has been an active member of the Solid Waste Association of North America since 2008, where he has held certifications in Management of both Collection Systems and Transfer Station Management.



**SANDRA HERRERA**  
**Customer Service Manager**

Sandra Herrera began working with Recology in August 2012 as a Customer Service Representative. In April 2013, she was promoted to the Customer Service Manager position. Prior to joining Recology, Sandra worked as an Operations Manager at Amerisource Bergen out of the California and North Carolina offices. She has her BA degree in

Psychology from San Francisco State University.

Sandra currently manages 24 Customer Service Representatives who handle 1,500 calls per day and always strive to provide the highest level of customer services possible. She has the ability to quickly access and solve customer and organizational problems thoroughly and thoughtfully. During her time at Recology she has conducted multiple group trainings, implemented a streamlined training process for new and current employees and has developed a transparent SOP that she continues to work on with other members of the management team. She has also developed quality assurance training tools to ensure that her group maintains a less than 1% error rate.

Sandra is extremely enthusiastic about everything she does and we are certain that her strengths and skills will be a valued addition to Recology Sonoma Marin's Customer Service Team.



**CELIA FURBER**  
**Waste Zero Manager**

Celia has extensive experience designing and implementing large scale sustainability programs for diverse communities. She began work at Recology in 2013, as a Waste Zero Manager for the City of Mountain View, and has spent the past four years improving and expanding Mountain View's commercial compost and recycling programs.

Her accomplishments include achieving full commercial compliance of State Laws AB341 and AB1826; developing and implementing strategies that have resulted in high diversion volumes and low contamination; and ensuring that Recology customers are pleased with their level of service.

Prior to working for Recology, Celia successfully implemented plastic bag and polystyrene ordinances for the City of San Jose, as well as the City of Menlo Park.



As the Waste Zero Manager for Recology Sonoma Marin, Celia would be invaluable to the execution of Recology's diversion plan and customer outreach and education plan.

## TRUCK COMPLIANCE AND REPLACEMENT PLAN

Recology's Truck Compliance and Replacement Plan is a phased business-wide approach. The following sections describe the first three phases of the plan, which will get Recology Sonoma Marin to a constant state of operating compliant and safe vehicles.

### Phase 1 – Detailed Safety Inspection for ALL vehicles

The first order of business after close, related to the fleet of vehicles, will be to perform the 63-Point Inspection on each and every vehicle. The complete overview of Recology's 63-point inspection is attached at the bottom of this plan as Appendix A: Recology 63-Point Inspection Form. This safety inspection is a detailed process that includes:



At the completion of each vehicle's safety inspection any identified defects are recorded and the resulting impacted vehicles are sent in for their appropriate repairs. Each identified defect will be repaired based on the required Department of Transportation (DOT) regulations so that each and every Recology vehicle on the road is both compliant and safe.

### **Phase 2 – Calendar Year 2017 Replacements per California Air Resources Board (CARB)**

The second phase of Recology's plan is to replace the vehicles that are required to be replaced by the CARB rules by the end of calendar year 2017. This means that come January 1, 2018 a number of specific trucks no longer meet the applicable CARB requirements. It is Recology's intention to replace all of those vehicles with either new vehicles or CARB-compliant vehicles from other Recology subsidiaries. The reason for the replacements being a mixture of new and used vehicles is to ensure the company is being both cost conscientious and meeting the replacement timelines.

There are approximately 27 vehicles that need to be replaced at the end of calendar year 2017. These types of vehicles range from collection vehicles, such as front loaders, rear loaders, roll-off trucks and sweepers, to service trucks, such as container trucks and pickups.

As the new and/or selected vehicles arrive onsite, they will be immediately placed into service. Recology has created a truck management tracking system that allows the Equipment and Maintenance Management Team to monitor each vehicle by its applicable regulation, mileage limit, and replacement timeline. This will ensure that Recology maintains compliant fleet until all the newly purchased trucks arrive.

### **Phase 3 – Arrival of 61 New Vehicles to Recology Sonoma Marin by May 31, 2018**

By an estimated date of May 31<sup>st</sup>, 2018 Recology Sonoma Marin will have received and placed into service 61 new vehicles. These include the following:

- Seventeen (17) 4-axle automated side loaders
- Thirteen (13) 3-axle automated side loaders
- Thirteen (13) 4-axle front loaders
- Four (4) Roll-off trucks
- Eight (8) Street sweepers
- Three (3) Support vehicles
- Three (2) Container and cart delivery trucks
- One (1) 24' Van Delivery Truck

The receipt of these new vehicles releases approximately 40 existing vehicles to serve as replacement vehicles for Recology Sonoma Marin. Each of these approximate 40 vehicles will be evaluated, painted and sent out for replacement based upon the following priorities. These vehicles will be used to replace vehicles according to CARB requirements by the end of 2018. Followed by a schedule of replacing each subsequent vehicle according to its age, starting with the oldest first.

By fully implementing these three above-described phases, approximately 67 vehicles within the existing TRG fleet will be replaced with either newly purchased or existing Recology vehicles. These three phases are anticipated to be complete by or before the end of 2018.

Recology's above-described Truck Compliance and Replacement Plan is based on the information that's been provided to the company to date. So included in the plan are company's best approximations and estimated timelines, which will be able to be confirmed once the transaction between TRG and Recology closes and Recology owns and operates the business.

Lastly, it must be acknowledged that the capital needed to provide equipment that is safe, compliant and required for the services to each of the jurisdictions is significant. Recology will move forward with these plans as expeditiously as possible and without delay. However, in the near future, Recology does request the attention of the jurisdictions to have a conversation about the appropriate rates to support the investments which are required to provide the expected service in a safe and lawful manner.

## **Appendix A**

### **Recology 63-Point Inspection Form**



## TRUCK AND/OR TRACTOR MAINTENANCE &amp; SAFETY INSPECTION

Equipment No. \_\_\_\_\_ Date \_\_\_\_\_ Repair Order No. \_\_\_\_\_

**INTERIOR AND EXTERIOR**

OK DEF

1 Fire Extinguisher & Reflectors - Secured - Marked		
2 Horn-Defrosters, Gauges, Speedometer & Backup Alarm		
3 Mirrors & Supports		
4 Windshield Wipers - Window Cracks, Condition	*	
5 Check all Lights - Turn Signals - Reflectors - Mud Flaps	*	
6 Check Electrical Wiring - Condition & Protection		
7 Check Batteries - Water, Terminals & Cable		
8 Warning Devices - Air, Oil & Temperature, Seat Belts	* O	

**ENGINE AND ELECTRIC**

OK DEF

9 Radiator & Water Hoses - Condition - Leaks		
10 Belts - Compressor(s), Fan & Water Pump	* O	
11 Air Lines - Leaks, Condition & Protection	* O	
12 Fuel Tanks - Lines - Pump, Condition & Protection	*	
13 Manifold & Flange Gaskets - Muffler & Condition	*	
14 Engine Mounts, Oil & Fuel Leaks		
15 Clutch Adjustment & Free Play		
16 Throttle & Linkage, Air Filter		
17 Alternator, Starter & Wiring		

**BRAKES**

OK DEF

18 Tractor, Protection Valve - Breakaway Test	* O	
19 Brakes - Lining, Drums & Adjustment - Near Cam Over	* O	
20 Hoses & Tubing Condition - Protection	* O	
21 Air Leaks & 1-Minute Brake Application Test	* O	
22 Air Governor Adjustment - Min 85 - Max 130	* O	
23 Test Check Valve(s)	* O	
24 All Tanks Secure, Drains Operable, Drain Tanks	* O	
25 Check Tires, Wheels, Nuts & Studs, Cracked, Secure and Inflation, Tread	* O	
26 Parking Brake - Condition	* O	
27 Emergency Stopping Systems - Labeled, Operable	O	
28 Release After Loss of Service Air - 1/2 of Dual Air System	O	

\* INSPECTION OF THESE ITEMS REQUIRED BY 396.17 (DOT PERIODIC Inspection)

O INSPECTION OF THESE ITEMS REQUIRED BY 34505.5 CVC (B.I.T.)

**CHASSIS**

OK DEF

29 Check Steering Gear & Mounting - Free Lash	* O	
30 Steering Arms, Drag Links & Tie Rod Ends	* O	
31 Fifth Wheel condition & Mounting	* O	
32 Springs, Shackles & U-Bolts - Torque Arms	* O	
33 Check Frame, Cross Members, Cracks, etc.	*	
34 Drive Shaft & Universal Joints		
35 Transmission, Differential - Mounting & Seals		
36 Wheel Seal Leaks	O	
37 Clean Under Carriage		

**TRAILERS**

OK DEF

38 Lights - Stop, Tail, Turn - Reflectors	*	
39 Air Leaks - Brake System	* O	
40 Air Leaks - Dump System		
41 Cracks in Body & Sub Frame	*	
42 Brakes - Adjustment - Drums - Near Cam Over	* O	
43 Springs - U-Bolts - Torque Arms	* O	
44 Drawbar - Hitch & Safety Cable - Check Strand Wear	* O	
45 Fifth Wheel on Pull Trailer	* O	
46 Tires - Wheels - Nuts & Studs	* O	
47 Fifth Wheel Pin Wear - Safety Lock	* O	
48 Emergency Relay Valves, Tank Mounting	* O	
49 Tarps		
50 Electrical Connections - Lead Wire		
51 Air Lines - Between Trailers, Gladhands, Rubbers	* O	
52 Mud Flaps, Fenders		
53 Safe Loading, Veh. Parts & Load Secure, Protection from Load Shifting	*	

**BODY**

OK DEF

54 Hydraulic System Check for Leaks and all Hoses for Worn Areas		
55 Check Welds on Body & Packer Blades for Cracks		
56 Inspect all Welds Where Packer Cylinders Mount		
57 Check Pins on Packer Cylinders and Arms for Wear		
58 Check Rollers and Tracks		
59 Check Shoes on Push Out Blade		
60 PTO Shaft & Universal Joints		
61 Check Body Hold Down Bolts		
62 Load: Check Anti-Retract Safety Switch		
63 Other		

Proud to be employee owned

INSPECTOR'S SIGNATURE \_\_\_\_\_

REV: 03/00 TTM-63





## SUMMARY OF MANAGEMENT TOOLS

*How do we track our data, do our record keeping to ensure performance is maintained and people are safe?*

Recology uses data-driven metrics to monitor operations, customer service, with the goal of ensuring equitable service for every one of Recology's customers regardless of the area where they live. Recology's routes are designed and staffed to serve all customers equitably, based on service subscription levels, to avoid unintended impacts on vulnerable socio-economic groups.

Recology uses the following methods track performance and adapt its management to ensure equitable service:

### Operations Meetings

Every week, Recology holds operations meetings that include the entire management team and supervisors of all departments – including operations, customer service, waste zero, safety, environmental, and human resources. The meeting is designed to review current performance metrics and address any quality of service issues, and features a rotating presenter from each department to ensure all service areas are covered.

### Daily Reports on Misses and Productivity

Recology's operations supervisors and managers review daily reports on residential and commercial collections, with a focus on misses and repeat misses. The goal of these reports is to ensure misses are minimized and quickly addressed when they occur.

Supervisors investigate all misses in the report by reviewing video footage taken by the truck, GPS information, and other account information to determine whether it was a miss. Once misses are identified, supervisors and dispatch work with the driver to correct the error.

### Addressing Quality of Service Issues

Supervisors personally address any escalated issues. If a customer contacts the Call Center with a service issue, the Customer Service Specialist creates a ticket, which is immediately escalated to a supervisor to address the issue in-field as necessary.

Open communication is the most direct way to address quality of service issues. If an issue is identified, supervisors speak directly to the driver to work through a resolution, review the standard operating procedures, and conduct any necessary re-training. When the supervisor closes the ticket, he or she provides notes on the resolution.

### RouteSmart

For the last four decades, organizations in public works, utilities, newspaper, and postal and parcel delivery industries have relied on RouteSmart Technologies to solve their complex routing problems.

RouteSmart route optimization technology is continually being enhanced by an expert team focused exclusively on the needs of our clients. Comprised of the leading geospatial technologies from Esri and



HERE (formerly NAVTEQ and Nokia Maps), RouteSmart software integrates with client-side systems to form a complete routing solution for meeting the demanding operational needs.

RouteSmart integrates seamlessly with Esri's ArcGIS family of mapping products and provides the ability to balance routes based on time, number of lifts, or potential volumes and densities to be collected. By integrating with these products, RouteSmart maintains accurate and up-to-date information. The system accounts for vehicle type, address restrictions, and service time-of-day constraints, among other parameters.

RouteSmart for ArcGIS can create detailed route maps, with stops and driving directions noted so that any driver (even a relief driver) can perform collection efficiently and consistently. Recology uses this software to route regularly scheduled collection, on-call services, and container deliveries. RouteSmart sequences accounts in the Tower system, providing drivers stop-by-stop guidance.

For regularly scheduled collection, customer information is downloaded from the customer database into RouteSmart for routing.

#### [Addressing, Tracking, & Reporting Customer Complaints](#)

Recology's Customer Service Management System records information about every customer interaction. If the customer is communicating a complaint, Recology enters notes and categorizes the complaint according to complaint type.

Every complaint is then communicated to the appropriate party (such as dispatch, collection operations, customer service manager) if further follow up is required.

If a site visit is necessary to resolve the complaint, an internal ticket is created and routed for an operations supervisor to follow through. Once the issue has been resolved, that ticket is closed and the supervisor enters notes indicating the steps taken to resolve the problem.

Complaints and resolutions are discussed in a weekly operations meeting so the team has an opportunity to debrief and evaluate methods to improve service.

#### [Call Center Tracking and Reporting](#)

Recology's Call Center will be equipped with the ShoreTel Unified Communications Phone System.

The system's ShoreWare software system is configured to track the various phone metrics, including wait time. ShoreTel's solutions are built to scale, grow, and evolve as needed, helping to ensure wait times remain below 30 seconds. It allows Recology to create customized queues for Automatic Call Distribution (ACD). Any call is routed through the ShoreTel system, placed into the appropriate queue, and automatically distributed to the next available Customer Service Representative. Supervisors can monitor progress in the queue to ensure calls are answered in a timely manner.



## STREET SWEEPING OPERATIONS PLAN

Recology's Street Sweeping Plan will address the following elements:

- Labor & Equipment:** Recology will use its own labor and equipment to provide the street sweeping operations required by the collection services contract.
- Schedule:** Recology will initially provide the street sweeping services per the street sweeping schedules that are currently in place.
- Improvements:** Recology will be assessing whether there are improvements that can be made to better the street sweeping services being provided. This will include a rerouting exercise and if any efficiencies or improvements are discovered, they will be discussed with the appropriate representative before implementation.
- Best Practices:** For all street sweepers and their routes, Recology adheres to the following best practices to ensure safe, compliant and effective service.
- All sweepers perform operations within 4-6 mph
  - All sweepers perform operations with water
  - All sweepers perform operations with the brooms engaged
  - All street sweeping vehicles adhere to Recology's preventative maintenance program.
  - Street Sweeping operations will keep to their established dates and times

## OVERVIEW OF RECOLOGY'S EXAMINATION OF THE RATTO GROUP'S ASSETS

As a part of this asset purchase, Recology performed a review of The Ratto Group's (TRG) vehicles and equipment to understand the condition of the assets. In the following sections, the vehicle and equipment due diligence efforts, replacement plan, and expected resulting conditions are explained.

### Vehicle & Equipment Due Diligence & Team

Recology's Equipment Team is comprised of our Vice President of Equipment Procurement & Maintenance and Facilities Development, Sr. Equipment Maintenance & Facilities Manager, and Operations Analyst. Together these individuals have over 80 years' experience in vehicle and equipment evaluation, maintenance and procurement and currently manage a fleet of over 2,000 vehicles.

The objective of Recology's vehicle and equipment due diligence efforts was to obtain a thorough understanding of the condition of the assets being purchased from TRG and then use the gathered knowledge and information to formulate a replacement plan so all vehicles and equipment become compliant, safe, and operational.

The specific due diligence efforts included visits to every TRG site to visually assess each vehicle, obtain and review each vehicle's CARB records, and catalog each vehicle's type, make, year, location, compliance dates and assessment results.

After cataloging all of this information, an appropriate replacement plan could be developed.

### Replacement Plan

The Equipment Team developed the replacement plan based on the records and information gathered from both the site visits and data review and analysis. More details regarding the replacement plan can be found in the document titled "Truck Compliance and Replacement Plan". In summary, of the 288 vehicles, approximately 27 need to be replaced at the end of 2017. In addition, when the 61 newly purchased vehicles arrive at Recology Sonoma Marin, approximately 40 existing vehicles will be released to replace the oldest vehicles in the fleet. Once these phases are complete, approximately 67 vehicles within the existing TRG fleet will have been replaced with either new or existing, compliant Recology vehicles.

With regard to carts and containers, Recology will be able to address the necessary and/or required replacement schedules once the transaction closes and the operations are under Recology's management. These established replacement plan components and timing will be discussed with the appropriate representative from the jurisdiction.

### Expected Results

The Recology Equipment Team's expertise combined with the fleet-specific information gathered over the past 6 months gives Recology confidence that the company understands the condition of TRG's assets and what it will take to bring them up to Recology's standards.

At the completion of the roll out of the established capital budget and replacement plan, in addition to being compliant with law and safe, the Recology Sonoma Marin fleet anticipates having an average fleet age between 7.5 to 9 years, a range that is comparable to the industry's standards.

## OVERVIEW OF RECOLOGY'S ACQUISITION OF THE RATTO GROUP'S ASSETS

Recology Inc. and its designated affiliates are acquiring substantially all the assets of The Ratto Group of Companies and their affiliates (TRG). This includes all of TRG's assets, properties, rights, privileges, claims and contractual rights used in TRG's business. The significant assets include, but are not limited to:

- All permits
- All franchise agreements
- All equipment used by TRG and its subsidiaries
- All motor vehicles used by TRG and its subsidiaries
- All materials handling equipment, including the Material Recovery Facility located at 3417 Standish Avenue
- All real property used in the business (see summary enclosed herewith)

With this transaction, Recology is assuming all operations, equipment and contracts owned and held by TRG. Recology, if and when assigned each franchise agreement, will be bound by the contractual terms of such franchise agreement. All trucks, support vehicles, carts/containers, equipment, employees and facilities required to meet the terms of the franchise agreement will be available and provided. Recology will meet and discuss with the appropriate representative prior to any future operational changes.

Below you will find three tables, depicting the estimated count of vehicles, carts and containers, and property Recology is purchasing from TRG. During the first 12 months of operations, Recology Sonoma Marin anticipates spending an estimated \$60M on both vehicles and cart/container replacements throughout its operations in Sonoma and Marin, subject to further review after the transaction closes. A letter from Bank of America will be provided under separate cover for further information on Recology's financial capabilities.

### Vehicles

Vehicle Type	Count	First Year Replacements
Collection & Transfer Vehicles*	238	10
Support Vehicles	50	17
Total	288	27

\*street sweepers included

### Carts/Containers

Carts/Containers	Count
Estimated Carts	600,000
Estimated Containers	15,000
Total	615,000

## Property

Facility	Property Address/es
Transfer Station & Maintenance Facility	2543 Petaluma Blvd South, Petaluma, CA
Material Recovery Facility	3417 Standish Avenue, Santa Rosa, CA
Administration & Maintenance Facility	3400 Standish Avenue, Santa Rosa, CA
Truck Yard	3284 and 3296 Dutton Ave., Santa Rosa, CA
Commercial bin and debris box storage	3845 and 3855 Santa Rosa Ave., Santa Rosa
Petaluma - Administration & Maintenance Facility	1309 Dynamic Street, Petaluma, CA
Novato - Buy Back and HHW (leased)	7576 Redwood Blvd, Novato, CA

## ATTACHMENT 9

Veh #	Lic #	VIN	Type	Year Model	Make	R3 - AGE
8063	73412Y1	5PVNJ8JLXG4S51878	PUMP TRUCK	2016	HINO	1
7003	73444Y1	2NP3L0X4GM326087	ROLLOFF	2016	PETERBILT	1
7004	73445Y1	2NP3LJ0XGM326083	ROLLOFF	2016	PETERBILT	1
1005	94928A2	1FVACXDT3HHHX6457	SWEEPER	2016	FREIGHTLINER	1
1006	94930A2	1FVACXDT5HHHX6458	SWEEPER	2016	FREIGHTLINER	1
1004	94929A2	1FVACXDT1HHHX6456	SWEEPER	2016	FREIGHTLINER	1
1007	94927A2	1FVACXDT7HHHX6459	SWEEPER	2016	FREIGHTLINER	1
7005	12796Z1	4V5KC9EH4FN923094	ROLLOFF	2015	VOLVO	2
7007	12795Z1	4V5KC9EH9FN923091	ROLLOFF	2015	VOLVO	2
9037R	73459Y1	3BPZL70X7FF253783	SIDELOADER	2015	PETERBILT	2
9044	03756Z1	JHHHDM2HOFK001662	SIDELOADER	2015	HINO	2
9035	77022K1	5VCACRVF2EH217445	SIDELOADER	2014	AUTC	3
9036	77023K1	5VCACRVF4EH217446	SIDELOADER	2014	AUTC	3
9037	02595R1	5VCACRVF0EH217444	SIDELOADER	2014	AUTC	3
9038	02596R1	5VCACRVF9EH217443	SIDELOADER	2014	AUTC	3
3001	03757Z1	5PVNE8JT1D4S550091	REARLOADER	2013	HINO	4
138	14667B1	3HAMMAAL2CL598308	FLATBED	2012	INTL	5
2022	03708Z1	3BPZL50XXCF152351	FRONTLOADER	2012	PTRB	5
2021	73441Y1	5VCACL8FXCH214010	FRONTLOADER	2012	AUTOCAR	5
9045	22342B2	5VCACR8G8CH214583	SIDELOADER	2012	AUTC	5
17R	6YQE908	5TFLU5F17CX027920	SWEEPER	2012	TOYOTA	5
139	03755Z1	516M1D9B1CH214120	SWEEPER	2012	AUTC	5
2023	64581T1	5VCACL8F2BH212072	FRONTLOADER	2011	AUTOCAR	6
2020	73440Y1	5VCACL8F1BH213021	FRONTLOADER	2011	AUTOCAR	6
939R	68256X1	5VCACRJF2AH210057	SIDELOADER	2010	AUTC	7
940R	68257X1	5VCACRJF2AH210799	SIDELOADER	2010	AUTC	7
938R	68255X1	5VCACRJF9AH210802	SIDELOADER	2010	AUTC	7
1000	8S93737	1HTMNAAM39H137736	CONTAINER	2009	INTL	8
1002	73496Y1	1HTMNAAM39H137719	CONTAINER	2009	INTL	8
1001	8T56768	1HTMNAAM19H137718	PAL TRUCK	2009	INTL	8
1003	8T57515	1HTMNAAM39H137722	PAL TRUCK	2009	INTL	8
9034R	70266N1	5VCDC6JFX9H208340	SIDELOADER	2009	AUTC	8
2015	8P15351	5VCDC6JF88H205838	FRONTLOADER	2008	AUTOCAR	9
2017	8R49417	5VCDC6JFX8H205839	FRONTLOADER	2008	AUTOCAR	9
2019	42689P1	5VCDC6JF68H205918	FRONTLOADER	2008	AUTOCAR	9
2018	8S36414	5VCDC6JF88H206553	FRONTLOADER	2008	AUTOCAR	9
2025	03709Z1	5VCDC6JF88H205614	FRONTLOADER	2008	AUTOCAR	9
9035R	42631P1	5VCDC6JF38H205911	SIDELOADER	2008	AUTC	9
9036R	33622X1	5VCDC6JHF28H206953	SIDELOADER	2008	AUTC	9
133	7ENF714	1JVM4HF38C172127	SWEEPER	2008	ALLIANZ/4000 Johnson	9
2016	8P25856	5SXHANA858RZ29344	FRONTLOADER	2007	AUTOCAR	10
2007	8L41337	5VCDC6BE07H205032	FRONTLOADER	2007	AUTOCAR	10
2008	8L41336	5VCDC6BE07H205031	FRONTLOADER	2007	AUTOCAR	10
2003	8H95559	5VCDC6BE47H204593	FRONTLOADER	2007	AUTOCAR	10
2004	8H95558	5VCDC6BE87H204595	FRONTLOADER	2007	AUTOCAR	10
2005	8H95561	5VCDC6BE27H204592	FRONTLOADER	2007	AUTOCAR	10
2006	8H95560	5VCDC6BE7H204594	FRONTLOADER	2007	AUTOCAR	10
2009	8L41335	5VCDC6BE97H205030	FRONTLOADER	2007	AUTOCAR	10
2012	8E28600	5VCDC6MFX6H202500	FRONTLOADER	2007	AUTOCAR	10
306	69133J1	1FVACWSC87HX29441	REARLOADER	2007	FRHT	10
7002	8K56115	5VCDC6MFX5H201684	ROLLOFF	2007	AUTOCAR	10
9024	8P71910	5VCDC6JF98H206285	SIDELOADER	2007	AUTOCAR	10
9025	8N22594	5VCDC6JF48H206193	SIDELOADER	2007	AUTC	10
9030	8P87159	5VCDC6JFX8H206196	SIDELOADER	2007	AUTC	10
9031	8P87162	5VCDC6JF58H206283	SIDELOADER	2007	AUTC	10
9026	8N22595	5VCDC6JF88H206195	SIDELOADER	2007	ARATA	10
9027	8N22596	5VCDC6JF68H206194	SIDELOADER	2007	ARATA	10
9028	8P87161	5VCDC6JF08H206286	SIDELOADER	2007	ARATA	10
9029	8P87160	5VCDC6JF28H206287	SIDELOADER	2007	ARATA	10
9023	8P71909	5VCDC6JF78H206284	SIDELOADER	2007	AUTC	10
9017	8M78387	5VCDC6BE77H205060	SIDELOADER	2007	AUTC	10
9018	8M78386	5VCDC6BE07H205059	SIDELOADER	2007	AUTC	10
9019	8M78385	5VCDC6BE07H205062	SIDELOADER	2007	AUTC	10
9020	8M78384	5VCDC6BE97H205061	SIDELOADER	2007	AUTC	10
9021	8M78383	5VCDC6BE47H205064	SIDELOADER	2007	AUTC	10
9022	8M78289	5VCDC6BE27H205063	SIDELOADER	2007	AUTC	10
9039	14886S1	5VCDC6MFX7H204037	SIDELOADER	2007	AUTC	10
9090	8P15215	5SXHANDA87RY42745	SIDELOADER	2007	CONDOR	10
9091	8P13808	5SXHANDA47RY42743	SIDELOADER	2007	CONDOR	10
9092	8P13807	5SXHANDA67RY42744	SIDELOADER	2007	CONDOR	10
9093	8P18230	5SXHANDA17RY42747	SIDELOADER	2007	CONDOR	10
9094	8P25855	5SXHANDA37RY42748	SIDELOADER	2007	CONDOR	10

## ATTACHMENT 9

Veh #	Lic #	VIN	Type	Year Model	Make	R3 - AGE
9010	8F96826	5SXHANCY87RY38757	SIDELOADER	2007	FRHT	10
9011	8F96827	5SXHANCYX7RY07655	SIDELOADER	2007	FRHT	10
135	8G42756	1HTMPAFN37H402874	SWEEPER	2007	INTL	10
101P	7Z10001	1FDAF56P06EA79651	CONTAINER	2006	FORD F250	11
100P	7V95759	JALC4B16867006868	FLATBED	2006	Isuzu	11
2014	8E28689	5VCDC6MF76H202499	FRONTLOADER	2006	AUTOCAR	11
200P	07470C2	5VCDC6MF36H202485	FRONTLOADER	2006	AUTOCAR	11
2001	14733V1	5VCDC6MF36H202497	FRONTLOADER	2006	AUTOCAR	11
201P	7V68242	5VCDC6MF36H202483	FRONTLOADER	2006	AUTOCAR	11
202P	7V68243	5VCDC6MF36H202484	FRONTLOADER	2006	AUTOCAR	11
2024	03710Z1	5VCDC6MF6H202948	FRONTLOADER	2006	AUTOCAR	11
203P	7V68245	5VCDC6MF96H202486	FRONTLOADER	2006	AUTOCAR	11
300P	7W98433	1FVACWCS46DW12946	REARLOADER	2006	FREIGHTLINER	11
102P	7Z05642	1FDAF56P46EA77949	SERVICE TRUCK	2006	FORD F550	11
9001	8D20761	1FVHCFAN53RK85354	SIDELOADER	2006	STRG	11
909P	8A07109	1NPZL00X36D716641	SIDELOADER	2006	Peterbilt	11
910P	8A07110	1NPZL00X36D716642	SIDELOADER	2006	Peterbilt	11
9000	8E07544	49HHBVCY06RW11404	SIDELOADER	2006	FRHT	11
9005	8E51430	49HHBVCY86RW11411	SIDELOADER	2006	STRG	11
9008	8G44864	5SXHANCY67RY07653	SIDELOADER	2006	FRHT	11
9040	14885S1	5VCDC6MF76H202955	SIDELOADER	2006	AUTC	11
9041	14884S1	5VCDC6MF06H202957	SIDELOADER	2006	AUTC	11
9042	15016S1	5VCDC6MF26H202958	SIDELOADER	2006	AUTC	11
9003	8E51429	49HHBVCY86RW11408	SIDELOADER	2006	STRG	11
9043	15017S1	5VCDC6MG96H202956	SIDELOADER	2006	AUTC	11
906P	8A07112	1NPZL00X36D716643	SIDELOADER	2006	Peterbilt	11
907P	8A07113	1NPZL00X96D716644	SIDELOADER	2006	Peterbilt	11
937R	68306X1	1NPZL00X16D716640	SIDELOADER	2006	Peterbilt	11
9002	8E51428	49HHBVCY66RW11407	SIDELOADER	2006	STRG	11
9004	8E51427	49HHBVCY46RW11406	SIDELOADER	2006	STRG	11
9006	8F96659	49HHBVCY26RW11405	SIDELOADER	2006	STRG	11
9007	8F96662	49HHBVCY16RW11413	SIDELOADER	2006	STRG	11
9009	8G44863	5SXHANCY87RY07654	SIDELOADER	2006	FRHT	11
9016	8F96660	49HHBVCYX6RW11412	SIDELOADER	2006	STRG	11
9012	8H13413	1FVHCFDL45RU36830	SIDELOADER	2006	FRHT	11
105P	7Y62218	1HTMPAFN46H265300	SWEEPER	2006	INTL	11
103P	7Y62221	1HTMPAFN26H293578	SWEEPER	2006	INTL	11
137	8J16429	1HTMPAFN47H424236	SWEEPER	2006	INTL	11
204P	15009S1	5VCDC6BE95H200939	FRONTLOADER	2005	Autocar/Heil	12
2000	8C09880	5VCDC6MF95H201885	FRONTLOADER	2005	AUTOCAR	12
2010	8L41334	5VCDC6BE27H205029	FRONTLOADER	2005	AUTOCAR	12
2011	8K55987	5VCDC6MF95H201899	FRONTLOADER	2005	AUTOCAR	12
2013	8E28618	5VCDC6MF16H202501	FRONTLOADER	2005	AUTOCAR	12
7001	8B97944	5VCDC6MF15H201542	ROLLOFF	2005	AUTOCAR	12
901P	8A07228	1NPZL00X65D716230	SIDELOADER	2005	Peterbilt	12
903P	8A07223	1NPZL00X25D716225	SIDELOADER	2005	Peterbilt	12
904P	8A07224	1NPZL00X45D716226	SIDELOADER	2005	Peterbilt	12
905P	8A07225	1NPZL00X45D716227	SIDELOADER	2005	Peterbilt	12
900P	8A07226	1NPZL00X85D716228	SIDELOADER	2005	Peterbilt	12
902P	8A07227	1NPZL00X45D716229	SIDELOADER	2005	Peterbilt	12
9032R	02123N1	5VCEC6MF05H201178	SIDELOADER	2005	AUTC	12
911P	8A07230	1NPZL00X45D716232	SIDELOADER	2005	Peterbilt	12
912P	8A07231	1NPZL00X45D716233	SIDELOADER	2005	Peterbilt	12
936R	8A07229	1NPZL00X45D716231	SIDELOADER	2005	Peterbilt	12
9013	8G44533	1FVHCFDL65RU36828	SIDELOADER	2005	FRHT	12
9014	8G44534	1FVHCFDL85RU36829	SIDELOADER	2005	FRHT	12
9015	8G44535	1FVHCFDL65RU36831	SIDELOADER	2005	FRHT	12
124	56764D1	1HTMLAFMX4H674367	CONTAINER	2004	INTL	13
104	8X09959	1HTMLAFM84H674366	CONTAINER	2004	INTL	13
106	8E28570	1HTMLAFMO4H674314	CONTAINER	2004	INTL	13
307R	6T66139	1FVHCFCY23RK60290	SIDELOADER	2003	FREIGHTLINER	14
932R	6Y62844	4V2HC6VE62N333292	SIDELOADER	2002	VOLVO	15
933R	8S52684	4V2HC6VE42N333288	SIDELOADER	2002	VOLVO	15
934R	6Y05582	4V2HC6VE92N333285	SIDELOADER	2002	VOLVO	15
935R	6Y05601	4V2HC6VE02N333263	SIDELOADER	2002	VOLVO	15
109R	8Y87827	1FDSX30S61ED17109	FLATBED	2001	FORD	16
213R	6N43823	4V2HC6UE81N322731	FRONTLOADER	2001	VOLVOWX	16
100R	6G51013	1FDXF46F7YEC47543	SERVICE TRUCK	2000	FORD F450	17
913R	7R94374	1NPZKA8X2YD712127	SIDELOADER	2000	PETERBILT	17
933	8E28370	4V2EC2HE5YN249849	SIDELOADER	2000	VOLVO	17
934	8E28516	4V2EC2HE8YN249845	SIDELOADER	2000	VOLVO	17
935	6M56956	4V2EC2HE6YN249844	SIDELOADER	2000	VOLVO	17
936	6M56954	4V2EC2HE9YN249840	SIDELOADER	2000	VOLVO	17
937	6M56957	4V2EC2HEXYN249846	SIDELOADER	2000	VOLVO	17

## ATTACHMENT 9

Veh #	Lic #	VIN	Type	Year Model	Make	R3 - AGE	
202R	5W17036	4VMDCMHE5XN768185	FRONTLOADER	1999	VOLVOWX FRNTL	18	
204R	7E29741	4VMDCMHE7XN768186	FRONTLOADER	1999	VOLVO	18	
205R	7P68315	4MDCMHE0XN768188	FRONTLOADER	1999	VOLVOWX	18	
206R	6A70015	4VMDCMHE3XN768296	FRONTLOADER	1999	VOLVOWX	18	
208R	6A70017	4VMDCMHE6XN768261	FRONTLOADER	1999	VOLVOWX	18	
209R	5Y75135	4VMDCMHE8XN768231	FRONTLOADER	1999	VOLVOWX	18	
210R	5Y75136	4VMDCMHEXXN768232	FRONTLOADER	1999	VOLVOWX	18	
211R	5Z63410	4VMDCMHE1XN768233	FRONTLOADER	1999	VOLVOWX	18	
212R	7P68059	4VMDCMHE2XN768189	FRONTLOADER	1999	VOLVOWX	18	
207R	6A70016	4VMDCMHE0XN768272	FRONTLOADER	1999	VOLVOWX	18	
203R	5W17250	4VMDCMHE0XN768191	FRONTLOADER	1999	VOLVOWX	18	
714	8Z84081	4VHJCCGF1XN865292	ROLLOFF	1999	VOLVO	18	
702R	7P68060	4VHJCMGF3XN867678	ROLLOFF	1999	VOLVOWG	18	
703P	6T66457	4VHJCMGF1XN867680	ROLLOFF	1999	VOLVOWG	18	
704R	6C36041	4VHJCMHE8XN865902	ROLLOFF	1999	VOLVOWG	18	
705R	7J89305	4VHJCMHE4XN865900	ROLLOFF	1999	VOLVOWG	18	
706R	7W37963	4VHJCMHE6XN865901	ROLLOFF	1999	VOLVOWG	18	
707R	7E42889	4VHJCMUFOXN868436	ROLLOFF	1999	VOLVOWG	18	
711R	18924M1	4VHJCMHEXXN865903	ROLLOFF	1999	VOLVOWG	18	
712R	6C36279	4VHJCMUF9XN868435	ROLLOFF	1999	VOLVOWG	18	
713R	8A15392	4VHJCMUF4XN868438	ROLLOFF	1999	VOLVOWG	18	
714R	6D75761	4VHJCMUF2XN868437	ROLLOFF	1999	VOLVOWG	18	
715R	5W17249	4VHJCCGF3XN865293	ROLLOFF	1999	VOLVOWG	18	
700R	5V90969	4VHJCCGF7XN865295	ROLLOFF	1999	VOLVOWG	18	
175	7C57686	1HTSCAAM7XH696829	SERVICE TRUCK	1999	INTL	18	
900R	8X09958	4VMDCMHEOXN765369	SIDELOADER	1999	VOLVOWX	18	
914R	8A15389	4VLDBKHEOXN774584	SIDELOADER	1999	VOLVOWX	18	
915R	5Z32552	4VLDBKHE2XN774585	SIDELOADER	1999	VOLVOWX	18	
298	8R16747	4VMDCMHE9XN748020	FRONTLOADER	1998	VOLVO	19	
716R	7B06865	4VMDCMHE9WN747516	ROLLOFF	1998	VOLVOWX	19	
91	5M46767	1HTSLABM2TH258390	SERVICE TRUCK	1997	INTL	20	
929	8T28621	1FV6GFAC5VH708159	SIDELOADER	1997	FRHT	20	
174	6P79994	1HTSCABN4TH391905	DEL TRUCK	1996	INTL	21	
200R	5B09176	4V2DCFME2SN695621	FRONTLOADER	1995	VOLVOWX WHGM	22	
204	8E28254	4V2DCFPP9SN706621	FRONTLOADER	1995	VOLVO	22	
705	5P36432	4V2DCFME1SN686845	ROLLOFF	1995	WHGM	22	
161	5F29691	1GCGC29F6SE251149	SERVICE TRUCK	1995	GMC	22	
916	4W03962	4V2DCFMD0RN673828	SIDELOADER	1994	WHGM	23	
102R	4W25433	4V52AEHC4RR473698	VAN	1994	VOLVO FE	23	
111R	6B91505	4V2DAFMD2PN658508	CONTAINER	1993	VOLVOWX	24	
108R	8M78224	4V2DKFMD6PN657617	FLATBED	1993	VOLVOWX	24	
649	4EG8693	1S9TB5021NS107034	ROLLOFF	1993	SPARTAN	24	
301R	8A15391	4V52AFHC9NR471459	REARLOADER	1992	VOLVO FE	25	
215	4L54480	4V2DCFMI1MN639258	FRONTLOADER	1991	WHGM	26	
303R	4H05059	4V2DCFMD5MN639344	REARLOADER	1991	WHGM	26	
101R	4J02881	2FDLF47M3MCA55743	SERVICE TRUCK	1991	FORD F450	26	
125	7W88868	4V2HAFMC6LN631038	CONTAINER	1990	WHGM	27	
145	20057K1	1HTSBZRM3LH210632	CONTAINER	1990	INTL	27	
220	8E28506	4V2DCFMD8KU503129	FRONTLOADER	1990	WHGM	27	
861	7W38188	4V2HAFMC6LN631041	PUMP TRUCK	1990	WHITE	27	
66	4C01044	2FDLF47M6LCA81543	SERVICE TRUCK	1990	FORD	27	
144	5K30459	1HTSBZPM8LH248280	SERVICE TRUCK	1990	INTL	27	
304R	3R54517	4V2DAFMD4KU502369	REARLOADER	1989	VOLVOWX WHGM	28	
302	7W38142	4V2DCFMD0JN604738	REARLOADER	1988	WHGM	29	
104R	2NQJ178	1FDWR72P6JV A56608	SWEEPER	1988	FORD LN700	29	
105R	2KUF290	1FDWR 72P4JVA33165	SWEEPER	1988	FORD LN700	29	
719	7K42299	1WXDCHM8HN121695	ROLLOFF	1987	WHITE	30	
709	3G07922	1WXECEJG4HN119637	ROLLOFF	1987	WHITE	30	
173	8T28470	1HTLDMJN1HHA10316	SERVICE TRUCK	1987	INTL	30	
862	5R82793	1HTLAHEM6GHA44588	PUMP TRUCK	1986	INTL	31	
					Number of Vehicles	206	
					Average Age	13	
					#!/% 10 years and fewer	75	36%
					#!/% older than 10 years	131	64%



## SAFETY

*What remedial actions are taken if a division is under performing in safety?*

*Explain the safety programs we have in place, with examples, and how as a result of those programs we are seeing overall improvements and positive trends in the safety metrics we track.*

Recology has no greater responsibility than providing a safe operating environment for its employee-owners and the customers it serves. Recology is committed to maintaining an accident and injury-free workplace. To accomplish this, Recology provides the best tools and training the industry has to offer.



Prior to joining the collection team, all drivers must have a minimum of one year of experience driving a commercial vehicle and must pass a road-test to demonstrate competency in the operation of a collection vehicle.

### 24/7 “SERVE” Safety Program

Through Recology’s Safety 24/7 “SERVE” program, every manager shares responsibility in our core areas of safety (Safety, Equipment, Report, Vehicles, Engage).

The Safety 24/7 program is a daily commitment to making “Safety First” in everything Recology does. Every manager plays an important role in ensuring employee-owners are trained to the highest standard and equipment is in safe operating condition at all times.

The program is accompanied by a tool kit that teaches drivers the importance of SERVE, helping them to easily remember the correct day-to-day protocols designed to maintain safety. New drivers receive a full week of classroom training, and all drivers receive daily safety briefings and refresher training on an ongoing basis.

In addition, Operations Supervisors are required to conduct regular safety ride-alongs, fleet inspections, and other safety activities with their drivers to look for additional ways to serve customers in the safest possible manner. As part of their annual performance appraisal, managers must achieve targeted frequency reductions.

<b>S</b>	<b>SAFETY IS OUR TOP PRIORITY</b> We plan for success and make the right choices to minimize risk to the lowest possible level in all we do.
<b>E</b>	<b>EQUIPMENT</b> We “inspect what we expect” to eliminate workplace hazards and ensure PPE is available and in use at all times.
<b>R</b>	<b>REPORT</b> We report all incidents and fully investigate to identify opportunities for improvement.
<b>V</b>	<b>VEHICLES</b> We inspect and maintain vehicles to ensure they are in safe operating condition at all times.
<b>E</b>	<b>ENGAGE</b> We recognize that safety is a shared responsibility and work together to keep safety top of mind on a daily basis.

### Employee Safety & Training

Recology is firmly committed to maintaining a drug and alcohol free workplace and exercises its independent authority to administer discipline or penalties for violations of its Substance Abuse Policy which are more stringent than those cited in applicable Department of Transportation (DOT) regulations, but otherwise consistent with relevant laws. Recology complies with the Federal Motor Carrier Safety Administration (FMCSA) regulations requiring the implementation of a controlled substance and alcohol use testing program for employees who drive commercial motor vehicles. Recology has also implemented similar policy provisions for employees not covered by the FMCSA regulations.

All employees will receive general and job-specific safety and health training necessary to perform their respective job assignments correctly and safely. Training will be provided as needed on each unit of stationary and/or mobile equipment, tools, hazardous energy control, PPE, emergency procedures, and all other topics as needed based on a comprehensive training needs assessment. Upon successful completion of the road-test and safe driving background check, Recology also conducts in-depth, industry-specific training for all new hires regardless of prior experience.

Through a combination of classroom and behind the wheel instruction, drivers are set up for success by familiarizing them with the many issues and challenges they might encounter while serving our customers. Training topics include:

- Pedestrian safety
- Missed collection process
- Proper Routeware use
- Overhead hazards
- Operating in alleyways and other tight spaces
- Traffic flow patterns and other everyday characteristics of urban and suburban areas

Additional topics will be included based on a comprehensive safety training needs assessment of the facility, equipment, vehicles, and other exposures identified during the initial assessment of the facility, premises, and operations.

### Health and Safety Management Procedures

Recology's health and safety management procedures follow the Injury and Illness Prevention Program detailed by the California Department of Occupational Safety and Health (Cal/OSHA). Our program is designed to assist managers, supervisors and members of the workforce in accomplishing three major health and safety goals:

- The prevention of work-related injuries and illnesses.



- The prevention of loss of or damage to the property of Recology and others.
- Compliance with applicable safety and health regulations.

Further, safety performance tasks (Safety Performance Task Process) have been developed to establish a method of assigning specific safety responsibilities, and holding responsible persons accountable for performing routine safety duties. Additionally, these safety tasks are factored into the performance appraisals of General and Site Managers, and members of their management teams. Other members of the management team above the site level are held accountable for safety results through accident experience metrics.

Recology has created written operations and safety policies for every aspect of our operation. All employees are trained on these policies and are required to sign off on the policy after they have received training. Recology retains all of the signed policies for each employee. These policies are the foundation for maintaining a safe work environment for our employees and the communities we serve.

Tracking of monthly safety results include:

- Incident frequency for accidents and injuries
- Lost time incidents
- Lost time in hours per employee
- Ongoing tracking of annual results

### **Monthly Safety Meetings**

All Recology employees, from the office staff, Route Managers to drivers and helpers, all are required to attend monthly safety meetings. These mandatory meetings are interactive in nature, requiring active participation, focusing on key operational and workplace safety concerns and addressing a new topic each month.

Recology presents employees with safety information using a variety of approaches.

Our operations facilities and administrative offices have colorful, large format wall posters with current safety messages featuring prominently in multiple locations. Printed training materials are handed out at safety meetings and reminders are posted in our operation facilities and offices. Additionally, themes from the safety meetings are reinforced with employees.

### **Route Supervisor Road Observations**

Recology Route Supervisors' vehicles are equipped with computers and phones so they can spend the majority of their time in the field with their work group. Route Supervisors regularly observe and stop collection vehicles in the field and counsel employees on the spot regarding any positive or negative safety or operational issues observed.

These interactions give Route Supervisors the opportunity to reinforce good performance and counsel drivers and helpers on ways they can address issues of concern. Route Supervisors are held accountable for conducting weekly road observations – the number of observation performed by Route Supervisors are tracked and reviewed at weekly Recology meetings.

### **Injury Prevention with Instinctive Movement System**

In addition, Recology partners with Instinctive Movement System (IMS) to conduct extensive injury

prevention training for all employees and supervisors. IMS teaches employees skills and techniques to help them safely meet the physical demands of an industrial athlete while improving productivity and reducing fatigue.

Drivers practice the skills and techniques every morning at the beginning of their shift, and receive coaching and reminders throughout the day to reinforce the importance of proper lifting and body mechanics.

#### [Routeaware Cameras](#)

Each collection vehicle will be equipped with Routeaware cameras that record while the truck is operating. Digital video information automatically uploads to the office at the end of each day, which can then be reviewed to further resolve customer complaints and accident reports if needed.

The cameras also enable drivers to take photos of collection issues, such as extras or contamination. These are automatically linked directly to the customer's account and can be viewed back at the office immediately.

Routeaware will be phased-in and installed in each collection vehicle over the next few years.

#### [Fleet Safety](#)

Recology is fully committed to outfitting the fleet with DriveCam, which helps to identify and reduce driving behavior that can lead to accidents.

DriveCam is scheduled to be deployed for Recology Sonoma Marin's fleet at the same time as Routeaware. Trucks have been ordered and will be outfitted in FY 2019 and beyond. Additionally, Recology routinely pilots new fleet safety technology that may help drivers avoid accidents.

#### [Post-Accident Safety Trainings](#)

Recology recognizes that accidents can occur. To address the specific issue, Recology works with the affected employees post-accident to re-train them on the specific event that led to the accident. Video of the incident that was captured by the Routeaware video monitoring system will be reviewed with the driver to facilitate training.

#### [Remedial Action](#)

Should there be a Recology company that is underperforming in regards to safety, the Group Safety Manager will work in cooperation with the company's General Manager to develop a detailed action plan to improve results.

General Managers are evaluated regularly for overall performance, based on a variety of metrics, including safety. Additionally, Recology's insurance cost allocation methodology includes a loss sensitive element. This creates personal performance and financial performance incentives to actively promote safety and address underperformance.

#### [Hazardous Waste, E-Waste, and U- Waste Management Protocol](#)

Recology's Environmental Management Program is modeled after international standards. Included in this program is our Hazardous Materials Business Plan that is customized for each location. These plans

are the basis for training in:

- Non-hazardous Materials
- Hazardous Materials
- Emergency Response

These plans are created by our environmental professionals, adopted by the General Manager, and used for training purpose for all employees. Recology is committed to protect the environment and has adopted a Company culture that embraces our environmental policies guidelines.

These guidelines combine several elements to minimize environmental impacts of our operations. This includes an internal environmental audit program along with a “find-it, fix-it” mentality.” Recology has a corporate commitment to prevention by identifying issues, taking immediate corrective action as needed and monitoring progress towards resolution. This helps ensure that environmental requirements are not only met but that environmental management improves over time.

The company employs environmental professionals at the corporate, regional, and local levels. Corporate staff interacts extensively with State and local regulatory agencies; they also provide direction and support to facility-based environmental compliance and operations staff. Regional and local environmental compliance staff works most directly with operational managers to interpret permit and regulatory requirements and keep track of compliance issues at the ground level. Every other month, the entire environmental team assembles for a day-long environmental roundtable and training program. Operations staff at all levels is trained in environmental awareness specifically targeted to their job duties.

A cornerstone in planning and managing the company’s environmental compliance efforts is Recology Online Compliance Tracking System (ROCT). It is a unique and innovative web-based database system to manage and track environmental as well as safety tasks and assignments. ROCT provides Recology with a tool to provide the highest level of environmental compliance to minimize environmental impacts, and foster continual improvement.

ROCT was developed to capture current environmental requirements from all facilities, display scheduled environmental and safety related tasks and assignments, encourage proactive scheduling, and allow modification for future needs. The system also has a reporting functionality for assignments and task completion.

ROCT allows Recology environmental and safety compliance managers to enter in site-specific tasks and assignments, including permit and ongoing monitoring/reporting requirements, local regulations, or regulatory inspections. ROCT incorporates tasks and assignments pertaining to hazardous waste management, including proper storage, handling, shipment, and documentation of electronic and universal wastes. ROCT also retains copies of inspection reports, and can provide historical snapshots of what happened when and how issues were resolved.

The dynamic nature of ROCT provides Recology’s corporate office, general managers, and compliance managers an ability to understand complex environmental and safety program requirements, and allows Recology to be proactive on environmental compliance and stewardship.

Recology's operations are routinely inspected by state and local regulatory agencies. Any items requiring correction are addressed immediately.

In addition to regulatory agency inspections, Recology regularly conducts internal inspections of its operations to assess compliance with environmental requirements. Regional and local environmental compliance staff routinely conducts internal inspections of their sites. Corporate staff also performs compliance inspections to evaluate environmental conditions and hands-on support to resolve compliance issues. Periodically, third-party audits are conducted. Results of inspections and audits are communicated to operations staff, and corrective actions are addressed immediately.

#### Spill Response Plan

As part of Recology's commitment to the environment, we train all of our employees on how best to respond to a spill. We realize that responding quickly, safely and efficiently to all spills, whether they be in the field or at our facility is critical to minimizing the potential effect a spill will have.

All of our facilities have implemented a Spill Prevention Control and Countermeasure Plan. These plans include:

- Information specific to a facility
- General requirements
- Facility discharge prevention measures
- Facility discharge drainage controls
- Countermeasures for discovery, response and cleanup
- Disposal of recovered materials
- Spill reporting and response procedures
- Spill prevention systems
- Inspection test and records
- Personnel training

Spill prevention and response training is provided to all appropriate personnel. The training program is designed to minimize the potential for spills by instructing personnel in the proper operation and maintenance of equipment. Personnel are trained to know that pollution control laws must be observed.

Spill response trainings are conducted as part of the monthly safety meetings. These trainings are intended to assure understanding of proper operating procedures in case of a spill. Documentation of these trainings is maintained for a minimum of three years.

**WORKERS' COMPENSATION**

The Workers' Compensation Safety Performance Report includes the following data and measurements:

**Reported Claims** -- Number of claims reported YTD that have resulted in medical attention.

**Lost Time Claims** -- Number of claims where time off work is > 3 days.

**Incurred Cost-YTD** -- Paid plus reserves for future claim payments and expenses.

**Incidence Frequency Rate (IFR)** -- This is the accident frequency calculation: **[Reported Claims/Labor Hours Worked (x) 200,000]** The resulting rate equates to claims (incidence) per 200,000 labor hours, or per 100 full time equivalents (FTE's) -- effectively, the percentage of the workforce that has been injured. This metric provides a YOY comparison by measuring against LYTD. Results better or worse than LYTD are shown with a **green** or **red** mark, respectively.

**Lost Time Frequency Rate (LTFR)** -- This is the accident severity calculation: **[Lost Time Claims/Labor Hours Worked (x) 200,000]** The resulting rate equates to Lost Time Claims per 200,000 labor hours, or per 100 FTE's -- effectively the percentage of the workforce with injuries serious enough to be off of work > 3 days. Results better or worse than LYTD are shown with a **green** or **red** mark, respectively.

**LTFR Target** -- Recology's 2017 goal is to achieve a 4.9% LTFR reduction over FY 2016. To achieve, each operating company has a goal based on a formula calculation against its prior year results. The higher the prior year experience the more aggressive the current year improvement goal.

**Cost Percent of Payroll** -- This is the accident cost calculation: **[Incurred Cost / Payroll]** The resulting rate equates to WC incurred cost percent of payroll. The YTD rate is compared to the LYTD rate with results better or worse shown with a **green** or **red** mark, respectively.

**AUTOMOBILE/GENERAL LIABILITY**

The Liability (AL/GL) Safety Performance Report includes the following data and measurements:

**Reported Claims** -- Number of automobile & general liability claims reported YTD that have resulted in claims examiner involvement.

**Claims with Incurred Cost Greater than \$1,000** -- These claims are used to calculate our Accident Severity Rate (ASR), and exclude minor, and sometimes disputed or questionable claims with values of less than \$1,000.

**Incurred Cost-YTD** -- Paid plus reserves for future claims payments and expenses.

**Incidence Frequency Rate (IFR)** -- This is the accident frequency calculation: **[Reported Claims/Labor Hours Worked (x) 200,000]** -- The resulting rate equates to Reported Incidents per 200,000 labor hours, or per 100 full time equivalents (FTE's) -- effectively, the percentage of the workforce involved in liability accidents. This metric provides a YOY comparison by measuring against LYTD. Additionally, results are shown with a **green** or **red** mark indicating better or worse, respectively.

**Accident Severity Rate (ASR)** -- This is the accident severity calculation: **[Accidents with Incurred Values >\$1000/Labor Hours Worked (x) 200,000]** -- The resulting rate represents the percentage of the workforce involved in accidents with values greater than \$1,000.

**AL/GL Accident Severity Rate (ASR) Target** -- Recology's 2017 goal is to achieve a 5.7% AL/GL-ASR reduction over FY 2016. To achieve, each operating company has been given a goal based on a formula calculation against its prior year result. The higher the prior year accident experience the more aggressive the current year improvement goal.

**Cost Percent of Revenue** -- This is the AL/GL cost calculation: **[Incurred Cost / Revenue]** -- The resulting rate equates to AL/GL incurred cost percent of revenue. Results are compared YOY and are shown with a **green** or **red** mark indicating better or worse, respectively.



**William Lyons**

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**From:** William Lyons  
**Sent:** Friday, October 14, 2016 10:51 AM  
**To:** \*General Managers  
**Cc:** \*Safety Peer Group; Mike Sangiacomo; George McGrath; Mark Lomele; Dave Vaughn; Julie Bertani-Kiser; Jessica Ernst; Alphonso Gipson; Kathy Jamison; Stephanie Ruiz; Adam Tabak  
**Subject:** Safety Performance Report - Sept. 2016 | Safety Target Achievement Results  
**Attachments:** Safety Performance Reports FY 2016 - Sept.pdf; WC Safety Target Achievement FY2016.pdf; ALGL Safety Target Achievement FY2016.pdf  
  
**Follow Up Flag:** Follow up  
**Flag Status:** Completed

All,

Attached is the Fiscal Year-end 2016 Safety Performance Report, as well as the FY 2016 Safety Target achievements for the Workers' Compensation Lost Time Frequency Rates and the Automobile/General Liability Accident Severity Rates. Overall the results are outstanding. A summary follows:

**Workers' Compensation: Very Positive Results with All Green!!**

- WC Incidence Frequency Rate (WC-IFR) – **down 21%** over last-year-to date (LYTD)
- WC Lost Time Frequency Rate (WC-LTFR) – **down 50.3%** over LYTD and achieving target
- WC Cost Percent of Payroll – **down 42%** (losses capped at \$250K/claim) over LYTD

**Automobile/General Liability: Very Positive Results with All Green!!**

- AL/GL Incidence Rate (AL/GL-IR) – **down 21.2%** over LYTD
- AL/GL Accident Severity Rate (AL/GL-ASR) – **down 28.3%** over LYTD
- AL/GL Target Achievement – **Yes**
- AL/GL Cost Percent of Revenue – **down 34.1%** over LYTD

Details by group and operating company with additional observations are included in the attached.

Please let me know if you have any questions.

-Bill

**William P. Lyons, Jr.**

Director, Risk Management & Environmental Compliance

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WASTE ZERO

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## Director's Corner



**Dramatic Improvement in the Accident Experience!** Congratulations on an outstanding Fiscal Year (FY) 2016 with dramatic improvement in the employee and vehicle related accidents across Recology. Through collaborative and focused ideas, tactics, and strategies all of our 2016 safety metrics were "green", indicating better than last year (FY2015) and achieved or better than targets.

For the first quarter of FY2017 the workers' compensation metrics remain green, while we are seeing mixed results on the automobile/general liability (AL/GL) experience. This notwithstanding there is time to bring the AL/GL back to the green.

Looking forward, some new and innovative programs are here or on the horizon to help continue to improve the accident experience. Currently Recology CleanScapes is piloting **Body Mechanics** (aka The Industrial Athlete) aimed at reducing strains and sprains. We are exploring expanding this pilot to other Recology companies. Aurora Pictures video streaming is now available to all Recology companies providing a vast library of training materials and videos to freshen your safety training. We continue to expand the use of DriveCam with deployments scheduled in the North and Central groups this year. And all of our Emergency Operations/Business Continuity Plans have been updated and are accessible in the Emergency Response tab.

To conclude, take a look at some of the current industry and Recology initiatives and innovations that are posted on this Home page.

## View 2017 Solar Eclipse Safely



*A total solar eclipse is about as bright as the full Moon — and just as safe to look at.  
But the Sun at any other time is dangerously bright; view it only through special-purpose safe solar filters.*

## Detailed Facility Review

### Detailed Findings

Below, the following details are presented for each facility: Facility name, Facility Type, a summary description and summary table. The narrative summary provides information on the violations noted in the Inspection Reports. The table shown below each facility categorizes the types of violations recorded over the review period (shaded cell indicates one or more violations recorded).

#### San Francisco Solid Waste Transfer and Recycling Center

Facility Type: Transfer Processing – Large Volume

Summary: Over the course of the review period, Inspection Reports for San Francisco Solid Waste Transfer and Recycling Center noted repeated violations for permits and permit filing requirements and controls violations, as follows: (1) exceeding the current traffic limit of 1,100 Vehicles Per Day (VPD) associated with the Solid Waste Facility Permit and (2) the need to control and prevent rodents (Vector, Bird and Animal Control). After a series of violations related to exceeding the traffic limit, an application to increase the maximum traffic volume from 1,100 VPD; the LEA accepted the application as complete in May 2017. The most recent violation was recorded In June 2017.

San Francisco Solid Waste Transfer and Recycling Center				
Permits and Filings	Operating Criteria	Controls	Health & Safety	Equipment & Maintenance

#### Recycle Center at Pier 96

Facility Type: Transfer Processing – Large Volume

Summary: Over the course of the review period, Inspection Reports for Recycle Center at Pier 96 noted repeated violations for operating criteria and controls violations, as follows: (1) the need to monitor the conditions of the roads within the facility and repair as needed to ensure roads are maintained in safe condition (Operating Criteria), (2) the need to control and prevent rodents, and (3) take steps to minimize bird attraction, including pigeons and sea gulls (Vector, Bird and Animal Control). The most recent violation was recorded In August 2016.

Recycle Center at Pier 96				
Permits and Filings	Operating Criteria	Controls	Health & Safety	Equipment & Maintenance

#### Recology Vallejo

Facility Type: Transfer Processing – Large Volume

Summary: Over the course of the review period, Inspection Reports for Recology Vallejo noted violations for permit-related and operating criteria violations, as follows: (1) submitting self-monitoring program results to the LEA later than the 25 days following the end of the reporting period, (2) not documenting a small fire and evacuation of the sort line incident in the special occurrences log, (3) verbally self-reported over permitted maximum tonnages; facility later modified

Recology Vallejo				
Permits and Filings	Operating Criteria	Controls	Health & Safety	Equipment & Maintenance

internal tracking system so that total tonnage can be seen in real time and staff trained to monitor and adjust deliveries so that 300 tpd maximum is not exceeded, (4) daily tonnage report was not consistent with the above mentioned self-reported data, and (5) not notifying the LEA within the 24-hour required notification window of an incident of odor on the recyclables sort line which caused a temporary evacuation of the building; the incident was properly documented in the special/unusual occurrences log. The most recent violation was recorded in April 2017.

### San Bruno Transfer Station

Facility Type: Transfer Processing – Large Volume

Summary: There were no violations noted in the Inspection Reports for San Bruno Transfer Station over the course of the review period.

San Bruno Transfer Station				
Permits and Filings	Operating Criteria	Controls	Health & Safety	Equipment & Maintenance

### Recology San Martin Transfer Station

Facility Type: Transfer Processing – Large Volume

Summary:

There were no violations noted in the Inspection Reports for Recology San Martin Transfer Station over the course of the review period.

Recology San Martin Transfer Station				
Permits and Filings	Operating Criteria	Controls	Health & Safety	Equipment & Maintenance

### Shoreway Environmental Center

(Note: Recology is the majority shareholder of the operator of this facility, South Bay Recycling. The facility is owned by the South Bayside Waste Management Authority)

Facility Type: Transfer Processing – Large Volume

Summary: There were no violations noted in the Inspection Reports for Shoreway Environmental Center over the course of the review period.

Shoreway Environmental Center				
Permits and Filings	Operating Criteria	Controls	Health & Safety	Equipment & Maintenance

### Crown Recycling Services

Facility Type: Transfer Processing – Large Volume

Summary: Review Period Limited to Time of Ownership: March 2015 – Mid-Year 2017

Recology acquired this facility in March 2015. Due to permit violations by the previous owner, the facility operated under a Cease and Desist Order issued by the City of Los Angeles LEA in 2004. Recology's permit application to bring the facility into compliance was accepted by the LEA in February 2016, less than a year after they acquired the facility. In

Crown Recycling Services				
Permits and Filings	Operating Criteria	Controls	Health & Safety	Equipment & Maintenance

a phone conversation on September 18, 2017, the City's LEA was complimentary of Recology's actions to bring the facility into compliance. This facility has since been sold to Athens Services. Inspection Reports for Crown Recycling Services noted repeated violations for permits and filings during the review period. The most recent violation was recorded in November 2016.

### **Recology Hay Road**

Facility Type: Landfill and ACW (Asbestos Containing Waste) Disposal Site

Recology Hay Road		
Permits and Filings	Landfill Specific	

Summary: Over the course of the review period, the Inspection Reports for Recology Hay Road noted violations for: (1) two incidents of failure to notify the LEA within 24 hours of disposal of hazardous waste soil, (2) exceeding the permitted maximum tonnage of 2400 tons per day (on multiple dates), (3) late filing of monthly tonnage report and monthly vehicle count reports, (4) accepting tonnage on four days (i.e., Thanksgiving Day, Christmas Day, New Year's Day, and Easter Day) when the facility is closed per the compost permit, according to tonnage reports and vehicle count reports submitted, and (5) daily cover and alternative daily cover. The most recent violation was recorded in July 2017.

### **Jepson Prairie Organics Composting Facility**

Facility Type: Composting Facility – Mixed Waste

Jepson Prairie Organics Composting Facility		
Permits and Filings	Composting Specific	

Summary: Over the course of the review period, the Inspection Reports for Jepson Prairie Organics Composting Facility noted violations for (1) untimely submittal of a D.O. report to the LEA, (2) accepting tonnage on four days (i.e., Thanksgiving Day, Christmas Day, New Year's Day, and Easter Day) when the facility is closed per the compost permit, according to tonnage reports and vehicle count reports submitted, (3) failure to conduct specific testing, annual employee training, and record maintenance log entries, (4) leachate control problems associated with ducts, fans, and drainage; and (5) use of an unapproved liquid to water down compost windrows, feedstock and roads. The most recent violation was recorded in May 2017.

### **Recology Blossom Valley (Vernalis)**

Facility Type: Composting Facility – Mixed Waste

Recology Blossom Valley (Vernalis)		
Permits and Filings	Composting Specific	

Summary: Over the course of the review period, the Inspection Reports for Recology Blossom Valley (Vernalis) noted violations for (1) exceeding the site's permit for the facility with regards to compost feedstock going into windrows with a maximum height and width (an Amendment was later accepted to address this violation), (2) exceeding the site's daily permitted tonnage of 2,000 tons per day, based on the site's first quarter 2016 tonnage records, (3) late in sending notice to the enforcement agency via telephone or email of a fire that occurred on a large compost pile at the site (special occurrence), (4) Report of Composting Site Information indicated that several of the listed equipment were down, with one down for nearly six weeks; and (5) pathogen levels temperature maintained. The most recent violation was recorded in May 2017.

**Recology Blossom Valley Organics (South)**

Facility Type: Composting Facility – Mixed Waste

Summary: Over the course of the review period, the Inspection Reports for Recology Blossom Valley Organics (South) noted one violation for pathogen levels exceeded. The most recent (and only) violation was recorded in February 2015.

Recology Blossom Valley Organics (South)		
Permits and Filings	Composting Specific	

**Recology Blossom Valley (North/Modesto)**

Facility Type: Composting Facility – Green Waste

Summary: Over the course of the review period, the Inspection Reports for Recology Blossom Valley North/Modesto noted one violation for exceeding the maximum inbound tonnage limit of 125 tons per day several times during the prior quarter. Several changes were put in place by the General Manager to reduce the chance of the facility exceeding its inbound tonnage limit. The most recent (and only) violation was recorded in January 2017.

Recology Blossom Valley (North/Modesto)		
Permits and Filings	Composting Specific	

**Table 13.B**  
**Types of Violations at Key Recology Facilities, Sorted by Facility Description**

Recology Status	Facility Description				Types of Violations						
	Facility Name	SWIS Number	Facility Type <sup>1</sup>	Area	Permits & Filings	Operating Criteria	Controls	Health & Safety	Equipment & Maintenance	Landfill Specific	Composting Specific
Owner	San Francisco Solid Waste Transfer & Recycling Center	38-AA-0001	TS/PROC	San Francisco							
Owner	Recycle Central at Pier 96	38-AA-0012	TS/PROC	San Francisco							
Owner	Recology Vallejo	48-AA-0089	TS/PROC	Vallejo							
Owner	San Bruno Transfer Station	41-AA-0014	TS/PROC	San Bruno							
Owner	Recology San Martin Transfer Station	43-AA-0003	TS/PROC	San Martin							
Operator	Shoreway Environmental Center	41-AA-0016	TS/PROC	San Carlos							
Owner	Crown Recycling Services	19-AR-0303	TS/PROC	Los Angeles							
Owner	Recology Hay Road	48-AA-0002	SW LF and ACW Disp	Vacaville							
Owner	Jepson Prairie Organics Composting Facility	48-AA-0083	COMP – Mixed	Vacaville							
Owner	Recology Blossom Valley (Vernalis)	50-AA-0020	COMP – Mixed	San Joaquin County							
Owner	Recology Blossom Valley Organics - South	15-AA-0307	COMP – Mixed	Kern County							
Owner	Recology Blossom Valley (North/Modesto)	50-AA-0015	COMP – Green	Stanislaus County							

<sup>1</sup> Facility Type includes:

TS/PROC = Transfer/Processing – Large Volume

SW LF and ACW Disp = Solid Waste Landfill, ACW (Asbestos Containing Waste) Disposal Site

COMP – Mixed = Composting Facility – Mixed Waste

COMP – Green = Composting Facility – Green Waste



## CUSTOMER SERVICE

### Customer Service Plan

Recology will implement the Recology Customer Relationship Management System (RCRM) database to manage and handle the customer interactions.

#### ***Call Center Hours of Operation***

Customer Service office hours will be between 7:00 AM to 6:00 PM, Monday through Friday, and 7 AM to 3 PM on Saturdays. The call center will be located at 3400 Standish Ave in Santa Rosa.

#### ***Customer Service Workflow***

The Call Center will be equipped with a ShoreTel Voice Over IP (VOIP) phone system with unified communications and contact center capabilities. ShoreTel's solutions are built to scale, grow, and evolve as needed. The ShoreTel system is centrally managed through an intuitive server interface that makes complex tasks easier to accomplish. Recology IT staff can manage the system from anywhere on the network or from anywhere there is internet connectivity.

The ShoreTel system allows Recology to create customized queues for Automatic Call Distribution (ACD). Any call is routed through the ShoreTel system, placed into the appropriate queue, and automatically distributed to the next available CSSs. Supervisors can monitor progress in the queue.

All customer data and interactions are recorded in the Recology Customer Relationship Management (RCRM) system. The RCRM system is an IBM iSeries-based system that was developed over the past 28 years to provide functionality specific to the collection and recycling business. This software is updated to accommodate changes in the industry and new government regulations. The system records the history of all customer-related service and interactions, including:

- ☐ Customer and service level information
- ☐ Billing and payment history
- ☐ Customer service issues and inquiries
- ☐ Routing
- ☐ Ticketing
- ☐ Dispatching

Recology's customer concern resolution process focuses on accountability and up-to-date information. For each service request, a work order (or "ticket") is created in the RCRM system. The tickets are time-stamped, and remain open until the request is completed. Once completed, a "resolution" is entered in the system, featuring a closing date, time, and detailed nature of the inquiry/resolution.

Recology Customer Service Specialists (CSS) will also address in-office inquiries, such as billing questions, service adjustments, and opening or closing accounts. Route dispatchers ensure that any inquiry that needs to be addressed in the field (such as special pickup requests) is dispatched to the appropriate driver and addressed as soon as possible.

Customer concerns requiring a follow-up call will be entered as “tickets” in the RCRM system and sent to either a Route Supervisor or a CSS for call back within 24 hours of resolution.

When the driver returns to the yard at the end of the shift, the dispatcher debriefs the driver and reviews any tickets that were sent throughout the day. Any tickets for resolution by the Operations Supervisor will be created.

In addition, Recology creates an open ticket report at the end of each day to ensure open tickets are delivered to dispatch for distribution to drivers. Copies of open ticket reports are provided to department managers at the close of each business day so the manager may follow up on outstanding concerns and appropriately distribute workloads.

### ***Billing Inquires***

Billing is a module within the RCRM software, and customer service information and billing information are therefore fully integrated. Customers with billing concerns can contact the call center, where all CSS are trained to address billing concerns and make adjustments as necessary in the RCRM system.

Billing for on-call and roll-off services will immediately reflect all changes made to service levels. When roll-off work orders are confirmed and posted, charges for exchanges or pulls are created. These charges refer back to the service that generated them and are viewable by CSSs. Any charges generated for additional services, such as a third on-call collection, and any credits are also available for review by CSSs.

All charges and credits eventually appear on the bill that is provided to the customer, and a history of those bills is available to the CSSs for review. This data aids the CSSs with answering customer billing questions.

Customers can also access the Recology website 24 hours a day, seven days a week to view and pay their bill or submit billing inquiries.

### ***Phone System***

Recology’s Call Center will be equipped with a ShoreTel Voice Over IP (VOIP) phone system with unified communications and contact center capabilities. A single PRI (Primary Rate Interface) is capable of handling 23 calls at one time; and Recology can implement multiple PRIs.

With a small energy footprint, a single ShoreTel module will support 90 phones and voicemail boxes with 56 hours of voicemail storage. Adding more phones and voicemail boxes is as simple as adding another ShoreTel module, making expandability almost unlimited. Additionally, the Call Center will have immediate access to interpreters in over 175 languages through AT&T’s Language Line. Recology will also identify multi-lingual CSSs. A TDD relay service will be used to provide customer service to hearing impaired customers.



**Website**

Recology maintains a website with pages tailored to each of its service areas, and would create similar sites for each jurisdiction served.

Recology's online Account Management capabilities allow customers to manage their account at their own pace. After a simple enrollment process, (which requires the customer's account number and service address for validation), customers can view their current service levels and scheduled service days. Online Account Management enables customers to:

- ❑ Request service changes
- ❑ Change contact and billing information
- ❑ Submit enquiries
- ❑ View and pay their bill
- ❑ View their next billing cycle
- ❑ Request special services
- ❑ View current service rates
- ❑ Learn about services and programs

Beyond Account Management, Recology offer a variety of other information on its websites designed to educate customers on Recology's services and programs. Content would be tailored, and could include:

- ❑ Links to outreach and education material
- ❑ Announcements on new programs and services
- ❑ Standard service descriptions
- ❑ A "Contact Us" function, allowing customers to contact Recology
- ❑ Links to upcoming events

Recology also uses social media to help spread its Waste Zero mission and educate customers on services. If awarded the Collection Service Agreement, Recology would create and maintain a Facebook page specific to the area served, which would serve as an additional method for Recology to share service updates, and community events, tips on sustainable living, and news.

**Staffing Levels**

Recology's call center will be staffed with Customer Service Specialists (CSSs) with a ratio of approximately 1 CSSs per 4,080 customers.

Based upon Recology's experience in similar service areas, this staffing ratio will ensure excellent customer service and minimize wait times. Recology's tools and software allow for a best practice of 80 calls per CSS per day.

**Payment Options**

Recology accepts bill payments online, over the telephone, in-person, or as recurring monthly charges. The majority of Recology's customer bills are produced on paper and mailed to customers. However, a growing number of Recology's customers prefer to pay their bills electronically.

Customers have the option to receive their bills and make payments electronically over a secure website through Recology's e-BillPay product. Payments can be made from credit card, checking, or savings accounts, accessed through the website.

In addition, Recology offers customers the option of paying their service bills via recurring Automated Clearing House (ACH) direct debits from a customer-authorized bank account. To pay by ACH debit, customers must provide Recology the applicable bank account information and authorize the deduction from their bank account.

Recology also accepts in-person bill payment at its Call Center. Recology's CSSs can also process payments made over the phone using a checking or savings account, or by credit or debit card. CSSs accept these payments using the e-Bill Pay option, which processes the payment electronically and eliminates the need to take payment checks to the bank.

# CUSTOMER SERVICE

## PRIORITIZING CUSTOMER SERVICE

Recology San Mateo County's local call center is staffed by employee-owners dedicated to providing prompt responses to customers' billing and service inquiries. Instead of navigating through impersonal "call trees," calls are answered by a live person in an average of 17 seconds.

## QUALITY ASSURANCE PROGRAM

Recology San Mateo County's Customer Service Manager coordinates the Quality Assurance Program. This program includes two components: quality assurance employee training and outbound quality assurance calls made by Customer Service Representatives (CSRs).

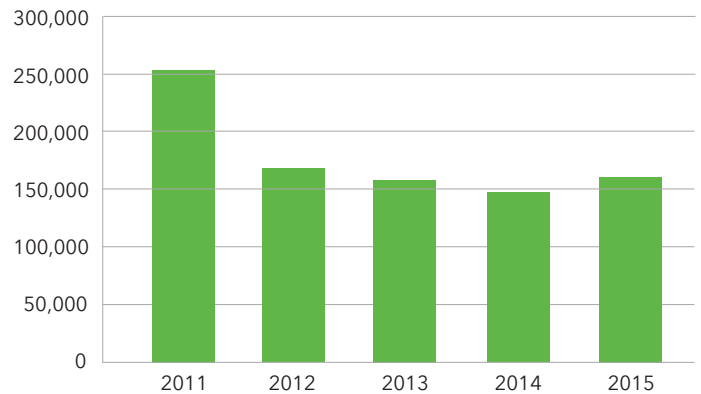
### Quality Assurance Training

Recology San Mateo County's Customer Service Department conducts ongoing CSR training utilizing the current phone system to monitor customer service calls. During monitored calls, the Customer Service Manager and Supervisor will complete an evaluation of the CSR's competencies in multiple categories. The results of the evaluation are then reviewed with the CSR to aid in continual training efforts.

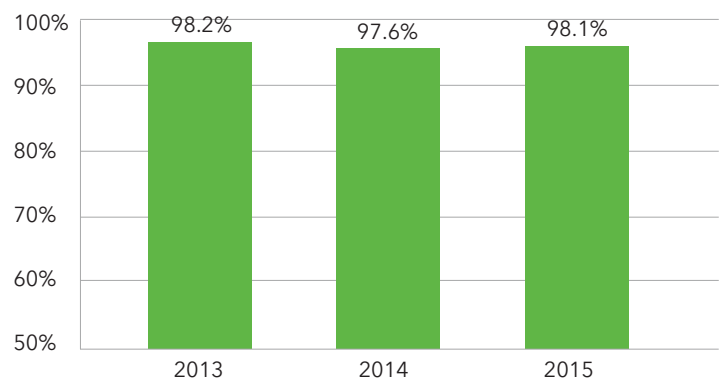
### Outbound Calls

Recology San Mateo County closely tracks the company's overall performance and customer satisfaction in order to maintain high-quality service. In 2011, the outbound quality assurance calls focused on quality of service by drivers in the field. CSRs placed approximately 200 calls per month to customers in order to gauge customer satisfaction with curbside services. While the program offered useful feedback, it was difficult to accurately determine the number of satisfied customers.

Total Calls Received  
2011-2015

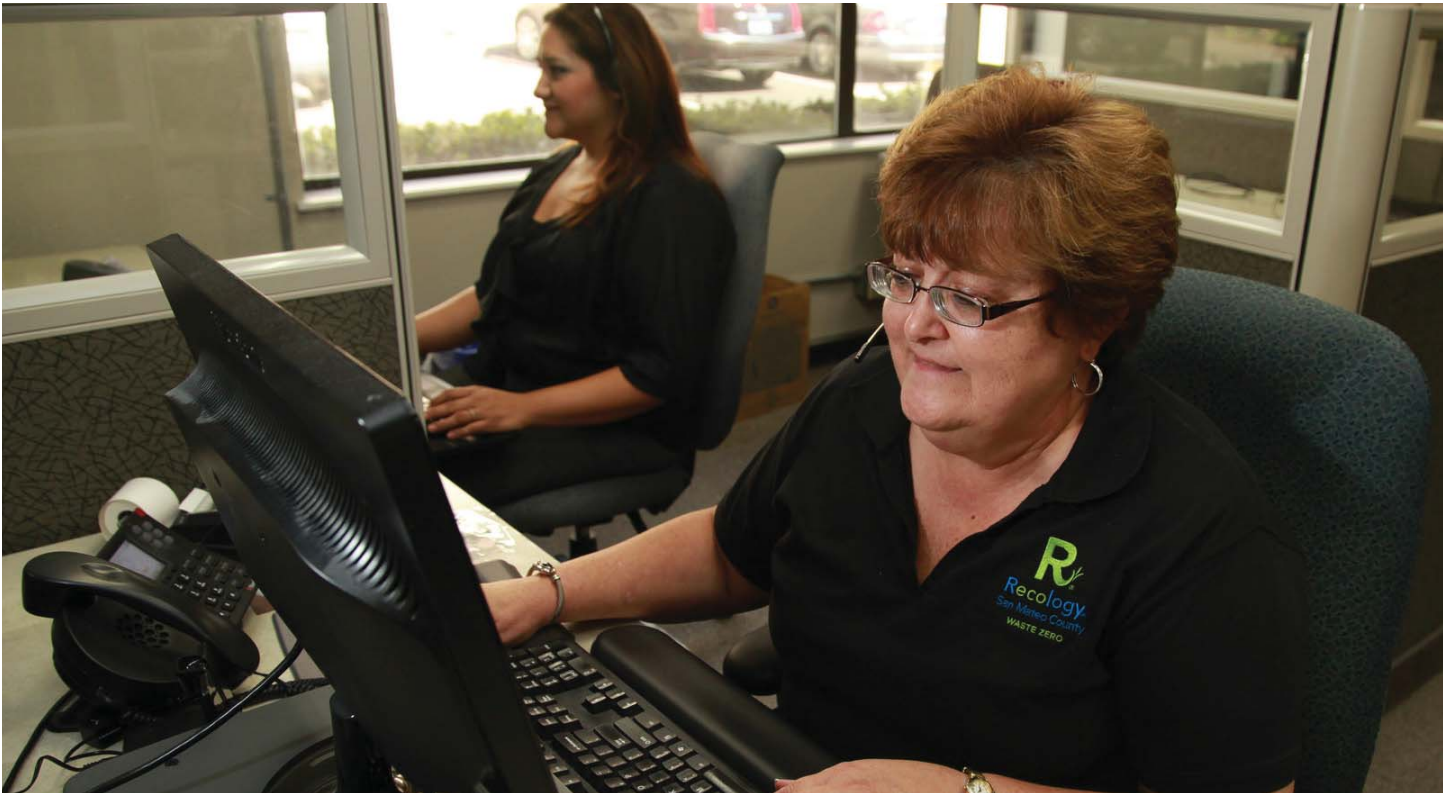


% Customer Satisfaction  
2013-2015



The program was amended in July 2013 to focus on the customer service experience as a whole. CSRs place outbound follow-up calls to customers within one day of contacting the call center to measure the customer's level of satisfaction with service.

Recology San Mateo County's Customer Service Department has consistently maintained a satisfaction rating of 97.6% or greater.



### CUSTOMER SATISFACTION SURVEY

In early 2012, the SBWMA commissioned Godbe Research to conduct a survey to assess overall customer service satisfaction and awareness of new programs that began in January 2011. The results of this survey indicated high satisfaction with Recology San Mateo County services, with an Overall Quality of Service Satisfaction rating of 91.9%

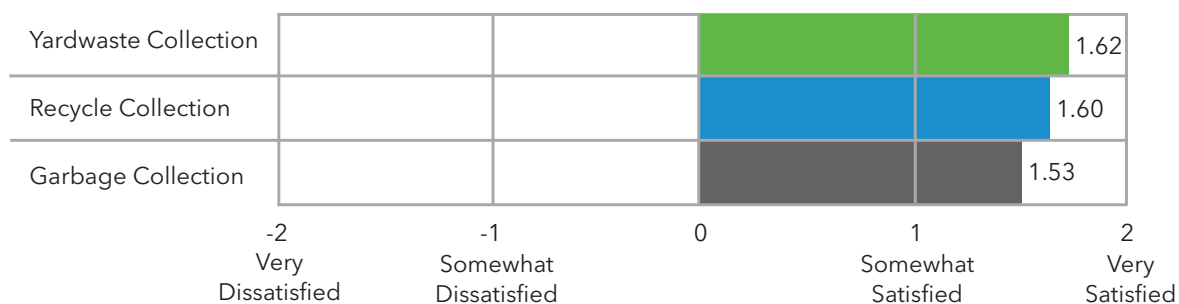
In a Godbe Research study conducted for the City of Menlo Park, Recology San Mateo County collection services received a high level of satisfaction as indicated in the chart below.



Recology is the first service company to 'wow' me, with prompt responses to my issue. From the driver who came quickly to my home, to the customer service representatives on the phone, Recology is awesome. I want to make sure supervisors are aware.

**Menlo Park Residential Customer, 2014**

Summary of Godbe Research Results in the  
City of Menlo Park



## DIVERSION PLANS

### Diversion

Recology is redefining the waste industry by finding new ways to process and reuse what was once considered waste – “achieving the best and highest use of all resources.” Recology’s mission represents a fundamental shift from traditional waste management. Recology strives to recover more recyclables to be repurposed into new products and also places great emphasis on transforming organics to nutrient-rich soil amendments.

To support diversion goals, Recology offers dedicated Waste Zero Specialists. These individuals will be Recology’s diversion liaisons in the community, responsible for such tasks as:

- ❑ Offering comprehensive, multi-faceted outreach to all customers, tailored to resident and business type
- ❑ Coordinating and producing education events, including educational efforts in Santa Rosa schools.
- ❑ Supporting local community service organizations
- ❑ Offering technical assistance to help all customers implement services and optimize diversion, including on-site training for businesses
- ❑ Outreach to homeowners’ associations, business groups, multi-family tenants, and environmental organizations
- ❑ Conducting site visits to educate customers on diversion goals, contamination concerns, and new programs
- ❑ On-site waste audits to help customers divert more material from the MSW stream and minimize contamination in the recycling and organics stream

The following sections provide an overview of the diversion programs targeting each customer stream and material type. More information related to Recology’s education and outreach philosophies and materials can be found in the Education and Outreach Plan. All outreach materials are tailored to each jurisdiction and franchise agreement. That way each customer is receiving accurate information that is specific to their service area.

### ***Single-Family Recycling Program***

Recology has many successful programs that contribute to higher diversion. Some of those programs include working with the municipality and its residents to launch a Green Block Leader Program, which has been a successful tool to promote diversion programs among single-family residents in other Recology service areas. The program educates residents to become local advocates of their diversion programs. Recology staff attends the neighborhood gatherings hosted by the Green Block Leaders to educate residents on their programs and services. This personal and local approach is an effective way to encourage single-family customers to increase their diversion efforts.

### ***Single-Family Organics Program***

To help customers participate in their organics collection program, Recology's educational outreach focuses on parsing the topic of "food scraps recycling" into manageable customer "behaviors" that would make the change easier for residents. Recology would set a measurable goal, determine barriers and benefits, and then develop a strategy and messaging.



The campaign message can reach the public through various tactics, such as the program brochures, public events, media, and community groups (such as the Green Block Leader Program described in the "Single-Family Recycling Program" above). By using this focused, integrated approach, the jurisdiction will systematically increase participation in the food scrap program over time.

### ***Multi-Family Recycling Program***

This program, led by the Waste Zero Specialists, is designed to help increase recycling participation among multi-family customers.

Recology has offered recycling services in urban environments for decades, and has found that multi-family complexes often have varying levels of participation. Small multi-family complexes (typically four to six units) are often more consistent with recycling participation. Larger complexes, however, face a different set of challenges to achieving diversion, including:

- ❑ Tenant turnover, which requires frequent and consistent messaging, outreach, and education to stay on diversion targets.
- ❑ Off-site and/or disengaged property managers who are reluctant to support diversion programs.
- ❑ Garbage chutes, which can discourage tenants from successful source-separation.
- ❑ Space constraints, which can impact the ability to offer containers for three material streams.

Recology's Multi-Family Recycling Outreach Program can address these obstacles through a variety of outreach and education efforts. To encourage recycling participation, Recology can:

- ❑ Partner with homeowners' associations, resident organizations, and property managers to educate tenants on available programs.
- ❑ Offer specialized outreach and education material, such as the Recycling "Buddy Bags" distributed during the initial Recycling Blitz. Recology aims to increase tenant participation in recycling programs by providing easy-to-use tools and informative education pieces.
- ❑ Conduct comprehensive, on-site waste audits to maximize recycling participation and minimize contamination.
- ❑ Recommend service level changes and container placement to optimize participation.
- ❑ Suggest additional equipment, if necessary. This could include compactors for buildings with space constraints, or helping to find creative solutions to accommodate container placement for three material streams.



### ***Multi-Family Organics Program***

Recology can work with the jurisdictions to offer programs that aim to help multi-family customers adopt organics collection. Under these types of programs, the Waste Zero Specialists can offer multi-family properties comprehensive waste audits and tailored outreach and education specific to implementing organics programs at their properties. This could include:

- ❑ Comprehensive, on-site waste audits to maximize organics participation and minimize contamination.
- ❑ Partnerships with homeowners' associations, resident organizations, and property managers to educate tenants on organics.
- ❑ Organics 101 Workshops, led by a Recology Waste Zero Specialist. The Workshop:
  - ❑ Discusses the materials accepted in the complex's organics program
  - ❑ Educates residents on the environmental benefits of composting, including the reduction in greenhouse gas emissions at the landfill, and nutrient-rich compost that is created from their food scraps
  - ❑ Provides details on steps to participate in the program
  - ❑ Introduces the residents' Organics Kitchen Pail, to aid in countertop collection
  - ❑ Provides an array of educational material, developed in coordination with the City.

### ***Commercial Recycling Program***

Recology can also offer programs that aim to help commercial customers see their blue recycling carts/bins as a primary container for diversion. The program focuses on bringing high-volume generators into compliance early on, while ramping up diversion efforts thereafter.

- ❑ Step 1: Recology's Waste Zero Specialists reach out to commercial accounts that generate eight yards of MSW or more per week to maximize their recycling levels. Accounts producing large amounts of MSW typically have greater recycling opportunities that have not yet been realized, and will be encouraged to adjust their service levels to capture more recycling.
- ❑ Step 2: The program's threshold will be expanded to capture a greater array of accounts. Customers who produce four to seven yards of MSW per week can then receive outreach from the Waste Zero Team to encourage greater recycling adoption.
- ❑ Step 3: Adjust program to encompass all commercial customers with low diversion levels. These customers will be identified through service level analysis conducted by the Waste Zero Team.

Recology's Waste Zero Specialists can also conduct waste audits and tailored outreach during the various phases of the Recycling Outreach Program. The waste audits analyze a particular customer's material stream, with a focus on the diversion options available to customers by business type. The assessments include:

- ❑ Verification of Services: The Waste Zero Specialist will document container sizes, quantity, and bin descriptions (such as bin numbers and specifications)
- ❑ Assessment: Taking into account the total volume of material, the Waste Zero Specialist will evaluate the percentage in each category: organic, recycling, and solid waste
- ❑ Follow up with customer: The customer will be notified of the assessment results and any service level recommendations

After the customer agrees to implement the assessment recommended changes, the Waste Zero Specialist may:

- ❑ Work with Recology's Operations and Customer Service departments to implement service level changes
- ❑ Recommend additional equipment, if necessary. This could include compactors for buildings with space constraints, or helping to find creative solutions to accommodate container placement for three material streams.
- ❑ Provide Public Educational Tools: Posters, flyers, brochures, and internal containers.
- ❑ Provide further educational material, presentations, and on-site training for employees.

### ***Commercial Organics Program***

Recology can offer programs that help commercial customers implement organics collection programs, helping customers to comply with AB 1826 and increase their overall diversion rates to help achieve the jurisdiction's goals. The messaging of the Commercial Organics Program can be communicated to customers alongside the messaging of the Commercial Recycling Program, helping customers embrace the concept of a three-material stream sorting system.

Similar to the Commercial Recycling Outreach Program, the Organics Program can also include waste audits (conducted in tandem with the Commercial Recycling Program waste audits) and educational outreach to optimize organics participation. The Program features several different components designed to achieve higher diversion levels throughout the Agreement:

- ❑ Step 1: The Waste Zero Team can reach out to commercial customers that are estimated to generate four yards or more of organics per week to ensure they are participating in organics service and complying with the requirements of AB 1826. The Team will help customers identify organics diversion opportunities and optimize participation.
- ❑ Step 2: The program will be expanded to customers who produce four yards or more of MSW per week, complying with AB 1826.
- ❑ Step 3: The program will focus on customers with a overall low diversion levels.







# Public Education & Outreach Plan

Recology Sonoma Marin

## SUMMARY

Recology has a passion for recycling that dates back to the 1920s, and a long and proud history of educating communities on the benefits of waste reduction. We strive to create compelling and informative outreach and education programs to help excite our customers about participation in diversion programs.

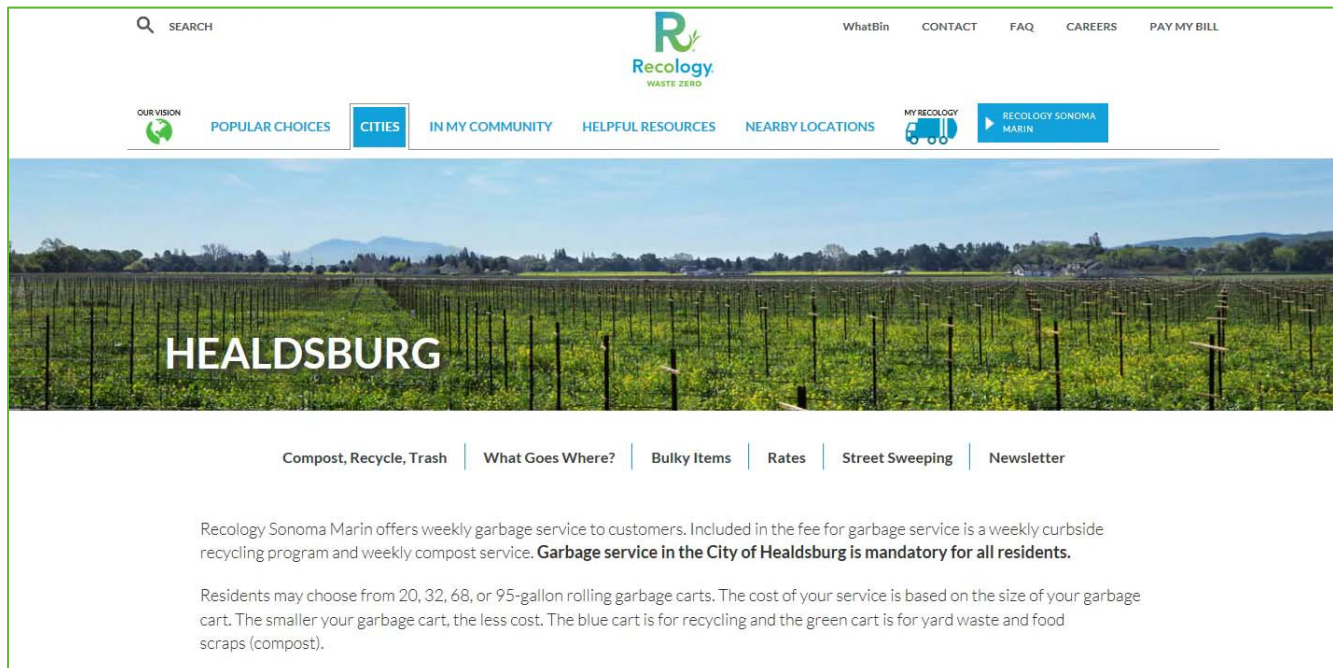
The Recology Sonoma Marin Waste Zero Team will use a variety of strategies to ensure that public schools, commercial businesses, multi-family residential properties, and single family homes are informed of the diversion programs available to them and have the necessary tools for success.

These strategies include:

- Website
- Newsletters
- Mailers
- Signage
- Brochures
- Presentations
- Waste Zero Events

## WEBSITE

All Recology locations can be found at [www.Recology.com](http://www.Recology.com). The website is well maintained, user friendly, and mobile friendly. We have developed a sub-site for each jurisdiction that is ready for review. Below is an example:



Recology sees a world without waste™

## NEWSLETTERS

Recology Sonoma Marin will develop and mail out tailored bi-annual newsletters for residents and businesses.



Recology Sunset Scavenger and Recology Golden Gate, your local recycling companies | Recycle | Compost
 July – September 2014

### Recycle & compost bins tell it like it is

**O**ur blue and green bins are always ready to receive the things we toss. If, by some crazy magic, these sentries of the sidewalk could speak, what would they say?

**Blue:** Feed me more clean paper, such as computer paper, stationery, and envelopes. San Francisco does a good job of recycling, but people still toss paper in trash bins. When you put paper in me, we save trees, and energy, and water. And another great reason to recycle more — Recycling creates 10 times more jobs than landfilling or incineration.

**Us:** I hear you about paper Blue, but sometimes it can be hard to know which items can be recycled and which can't.

**Blue:** Feed me all cans and all glass and plastic bottles, and things made of hard or stiff plastic like yogurt containers and plastic cups. But no plastic bags. They wrap around recycling equipment in the big building where materials are sorted and baled.

**Us:** OK. I'm with you on those things Blue. And Green? Can you talk too?

**Green:** I absolutely love coffee grounds and food scraps. Please feed me all you've got. The scraps become compost that goes to local farms, orchards, and vineyards. But I also see far too many things tossed in the trash that definitely should be tossed in me.

**Us:** Hmm. Yes. I've heard good things about the compost program.

**Green:** I'll eat what you don't. When you clean out the fridge, feed me all food scraps, plant cuttings, and food-soiled paper like used napkins and paper towels.

**Us:** Even spoiled lunch meat?

**Green:** Yes, and steak bones and pizza crusts, and crab shells, all that stuff and more.

**Us:** You have quite an appetite.

**Green:** I'm insatiable. Remember, when we make compost we give local farms a great alternative to synthetic (chemical) fertilizers. Compost feeds the soil. Farms grow your food.

**Us:** Those are very good points. More scraps for you. Since we are talking, I'm curious — can we really get to zero waste?

**Blue:** We can and we must. Recycling and compost programs are highly effective ways to help protect the environment. Think of the trash bin as a last resort. Trash bins are portals to landfills and incinerators. Things tossed in the trash do not get recycled.



**Green:** San Francisco's goal is for the trash bin to get smaller and smaller and eventually go away. Starve your trash bin. Think — more blue, more green.

**Us:** Wow. We must talk again.

**Blue:** Let's do it, and let's recycle more.

**Green:** Feed me more too, and I'll tell you more great things about composting.

### Zero Waste is an international movement

**S**an Francisco is a leader in the pursuit of Zero Waste, and other cities and countries are studying our recycling policies and programs in an effort to better manage waste and its effects on the environment.

San Francisco aims to achieve Zero Waste, to send next to nothing to landfill, by 2020. Seattle and Portland are making similar pushes, and in May the City of Minneapolis passed a Zero Waste goal.

Nearly every month a delegation from another large city in the United States or from another country comes to San Francisco to see our recycling programs firsthand. The concept of Zero Waste is also being discussed in New York City, London, Vancouver, and Israel.

Romauno, a leading TV station based in Italy, sent a crew to San Francisco earlier this year to document our city's efforts to achieve Zero. Reporter Fabio Esposito's 39-minute profile aired on May 23 and can be seen on YouTube. Complément d'enquête, a French news program modeled after 60 Minutes, sent a crew to San Francisco last year and dedicated an entire show to "poubelles un monde sans déchet" (a world without waste bins).

Zero Waste Europe, an independent initiative bringing together organizations and municipalities committed to eliminating waste, hosted a conference in Paris in February to advance the platform. More than 400 people from 15 countries attended. Two delegations from France visited San Francisco this spring. One made the journey to Jepson Prairie Organics, a Recology compost facility outside Vacaville, which turns food scraps and plant cuttings collected from city residences and businesses into nutrient-rich compost.

And on May 28, *Le Monde*, the largest newspaper in France, published a feature story on San Francisco's Zero Waste initiative and posted the report, a sidebar story, and a slide show on [LeMonde.fr](http://LeMonde.fr).

San Franciscans have embraced recycling and composting and have taken additional steps to make further progress toward our goal of Zero. Every effort, no matter how small, has multiple benefits — it keeps materials out of landfills, saves resources including water, and supports green jobs.

People around the world increasingly understand that everyone must help protect the environment by reducing the amount of waste we produce and recycling as much as possible. Thank you for helping make it happen.



Learn more about recycling from your local recycling companies at [www.RecologySF.com](http://www.RecologySF.com)



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## MAILERS

Recology Sonoma Marin will design four tailored campaigns per year for the jurisdiction, and will promote them through bill inserts, postcard mailers, and web. All new customers will also be sent an introductory postcard and overview of services.

# Lettuce Compost Your Organics

IT'S THE LAW

**Recology**  
Mountain View  
WASTE ZERO

EFFECTIVE JANUARY 1, 2017, California Law AB1826 will require commercial customers that generate FOUR (4) or more cubic yards of organic material per week to enroll in compost service.  
*Organic material includes food scraps, soiled paper, and plant trimmings.*

Please call Recology Mountain View at 650.967.3034 to enroll.

**Recology**  
WASTE ZERO

250 Executive Park Blvd., #2100  
San Francisco, CA 94134

PRSR STD  
US POSTAGE  
PAID  
TRADE LITHO

# Why is it important to recycle and compost?

¿Por que es importante el reciclaje y el abono?

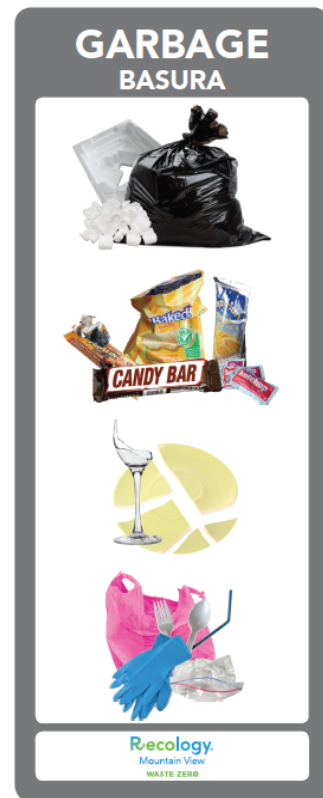
為什麼回收和堆肥是如此重要？

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## SIGNAGE

Recology Sonoma Marin will maintain an extensive inventory of signage to help elevate diversion programs and ensure success, including: indoor and outdoor horizontal or vertical image based labels, large posters in English and Spanish languages, school specific posters, and “We proudly Compost & Recycle here!” window clings.



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## BROCHURES

Recology Sonoma Marin will develop several informational brochures specific to each customer type and their needs, including: commercial customer service guides, multi-family residential property manager service guides, and multi-family residential tenant move-out guides.

### Recycle More, Save More! It's a GREEN idea!

Internal Recycle and Compost containers are available at no additional charge.\*

### Technical Assistance

Have you gone through your garbage lately? Few businesses do. Call us to schedule an appointment with one of our friendly and knowledgeable Recycling Coordinators who can provide on-site technical assistance to help divert more materials from your waste. We'll also answer any questions you have about how to recycle items such as ink jet cartridges and packing materials, as well as reuse opportunities for a variety of items such as office supplies, furniture and equipment.

If you're interested in knowing what you're throwing away, call us at (650) 595-3900 to schedule a waste audit. Because smaller garbage containers and fewer pickups may result in cost savings.

\*Subject to availability.

### Recology San Mateo County

We deliver the highest quality customer service, are committed to environmental protection efforts and emphasize professionalism in all undertakings. Everything Recology does is founded on a single principle: provide superior service while controlling costs.

We hope you take advantage of the services we have to offer you and your business. Together, with our continued recycling efforts, we can all make a difference to conserve natural resources and reduce the waste that goes to the local landfill.

Recology San Mateo County offers a free Language Line, with over 170 different languages, through our Customer Service Department. Please call (650) 595-3900 for more information.

Recology San Mateo County ofrece una línea telefónica gratis de idiomas, con más de 170 idiomas diferentes, por nuestro departamento de servicio al cliente. Por favor llame a (650) 595-3900 para más información.

Recology San Mateo County 提供免費的語言線，共有超過170種不同的語言。請致電 (650) 595-3900 獲取更多信息。

Recology  
San Mateo County  
WASTE ZERO  
RecologySanMateoCounty.com

RethinkWaste  
Recycling is the new norm.  
RethinkWaste.org

This brochure is also available online at [RecologySanMateoCounty.com](http://RecologySanMateoCounty.com)

Printed on recycled paper with soy based inks.

### Are You Throwing Your Money Away?

### Recycling is SMART Business!

### BizSMART

**Start Saving Now!**

**Recology**  
San Mateo County  
WASTE ZERO

### Recycling Information for Commercial Customers

### Compost Program

*Think there isn't anything you can compost? Think again!*

Don't send your food scraps and landscape material to the landfill, compost them instead. We encourage you to start composting at your business or facility. A successful program can help **reduce garbage fees**, save landfill space and close the loop by returning food scraps back to the earth. Your bottom line and the environment will benefit.

**Compost collection services are offered at a REDUCED rate.**

**You CAN Compost:**

- Food and kitchen prep scraps, cooked and uncooked food
- Food and beverage waste, paper products
- Coffee grounds and filters
- Ground paper and cardboard
- Gooden produce crates and pallets
- Tree stumps, leaves, flowers and branches

**NO...**

- Auto tires, toys, milk jugs with full liner
- Auto parts and tires
- Refrigerators, A/C units, clean paper, plastic (numbered 1-7)
- Auto fluids
- Auto parts
- Auto tires
- Auto seats
- Auto seats, food containers and packing peanuts
- Auto seats
- Hazardous waste

**Questions?**  
Call us at: (650) 595-3900  
or email us at: [greenyourbiz@recology.com](mailto:greenyourbiz@recology.com)

### Single-Stream Recycling

You can now place all of your recyclables into one container.

Commercial customers that subscribe to garbage collection service are entitled to Single-Stream recycling service at no additional charge.

By increasing recycling and reducing your garbage, it's possible to lower your garbage service fees, which may result in cost savings. You can also show your customers, employees or tenants that you care about your impact on the environment and increase your visibility as a community leader. That's an opportunity you can't afford to pass up, which is why recycling is truly SMART business!

**You CAN Recycle:**

- Cardboard
- Glass bottles and jars
- Plastic containers numbered 1-7
- Styrofoam packing peanuts
- Metal cans
- Office paper, newspaper, junk mail, magazines, phone books, soft cover books
- Small rigid metal
- Shredded paper (in clear, sealed plastic bags and placed in the Recycle Fast on Bag)

**NO...**

- Batteries and oil products
- Black plastic and plastic carry-out
- Drummers and drums
- Food and beverage
- Food
- Food wrappers
- Garbage
- Garbage hoses
- Auto or toy milk boxes with full liner
- Wet or soiled containers
- Heavy plastic, car tires
- Plastic bags
- Plastic racks
- Plastic film, shrink wrap, pallet wrap and bubble wrap
- Rubber bands
- Recycling or other hangars
- Stumps
- Styrofoam packing, food containers and packing peanuts
- Tires
- Window and coating glasses
- Wires, benches, chairs and cables
- Wood, concrete, asphalt, stones and bricks

### Commercial Containers

Commercial containers come in a variety of sizes to suit your Recycle, Compost and Garbage service needs.

#### BizSMART Carts

SIZE	LENGTH	WIDTH	HEIGHT
20-gallons	24"	19.25"	37.5"
32-gallons	24.25"	19.25"	38.5"
64-gallons	31.75"	24.25"	41.75"
96-gallons	35.25"	29.75"	43.25"

#### BizSMART Bins

Commercial Bins are available in a variety of sizes. The most common sized bins are listed below.\* However, larger bins including 9, 15, 20, 30 and 40 cubic yards are also available. Call us at (650) 595-3900 or visit us online at [RecologySanMateoCounty.com](http://RecologySanMateoCounty.com) for more information.

SIZE	LENGTH	WIDTH	HEIGHT
1 cubic yard	72"	24"	28"
2-cubic yards	72"	34.5"	34.5"
3-cubic yards	72"	41.5"	41.5"
4-cubic yards	72"	50.5"	48"
6-cubic yards	72"	66"	50"
8-cubic yards	72"	72"	56"

\*Container characteristics may vary.

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## PRESENTATIONS

The Recology Sonoma Marin Waste Zero Team will be well-equipped to provide hands-on educational presentations for kids at schools, as well as for businesses or HOAs. Our school programs are designed to engage students on waste reduction, recycling and resource conservation. Programs are tailored to align with the classroom curriculum and interests of teachers and students alike.



## WASTE ZERO EVENTS

In addition to hosting a Waste Zero educational table at community events, Recology Sonoma Marin will also provide recycling, compost, and trash clear stream stand event receptacles.





## OUTREACH AND EDUCATION PLANS

### Outreach and Education

Please see the Public Education and Outreach Plan previously provided for more details on Recology's philosophies and materials for outreach and education within the communities we serve.

Recology has set the industry standard for attractive, clear, user-friendly customer education materials. Recology is excited to offer attractive and informative service brochures, commercial and multi-family sorting posters, flyers, and other tools to educate residents and businesses.

Recology tailors its public education and outreach programs to meet the needs of single-family, multi-family, and commercial customers. Educational tools available for use include "How to" guides to food scrap collection, AB 341 and AB 1826 compliance notices, and colorful sorting posters for each material stream.

Additionally, the Waste Zero team can conduct waste audits. Recology's Specialists conduct in-field assessments of all three material streams to help identify and maximize diversion opportunities. To accomplish this, the Specialists will call on multi-family or commercial properties.

Once on site, the Specialist analyzes each of the customer's material streams, with a focus on the diversion options available to customers by business type.

The Specialist may then suggest methods to help capture more divertible material and reduce contamination. This could include right-sizing service levels to capture more recycling or organics, evaluating equipment needs, suggesting alternative container placements, or helping with employee trainings. Educational material such as posters, flyers, and internal containers can also be provided as needed.

In addition to education tools and waste audits, Recology can offer, the jurisdiction, its residents, and its businesses:

- ❑ School assemblies and classroom projects to help the next generation embrace the Waste Zero message
- ❑ Organics 101 Workshops to educate customers on their organics program
- ❑ Partnerships with business groups to help further the diversion message
- ❑ Technical assistance to help customers implement services and optimize diversion, including on-site training for businesses



# SORRY,

there was a problem with  
your COMPOST pick-up today.

DATE: \_\_\_\_\_

*Please remove the following:*

- ☐ Aluminum trays/foil
- ☐ Black bags
- ☐ Glass
- ☐ Hazardous waste/E-waste
- ☐ Plastic containers
- ☐ Plastic shrink wrap
- ☐ Styrofoam
- ☐ Other \_\_\_\_\_

*Call Customer Service once the  
items noted above have been  
removed.*

**(650) 967-3034**



**ACCEPTED  
COMPOSTABLE ITEMS:**

Food scraps, soiled paper  
products, and plant  
trimmings

Compostable items can be  
placed in clear plastic bags.

COMPOST TAG

DATE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

- ☐ Aluminum trays/foil
- ☐ Black bags
- ☐ Glass
- ☐ Hazardous waste/E-waste
- ☐ Plastic containers
- ☐ Plastic shrink wrap
- ☐ Styrofoam
- ☐ Other \_\_\_\_\_

# SORRY,

there was a problem with  
your **RECYCLING** pick-up today.

DATE: \_\_\_\_\_

*Please remove the following:*

- ☐ Black bags
- ☐ Construction debris
- ☐ Food waste
- ☐ Furniture
- ☐ Hazardous waste/E-waste
- ☐ Plastic shrink wrap
- ☐ Soiled paper products
- ☐ Styrofoam
- ☐ Other \_\_\_\_\_

*Call Customer Service once the  
items noted above have been  
removed.*

**(650) 967-3034**



## ACCEPTED RECYCLABLE ITEMS:

**Cardboard Recycling**  
flattened cardboard ONLY

**Mixed Recycling**  
Plastic bottles & tubs,  
aluminum cans/trays/foil, tin  
cans, glass bottles & jars,  
paper, and flattened cardboard

**RECYCLING TAG**

DATE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

- ☐ Black bags
- ☐ Construction debris
- ☐ Food waste
- ☐ Furniture
- ☐ Hazardous waste/E-waste
- ☐ Plastic shrink wrap
- ☐ Soiled paper products
- ☐ Styrofoam
- ☐ Other \_\_\_\_\_

ATTACHMENT 18  
Agreement Terms

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
<b>TERM</b>								
Term	Section 1.28 / pg. 5	6/30/2025	Section 3.2 / pg. 12	6/30/2023	3.1.A / pg. 16	12/31/2020	4 / pg. 2	6/30/2029
Extension	Section 3.3 / pg. 11	up to 1 year	Section 3.2 / pg. 12	5 yr option offered by City on or about 3/15/22	3.1.B / pg. 16	3 1-year extensions, 180-day extension for transition		None
Extension Terms	n/a	n/a	Section 3.2 / pg. 12	Must meet performance requirements	3.1.B / pg. 16	At City sole discretion		None
<b>DIVERSION REQUIREMENTS</b>								
Minimum Diversion	Exhibit B, Section 9	50%, or as required by Applicable Law, or as set by Sonoma Countywide solid waste management plan	Exhibit B, Section 8	50%, or as required by Applicable Law, or as set by Sonoma Countywide solid waste management plan	3.11	Set by State		None
<b>SCOPE OF SERVICES</b>								
<b>SINGLE FAMILY RESIDENTIAL</b>								
Refuse	Exhibit A, Section 1.1	1x/week	Exhibit A, Section 1	1x/week	3.2.A / pg. 16 Exhibit A.2 / pg. A-2	1x/week	3	As requested
Recyclable Materials	Exhibit A, Section 1.5	1x/week (up to 2 carts free)	Exhibit A, Section 5	1x/week (up to 2 carts free)	3.2.A / pg. 16 Exhibit A.2 / pg. A-2	1x/week	27a / pg. 18	1x/week; materials listed
Green Materials	Exhibit A, Section 1.6	1x/week (up to 2 carts free)	Exhibit A, Section 6	1x/week (up to 2 carts free)	3.2.A / pg. 16 Exhibit A.2 / pg. A-2	1x/week	29 / pg. 19	1x/week; not disposed or used as ADC, or beneficial reuse at landfill
Used Oil & Filter Collection	n/a	n/a	n/a	n/a	Exhibit A.3 / pg. 81 of pdf, A-5 of printed	Collected as recyclable	34 / pg. 23	Curbside weekly, by appointment
Food Waste	Exhibit A, Section 1.6	1x/week (up to 2 carts free)	Exhibit A, Section 6	1x/week (up to 2 carts free)	Article 1 / pg. 5	Exclusive franchise		Yes
Clean-up Events	Exhibit A, Section 1.7	1 annual curbside cleanup / year	Exhibit A, Section 11	2 annual curbside cleanup days/yr	Exhibit A.6 / pg. 85	1 per year		Not provided
Items collected during Clean-up Events	Exhibit A, Section 1.7	2 items/event or 1 item + 7 bags/event or 14 bags (2 CY) /event	Exhibit A, Section 11	2 items/event or 1 item + 7 bags/event or 14 bags (2 CY) /event	Exhibit A.6 / pg. 85	2 cy / 1 major appliance + 8 bags, boxes, or cans / 2 appliances		Not provided
Holiday Collection Services	Exhibit A, Section 1.8	1 Drop Box location Dec 26 mid-Jan  Curbside collection for one week as agreed upon by City	Exhibit A, Section 12	1 Drop Box location Dec 26 mid-Jan  Curbside collection for one week as agreed upon by City	Exhibit A.7 / pg. 86	2 weeks following Christmas		Not provided
Bulky Item Collection	Exhibit A, Section 1.14	Additional Fee beyond annual clean up event	Exhibit A, Section 18	Additional Fee beyond 2 free cleanup collection events	Exhibit A.8 / pg. 86	Fee for service	30 / pg. 20	2x/year (one in spring, one in fall). Advertised. 3 cy/cleanup.
Backyard/Side-Yard Service	n/a	n/a			Exhibit A.9 / pg. 87	Free to disabled or frail customers		Not provided
<b>MULTI-FAMILY RESIDENTIAL</b>								

ATTACHMENT 18  
Agreement Terms

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
<b>TERM</b>								
Term	2.3 / pg. 13	12/31/2025 EXCEPT IF ASSIGNED; then, 7 years from assignment	Section 3.2 / pg. 15	12/31/2027	Section 3.3 / pg. 13	6/30/2020	Section 2.01 / pg. 9	12/31/2017
Extension	2.4 / pg. 13	60 months at District discretion	n/a	n/a	Section 3.4 / pg. 13	5 yr option at Contractor's request by 6/2018	n/a	City has entered into an agreement with Recology beginning 1/1/18
Extension Terms	2.4 / pg. 13	Contractor met diversion req; if agreement is assigned, no extension	n/a	n/a	Section 3.4.1 / pg. 13	Must meet performance and diversion standards	n/a	n/a
<b>DIVERSION REQUIREMENTS</b>								
Minimum Diversion	4.9 / pg. 34	60% by 2015; 70% by 12/31/2020; 80% by 12/31/2025	Section 1.40, pg. 7	50%, or as required by Applicable Law	Section 3.4.4 / pg. 13	45% annual diversion	Section 5.01 / pg. 20	50%
<b>SCOPE OF SERVICES</b>								
<b>SINGLE FAMILY RESIDENTIAL</b>								
Refuse	4.2.7 / pg. 21	Yes	Section 5.1.2 / pg. 22	1x/week	Section 5.2.1 / pg. 17	1x/week	Section 7.03 / pg. 21	1x/week
Recyclable Materials	4.2.8 / pg. 21	Free	Section 5.2.2 / pg. 24	1x/week	Section 5.3.1 & Exhibit E	1x/week	Section 7.03 / pg. 21	1x/week *cardboard may be placed next to cart
Green Materials	4.2.9 / pg. 23	Free until 3 carts; food waste pails and home compost bins available to customers at cost	Section 5.3.2 / pg. 25	1x/week	Section 5.4.1 / pg. 21	1x/week	Section 7.03 / pg. 21	1x/week
Used Oil & Filter Collection	4.8.1 / pg. 33	Accepted at drop-off	Section 5.6 / pg. 27	Curbside weekly	Section 5.2.5 / pg. 18	Curbside weekly	Section 7.17 . pg. 26-27	up to 16 quarts of used oil and 2 used oil filters/collection
Food Waste	1.57 / pg. 9	Yes	Section 5.3.2 / pg. 25	1x/week	not offered	not offered		
Clean-up Events		Not provided	Section 5.4.1 / pg. 26	2 annual curbside cleanup days/yr	Section 5.2.4 / pg. 17-18	2 annual curbside clean-up days/yr	Section 7.18.1 / pg. 27	Up to 480 CY/contract year Roll-off containers provided as requested by contract administrator
Items collected during Clean-up Events		Not provided	Section 5.4.1 / pg. 26	4 CY/event max 1 major appliance	Section 5.2.4 / pg. 17-18	2 items/event or 1 item + 7 bags/event or 14 bags (2 CY) /event		
Holiday Collection Services	4.2.9 / pg. 24	1 week in January	Section 5.5 / pg. 27	2 Drop Box locations Dec 26-3rd Mon in Jan  Curbside collection Dec 26- Jan 20	Sections 5.3.4 & 5.4.3/ pg. 20 & 22	Bundled boxes and trees collected curbside 2 weeks following Christmas Day, and tree drop off at City Corp yard	Section 7.19 / pg. 28	Collection of trees set out for collection during first 2 weeks of January
Bulky Item Collection	4.2.10 / pg. 24	4x per year; 3 cy or 4 items per collection;	Exhibit 1	Additional Fee	n/a	n/a	Section 7.16.1 / pg. 25	up to 4 collections/yr 3 large items or 3CY/collection
Backyard/Side-Yard Service	4.2.4 / pg. 21	Yes, at a fee unless disabled	n/a	n/a	n/a	n/a	n/a	n/a
<b>MULTI-FAMILY RESIDENTIAL</b>								

ATTACHMENT 18  
Agreement Terms

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
Refuse	Exhibit A, Section 1.1	1x/week	Exhibit A, Section 2	1x/week	3.2.A Exhibit A.2.B / pg. A-3	Exclusive franchise	3	As requested
Recyclable Materials	Exhibit A, Section 1.5	1x/week (up to 2 carts free)	Exhibit A, Section 5	1x/week	3.2.A Exhibit A.2.B / pg. A-3	1x/week, same level as SFD	27a / pg. 18	1x/week; materials listed
Used Oil & Filter Collection								
Green Materials	Exhibit A, Section 1.6	1x/week (up to 2 carts free)	Exhibit A, Section 6	1x/week (up to 2 carts free)	3.2.A Exhibit A.2.B / pg. A-3	Exclusive franchise	29 / pg. 19	1x/week; not disposed or used as ADC, or beneficial reuse at landfill
Food Waste	Exhibit A, Section 1.6	1x/week (up to 2 carts free)	Exhibit A, Section 6	1x/week (up to 2 carts free)	Article 1 / pg. 5	Exclusive franchise		Yes
Clean-up Events	Exhibit A, Section 1.7	1 annual curbside cleanup / year	Exhibit A, Section 11	2 annual curbside cleanup days/yr	Exhibit A.6 / pg. 85	1 per year; "tenants" allowed		Not provided
Items collected during Clean-up Events	Exhibit A, Section 1.7	2 items/event or 1 item + 7 bags/event or 14 bags (2 CY) /event	Exhibit A, Section 11	2 items/event or 1 item + 7 bags/event or 14 bags (2 CY) /event	Exhibit A.6 / pg. 85	2 cy / 1 major appliance + 8 bags, boxes, or cans / 2 appliances		Not provided
Holiday Collection Services	Exhibit A, Section 1.8	1 Drop Box location Dec 26 mid-Jan  Curbside collection for one week as agreed upon by City	Exhibit A, Section 12	1 Drop Box location Dec 26 mid-Jan  Curbside collection for one week as agreed upon by City	Exhibit A.7 / pg. 86	2 weeks following Christmas		Not provided
Bulky Item Collection					Exhibit A.8 / pg. 86	Bulky Item Pickup Fee for service	30 / pg. 20	Bulky item pickup as "residential" customer. 2x/year (one in spring, one in fall). Advertised. 3 cy/cleanup.
COMMERCIAL								
Refuse	Exhibit A, Section 1.1	1x/week	Exhibit A, Section 3	1x/week	3.2.A Exhibit A.2.C / pg. A-4	Frequency requested by customer	3	As requested
Recyclable Materials	Exhibit A, Section 1.5	1x/week (up to 2 carts free)	Exhibit A, Section 5	1x/week	3.2.A Exhibit A.2.C / pg. A-4	Frequency requested by customer	27a / pg. 18 Exhibit A	Shall provide to customers, and outreach as requested. Unlimited at no charge.
Green Materials	Exhibit A, Section 1.6	1x/week (up to 2 carts free)	Exhibit A, Section 6	1x/week (up to 2 carts free)	3.2.A Exhibit A.2.C / pg. A-4 Exhibit A.18 / pg. A-15	Frequency requested by customer		Likely not provided
Food Waste	Exhibit A, Section 1.6	1x/week (additional charge)	Exhibit A, Section 6	1x/week	Article 1 / pg. 5	Exclusive franchise		Likely not provided
Other Services					Exhibit A.8 / pg. 86	Fee for service	Exhibit A	Fee for other services are set
CITY SERVICES								
Refuse	Exhibit A / Section 1.9 & Exhibit F	All City buildings and properties	Exhibit A, Section 14	All City buildings and properties	Exhibit A.10 / pg. A-11	Listed in Exhibit F; no charge	10 / pg. 7 15 / pg. 8 Exhibit C	Yes; 4 locations; no charge

ATTACHMENT 18  
Agreement Terms

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
Refuse	4.3 / pg. 25	Frequency as determined between company and customer	Sections 5.1.3, 5.1.4 / pg. 23	1x/week	Section 5.2.2 / pg. 17	1x/week	Section 8.02.2 / pg. 31	1x/week
Recyclable Materials	4.3 / pg. 25	Free; Frequency as determined between company and customer	Section 5.2.3, 5.2.4 / pg. 24	1x/week	Section 5.3.2 & Exhibit E	1x/week	Section 8.03.2 / pg. 32	1x/week
Used Oil & Filter Collection	4.8.1 / pg. 33	Accepted at drop-off					Section 8.07.4 / pg. 35	up to 16 quarts of used oil and 2 used oil filters/collection
Green Materials	4.3 / pg. 25	Free; Frequency as determined between company and customer; food waste pails available to customers at cost	Section 5.3.3, 5.2.4 / pg. 25	1x/week	Section 5.42 / pg. 21	every other week	Section 8.04.1	Offered to MFD Service Units that perform their own landscape work
Food Waste	1.57 / pg. 9	Yes	Section 5.3.3, 5.2.4 / pg. 25	1x/week	not offered	not offered		
Clean-up Events		Not provided	Section 5.4.1 / pg. 26	2 annual curbside cleanup days/yr	Section 5.2.4 / pg. 17-18	2 annual curbside clean-up days/yr		
Items collected during Clean-up Events		Not provided	Section 5.4.1 / pg. 26	4 CY/event max 1 major appliance	Section 5.2.4 / pg. 17-18	2 items/event or 1 item + 7 bags/event or 14 bags (2 CY)/event		
Holiday Collection Services	4.2.9 / pg. 23	1 week in January	Section 5.5 / pg. 27	2 Drop Box locations Dec 26-3rd Mon in Jan Curbside collection Dec 26 - Jan 20	Section 5.4.3 / pg. 22	Trees collected curbside 2 weeks following Christmas Day, and tree drop off at City Corp yard		
Bulky Item Collection	4.4.3 / pg. 31	In a manner agreed between manager and company					Section 8.06 / pg. 33	at the request of the MFD service unit management
<b>COMMERCIAL</b>								
Refuse	4.3 / pg. 25	Frequency as determined between company and customer	Sections 5.1.5 / pg. 23	1x/week	Section 5.2.3 / pg. 17	1x/week	Section 9.02.2 / pg. 38	1x/week
Recyclable Materials	4.3 / pg. 25	Free; Frequency as determined between company and customer	Section 5.2.5 / pg. 24	1x/week	Section 5.3.3 & Exhibit F	1x/week	Section 9.03.2 / pg. 39	1x/week
Green Materials	4.3 / pg. 25	Frequency as determined between company and customer	Section 5.3.5 / pg. 25	1x/week	Section 5.42 / pg. 21	every other week	Section 9.06.1	Offered to Commercial service units that perform their own landscape work
Food Waste	1.57 / pg. 9	Yes	Section 5.3.5 / pg. 25	1x/week	Section 5.42 / pg. 21	every other week		
Other Services								
<b>CITY SERVICES</b>								
Refuse		Not provided, except for street cans	Section 5.7 / pg. 27	All City locations (public litter cans daily 6 day/week)	Section 5.6 & Exhibit A	All City locations	Section 9.02.2 / pg. 38	1x/week

ATTACHMENT 18  
Agreement Terms

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
Recyclable Materials	Exhibit A / Section 1.9	All City buildings and properties	Exhibit A, Section 14	All City buildings and properties	Exhibit A.10 / pg. A-11	Listed in Exhibit F; no charge		Not specified
Green Materials	Exhibit A / Section 1.9	All City buildings and properties	Exhibit A, Section 14	All City buildings and properties	Exhibit A.10 / pg. A-11	Listed in Exhibit F; no charge		Not specified
Food Waste	Exhibit A / Section 1.9	All City buildings and properties	Exhibit A, Section 14	All City buildings and properties	Exhibit A.10 / pg. A-11	Listed in Exhibit F; no charge		Not provided
Batteries	n/a	n/a	n/a	n/a	Exhibit A.21 / pg. A-16	City-sponsored locations at no charge		Not provided
Special Events	Exhibit A / Section 1.10 & 1.11	20 ea. Recycling & Solid Waste Carts, serviced through bins at on-going public events 5 community clean-up events/yr	Exhibit A, Section 15	20 ea. Recycling & Solid Waste Carts, serviced through bins at on-going public events and 1 20-CY box for up to 5 community clean-up events/yr	Exhibit G / pg. G-1	40 events per year at no charge	15 / pg. 8-9	Up to 10 additional events as requested
Portable Toilet Service	Exhibit A / Section 1.10	3 portable toilets at six special events up to 12 days per year	Exhibit A, Section 14	3 portable toilets at six special events up to 12 days per year	Exhibit G / pg. G-1	40 events per year at no charge		No
E-Waste	n/a	n/a	n/a	n/a				Not provided
Street Sweeping	Exhibit A, Section 3	Commercial weekly Residential at least once per month, up to 3 x/mo. From Sept - Jan	Exhibit A, Section 22	commercial and residential streets at least once per week	Exhibit G / pg. G-1 Exhibit H / pg. H-1	40 events per year at no charge	33 / pg. 23 Exhibit F	Provided
<b>CONSTRUCTION &amp; DEMOLITION</b>								
Temporary C&D (Exclusive)	Exhibit A / Section 1.4	included as part of exclusive services	Exhibit A, Section 3	included as part of exclusive services	3.2 / pg. 16	Exclusive franchise	3 / pg. 2	Debris boxes provided in accordance with County C&D Ordinance
<b>BILLING</b>								
Single-Family Residential	Section 5.1 / pg. 12	contractor billing	Section 5.1	contractor billing	Section 6.1 pg. 29	contractor billing		Not specified; contractor assumed

ATTACHMENT 18  
Agreement Terms

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
Recyclable Materials		Not provided	Section 5.7 / pg. 27	All City locations (public litter cans daily 6 day/week)	Section 5.6 & Exhibit A	All City locations	Section 9.03.2 / pg. 39	1x/week
Green Materials		Not provided	Section 5.7 / pg. 27	All City locations	Section 5.6 & Exhibit A	All City locations	Section 9.06.1	Offered to Commercial service units that perform their own landscape work
Food Waste		Not provided	Section 5.7 / pg. 27	All City locations	not offered	not offered		
Batteries		Not provided	n/a	n/a	Section 5.5 / pg. 22	Collection from City Facilities		
Special Events		Not provided	Section 5.8 / pg. 28	up to 12 events/year	Section 5.6 & Exhibit C	All City-sponsored events	Section 10.6 / pg. 42	Solid waste and recycling needs adequately and properly provided at no cost to City or non-profit sponsor of event
Portable Toilet Service		Not provided	n/a	n/a	Section 5.6	City parks & facilities as scheduled	Section 10.6 / pg. 42 Section 16.05 / pg. 55 Exhibit 5	Portable toilet needs adequately and properly provided at no cost to City or non-profit sponsor of event  portable toilets for Recreation and Parks Facilities
E-Waste	4.7.2 / pg. 33	Sort e-waste, assist with surveys, provide supervisor	n/a	n/a	Section 5.13.4	Annual E-waste collection drop-off event		
Street Sweeping		Not provided	Section 7.3 / pg. 39	City Streets Weekly: Nov 1-Feb 28 Every Other Week: Mar 1- Oct 31 Park Lots as scheduled weekly or every other week Downtown District streets and alleys: Daily	Section 5.15 / pg. 35	Weekly City Streets Bi-Weekly bike paths and public parking lots	Exhibit 2	Residential: 1x/month Commercial: 2x/week Arterials: 2x/month Median Islands: 2x/month Downtown& parking lots: 3x/week City Park parking lots: 2x/month Laguna Treatment Plant and Fire Training Center: 1x/month 9th Street Bird Rookery 3x/week April-Aug Compost Facility 1x/week
CONSTRUCTION & DEMOLITION								
Temporary C&D (Exclusive)	2.8 / pg. 14	Exclusive franchise	n/a	Permit System	n/a	Non-Exclusive		
BILLING								
Single-Family Residential	5.1 / pg. 43	contractor billing; quarterly except monthly for bin service; paperless (Exhibit 4)	Section 9.2	contractor billing	Section 6.1 / pg. 37	contractor billing	Section 4.01 / pg. 14	contractor billing



ATTACHMENT 18  
Agreement Terms

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
Multi-Family Residential	Section 5.1 / pg. 12	contractor billing	Section 5.1	contractor billing	Section 6.1 pg. 29	contractor billing		Not specified; contractor assumed
Commercial	Section 5.1 / pg. 12	contractor billing	Section 5.1	contractor billing	Section 6.1 pg. 29	contractor billing		Not specified; contractor assumed
<b>FACILITIES</b>								
Disposal	Exhibit J	nothing listed	Section 4.3, pg. 13 & Exhibit I	Central Landfill		Any permitted		Not specified
Recycling	Exhibit J	Timber Cove	Section 4.3, pg. 13 & Exhibit I	Comm & Residential Recycling: Timber Cove C&D: Sonoma County Pilot C&D Processing		The facility used		Not specified
Composting	Exhibit J	nothing listed	Section 4.3, pg. 13 & Exhibit I	Residential Green: Sonoma Compost Commercial Food: TBD, but with City Approval		Any permitted		Not specified
Equipment Yard	n/a	n/a	n/a	n/a		Not specified		Not specified
<b>HOURS</b>								
Residential	Exhibit A, Section 1.16	6 am - 6 pm	Exhibit A, Section 20	6 am - 6 pm	Section 3.3 / pg. 17	6 am - 6 pm		Not specified
Commercial	Exhibit A, Section 1.16	5 am - 6 pm	Exhibit A, Section 20	5 am - 6 pm	Section 3.3 / pg. 17	6 am - 6 pm; industrial 5am - 6pm; downtown 7am - 11am		Not specified
Street Sweeping	Exhibit A, Section 3	Residential: 7a Commercial: 4a	Exhibit A, Section 22	Residential: 7a Commercial: 4a	Exhibit H / pg. H-1	4am - 7:30am commercial; end res at 2pm		Not specified
<b>VEHICLE SPECIFICATION</b>								
Number of Vehicles	Exhibit G	7 Collection Vehicles	Exhibit F	5 Collection Vehicles	Article A / pg. B-2	2 frontloader; 3 sideloader; 1 can delivery; 2 rolloff; 1 sweeper. Written inventory of all vehicles, including Collection vehicles, used in providing service, annually (all vehicles by manufacturer, and model year, ID number, date of acquisition, type, capacity, decibel rating, and net book value (upon request) at Effective Date of this Agreement)		Not specified
Fuel	n/a	n/a	n/a	n/a		Not provided	12 / pg. 7	Ultra-low sulfur diesel
Body Type	n/a	n/a	n/a	n/a		Not provided	12 / pg. 7	Split body
<b>CONTAINER SPECIFICATION</b>								
Colors	Exhibit B, Section 3.5	standard color, different for each material	Exhibit B, Section 2	Standard color, different for each material	Exhibit B.3.B. / pg. B-2	Not specified		Not specified

ATTACHMENT 18  
Agreement Terms

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
Multi-Family Residential	5.1 / pg. 43	contractor billing; monthly; paperless (Exhibit 4)	Section 9.2	contractor billing	Section 6.1 / pg. 37	contractor billing	Section 4.01 / pg. 14	contractor billing
Commercial	5.1 / pg. 43	contractor billing; monthly; paperless (Exhibit 4)	Section 9.2	contractor billing	Section 6.1 / pg. 37	contractor billing	Section 4.01 / pg. 14	contractor billing
<b>FACILITIES</b>								
Disposal	1.29 / pg. 5 4.11.3 / pg. 36	"The Disposal Facility": a facility designated by the District	Exhibit 5 / pg. 100	Redwood Landfill	Section 5.9 / pg. 23	Central Disposal Site		
Recycling	4.11.4 / pg. 36	Fully licensed and permitted	Exhibit 5 / pg. 100	Novato Disposal Services MRF	Section 5.9 / pg. 24	Timber Cove		
Composting	4.11.5 / pg. 36	Fully licensed and permitted	Exhibit 5 / pg. 100	Central Compost Site	Section 5.9 / pg. 24	Central Disposal Site		
Equipment Yard	4.11.6 / pg. 36	Fully licensed and permitted C&D Processing Facility	Section 6.9 / pg. 37	Facility in City for staging and maintaining collection vehicles	n/a	n/a		
<b>HOURS</b>								
Residential	4.12 / pg. 37	6 am - 4 pm	Section 6.1.1.1 / pg. 29	6 am - 6 pm	Section 5.10.3 / pg. 25	6 am - 6 pm	Section 7.04 / pg. 22	6 am - 6 pm
Commercial	4.12 / pg. 37	3 am - 4 pm, Monday - Saturday	Section 6.1.1.2 / pg. 29	5 am - 6 pm	Section 5.10.3 / pg. 25	4 am - 6 pm	Section 9.01.3 / pg. 36	4 am - 9 pm (Mon-Sat) 6 am - 9 pm (Sun)
Street Sweeping		Not provided	Section 6.1.1.1 & 6.1.1.2 / pg. 29	Residential: 6a-6p Commercial: 5a-6p	Section 5.15.2 / pg. 36	Residential: 6a-6p Commercial: 2a-6p	Exhibit 2	Residential 6a-4p Commercial 8:30p-7am
<b>VEHICLE SPECIFICATION</b>								
Number of Vehicles	4.12.2 / pg. 37	Contractor name, telephone number, vehicle ID, 2.5 in high	listed in 2016-17 Annual Report	11 Collection Vehicles 2 F550 1 F250 2 Street Sweepers *Replacement Schedule listed in Exhibit 10	Section 5.11.2 / pg. 26	8 Collection Vehicles and 1 Street Sweeper	Section 14.01.6.2 / pg. 50	Replacement Schedule through Sept 2007 listed. New vehicles to replace entire fleet with new agreement taking effect 1/1/18
Fuel	4.12.2.e / pg. 39	BAAQMD grant restrictions apply to some vehicles	Section 6.3.2 / pg. 32	Diesel Particulate Mater control measures	Section 5.11.2 / pg. 26	bio diesel		
Body Type			Section 6.3.2 / pg. 32	Split-body	n/a	n/a		
<b>CONTAINER SPECIFICATION</b>								
Colors		Not specified	Section 6.4.1, Exhibit 8, pg. 33	standard colors	Section 5.12.1 / pg. 28	standard colors		

ATTACHMENT 18  
Agreement Terms

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
Labeling	Exhibit B, Section 3.2	material to be placed in container	Exhibit B, Section 2	Material to be placed in container	Exhibit B.3.B. / pg. B-2	"Generic"		Not specified
Single-Family Residential Sizes	Exhibit E, Rate sheet	20, 30, 64, 96	Exhibit D	20, 32, 68, 95	Exhibit I / pg. I-1	Refuse: 20, 35, 60, 90 Recycling: TBD Compost: TBD	Exhibit A	Refuse: 20/32/64/96; other sizes not specified
<b>EDUCATION/OUTREACH</b>								
Single-Family	Exhibit A, Section 2.2-2.3	-2x/yr newsletters -informational bill inserts	Exhibit A, Section 21	-2x/yr newsletters -informational bill inserts	Article 5 Exhibit E	English and Spanish; New customer packet; 2 newsletters/year	31 / pg. 20 Exhibit D / pg. 36 of PDF	4 newsletters per year, English and Spanish; New service brochure; County review prior to distribution
Multi-Family	Exhibit A, Section 2.4	-2x/yr newsletters -informational bill inserts -mailers describing solid waste and recycling options -outreach staff available to assist in evaluating program options with complexes	Exhibit A, Section 21	-2x/yr newsletters -informational bill inserts -mailers describing solid waste and recycling options -outreach staff available to assist in evaluating program options with complexes	Article 5 Exhibit E	English and Spanish; New customer packet; 2 newsletters/year; annual bill insert; on-site evaluation by request, at no cost; educational materials provided at no cost	31 / pg. 21 Exhibit D / pg. 36 of PDF	4 newsletters/year, English and Spanish; New service brochure; If called, for high contamination; provide signs, recommendation for increasing diversion; County review prior to distribution
Commercial	Exhibit A, Section 2.5	-2x/yr newsletters -informational bill inserts -outreach staff available to assist in evaluating program options	Exhibit A, Section 21	-2x/yr newsletters -informational bill inserts -outreach staff available to assist in evaluating program options	Article 5 Exhibit E	English and Spanish; New customer packet; 2 newsletters/year; annual bill insert; on-site evaluation by request, at no cost; educational materials provided at no cost	27b. / pg. 18 31 / pg. 21 Exhibit D / pg. 36 of PDF	4 newsletters/year, English and Spanish; New service brochure; If called, for high contamination; provide signs, recommendation for increasing diversion; County review prior to distribution
Recycling Specialist	Exhibit A, Sections 2.6-2.8	-Public School Education -Public events -City facility staff presentations	Exhibit A, Section 21	-Minimum of 4 Public events -City facility staff presentations	Article 5 Exhibit E	Visit City facilities annually; staff tables at public events		1/4 FTE

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
Labeling		Not specified	Section 6.4.1, Exhibit 8, pg. 33	name, phone and material to be placed in container	Section 5.12.1 / pg. 28	name & telephone number, recycling materials listed		
Single-Family Residential Sizes			Section 5.1 - 5.3, pgs. 22-26	Refuse: 20, 35, 65, 95 Recycling: 35, 65 or 95 Compost: 65 or 95	Sections 5.12.2, 5.12.4, 5.12.5 / pg. 28-29	Refuse: 20, 30, 60, 90 Recycling: 60 or 90 Compost: 90		
<b>EDUCATION/OUTREACH</b>								
Single-Family	5.4 / pg. 46 Exhibits 4 and 5	2/year promotional materials (prior approval, schedule set 11/1); offer backyard composting bins at cost; two additional outreach campaigns; participate in 10 events annually to promote Zero waste; bilingual diversion guide; annual route audits; corrective action cart hangers	Section 9.1.1 / pg. 47-48	biannual newsletters, flyers, door hangers, notification tags, and direct contact Annual Clean-up events Holiday tree collection School education programs HHW, source reduction, re-use street sweeping	Section 5.13.2.A / pg. 30-31	<b>Semi-annual</b> 1) newsletter promoting recycling programs 2) cleanup event billing insert 3) Non-program related source reduction, reuse and recycling		
Multi-Family	5.4 / pg. 46 Exhibits 4 and 5	2/year notices; visit all MFD of 5 or more units annually	Section 9.1.1 / pg. 47-48	biannual newsletters, flyers, door hangers, notification tags, and direct contact Annual Clean-up events Holiday tree collection School education programs	Section 5.13.2.B / pg. 31	<b>Semi-annual</b> 1) newsletter promoting recycling programs 2) cleanup event billing insert 3) Non-program related source reduction, reuse and recycling		
Commercial	5.4 / pg. 46 Exhibits 4 and 5	2/year notices; promote commercial audits of 4 CY garbage or more & visit annually	Section 9.1.2 / pg. 48	biannual newsletters, flyers, door hangers, notification tags, and direct contact  Recyclable Materials resource guide Corrective action notice proper methods of handling and disposing of Hazardous Waste	Section 5.13.2.C / pg. 31	Semi-annual 1) printing educational materials targeting commercial waste streams 2) newsletter promoting recycling programs Annual/As Need 1) Print and Maintain Clear Container Labels for recycling bin 2) attend 4 business association group to educate businesses on recycling programs		
Recycling Specialist	4.6.2 / pg. 32 Exhibit 5	2/5 FTE Recycling Coordinator; School ed program with in-classroom visits & described in Exhibit 5; annual waste audits of City facilities	Section 6.5.3 / pg. 34  Section 9.1 / pg. 47	Supervisor devoted at least 50% in field checking collection & street sweeping operations, including complaints  At least 1 FTE residential and commercial education coordinator	Section 5.13.3 / pg. 32	Educate businesses, MFD, SFD minimum 8 hours/week, and visit minimum of 100 businesses and 100 MFD complexes per year to provide one-on-one education on recycling		

[illegible]

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
REPORTING REQUIREMENTS								
Monthly		N/A	Section 6.8.1 / pg. 37  Section 12.2.2 / pg. 58	Monthly meeting with City to discuss service issues  Franchise fee payments, tonnage by material type and service, diversion level	Section 7.3 / pg. 48 Section 8.2.5 / pg. 49	Due 15 days after end of month: 1) accounting of Gross Revenues collected 2) Delinquent accounts	n/a	
Quarterly	7.3.2 / pg. 53	40 days after end of quarter: a) tons of garbage, recycling, organics by month, and debris box organic waste by month and disposition. # of accounts by sector & container size. Bulky item class and weight.	Section 6.5.5 / pg. 35  Section 12.2.3/ pg. 58-61	Quarterly CSR information sheet and training agenda  Summary of monthly reports, participation percentage, customer service training and call by category, account information, clean up events, abandoned waste, education activities, pilot and new programs, overloaded vehicles, high contamination, summary assessment	Section 6.4.2 / pg. 41-42	Due 45 days after end of quarter: 1) tonnage by material type & sector 2) customer service calls by category and training logs 3) Cleanup events and special services 4) Public Education activities 5) Notification activities 6) Pilot / new programs 7) Summary assessment	n/a	
Annual	7.3.4 / pg. 54	Financial statement for rate adjustments, & vehicle inventory.	Section 9.2.5 / pg. 50 Section 12.2.4 / pg. 61-62	Due July 30 annually: Report of Billing Review  Summary of quarterly reports, financial information, contractor officers and board members list, related party transactions, and operational information CalRecycle annual report Event-specific reporting	Section 6.5 / pg. 42-43	Due June 1st after close of FY: 1) Summarize quarterly reports 2) Financial Information 3) Related Party transactions 4) Operational Info  On anniversary of effective date: Every other year, report of review of billings	Section 18.02 / pg. 56-57	Due April 1st annually: -CalRecycle Annual Report -Public education and information activities undertaken -Distribution of bill inserts, collection notification tags, community information and events -Analysis of Recycling and Yard Trimmings collection, processing & market issues

ATTACHMENT 18  
Agreement Terms

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
Other					Article 8	May require annual report info on semi-annual basis		Not required
CUSTOMER SERVICE								
Office Location	n/a	n/a	n/a	n/a		Not specified		Not specified
Office Hours	Exhibit A, Section 4.1	8am - 5pm Mon-Fri	Exhibit A, Section 22	8am - 5pm Mon-Fri	Article 5.B / pg. 24	8 - 5, Monday - Friday; Saturdays 8am - 1pm	7 / pg. 3	8 am - 5 pm Monday - Friday
Website	Exhibit A, Section 2.1	Summary of Services, "how to" on overall recycling and compost material program, and other diversion and relevant reuse info	Exhibit A, Section 21	Summary of Services, "how to" on overall recycling and compost material program, and other diversion and relevant reuse info	5.D. / pg. 25; Exhibit E	Services provided, contact info, "how-to" guide to recycling; downloadable posters; online bill pay option		Route schedule may be posted on website
Call logs	Exhibit A, Section 4.2	# received; average hold time for calls; categories of calls (missed pickups, complaints, damage); written complaints within City. Name, address, date and time of contact, nature of complaint, nature & date of resolution	Exhibit A, Section 23	English and Spanish. Number of Customer calls received; average hold time for calls; categories of calls, including missed pickups, complaints, damage, etc.; and a written log of all complaints from Customers within the City. The complaint log shall include the name, address and phone number of the Person making the complaint, the date and time of the contact, the nature of the complaint, and the nature and date of resolution.	5.3 B	Customer service (CS) database of all oral and written service. written and oral Complaints, noting the name and address of complainant, date and time of Complaint, nature of Complaint, identity of supervisor, and nature and date of resolution. Such CS database shall be provided to City upon request. Contractor shall respond to all Customer Complaints within twenty- four (24) hours.	23 / pg. 16	Correction of Complaints. Company agrees to promptly investigate and correct where appropriate any complaint by residents of the area with respect to its service or its employees. Upon request of the County, the Company will report to the County in writing on the action taken by it with respect to any particular complaint.
PAYMENTS TO CITY						Complaints		
Franchise Fee	Section 7.1 / pg. 20	10% 12% - after rate adjustment in Section 6.2	Section 7.1 / pg. 17	14.30%	3.5.A / pg. 18	10%; counting recyclable revenue; Jan 25	28 / pg. 19	15%
AB 939 Fee	n/a	n/a	n/a	n/a		Not specified	27d. / pg. 19	Any leveraged by JPA
Vehicle/Road Impact Fee	n/a	n/a	Section 7.2 / pg. 17	\$12,300/mo. Adjusted by 70% CPI annually		Not specified		Not required
Annual Franchise Fee	n/a	n/a	Section 7.3 / pg. 17-18	\$50,000		Not specified		Not required
Contract Administration Fee	n/a	n/a	n/a	n/a		Not specified		Not required

ATTACHMENT 18  
Agreement Terms

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
Other	5.2.2 / pg. 44	Complaint log kept, and available to District					Section 18.02 / pg. 56-57	Additional report info upon request: Solid Waste, Recycling & Yard Trimming Data, Customer Service Log, Bin & Cart Inventory, and any additional reports as requested
CUSTOMER SERVICE								
Office Location	5.2 / pg. 44	No req; 2 convenient locations in Novato to pay bills	Section 9.3.1.1 / pg. 50	maintain office in City staff by at least 1 CSR	Section 6.9.1 / pg. 45	maintain office in City, or as approved by City	Section 15.01 / pg. 53	3400 or 3417 Standish Avenue, Santa Rosa
Office Hours	5.2 / pg. 44	8 am - 4:30 pm Monday - Friday except holidays	Section 9.3.1.2 / pg. 50	7am - 6pm Mon-Fri	Section 6.9.2 / pg. 45	8am - 5pm Mon-Fri	Section 15.01 / pg. 53	7am-6pm Mon-Fri & 7am- 1pm Sat
Website	5.4.4 / pg. 47 Exhibit 4	Interactive website	Section 9.3.1.5	describing services provided and accessible to public	n/a	n/a		
Call logs	5.2.2 / pg. 44	All complaints alleging that the Company personnel have mixed Recyclable Materials or Organic Waste with Garbage, have missed collections, have failed to pick up litter, have refused to pick up unauthorized wastes, or have engaged in unsafe driving will be logged. Also, all complaints alleging the Company failure to maintain vehicles, equipment, or Containers. Such log will be available for review by the District upon request.	9.3.2 / pg. 51	Contractor shall record in a separate log all Complaints, noting the name and address of complainant, date and time of Complaint, nature of Complaint, and nature and date of resolution. The Contractor shall retain this Complaint log for the Term. In addition, Contractor shall compile a summary statistical table of the Complaint log, satisfactory to the City, and submit the table to City each month. Contractor shall respond to all Complaints received within 24 hours, weekends and Holidays excluded	6.10 / pg. 46	Contractor shall record in a separate log all contacts, noting the name and address of contact, date and time of contact, nature of contact issue, and nature and date of resolution. Compile a summary statistical table of the contact log, satisfactory to the City, and submit the table to City each quarter. Respond to all contact issues within 24 hours.		
PAYMENTS TO CITY								
Franchise Fee	3.1 / pg. 18	\$45,000; may be adjusted	Section 11.1 / pg. 54	10%	Section 7.1 / pg. 47	13.50%	Section 3.04.1 / pg. 11	11.00%
AB 939 Fee	3.2 / pg. 18	None; can be set as pass- through	Section 11.1 / pg. 54	pd. to SCWMA	Section 7.1 / pg. 47	3.50%	n/a	n/a
Vehicle/Road Impact Fee	3.2 / pg. 18	None; can be set as pass- through	Section 11.1 / pg. 54	10.27%	Section 7.1 / pg. 47	8.50%	n/a	n/a
Annual Franchise Fee	3.2 / pg. 18	None; can be set as pass- through	Section 11.1 / pg. 54	\$500,000/yr due 9/15	n/a	n/a	n/a	n/a
Contract Administration Fee	3.2 / pg. 18	None; can be set as pass- through	Section 11.7 / pg. 55	\$41,000 +RRI adjustments / year	n/a	n/a	Section 10.07 / pg. 43	\$100,000/year



ATTACHMENT 18  
Agreement Terms

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
Other Fees	Section 7.2.5 / pg. 20	\$15,000/yr, City to use for recycling efforts and other waste stream reduction	n/a	n/a	3.5.A / pg. 19	\$15,000 discretionary + \$8,000 fireworks display (Jan 25)	35. / pg. 24 36. / pg. 24	\$40,000 Countywide Zero Waste Outreach Fund; \$20,000 West Marin Zero Waste Outreach Fund
Rate Adjustments	Section 6.5 / pg. 17 Section 6.6.6 / pg. 19 Section 8.5 / pg. 25	Contractor responsible for costs associated with rate adjustments and special rate reviews	Section 6.3 / pg. 16-17 Section 8.5 / pg. 23	Contractor responsible for costs associated with rate adjustments, changes to franchise payment, and detailed rate reviews	7.3.A / pg. 34	Yes		No
Amendments to Contract	Section 8.5 / pg. 25	Contractor sought changes	Section 8.5 / pg. 23	Contractor sought changes		Not specified		No
RATE ADJUSTMENTS								
Annual Rate Adjustment	Section 6.2 / pg. 15 Section 6.5 / pgs. 17-18	Realignment -City contracts with Consultant to analyze rates -must be revenue neutral -must be City Council adopted  After Realignment -Effective Sept 1 annually, RRI adjustment (% change in annual average) -Disposal and Organics Fees based on per-ton tip fee charged -Application due date not specified	Section 6.2 / pg. 16	Application due Oct 1st each year -70% CPI (12 month average-June) -% change in per ton tip fee	7.3.A / pg. 34	RRI	8c. / pg. 4 Exhibit B	RRI

ATTACHMENT 18  
Agreement Terms

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
Other Fees	3.2 / pg. 18	None; can be set as pass-through	n/a	n/a	n/a	n/a	Section 3.04.1 / pg. 11  Section 10.01 / pg. 41-42	Franchise Extension Fee: 4.5%  Trust Contribution: \$300,000/yr  Annual Service Contribution: \$500,000/yr
Rate Adjustments	6.2 / pg. 49	No payment from Contractor for RRI adjustment	Section 12.5 / pg. 64	Contractor responsible for all costs associated with rate adjustment	Section 7.2 / pg. 47	Contractor responsible for all costs associated with rate adjustment		
Amendments to Contract					Section 7.2 / pg. 47	Contractor responsible for all costs associated with amendments		
<b>RATE ADJUSTMENTS</b>								
Annual Rate Adjustment	6.2 / pg. 49	RRI	Section 10.3 / pg. 52-53	Application due March 1st annually RRI Adjustment (% change in annual average Dec 31-Dec 31) Disposal & Organics Fees based on per-ton tip fee charged	Section 8.3 / pg. 51	Application due May 1st annually RRI Adjustment (% change in annual average Jan-Dec)	Section 4.02-4.07 / pg. 15-20	Application due May 1st annually RRI Adjustment (% change in annual average March-March) Disposal based on change in per-ton tip fee Alternate Fuel Vehicles rate adjustment subsequent to full implementation of transition plan

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
Detailed Rate Review	Section 6.6 / pg. 19-20	<ul style="list-style-type: none"> <li>-City or Contractor may request detailed review</li> <li>-mid-year tipping fee changes</li> <li>-changes in facility affecting transport costs</li> <li>-change in state or local fees</li> <li>-change to franchise fee</li> <li>-change in applicable law</li> <li>-change in scope of work</li> </ul>	Section 6.3 / pg. 16-17	<ul style="list-style-type: none"> <li>-City or Contractor may request detailed review</li> <li>-Contract must submit request 6 months prior to proposed effective date of rate adjustment</li> <li>-mid-year tipping fee changes</li> <li>-changes in facility affecting transport costs</li> <li>-change in state or local fees</li> <li>-change in applicable law</li> <li>-change in scope of work</li> <li>-cost of operations exceeds Gross Revenues</li> </ul>	7.4 / pg. 35	Contractor-requested due to: <ul style="list-style-type: none"> <li>- County or SCWMA fees</li> <li>- City requires Contractor to use different facilities</li> <li>- Street sweeping increased freq</li> <li>- State or local fees</li> <li>- Franchise Fee change</li> <li>- Change in law</li> </ul>	8d. / pg. 4	Starting July 2017, and every 4 years after; Next in July 2021. County can: 2) ensure that reported expenses were necessary to provide service to the franchise area; and 3) ensure that such expenses were actually incurred and were reasonable in amount. Adjusted for profit margin
PERFORMANCE REVIEW								
Frequency	Section 8.3 / pg. 24-25	Up to 7 performance reviews during franchise term	Section 8.3 / pg. 22	2 during term + 1 during extension	8.7.A / pg. 42	3x during term	19 / pg. 10	No limit; County pays
Cost Covered by Contractor	Section 8.3 / pg. 24-25	Contractor to pay all expenses for up to 7 reviews, non-compliance identified does not count towards total	Section 8.3 / pg. 22	Contractor to pay costs of review	8.7.A / pg. 42	Up to \$40,000 or \$120,000 total	19 / pg. 10	No
INSURANCE								
General Liability	Section 9.2.3 / pg. 28	\$5,000,000 per occurrence	Section 9.2.3 / pg. 25	\$10,000,000 per occurrence	9.5.B pg. 47	\$5,000,000 combined single limit per occurrence. Note that insurance certificates are in Exhibit L	17 / pg. 9	\$100,000 one person \$300,000 one occurrence \$50,000 property damage
Works Comp	Section 9.2.2 / pg. 28	\$1,000,000 per occurrence	Section 9.2.2 / pg. 25	\$1,000,000 per occurrence	9.5.B pg. 47	\$1,000,000 per occurrence	17 / pg. 9	Yes; amount not specified
Automobile	Section 9.2.3 / pg. 28	\$5,000,000 per occurrence	Section 9.2.3 / pg. 25	\$10,000,000 per occurrence	9.5.B pg. 47	\$3,000,000 combined single limit per accident		Not specified
Pollution, Environmental Impairment and Professional Liability	Section 9.2.4 / pg. 28	\$3,000,000 per occurrence / \$10,000,000 policy aggregate	Section 9.2.5 / pg. 26	\$3,000,000 per occurrence / \$10,000,000 policy aggregate	9.5.B pg. 47	\$3,000,000 each occurrence/\$10,000,000		Not specified
Employee Blanket Fidelity Bond	n/a	n/a	n/a	n/a		Not specified		Not specified
Rating of Insurance	Section 9.2.6.1 pg. 29	Category A:VII or larger	Section 9.3.1, pg. 27	Category A:VII or larger	9.5.B pg. 48	A:V II		Not specified

ATTACHMENT 18  
Agreement Terms

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
Detailed Rate Review	6.5 / pg. 50 Exhibit 8	District or Contractor requested - no more than 1 per 3 years. Contractor paid.	Section 10.4 / pg. 53 Exhibit 3	-City may request detailed review -no more than 1 every 3 years -request must be in writing at least 6 mo. Before July 1 rate adj. period	Section 8.4 / pg. 52	-City or Contractor may request detailed review -no more than 1 every 3 years -request must be in writing at least 6 mo. Before July 1 rate adj. period		Not specified
PERFORMANCE REVIEW								
Frequency			Section 11.8 / pg. 55 Section 12.3 / pg. 64	2017 and 2022 - City may require additional performance reviews	n/a	n/a	Section 3.13 / pg. 13	Up to 2 reviews verifying customer billing rates, franchise fees and other fees are calculated properly, compliance with reporting and performance standards, and diversion percentages
Cost Covered by Contractor			Section 11.8 / pg. 55 Section 12.3 / pg. 64	2017: \$60,000 2022: \$70,000 - Contractor will pay cost of all performance reviews	n/a	n/a	Section 3.13 / pg. 13	Contractor pays cost of up to 2 reviews during initial term
INSURANCE								
General Liability	8.4.3 / pg. 59	\$5,000,000 per occurrence	Section 13.2.3 / pg. 67	\$10,000,000 per occurrence	Section 9.4.2 / pg. 54	\$10,000,000 combined single limit per occ.	Section 23.02.1 / pg. 64	\$3,000,000 combined single limit per occ. / \$5,000,000 general aggregate limit
Works Comp	8.4.3 / pg. 59	\$1,000,000,000 per accident	Section 13.2.2 / pg. 67	\$1,000,000 per occurrence	Section 9.4.2 / pg. 54	\$1,000,000 per accident	Section 23.02.3 / pg. 64	\$3,000,000 per accident
Automobile	8.4.3 / pg. 59	\$5,000,000 per accident	Section 13.2.3 / pg. 67	\$10,000,000 combined single limit per occ.	Section 9.4.2 / pg. 54	\$10,000,000 combined single limit per accident	Section 23.02.2 / pg. 64	\$3,000,000 combined single limit per accident
Pollution, Environmental Impairment and Professional Liability		Not required	Section 13.2.5 / pg. 68	\$10,000,000 ea. Occurrence/ \$10,000,000 policy aggregate	n/a	n/a	Section 23.02.4 / pg. 64	\$3,000,000 per accident
Employee Blanket Fidelity Bond		Not required	Section 13.2.4 / pg. 68	\$50,000 per employee	Section 9.4.2 / pg. 54	\$50,000 per employee	n/a	n/a
Rating of Insurance		Not specified	Section 13.2.7.1 / pg. 68	Category A:VII or larger	Section 9.4.5 / pg. 55	Category VII or larger and rating classification of "A" or better	Section 23.05 / pg. 65	Acceptable to City's Risk Manager

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
PERFORMANCE BOND								
Performance Bond	Section 2.9 / pg. 10 Exhibit H	\$700,000 Exhibit H = \$15,000 expired 6/1/15	Section 9.4.1, pg. 27 Exhibit G	\$700,000 *Not current in Exhibit	9.6 / pg. 50	\$700,000	18 / pg. 10	\$10,000
ASSIGNMENT								
Requirements	Section 10.8 / pgs. 37-39	<ul style="list-style-type: none"> <li>- \$25,000 deposit, to be restored as costs are incurred until assignment costs are covered</li> <li>- Contractor responsible for all reasonable expenses to investigate suitability of proposed assignee</li> <li>- Audited financials (5 yrs)</li> <li>- No citations over waste management operations due to significant failure to comply</li> <li>- 10 yrs mgmt experience</li> <li>- Operations are environmentally safe and within compliance with law</li> </ul>	Section 10.10 / pg. 36-38	<ul style="list-style-type: none"> <li>- \$150,000 deposit, to be restored as costs are incurred until assignment costs are covered</li> <li>- Contractor responsible for all reasonable expenses to investigate suitability of proposed assignee</li> <li>- Audited financials (5 yrs)</li> <li>- No citations over waste management operations due to significant failure to comply</li> <li>- 10 yrs mgmt experience</li> <li>- Operations are environmentally safe and within compliance with law</li> </ul>	11.5 / pg. 61	<ul style="list-style-type: none"> <li>- Approve or deny at City's discretion.</li> <li>- Contractor pay City</li> <li>- 5 years audited financials</li> <li>- Technical ability (10 years solid waste experience; 5 years no significant environmental violations; environmentally safe and conscientious; substantial compliance with HHW laws; any other info)</li> </ul>	22 / pg. 12	<ul style="list-style-type: none"> <li>- Contractor pay County</li> <li>- Decision based on: <ul style="list-style-type: none"> <li>- Company's financial resources sufficient</li> <li>- County shall not unreasonably withhold consent</li> <li>- County may solicit competitive bids if assignment results in request by assignee for rate increases higher than inflation</li> <li>- Requires, also: a) 10 years experience on equal scale; b) No significant citations or failure to comply; c) conducted operations in environmentally safe and conscientious fashion; d) full compliance with law; e) other applicable info; operating in keeping with laws, regulations, and best practices</li> </ul> </li> </ul>
OTHER								
Special Rates	Section 5.4.3  Section 5.5 Exhibit A/Section 1.12	<p>Alexander Valley Regional Medical Center: 20% discount on collection component</p> <p>Cloverdale Unified School District: Up to 100% reduction in Collection portion of rates</p>	Exhibit A, Section 16	Work with Cotati/Rohnert Park Unified School District to create programs that may result in decreased rates		None	15 / pg. 9	Illegal dumping 2x free, \$75/hour on-demand
Public Litter & Recycling Containers	n/a	n/a	Exhibit A, Section 23	<p>Contractor to reimburse City for purchase of 38 litter and recycling containers, and additional 4 containers in first year of agreement</p> <p>-Up to 2 containers each subsequent year</p>	Exhibit F	City containers in central business district, and bus stops.		

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
PERFORMANCE BOND								
Performance Bond	8.5 / pg. 62	\$100,000	Section 13.3 / pg. 69	\$3,500,000	Section 9.5 / pg. 57	\$1,000,000	Section 22.01 / pg. 63	\$1,000,000
ASSIGNMENT								
Requirements	11.6 / pg. 71	- Contractor pay City (i) ten (10) years of solid waste management experience on a scale equal or to exceeding; (ii) that in the last five (5) years, no significant citations or other censure due to any significant failure to comply; (iii) operates in environmentally safe and conscientious fashion; (iv) conducts operations in full compliance with all federal, state, and local laws; (v) that the proposed assignee has a net worth, liquidity, and debt structure at least as favorable as the Company's; (vi) that proposed managing official is qualified (vii) of any other information required	Section 14.8 / pg. 80-82	- \$500,000 assignment fee - Contractor responsible for all reasonable expenses to investigate suitability of proposed assignee - Audited financials (5 yrs) - no citations over waste management operations due to significant failure to comply - Operations are environmentally safe and within compliance with law	Section 12.6 / pg. 64-65	- Contractor responsible for all reasonable expenses to investigate suitability of proposed assignee - Audited financials (3 yrs) - no citations over waste management operations due to significant failure to comply - Operations are environmentally safe and within compliance with law - No increase in costs to service provided directly or indirectly from assignment	Section 34.01 / pg. 73	- Contractor responsible for \$375,000 transfer fee upon approval of assignment or transfer
OTHER								
Special Rates			n/a	n/a	n/a	n/a		
Public Litter & Recycling Containers	4.6 / pg. 32	All solid waste placed in containers for use by general public in sports fields, parks, streets.	n/a	n/a	n/a	n/a	Section 10.4 & 10.05/ pg. 42	Provision of Public Recycling Containers - collection and maintenance of containers  Collection of City provided containers

ATTACHMENT 18  
Agreement Terms

	1	1	2	2	3	3	4	4
Jurisdiction	Cloverdale Section/Page	Cloverdale	Cotati Section/Page	Cotati	Healdsburg Section/Page	Healdsburg	Marin County Section/Page	Marin County
Other	Exhibit A.13 / pg. A-12 12 times per calendar year							

ATTACHMENT 18  
Agreement Terms

	5	5	6	6	7	7	8	8
Jurisdiction	Novato SD Section/Page	Novato San	Petaluma Section/Page	Petaluma	Rohnert Park Section/Page	Rohnert Park	Santa Rosa Section/Page	Santa Rosa
Other	<p>4.6.1 / pg. 32</p> <p>4.8 / pg. 33</p> <p>4.12.8 / pg. 41</p> <p>5.4.9 / pg. 48</p>	<p>On-call illegal dumping cleanup; monthly log required</p> <p>1 drop-off, 2 buy-back centers with District approval of location</p> <p>District notified within 30 days of a planned change in collection day; Customer 10 days; once weekly service is still required</p> <p>Compost delivery 360 cy/year; to a single service unit or another location</p>						