Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF SEBASTOPOL

RESOLUTION NO. 6803-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL APPROVING THE FIRST AMENDMENT TO THE AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SONOMA COUNTY WASTE MANAGEMENT AGENCY AND THE FIRST AMENDMENT TO THE CENTRAL DISPOSAL SITE AND FORMER LANDFILLS SETTLEMENT AGREEMENT, AND AUTHORIZING EXECUTION OF THE AMENDMENTS IN SUBSTANTIALLY THE ATTACHED FORMS

WHEREAS, the City of Sebastopol is a member of the Sonoma County Waste Management Agency, also known as Zero Waste Sonoma ("ZWS"), under the Amended and Restated Joint Exercise of Powers Agreement dated March 1, 2017 ("JPA Agreement"); and

WHEREAS, ZWS was created under a joint powers agreement effective September 9, 1992, which was amended on January 24, 1996, and March 27, 2014, and replaced and superseded by the JPA Agreement; and

WHEREAS, the JPA Agreement may be amended by unanimous consent of the member agencies following approval by their respective governing bodies; and

WHEREAS, ZWS provides regional programs that include household hazardous waste collection, recycling and disposal services; and

WHEREAS, ZWS has acquired property located at 5885 Pruitt Avenue in Windsor for the proposed development of a household hazardous waste collection facility, which may also include offices for ZWS staff and administrative functions ("HHW Facility"), and is pursuing financing from the County of Sonoma to fund costs associated with development and construction of the HHW Facility; and

WHEREAS, Government Code section 6504 authorizes parties to a joint exercise of powers agreement to provide for contributions, payments of public funds, advances of public funds subject to repayment, and the use of personnel, equipment or property in furtherance of the purposes of the agreement; and

WHEREAS, the proposed First Amendment to the JPA Agreement would add Section 3.B.xv. to expressly authorize those forms of support at each member's sole discretion, subject to a written agreement approved by the ZWS Board and the governing body of the applicable member; and

WHEREAS, the City of Sebastopol is also a party to the Central Disposal Site and Former Landfills Settlement Agreement, effective April 1, 2015 ("Settlement Agreement"), between the County of Sonoma and the cities identified therein as the Committed Cities, which governs certain funds held for environmental liabilities associated with the former urban landfills and the Central Disposal Site, including the County Contingent Liability Reserve Fund, the Sonoma Leak Fund and the Healdsburg Leak Fund; and

WHEREAS, the proposed First Amendment to the Settlement Agreement would permit the County of Sonoma to use amounts from those reserve funds to provide a revolving line of credit to ZWS, subject to the terms of a separate credit agreement between the County and ZWS; and

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

WHEREAS, approval of the proposed amendments does not make the City of Sebastopol a borrower, lender, guarantor or party to the contemplated credit agreement between ZWS and the County, does not itself obligate City funds, and does not authorize construction of the HHW Facility or otherwise constitute project approval of the HHW Facility.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol hereby:

Section 1. Approves the First Amendment to the Amended and Restated Joint Exercise of Powers Agreement for the Sonoma County Waste Management Agency, substantially in the form attached hereto as Exhibit A.

Section 2. Approves the First Amendment to the Central Disposal Site and Former Landfills Settlement Agreement, substantially in the form attached hereto as Exhibit B.

Section 3. Authorizes the Mayor to execute the amendments on behalf of the City of Sebastopol, with minor, non-substantive revisions as may be approved by the City Attorney, provided that such revisions do not materially alter the intent of the amendments.

Section 4. No City Debt or Guarantee. Nothing in this Resolution authorizes a City expenditure, guarantee, pledge or repayment obligation under the County–ZWS credit agreement. No City funds are requested or required, and the City is not approving, lending under or becoming a party to that agreement.

Section 5. The City Council finds that approval of the amendments is not a project under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4), because the action consists of governmental fiscal and administrative activities that do not commit the City to a specific project that may result in a potentially significant physical impact on the environment. Approval does not authorize construction of the HHW Facility or foreclose project alternatives or mitigation measures. Project-level environmental review remains separate.

Section 6. This Resolution takes effect immediately upon adoption. Each amendment becomes effective only in accordance with its own approval and execution requirements.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

The above and foregoing Resolution was duly passed, approved and adopted at a regular meeting of the City Council of the City of Sebastopol held on the 20th day of October 2026, by the following vote:

VOTE:

AYES: Councilmembers Carter, Hinton, Zollman, Vice Mayor Maurer and Mayor McLewis

NOES: None

ABSENT: None

ABSTAIN: None

Approved: Signed by: Jill McLewis 7C6BCED0A8914A1... _____

Jill McLewis, Mayor

Attest: Signed by: Mary Gourley 44C0774260FE430... _____

Mary Gourley, City Manager

Approved as to Form: Signed by: Alex Mog 66BDB79D572A4EB... _____

Alex Mog, City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

FIRST AMENDMENT TO AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR SONOMA COUNTY WASTE MANAGEMENT AGENCY

This FIRST AMENDMENT TO AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("First Amendment") is made this ____ day of _____, 2024 ("Effective Date") by and between the COUNTY OF SONOMA, a political subdivision of the State of California, the CITIES OF CLOVERDALE, COTATI, HEALDSBURG, PETALUMA, ROHNERT PARK, SANTA ROSA, SEBASTOPOL, SONOMA AND WINDSOR, each a municipal corporation of the State of California (the County and Cities are referred to individually herein as a "Member" and collectively as the "Members").

RECITALS

A. The Members are authorized and empowered to contract with each other for the joint exercise of powers pursuant to the Joint Exercise of Powers Act (Government Code section 6500 *et seq*.) (the "**JPA Act**"); and

B. On September 9, 1992, the Members entered into an agreement for a joint powers agency to deal with waste management issues ("**Original Agreement**") and the Original Agreement created a separate public entity known as the Sonoma County Waste Management Agency; and

C. On January 24, 1996 the Members entered into that certain First Amendment to Agreement Between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues; and

D. On March 27, 2014, the Members entered into that certain Second Amendment to Agreement Between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues; and

E. On March 1, 2017, the Members entered into the Amended and Restated Joint Exercise of Powers Agreement for the Sonoma County Waste Management Agency, which replaced and superseded the Original Agreement and all amendments thereto ("**Agreement**"); and

F. The Agreement authorizes the Members, following approval by their governing bodies, to amend the Agreement by unanimous consent; and

G. Section 6504 of the JPA Act provides in part that the parties to a joint exercise of powers agreement may provide that (a) contributions from the treasuries of the members may be made for the purpose set forth in the agreement, (b) payments of public funds may be made to defray the cost of such purpose, (c) advances of public funds may be made for the purpose set forth in the agreement, such advances to be repaid as provided in said agreement, or (d) personnel, equipment or property of one or more of the parties to the agreement may be used in lieu of other contributions or advances; and

H. As allowed by Section 6504 of the JPA Act, the Members desire to amend the Agreement to expressly provide that any of the Members may, at their sole individual discretion,

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

make contributions, payments, advances, or provide personnel, equipment or property to the Agency, subject to the conditions set forth in this First Amendment.

AGREEMENT

1. Section 3.B.xv. is hereby added to the Agreement to read as follows:

"xv. The Agency may accept from the Members, and each of the Members may make, at their sole discretion, (a) contributions from any of the Members' treasuries to be used in furtherance of the purposes set forth in this Agreement, (b) payments of public funds from any of the Members to defray the cost of the purposes set forth in this Agreement, (c) advances of public funds for any of the purposes set forth in this Agreement, including but limited to advances in the form of loans or lines of credit, with such advances to be repaid pursuant to terms set forth in a written agreement between the Agency and the Member contributing such advances, the terms of which must be approved by the Agency Board of Directors and the governing body of the applicable Member, or (d) personnel, equipment or property of one or more of the Members may be used in lieu of other contributions or advances, subject to terms set forth in a written agreement between the Agency and the Member contributing such personnel, equipment or property, the terms of which must be approved by the Agency Board of Directors and the governing body of the applicable Member."

2. This First Amendment shall affect only the items specifically set forth herein, and all other terms and conditions of the Agreement shall remain in full force and effect.

[Signature Page to Follow]

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

FIRST AMENDMENT TO
AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SONOMA COUNTY WASTE MANAGEMENT AGENCY

IN WITNESS WHEREOF, the Members hereto, unanimously consent, through their governing bodies, to this First Amendment, and have caused their names to be affixed by their proper and respective officers as of the day and year first written above.

CITY OF CLOVERDALE, A Municipal Corporation of the State of California

By: _____

Mayor

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

CITY OF COTATI, A Municipal Corporation of the State of California

By: _____

Mayor

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City Attorney

CITY OF HEALDSBURG, A Municipal Corporation of the State of California

By: _____

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF PETALUMA, A Municipal Corporation of the State of California

By: _____

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF ROHNERT PARK, A Municipal Corporation of the State of California

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

By: _____

Mayor

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

CITY OF SANTA ROSA, A Municipal Corporation of the State of California

By: _____

Mayor

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

CITY OF SEBASTOPOL, A Municipal Corporation of the State of California

By: _____

Mayor

ATTEST:

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF SONOMA, A Municipal Corporation of the State of California

By:

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

COUNTY OF SONOMA, A Municipal Corporation of the State of California

By:

Chair
Board of Supervisors

ATTEST:

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Clerk of the Board of
Supervisors

APPROVED AS TO FORM:

_____

County Counsel

TOWN OF WINDSOR, A Municipal
Corporation of the State of California

By: _____

Mayor

ATTEST:

_____

Town Clerk

APPROVED AS TO FORM:

_____

Town Attorney

ZERO WASTE SONOMA, A California
Joint Powers Authority

By: _____

Leslie Lukacs
Executive Director

APPROVED AS TO FORM:

_____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Agency Counsel

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

FIRST AMENDMENT TO CENTRAL DISPOSAL SITE AND FORMER LANDFILLS SETTLEMENT AGREEMENT BETWEEN THE COUNTY OF SONOMA AND THE COMMITTED CITIES

The County of Sonoma (the "County") and the Committed Cities (as defined below) (collectively, the "Parties" and individually any "Party") first entered into that certain Central Disposal Site and Former Landfills Settlement Agreement, with an effective date of April 1, 2015 (hereinafter "Settlement Agreement"). This First Amendment to the Settlement Agreement ("First Amendment") shall become effective as of the date it is fully executed by all Parties.

R E C I T A L S

A. As defined by the Settlement Agreement, the "Committed Cities" refers to those cities that have executed Waste Delivery Agreements with Republic Services of Sonoma County ("Republic"), which are as follows: the City of Cloverdale, the City of Cotati, the City of Healdsburg, the City of Rohnert Park, the City of Sebastopol, the City of Santa Rosa, the City of Sonoma, and the Town of Windsor.

B. Pursuant to the Master Operations Agreement between the County and Republic and the Settlement Agreement between the County and the Committed Cities, the County has collected funds on all Committed City Waste for the benefit of the County and Committed Cities to cover environmental liabilities associated with the Former Urban Landfills and the Central Disposal Site (or "CDS");

C. These funds are held within the County's Treasury Pool and may be used only pursuant to the Settlement Agreement. Specific funds authorized by the Settlement Agreement and relevant here include: (i) the County Contingent Liability Reserve Fund, available to the County to address Unexpected Events (as defined by the Settlement Agreement) at the Former Urban Landfills and/or to cover unfunded liabilities at the CDS in the event of a Default by Republic; (ii) the Sonoma Leak Fund, designated to address Unexpected Events at the former Sonoma Landfill; (iii) the Healdsburg Leak Fund, designated to address Unexpected Events at the former Healdsburg Landfill, and (iv) the CDS Leak Fund, designated to address Unexpected Events at the CDS.

D. The Sonoma County Waste Management Agency ("Agency") has acquired property located at 5885 Pruitt Avenue, Windsor, California (APN 059-271-082) (the "Property"), where it desires to develop a household hazardous waste collection facility, which may include offices for the Agency's staff and administrative functions (the "HHW Facility"). The proposed HHW Facility would further the Agency's household hazardous waste ("HHW") program by providing improved access to HHW drop off and collection services to residents of

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

the cities and unincorporated areas in the northern part of Sonoma County, thereby helping to divert HHW from the CDS.

E. The Agency is requesting a line of credit from the County to construct the HHW Facility. Under the Joint Exercise of Powers Act (Government Code section 6000 *et seq.*), specifically Government Code section 6504, member agencies of a joint powers authority are allowed to make "advances" to the authority in furtherance of the purposes set forth in the joint powers agreement, with the advances repaid according to the terms of the joint powers agreement. The County, as a member agency of the Agency, desires to provided the requested line of credit, provided the lending funds can be made available from the County Contingent Liability Reserve Fund, the Sonoma Leak Fund, the Healdsburg Leak Fund, and the CDS Leak Fund.

F. The County Contingent Liability Reserve Fund, the Sonoma Leak Fund, the Healdsburg Leak Fund, and the CDS Leak Fund (collectively, the "Reserve Funds"), which together had a balance of approximately **$21,165,981 as of October 31, 2025**, are supplemental to the Former Urban Landfill Fund, which is the primary fund established under the Settlement Agreement to manage long-term liabilities at the closed urban landfills. During the anticipated term of the proposed line of credit to the Agency, the Reserve Funds are not immediately needed for their intended purposes, though the Parties agree these funds should be maintained over the long term to address potential future liabilities.

G. Under the terms of the Settlement Agreement, the County Contingent Liability Reserve Fund, the Sonoma Leak Fund, the Healdsburg Leak Fund, and the CDS Leak Fund are each restricted for specific purposes as set forth therein. To issue the requested line of credit to the Agency, the County has requested, and the Committed Cities have agreed, to amend the Settlement Agreement for the limited purpose of allowing the County to use amounts from these Reserve Funds to fund the proposed Agency line of credit, as more specifically described herein.

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

A G R E E M E N T

1. The above recitals are true and correct.

2. Section 6.6 "Use of County Contingent Liability Reserve Fund" of the Settlement Agreement is hereby deleted and replaced as follows:

6.6 USE OF COUNTY CONTINGENT LIABILITY RESERVE FUND

During the term of this Agreement, the County shall retain the County Contingent Liability Reserve Fund in a separate account to be available to the County to: (i) fund

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Unexpected Events at the Former Urban Landfills; and/or (ii) be used in connection with unfunded liabilities at the CDS in the event of a Default by Republic; and/or (iii) be used as a revolving line of credit for the benefit of the Sonoma County Waste Management Agency ("Agency") pursuant to an agreement between the County and the Agency that requires all sums borrowed by the Agency be repaid on or before [day/month] 2054 ("Line of Credit Agreement").

3. In addition to the County Contingent Liability Reserve Fund, the Settlement Agreement also set aside other funds for the benefit of the County and Committed Cities to cover the environmental liabilities associated with the Former Urban Landfills and the CDS. These funds include the Healdsburg Leak Fund, the Sonoma Leak Fund, and the CDS Leak Fund. The parties agree that the Healdsburg Leak Fund, the Sonoma Leak Fund, and the CDS Leak Fund may be used to fund a revolving line of credit for the benefit of the Sonoma County Waste Management Agency pursuant to the above-referenced Line of Credit Agreement.

4. The parties understand that the funds provided to the Sonoma County Waste Management Agency pursuant to the above-referenced Line of Credit Agreement may not be fully repaid to the County before the expiration of the Waste Delivery Agreements. County shall undertake reasonable efforts to ensure repayment to the County of all funds provided to the Sonoma County Waste Management Agency so as to ensure that the line of credit to the Agency does not impair the reasonable expectations of the parties hereunder; i.e. that such funds remain available for the term of the Settlement Agreement for the purposes described therein. Notwithstanding the foregoing, the parties agree that any funds that may be due but are not yet paid to the County under the Line of Credit Agreement shall not be considered directly or indirectly available to fund any liabilities that may arise under the Settlement Agreement for the duration of the Agency's repayment period.

5. Except to the extent the Settlement Agreement is specifically amended or supplemented hereby, the Settlement Agreement, together with exhibits is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to modify, invalidate or otherwise affect any provision of the Settlement Agreement or any rights of the Parties arising thereunder.

6. This First Amendment shall be governed by and construed under the internal laws of the State of California, and any action to enforce the terms of this First Amendment or for the breach thereof shall be brought and tried in the County of Sonoma.

THE COUNTY AND EACH OF THE COMMITTED CITIES HAVE CAREFULLY READ AND REVIEWED THIS FIRST AMENDMENT AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS FIRST AMENDMENT, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, this First Amendment to the Settlement Agreement shall be effective as of the Effective Date.

County of Sonoma

Dated: _____

By: _____
Name: Rebecca Hermosillo
Title: Chair of the Board of Supervisors

APPROVED AS TO FORM FOR COUNTY OF SONOMA

By: _____
Name: Lisa Pheatt
Title: Deputy County Counsel

City of Cloverdale

Dated: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR CITY OF CLOVERDALE
By: _____
Name: Alex Mog
Title: City Attorney

City of Cotati

Dated: _____

By: _____
Name: _____
Title: _____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

APPROVED AS TO FORM FOR CITY OF COTATI
By: _____
Name: John Bakker
Title: City Attorney

City of Healdsburg

Dated: _____

By: _____
Name: _____
Title: City Attorney

APPROVED AS TO FORM FOR CITY OF HEALDSBURG
By: _____
Name: Samantha Zutler
Title: City Attorney

City of Rohnert Park

Dated: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR CITY OF ROHNERT PARK
By: _____
Name: Michelle Kenyon
Title: City Attorney

City of Santa Rosa

Dated: _____

By: _____
Name: _____
Title: _____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

APPROVED AS TO FORM FOR CITY OF SANTA ROSA
By: _____
Name: Teresa Stricker
Title: City Attorney

City of Sebastopol

Dated: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR CITY OF SEBASTOPOL
By: _____
Name: Alex Mog
Title: City Attorney

City of Sonoma

Dated: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR CITY OF SONOMA
By: _____
Name: David Ruderman
Title: City Attorney

Town of Windsor

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR TOWN OF WINDSOR
By: _____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Name: Jose Sanchez
Title: Town Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CREDIT AGREEMENT

Dated as of _____, 2026

by and between

SONOMA COUNTY WASTE MANAGEMENT AGENCY, a California joint powers authority
as Borrower

and

COUNTY OF SONOMA, a political subdivision of the State of California
as Lender

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CREDIT AGREEMENT

This CREDIT AGREEMENT (this *"Agreement"*) is entered into as of _____, 2026, by and between **SONOMA COUNTY WASTE MANAGEMENT AGENCY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. seq., as borrower (*"Agency"*), and **COUNTY OF SONOMA**, a political subdivision of the State of California, as lender (*"County"*).

RECITALS

A. The California Integrated Waste Management Act of 1989 (Public Resources Code Section 40000 *et seq.*) requires the County of Sonoma and the cities of Sonoma County to divert recyclable and recoverable materials from the waste stream and to cooperate to achieve certain waste diversion goals.

B. In furtherance of those responsibilities, the County and the cities in Sonoma County entered into that certain Amended and Restated Joint Exercise of Powers Agreement for the Sonoma County Waste Management Agency, to enable the Member Agencies to jointly exercise their powers to address issues related to the management of wood waste, yard waste and household hazardous waste and to provide public education related to waste diversion within the Member Agencies' jurisdictions, which Agreement was further amended by that certain First Amendment to the Amended and Restated Joint Exercise of Powers Agreement, which expressly authorizes the Member Agencies, including the County, to (a) make contributions from the treasuries for the purpose set forth in the Agreement, (b) make payments of public funds to defray the cost of such purpose, (c) make advances of public funds for the purpose set forth in the Agreement, with such advances to be repaid as provided in the Agreement, and to (d) provide personnel, equipment or property of one or more of the parties to the agreement may be used in lieu of other contributions or advances. The Amended and Restated Joint Exercise of Powers Agreement as amended by the First Amendment to the Amendment and Restated Joint Exercise of Powers Agreement is collectively referred to herein as the "*Amended JPA Agreement.*"

C. The Amended JPA Agreement establishes the Agency as a distinct public entity under the Joint Exercise of Powers Act (Gov't Code Sec. 6500 *et seq.*) and other applicable law.

D. The Amended JPA Agreement establishes certain core programs that the Agency is responsible for implementing for its Member Agencies, which include providing for the recycling and disposal of household hazardous waste from the Member Agencies' jurisdictions.

E. In furtherance of its core household hazardous waste recycling and disposal program, the Agency has acquired that certain property located at 5885 Pruitt Avenue, Windsor, California (APN 059-271-082) (the "*Property*"), and desires to initiate plans to develop a household hazardous waste collection facility at the Property, which facility may also include offices to be used for the Agency's staff and administrative functions (the "*HHW Facility*").

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

F. The development of the contemplated HHW Facility would further the Agency's household hazardous waste program in that it would provide improved access to HHW drop off and collection services to residents of the cities and unincorporated areas in the northern part of the County, thereby helping to divert household hazardous waste from the Central Landfill of the County.

G. In furtherance of the Agency's core household hazardous waste program, and in accordance with the Amended JPA Agreement, the Agency has requested, and County is willing to provide, a line of credit to fund the cost of development of the HHW Facility, which line of credit shall be repaid in conformance with the terms of this Agreement.

H. The HHW Facility that Agency intends to fund via this Agreement should undergo CEQA review as early as feasible in the planning process, as required by CEQA Guidelines Section 15004(b). The establishment of the proposed financing mechanism does not constitute an approval of any particular project as defined by CEQA and does not foreclose the adoption of alternatives or mitigation measures because environmental review, as necessary, will be conducted in association with the development of the HHW Facility.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION.

Section 1.1. Definitions. All capitalized terms used in this Agreement and not otherwise defined have the meanings ascribed to them in **Exhibit A**.

Section 1.2. Other Interpretive Provisions.

(a) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement will have the same defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meaning of defined terms is equally applicable to the singular and plural forms of the defined terms.

(b) References. The words "hereof", "herein", "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, section, schedule and exhibit references are to this Agreement unless otherwise specified.

(c) Certain Common Terms. The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term "including" is not limiting and means "including without limitation."

(d) Performance; Time. Whenever any performance obligation hereunder is stated to be due or required to be satisfied on a day other than a Business Day, such performance may be

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including." If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision will be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(e) Contracts. Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, will be deemed to include all subsequent amendments thereto, restatements thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) Laws. References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(g) Dollars and $. All references to "dollars" or "$" refer to United States dollars.

Section 1.3. Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein will be construed, and all financial computations required under this Agreement will be made, in accordance with GAAP, consistently applied.

(b) References herein to "fiscal year", "fiscal quarter" and "fiscal month" refer to such fiscal periods of Agency.

(c) If any change in GAAP results in a change in the calculation of the financial covenants or interpretation of related provisions of this Agreement or any other Loan Document, then Agency and County agree to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP with the desired result that the criteria for evaluating Agency's financial condition will be the same after such change in GAAP as if such change had not been made.

SECTION 2. THE REVOLVING LINE OF CREDIT.

Section 2.1. Revolving Credit. Subject to the terms and conditions of this Agreement, County agrees to make a revolving credit line (the *"Revolving Credit"*) available to Agency for the sole purpose of providing capital for costs related to the development and construction of the Household Hazardous Waste Facility on the Property (each an *"Advance"*) in an aggregate principal amount not to exceed, at any one time, the amount of the Revolving Credit Commitment. The Revolving Credit will be disbursed in one or more advances (each, an *"Advance"*), provided that each individual Advance shall be in an amount not less than Fifty Thousand Dollars ($50,000), and all outstanding Advances shall not exceed in the aggregate, at

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

any one time, the Revolving Credit Commitment, and provided further that the conditions precedent to Advances specified in Section 6 are satisfied. Subject to the Revolving Credit Commitment and the other terms and conditions of this Agreement, Agency may periodically request Advances; provided, however, that County will have no obligation to make Advances on or after the Revolving Credit Termination Date.

Section 2.2. Advances. Advances under this Agreement may be requested in writing by Agency or any Authorized Representative appointed by Agency.

Section 2.3. Revolving Credit Termination Date. County's obligation to make Advances will terminate at such time that Agency completes construction of the HHW Facility on the Property, as demonstrated by the issuance of a certificate of occupancy for the HHW Facility, but not later than _____, 2030 (the *"Revolving Credit Termination Date"*). Upon the earlier of the issuance of a certificate of occupancy for the HHW Facility or the outside date listed above, the Agency and County shall enter into an Agreement certifying the Revolving Credit Termination Date in writing.

Section 2.4. Note. The Revolving Credit is evidenced by a Revolving Credit Promissory Note (the *"Note"*) made, executed and delivered by Agency and payable to the order of County in the form (with appropriate insertions) attached hereto as **Exhibit B**.

Section 2.5. Repayment.

(a) *Maturity Date.* The "Maturity Date" shall mean the date by which all Obligations (including the Amortized Principal and all accrued but unpaid interest) shall have been fully repaid in accordance with the Step-Up Repayment Schedule (as defined in Section 2.5(c), below), which shall occur no later than Twenty Fourt (24) years after the Revolving Credit Termination Date. Until the Maturity Date, Agency shall repay the Advances with interest as provided herein and in the Note. Any Advances repaid may be re-borrowed prior to the Revolving Credit Termination Date, if needed for the sole purpose of providing capital for costs related to the development and construction of the Household Hazardous Waste Facility on the Property.

(b) *Amortized Principal.* Within fifteen (15) days following the Revolving Credit Termination Date, County shall determine (i) the total outstanding principal balance of all Advances and (ii) all accrued but unpaid interest thereon as of the Revolving Credit Termination Date. The sum of such principal and accrued but unpaid interest shall constitute the "Amortized Principal" for purposes of this Agreement. County shall thereafter deliver to Agency a written repayment schedule (the "Step-Up Repayment Schedule") in accordance with subsection (c) below.

(c) *Step-Up Repayment Methodology*. The Amortized Principal, together with interest accruing thereon at the rate set forth in Section 3.1, shall be repaid in quarterly installments calculated so that the aggregate amount of the four (4) quarterly installments due in each year equals the applicable annual debt-service amount, as follows:

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

1. Years 1 through 5: annual debt-service amount of Nine Hundred Thousand Dollars ($900,000)**;**
2. Years 6 through 10: annual debt-service amount of One Million Dollars ($1,000,000)**;**
3. Years 11 through 15: annual debt-service amount of One Million One Hundred Thousand Dollars ($1,100,000)**;**
4. Years 16 through 20: annual debt-service amount of One Million Two Hundred Thousand Dollars ($1,200,000); and
5. Years 21 through 24: the annual debt-service amount shall be calculated as an amount as necessary to repay in full the remaining balance of the Amortized Principal and all interest accrued thereon in equal installments by no later than 24-years after the Revolving Credit Termination Date.

(d)

SECTION 3. INTEREST, LOAN REPAYMENTS; LATE FEES, PREPAYMENTS AND APPLICATIONS.

Section 3.1. Interest Payments.

(a) Advances. The outstanding principal balance of Advances will bear interest (which Agency hereby promises to pay at the rates and at the times set forth therein) prior to maturity (whether by lapse of time, acceleration or otherwise) at the rate of four percent (4%) per annum and after the Maturity Date (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full, as provided herein and in the Note.

(b) Payments of Amortized Principal and Interest. Following the Revolving Credit Termination Date, Agency will pay regular quarterly payments of outstanding principal and interest calculated in accordance with the Step-Up Repayment Schedule described in Section 2.5(c). Such payments shall be made on each Payment Date through the Maturity Date. Within fifteen (15) days of the Revolving Credit Termination Date, County shall provide Agency with a written amortization schedule of the quarterly payments required for repayment of the Amortized Principal in accordance with Section 2.5.

(d) Late Fees. If Agency fails to make any payment of principal or interest under the Notes or any other sum payable hereunder or under any other Loan Document within five (5) calendar days after its due date, County will be entitled at its option to impose a late charge in an amount equal to six percent (6.00%) of the amount of such past due payment, which charge, if imposed by County, shall be due and payable by Agency immediately upon receipt of written notice thereof.

Section 3.2. Computation of Interest; Minimum and Maximum Interest Rates. All interest on the Advances will be calculated on the basis of a year of 360 days for the actual number of days elapsed.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Section 3.3. Prepayments.

(a) Voluntary Prepayment. Agency may voluntarily prepay Advances, in whole or in part, at any time without any penalty or fee. In connection with such prepayment, Agency may prepay the principal amount of any Note, in whole or in part, together with interest accrued on the principal amount prepaid, at its option and without premium, prior to the applicable Maturity Date or the Termination Date, as the case may be.

(b) Mandatory Prepayment. If for any reason at any time the aggregate total outstanding amount of Advances exceeds the Revolving Credit Commitment, then Agency shall, without notice, prepay Advances (together with all accrued but unpaid interest thereon) in an amount equal to such excess.

(c) Application of Prepayments. All prepayments shall be applied to accrued interest first, and then to the outstanding principal amount due under this Credit Agreement.

Section 3.4. Place and Application of Payments and Collections. All payments of principal, interest, fees and all other Obligations payable hereunder will be made to County at the following address on the date any such payment is due and payable:

County of Sonoma
Attn:
Santa Rosa, CA 9

So long as any Event of Default has occurred and is continuing, Agency agrees that County, in its sole and absolute discretion, may apply any payments or collections received by County from Agency in respect of the Revolving Credit to any of the Obligations in any manner or order as County desires. County's receipt and application of payments or collections shall not constitute a waiver or cure of any Default.

Section 3.5. Notations. All Advances made and evidenced by the Note will be recorded by County on its books and records or, at its option in any instance, endorsed on a schedule to such Note, and the unpaid principal balance so recorded or endorsed by County will be *prima facie* evidence in any court or other proceeding brought to enforce such Note of the principal amount remaining unpaid, the status of the Advances evidenced by such Note and the applicable interest rates; provided, however, that the failure of County to record any of the foregoing will not limit or otherwise affect the obligation of Agency to repay the principal amount of such Note together with accrued interest thereon.

SECTION 4. COLLATERAL.

Section 4.1. Pledge of Waste Management Agency Fee. Subject to the terms of this Agreement, the Agency hereby pledges the funds received by the Agency as the Waste Management Agency Fee as defined in the Amended JPA Agreement, which is a tip fee adopted

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

by the Agency and charged on waste entering the County of Sonoma's waste disposal system, to secure the payment of the Obligations under this Agreement. Said pledge shall constitute a first lien on the Waste Management Agency Fee which shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by law, and shall be effective, binding and enforceable against the Agency and all others irrespective of whether those parties have notice of the pledge or grant and without the need of any physical delivery.

Section 4.2. General Obligation. Notwithstanding any other provision of this Agreement, Agency hereby acknowledges and agrees that payment of all Obligations (including, without limiting the foregoing, payments of principal of and interest on each Advance) is a general obligation of Agency. County acknowledges that the Obligations of Agency hereunder are solely obligations of Agency and are not debts, liabilities or obligations of any of the Member Agencies and no taxing power of any of the foregoing is pledged therefore. Agency has no taxing powers.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

Agency represents and warrants to County that, as of the date of this Agreement, as of the date of each Advance, and at all times any Obligations remain outstanding to County:

Section 5.1. Organization and Qualification; Authority; Consents. Agency is a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, *et seq*.). Agency has the authority to enter into this Agreement and the other Loan Documents to which it is a party, to request the Advances and incur the Obligations provided for herein, to execute the Note in evidence thereof, to pledge and encumber assets as security therefor, and to perform each and all of the promises herein and therein. This Agreement and the other Loan Documents to which Agency is a party do not, nor does the performance or observance by Agency of any of the matters or things herein or therein provided for, contravene any provision of law or the Amended and Restated Joint Powers Agreement or any covenant, indenture or agreement of or affecting Agency or any of its Properties. The execution, delivery, performance and observance by Agency of this Agreement and the other Loan Documents do not and, at the time of delivery hereof, will not require any consent or approval of any other Person, other than such consents and approvals that have been given or obtained.

Section 5.2. Legal Effect. This Agreement and the other Loan Documents to which Agency is a party constitute legal, valid and binding agreements of Agency, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable remedies if equitable remedies are sought.

Section 5.3. Use of Proceeds. Agency will use the proceeds of the Advances as provided herein and solely for purposes in furtherance of the development and construction of the Household Hazardous Waste Facility, in a manner consistent with Agency's powers and responsibilities under the Amended and Restated Joint Powers Agreement.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Section 5.4. Full Disclosure. The statements and other information furnished to County in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by County to provide the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading; provided that County acknowledges that, as to any projections furnished to County, Agency only represents that the same were prepared on the basis of information and estimates Agency believed to be reasonable at the time such information was prepared.

Section 5.5. Litigation. There is no litigation or governmental proceeding pending, nor to the knowledge of Agency threatened in writing, against Agency which if adversely determined would result in any material adverse change in the financial condition, Properties, business or operations of Agency.

Section 5.6. Good Title. Agency has good and defensible title to the Property, subject to no Liens other than Permitted Liens or as otherwise limited by applicable law.

Section 5.7. Compliance with Laws. Agency is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to the Property or business operations, non-compliance with which could have a material adverse effect on the financial condition, Property, business or operations of Agency. Agency has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, Property, or operations of Agency.

Section 5.8. Other Agreements. Agency is not in default under the terms of any covenant, indenture or agreement of or affecting Agency or the Property, which default if uncured would have a material adverse effect on the financial condition, Property, or operations of Agency.

Section 5.9. No Default. No Default or Event of Default has occurred or is continuing.

SECTION 6. CONDITIONS PRECEDENT.

Section 6.1. All Advances. The obligation of County to make any Advance is subject to the following conditions precedent:

(a) Each of the representations and warranties set forth in Section 5 hereof and in the other Loan Documents shall be true and correct as of said time; and

(b) Agency shall be in full compliance with all of the material terms and conditions of this Agreement and the Note, and no Default or Event of Default shall have occurred or be continuing.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

(c) County shall have received properly completed and executed originals of the following in form and substance satisfactory to County:

(i) this Agreement and the Note;

(ii) a Request for Advance in the form of **Exhibit C** with supporting documentation;

(iii) the resolutions adopted by the Board of Directors of Agency with respect to this Agreement and the other Loan Documents, certified by an Authorized Representative;

(iv) an incumbency certificate containing the name, title and genuine signatures of each of Agency's Authorized Representatives;

(v) evidence of Liability Insurance in form and substance satisfactory to County.

(d) Any legal matters incident to the execution and delivery of this Agreement and the other Loan Documents and to the transactions contemplated hereby and thereby shall be reasonably satisfactory to County.

SECTION 7. COVENANTS.

Agency covenants and agrees as follows:

Section 7.1. Maintenance of Agency. Agency shall preserve and maintain its existence. Agency shall conduct its operations in a reasonable and prudent manner consistent with the Amended and Restated Joint Powers Agreement.

Section 7.2. Financial Reports. Agency shall maintain a standard system of accounting in accordance with GAAP and shall furnish to County and its duly authorized representatives such information respecting the business and financial condition of Agency as County may reasonably request.

Section 7.3. Inspection. Agency shall permit County and its duly authorized representatives and agents, at such times as County may reasonably request: (i) to visit and inspect any of the Properties, books and financial records of Agency and to examine and make copies of the books of accounts and other financial records of Agency, and (ii) to discuss the affairs, finances and accounts of Agency with, and to be advised as to the same by, the executive officer of Agency. Without limiting the generality of the foregoing, Agency shall promptly provide all information and access requested by County as County determines is necessary or required in connection with the preparation of its own financial statements.

Section 7.4. Intentionally Omitted.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Section 7.5. Compliance with Laws. Agency shall comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to or pertaining to the Property or Agency's operations, non-compliance with which could have a material adverse effect on the financial condition, Property, or operations of Agency or could result in a Lien upon the Property.

Section 7.6. Notices of Claims and Litigation. Agency shall promptly inform County in writing of (a) all material adverse changes in Agency's financial condition and/or (b) all existing or written threats of litigation, claims, investigations, administrative proceedings or similar actions affecting Agency which could materially affect the financial condition of Agency.

Section 7.7. Other Agreements. Agency shall comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Agency and any other party, non-compliance with which could have a material adverse effect on the financial condition, Property, or operations of Agency, and notify County immediately in writing of any default in connection with any other such agreements.

Section 7.9. Performance. Agency shall timely perform and comply with all terms, conditions, and provisions set forth in this Agreement, the Note and in all other instruments and agreements between Agency and County. Agency shall notify County promptly in writing of any Default in connection with any Loan Document.

SECTION 8. EVENTS OF DEFAULT AND REMEDIES.

Section 8.1. Events of Default. Any one or more of the following will constitute an *"Event of Default"* hereunder:

(a) any default in the payment when due (whether by lapse of time, acceleration or otherwise) of (i) any payment of principal or interest under the Note, or (ii) any other Obligation within five (5) days after payment or performance is due from Agency; or

(b) any representation or warranty made by Agency herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Advance made hereunder, is inaccurate or untrue in any material respect as of the date of the issuance or making thereof; or

(c) any event occurs or condition exists (other than those described in clauses (a) through (b) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents for any reason ceases to be in full force and effect, or any of the Loan Documents is declared to be null and void, or Agency takes any action for the purpose of repudiating or rescinding any Loan Document executed by it; or

(d) Agency fails to pay, or admits in writing its inability to pay, its debts generally as they become due;

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

(e) any custodian, receiver, administrative receiver, administrator, trustee, examiner, liquidator or similar official is appointed over Agency or any substantial part of any of its Properties, whether by court order, by operation of law or otherwise, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) or more days, or Agency becomes unable to pay or admits in writing its inability to pay its debts as they become due; or

(f) Agency fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any other Loan Document or in any other agreement between County and Agency, which failure is capable of being cured, if such failure is not cured within thirty (30) days after written notice thereof from County; provided however, that if any such failure cannot reasonably be cured within such 30-day period, then the period to cure shall be deemed extended for up to an additional thirty (30) days after County's initial default notice as long as Agency diligently and continuously proceeds to cure such failure. Agency agrees to reimburse County for all reasonable costs and expenses (including legal fees) incurred by County as a result of any failure described in this paragraph until cured.

Section 8.2. Non-Insolvency Default Remedies. Upon the occurrence of any Event of Default described in clauses (a) through (c) or (f) of Section 8.1, County may, by notice to Agency, take any of the following actions:

(a) terminate any obligation to extend any further credit hereunder (including but not limited to Advances) on the date (which may be the date thereof) stated in such notice;

(b) declare all Advances and all indebtedness under the Note then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Agency to County, to be immediately due and payable without further demand, presentment, protest or notice of any kind; and

(c) exercise and enforce any and all rights and remedies contained in any other Loan Document or otherwise available to County at law or in equity.

Section 8.3. Insolvency Default Remedies. Upon the occurrence of any Event of Default described in clauses (d) or (e) of Section 8.1, all Advances and all indebtedness under the Note then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Agency to County, will immediately become due and payable without presentment, demand, protest or notice of any kind, and County shall have no obligation to extend any further credit hereunder (including but not limited to Advances).

SECTION 9. MISCELLANEOUS.

Section 9.1. Holidays. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day on which date such payment will be due and payable. In the case of any principal falling due on a day which is not a Business Day, interest on such principal amount

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

will continue to accrue during such extension at the Applicable Rate, which accrued amount will be due and payable on the next scheduled date for the payment of interest.

Section 9.2. No Waiver, Cumulative Remedies. No delay or failure on the part of County in the exercise of any power or right will operate as a waiver thereof or as an acquiescence in any Default, nor will any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. All rights and remedies of County are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have. Agency agrees that in the event of any breach or threatened breach by Agency of any covenant, obligation or other provision contained in this Agreement, County shall be entitled (in addition to any other remedy that may be available to County) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach. Agency further agrees that neither County nor any other person or entity shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 9, and Agency irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

Section 9.3. Amendments, etc. No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, will be effective unless the same is in writing and signed by Agency and County. No notice to or demand on Agency in any case will entitle Agency to any other or further notice or demand in similar or other circumstances.

Section 9.4. Indemnity. Whether or not the transactions contemplated hereby shall be consummated, Agency shall, to the extent permitted by law, indemnify, defend and hold harmless County and its officers, directors, employees, counsel, agents and attorneys-in-fact (each, an *"Indemnified Person"*) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses or disbursements (including attorneys' costs and expert witnesses' fees), of any kind or nature whatsoever, that (a) arise from or relate in any way to the execution, delivery, enforcement, performance and administration of this Agreement and any other Loan Document, or the transactions contemplated hereby and thereby, and with respect to any investigation, litigation or proceeding (including any appellate proceeding) related to this Agreement or the Advances or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto, and/or (b) may be incurred by or asserted against such Indemnified Person in connection with or arising out of any pending or threatened investigation, litigation or proceeding, or any action taken by any Person, arising out of or related to any Property of Agency (all the foregoing, collectively, the *"Indemnified Liabilities"*); provided that Agency shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent arising from the gross negligence or willful misconduct of such Indemnified Person.

The obligations of Agency in this Section 9.4 shall survive the payment and performance of all other Obligations. At the election of any Indemnified Person, Agency shall defend such Indemnified Person using legal counsel satisfactory to such Indemnified Person in such

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Indemnified Person's reasonable discretion, at the sole cost and expense of Agency. All amounts owing under this Section 9.4 shall be paid within thirty (30) days after demand.

Section 9.5. Survival of Representations. All representations and warranties made herein or in certificates given pursuant hereto will survive the execution and delivery of this Agreement and the other Loan Documents, and will continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 9.6. Notices. Except as otherwise specified herein, all notices hereunder will be in writing (including by hand, post, courier, email or telecopy) and will be given to the relevant party at its address or email address set forth below, or such other address as such party may hereafter specify by notice to the other given by certified or registered mail, by Federal Express or DHL, or by other telecommunication device (including electronic mail) capable of creating a written record of such notice and its receipt. Notices hereunder will be addressed:

To Agency at:

_____
_____
_____
Attention: _____
Email: _____

To County at:

_____
_____
_____
Attention: _____
Email: _____

Each such notice, request or other communication will be effective (i) if given by email, when such email is transmitted to the email address specified in this Section and a confirmation of such email has been received by the sender, (ii) if given by mail, three (3) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section 9.6.

Section 9.7. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 9.8. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.9. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together will be deemed to constitute one and the same instrument.

Section 9.10. Assignments, Binding Nature, Governing Law, Etc. This Agreement will be binding upon Agency and its permitted successors and assigns, and will inure to the benefit of County and the benefit of its permitted successors and assigns. This Agreement and the rights and duties of the parties hereto will be construed and determined in accordance with the internal laws of the State of California without regard to principles of conflicts of laws. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. Agency may not assign its rights hereunder without the written consent of County. County may assign its rights hereunder without the consent of Agency, but only if after any such assignment County acts as the lead agent or administrative agent with respect to this Agreement.

Section 9.11. Submission to Jurisdiction; Waiver of Jury Trial. Agency hereby submits to the nonexclusive jurisdiction of the California State court sitting in the County of Sonoma for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Agency irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court has been brought in an inconvenient forum. Agency hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or in the transactions contemplated thereby.

Section 9.12. Time is of the Essence. Time is of the essence in the performance and enforcement of this Agreement and the other Loan Documents.

Section 9.13. No Recourse Against Constituent Members of Agency. Agency is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, *et seq.*) pursuant to the Amended JPA Agreement and is a public entity separate from its constituent members. Agency shall be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and the Notes. County shall not make any claims, take any actions or assert any remedies against any of Agency's constituent members in connection with any payment default by Agency under this Agreement or any other Loan Document.

[*Signatures appear on following page.*]

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Upon your acceptance hereof in the manner hereinafter set forth, this Agreement will constitute a contract between us for the uses and purposes hereinabove set forth.

Executed as of the first date written above.

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By: _____

Name: Leslie Lukacs

Its: Executive Director

COUNTY OF SONOMA

By: _____

Name: _____

Its: _____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT A

Definitions

"Accounts" means all rights to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a secondary obligation incurred or to be incurred, or (iv) for energy provided or to be provided.

"Advance" is defined in Section 2.1.

"Agency" is defined in the introductory paragraph.

"Agreement" means this Credit Agreement, as the same may be amended, modified or restated from time to time in accordance with the terms hereof.

"Amended JPA Agreement" means the Amended and Restated Joint Exercise of Power Agreement for the Sonoma County Waste Management Agency, as amended by the First Amendment to Amended and Restated Joint Exercise of Powers Agreement, effective as of _____.

"Amortized Principal" means the sum of the following, as of the Revolving Credit Termination Date: (i) the total outstanding principal balance of all Advances and (ii) all accrued but unpaid interest thereon, as determined pursuant to Section 2.5(b).

"Authorized Representative" means the Executive Director of Agency, or the Executive Director's designee.

"Business Day" means any day other than a Saturday or Sunday or holiday recognized by the County of Sonoma.

"County" is defined in the introductory paragraph.

"Default" means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

"Default Rate" means the rate of eight percent (8.0%) per annum.

"Dollars and $" mean lawful money of the United States.

"Event of Default" is defined in Section 8.1.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

"GAAP" means generally accepted accounting principles as established and interpreted by the Governmental Accounting Standards Board (GASB) and as applied by Agency.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial taxing, regulatory or administrative powers or functions of or pertaining to government.

"HHW Facility" is defined in Recital E of this Agreement.

"Indebtedness for Borrowed Money" means, for any Person (without duplication), (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business not more than 90 days past due), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, and (iv) all obligations of such Person on or with respect to letters of credit, banker's acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money.

"Indemnified Liabilities" is defined in Section 9.4.

"Indemnified Person" is defined in Section 9.4.

"Loan Documents" means this Agreement, the Note, and all other documents, certificates, instruments and agreements executed by Agency in connection with this Credit Agreement.

"Maturity Date" is defined in Section 2.5.

"Member Agencies" means the County of Sonoma, a political subdivision of the State of California and the Cities of Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and Windsor, each a municipal corporation of the State of California.

"Note" is that certain Revolving Credit Promissory Note made, executed and delivered by Agency and payable to the order of County in the form (with appropriate insertions) attached hereto as **Exhibit B**.

"Obligations" means and includes all loans, advances, debts, liabilities and obligations of Agency to County, of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter owed by Agency to County, whether in connection with the Loan Documents or

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

otherwise, including without limitation all interest, fees, charges, expenses, attorneys' fees and accountants' fees chargeable to Agency or payable by Agency thereunder.

"Payment Date" means, other than the Maturity Date, the first day of each quarter of the calendar year (i.e., January 1, April 1, July 1 and October 1).

"Person" means an individual, partnership, corporation, company, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"Related Parties" means, with respect to any Person, such Person's affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's affiliates.

"Revenues" means the revenues of Agency, as determined in accordance with GAAP; but excluding (i) any unrealized gain or loss resulting from changes in the value of investment securities, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course of business and (iii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets.

"Revolving Credit" is defined in Section 2.1.

"Revolving Credit Commitment" means Sixteen Million Dollars ($16,000,000).

"Revolving Credit Termination Date" is defined in Section 2.3.

"Step-Up Repayment Schedule" means the written schedule of quarterly installment payments that will be due to County in accordance with this Agreement, as further described in Section 2.5(c).

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT B

REVOLVING CREDIT PROMISSORY NOTE

$16,000,000 _____, 2027

FOR VALUE RECEIVED, **SONOMA COUNTY WASTE MANAGEMENT AGENCY**, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 *et seq*. ("*Agency"*), promises to pay to the order of **COUNTY OF SONOMA**, a political subdivision of the State of California ("*County*") the principal sum of Sixteen Million Dollars ($16,000,000), pursuant to the terms of that certain Credit Agreement (the *"Credit Agreement"*) dated as of _____, 2026, between Agency and County, together with interest thereon as provided herein and therein. All payments under this Revolving Credit Promissory Note (this *"Note"*) shall be made to County at its address specified in the Credit Agreement, or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

1. Payment Terms. Following the Revolving Credit Termination Date, Agency agrees to pay regular quarterly payments of outstanding principal and interest calculated in accordance with the Step-Up Repayment Schedule provided for in the Credit Agreement. Such payments shall be made on each Payment Date through the Maturity Date. Interest will accrue on the unpaid principal balance of this Note from the date of each Advance prior to the Maturity Date (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after the Maturity Date (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full, all as provided in the Credit Agreement. Prior to the Revolving Credit Termination Date, Agency shall not be obligated to make any scheduled payments of principal or interest on this Note, but may at its option make voluntary prepayments of principal and interest as provided in the Credit Agreement.

2. Maturity Date. Within fifteen (15) days of the Revolving Credit Termination Date, County shall provide Agency with a written amortization schedule of the quarterly payments required for repayment of the Amortized Principal in accordance with the Credit Agreement, which amortization schedule shall be subsequently signed by an authorized representative of Agency and County, and kept on file with this Note. The Maturity Date shall be determined as set forth in Section 2.5 of the Credit Agreement.

3. Default and Acceleration. Upon the occurrence of any Event of Default described in Section 8.1 of the Credit Agreement, County or any permitted holder of this Note may exercise any or all of the rights and remedies set forth therein, including the exercise of County's option to accelerate this Note and declare all Advances and all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Agency, as applicable.

4. Miscellaneous. This Note and the holder hereof are entitled to all of the rights benefits provided for in the Credit Agreement. All of the terms, covenants and conditions

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

5. This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Agency or County, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

6. This Note will be construed in accordance with, and governed by, the laws of the State of California.

7. Agency promises to pay all costs and expenses (including reasonable attorneys' fees and expert witnesses' fees) suffered or incurred by County or subsequent holder of this Note in the collection of this Note or the enforcement County's rights and remedies under the Credit Agreement.

8. Agency hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. County may delay or forego enforcing any of its rights or remedies under this Note without losing them. Agency and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that County may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or guarantor or collateral, or impair, fail to realize upon or perfect County's security interest in the collateral, if any; and take any other action deemed necessary by County without the consent of or notice to anyone. All such parties also agree that County may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.

9. **Prior to signing this Note, Agency read and understood all the provisions of this Note and the Credit Agreement. Agency agrees to the terms of this Note and the Credit Agreement. Agency acknowledges receipt of complete copies of this Note and the Credit Agreement.**

SONOMA COUNTY WASTE MANAGEMENT AGENCY

By:_____

Name:_____

Its:_____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT C

REQUEST FOR ADVANCE

$_____ REVOLVING CREDIT

SONOMA COUNTY WASTE MANAGEMENT AGENCY ("AGENCY") HEREBY REQUESTS AN ADVANCE UNDER AGENCY'S REVOLVING CREDIT IN ACCORDANCE WITH THE CREDIT AGREEMENT DATED AS OF _____, 202_, BETWEEN AGENCY AND COUNTY OF SONOMA ("COUNTY").

DATE OF REQUEST: _____

AMOUNT OF REQUESTED ADVANCE: $_____

PURPOSE OF ADVANCE:

___ - THIS ADVANCE WILL BE USED TO FUND _____.

____ - ATTACHED IS THE INVOICE(S) OR AGREEMENT(S) FOR WHICH SUCH ADVANCE WILL BE USED.

AGENCY CERTIFICATION:

AGENCY HEREBY CERTIFIES THAT:

(I) AFTER MAKING THE ADVANCE REQUESTED ON THE ADVANCE DATE ABOVE, THE SUM OF ALL OUTSTANDING ADVANCES WILL NOT EXCEED THE REVOLVING CREDIT COMMITMENT THEN IN EFFECT;

(II) THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THE CREDIT AGREEMENT ARE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH ADVANCE DATE TO THE SAME EXTENT AS THOUGH MADE ON AND AS OF SUCH DATE, EXCEPT TO THE EXTENT SUCH REPRESENTATIONS AND WARRANTIES SPECIFICALLY RELATE TO AN EARLIER DATE, IN WHICH CASE SUCH REPRESENTATIONS AND WARRANTIES ARE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH EARLIER DATE; PROVIDED THAT, IN EACH CASE, SUCH MATERIALITY QUALIFIER SHALL NOT BE APPLICABLE TO ANY REPRESENTATIONS AND WARRANTIES THAT ALREADY ARE QUALIFIED OR MODIFIED BY MATERIALITY IN THE TEXT THEREOF; AND

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

(III) NO EVENT HAS OCCURRED AND IS CONTINUING OR WOULD RESULT FROM THE CONSUMMATION OF THE BORROWING CONTEMPLATED HEREBY THAT WOULD CONSTITUTE AN EVENT OF DEFAULT OR A DEFAULT.

(IV) THIS ADVANCE IS BEING USED FOR THE PURPOSE INTENDED AS PROVIDED IN THE CREDIT AGREEMENT AND NO PORTION OF THIS ADVANCE IS BEING USED TO FUND OPERATING LOSSES.

(V) THE EXPENSES FOR WHICH THIS ADVANCE IS BEING REQUESTED HAVE ALREADY BEEN INCURRED BY THE AGENCY OR WILL BE INCURRED WITHIN 90 DAYS OF THE DATE OF THIS REQUEST FOR ADVANCE.

SONOMA COUNTY WASTE MANAGEMENT AGENCY

BY:_____

NAME: LESLIE LUKACS

ITS: EXECUTIVE DIRECTOR

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ZERO WASTE SONOMA

Agenda Item #: **7**
Staff Contact**:** **Walsh/Lukacs**
Agenda Date: **8/15/2024**
Approved By: LL

ITEM: Consideration of Proposed First Amendment to Amended and Restated Joint Exercise of Powers Agreement

I. RECOMMENDED ACTION / ALTERNATIVES TO RECOMMENDATION

That the Board direct Agency staff to request that the governing boards of the member agencies of the Sonoma County Waste Management Agency approve the First Amendment to the Amended and Restated Joint Exercise of Powers Agreement for the Sonoma County Waste Management Agency.

II. BACKGROUND

On March 1, 2017, the cities located in Sonoma County and the County of Sonoma entered into an Amended and Restated Joint Exercise of Powers Agreement for the Sonoma County Waste Management Agency (the "JPA Agreement"). The JPA Agreement governs the operations of the Sonoma County Waste Management Agency, also known as Zero Waste Sonoma. The JPA Agreement was unanimously approved by the governing boards of the member agencies, and any amendments to the JPA Agreement must similarly be amended by unanimous approval of the governing boards of the member agencies.

III. DISCUSSION

Recently, the Agency acquired property located at 5885 Pruitt Avenue in Windsor, and hopes to develop a household hazardous waste collection facility and potentially offices for staff and administrative functions ("HHW Facility") at that location. The Agency would need to secure financing to develop an HHW Facility, and Agency staff has been evaluating potential financing sources for such a project. As part of this process, Agency staff has requested that the County of Sonoma (the "County") consider providing the Agency with a line of credit to help fund the cost of development of the HHW Facility. County Public Infrastructure staff has expressed a willingness to discuss this request with the Board of Supervisors, in light of the regional benefits of development of the contemplated HHW Facility in the northern part of the County.

The State Joint Exercise of Powers Act provides that member agencies of a joint powers authority (such as the County, in this instance), are allowed to make "advances" to a JPA in furtherance of the purposes set forth in the joint powers agreement, with the advances repaid according to the terms of the joint powers agreement. (Gov't Code section 6504.)

While the JPA Agreement does allow generally that the Agency may incur debts, liabilities and obligations (See JPA Agreement, Section 3(b)(vi)), it does not expressly provide that the member agencies may make loans or advances to the Agency, as allowed by Gov't Code section 6504. In order to make clear that the Agency is authorized to borrow money from the County for the development of the HHW Facility, and that the County is authorized to make the contemplated loan to the Agency, Agency staff has prepared a proposed First Amendment to the JPA Agreement

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

to expressly authorize contributions, payments, or advances from the member agencies to the Agency, with any advances to be repaid pursuant to terms set forth in a written agreement between the Agency and the member agency making such an advance. If approved, this First Amendment would expressly allow for the contemplated line of credit to be made from the County to the Agency.

In order to take effect, the proposed First Amendment must be unanimously approved by the governing boards of the member agencies. Agency staff recommends that the Agency Board direct staff to reach out to appropriate staff for each member agency, and request that the proposed amendment be placed on the agenda for consideration by the governing bodies of each member agency.

IV. FUNDING IMPACT

The proposed amendment will not have any funding impact to the Agency. In the event that the amendment is approved by all member agencies the Agency and County are able to agree to terms of a potential line of credit, the proposed agreement will come to the Board at a later date for its consideration.

V. ATTACHMENTS

First Amendment to JPA Agreement

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT FOR THE SONOMA COUNTY WASTE MANAGEMENT AGENCY

THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("Agreement') is made and entered into as of March 1, 2017 ("**Effective Date**"), by and among the County of Sonoma, a political subdivision of the State of California, the City of Cotati, a California municipal corporation, the City of Cloverdale, a California municipal corporation, the City of Healdsburg, a California municipal corporation, the City of Petaluma, a California municipal corporation, the City of Rohnert Park, a California municipal corporation, the City of Santa Rosa, a California municipal corporation, the City of Sebastopol, a California municipal corporation, the City of Sonoma, a California municipal corporation, and the Town of Windsor, a California municipal corporation (collectively "**Members**" and each individually a "**Member**").

RECITALS

A. The Members are authorized and empowered to contract with each other for the joint exercise of powers pursuant the Joint Exercise of Powers Act (Government Code Section 6500 *et seq.*) (the "**JPA Act**").

B. The California Integrated Waste Management Act of 1989 (Public Resources Code Section 40000 *et seq.*) (the "**Integrated Waste Management Act**") requires Members to divert recyclable and recoverable materials from the waste stream and to cooperate to achieve certain waste diversion goals.

C. On or before September 9, 1992, the Members entered into that certain Agreement between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal With Waste Management Issues (Wood Waste, Yard Waste, Household Hazardous Waste, and Public Education) (the "**Original Agreement**") to enable the Members to jointly exercise their powers to address issues related to the management of wood waste, yard waste and household hazardous waste and to provide public education related to waste diversion within the Members' jurisdictions.

D. The Original Agreement created a separate public entity known as the Sonoma County Waste Management Agency (the "**Agency**") to implement the purposes of the Original Agreement.

E. On January 24, 1996, the Members entered into that certain First Amendment to Agreement Between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues (the "**First Amendment**").

F. On March 27, 2014, the Members entered into that certain "Second Amendment to Agreement Between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues (the "**Second Amendment**").

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

G. The Members desire to continue to jointly exercise common powers and authority through the Agency and to amend and restate the terms of Original Agreement as amended by the First Amendment and the Second Amendment, as with respect to the terms and provisions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the matters recited and the mutual promises, covenants, and conditions set forth in this Agreement, the Members hereby agree as follows:

1. DEFINITIONS

As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

A. "Agreement" means this Amended and Restated Sonoma County Waste Management Agency Joint Exercise of Powers Agreement.

B. "Agency" shall mean the Sonoma County Waste Management Agency, which is a separate entity created by this Agreement pursuant to the provisions of California Government Code sections 6500 *et seq*.

C. "Board of Directors" or "Board" shall mean the governing body of the Agency as established by Section 7 of this Agreement.

D. "Bylaws" shall mean the bylaws adopted by the Board of Directors pursuant to Section 9.05 of this Agreement to govern the day-to-day operations of the Agency.

E. "Director" and "Alternate Director" shall mean a Director or Alternate Director appointed by a Member pursuant to Section 7.B of this Agreement.

F. "First Amendment" shall have the meaning set forth in Recital E.

G. "Fiscal Year" shall mean that period of 12 months established as the Fiscal Year of the Agency pursuant to Section 12.B of this Agreement.

H. "Food Waste" shall mean a waste material of plant or animal origin that results from the preparation or processing of food for animal or human consumption; and that is separated from the municipal solid waste stream. Food waste includes, but is not limited to, food waste from food facilities as defined in Health and Safety Code section 113789 (such as restaurants), food processing establishments as defined in Health and Safety Code section 111955, grocery stores, institutional cafeterias (such as, cafeterias in prisons, schools and hospitals), and residential food scrap collection. Food waste does not include any material that is required to be handled only pursuant to the California Food and Agricultural Code and regulations adopted pursuant thereto.

I. "Hazardous Waste" shall mean waste as defined in Section 40141 of the Public Resources Code and Section 25117 Health and Safety Code that is, waste or combination of

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may do either of the following: (i) Cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; (ii) Pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.

J. "Household Hazardous Waste" shall mean waste materials determined by the California Department of Resources Recycling and Recovery, the Department of Health Services, the State Water Resources Control Board, or the Air Resources Board to be of such a nature that they must be listed as hazardous in state statutes and regulations, and which are toxic/ignitable/corrosive/reactive, or carcinogenic/mutagenic/teratogenic; and are discarded from householders as opposed to businesses.

K. "Integrated Waste Management Act" shall mean the California Integrated Waste Management Act of 1989, set forth at California Public Resources Code Section 40000 *et seq.*, including all laws and regulations supplemental thereto, as they may be amended from time to time.

L. "JPA Act" shall mean the Joint Exercise of Powers Act, set forth at California Government Code, sections 6500, *et seq.*, including all laws and regulations supplemental thereto, as they may be amended from time to time.

M. "Member" or "Members" shall mean the agencies as listed in the preamble of this Agreement, above.

N. "Original Agreement" shall have the meaning set forth in Recital C.

O. "Regional Agency" shall mean the designation of the Agency as a "Regional Agency" by the California Integrated Waste Management Board in compliance with Public Resources Code Section 40975.

P. "Residential Food Waste" shall mean Food Waste generated by people residing within the Members' jurisdictions who own or occupy single family homes or residential structures with no more than four separate residential living units.

Q. "Second Amendment" shall have the meaning set forth in Recital F.

R. "Wood Waste" shall mean solid waste consisting of wood pieces or particles which are generated from the manufacturing or production of wood products, harvesting, process or storage of raw wood materials, or construction and demolition activities.

S. "Yard Waste" shall mean any wastes generated from the maintenance or alteration of public, commercial or residential landscapes including but not limited to, yard clippings, leaves, tree trimmings, pruning, brush, and weeds.

T.

2. PURPOSE

A. Amended and Restated Agreement. The purpose of this Agreement is to modify

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

and amend the Original Agreement with respect to the purposes, membership, governance, administration and operation of the Agency, and to allow the Agency to continue operations for an extended term as set forth herein. The terms and provisions of this Agreement replace the Original Agreement as amended by the First Amendment and the Second Amendment in its entirety. Unless expressly stated herein, this Agreement does not affect any of the Agency's contracts, debts, revenues, claims, obligations, policies, procedures or bylaws that pre-date this Agreement, which will continue to remain in full force and effect in accordance with their terms and/or applicable law.

B. Continuation of the Sonoma County Waste Management Agency as a Separate Public Entity. The Members created the Agency as a distinct public entity, separate and apart from the Members, pursuant to and in accordance with the provisions of the JPA Act. It is the intent of the Members that under this Agreement the Agency shall continue as a distinct public entity under the JPA Act and other applicable law.

C. Core Programs. The Agency has the authority to provide the following core programs to the Members: (1) Provide for the recycling and disposal of Household Hazardous Waste from the Members' jurisdictions (the "Household Hazardous Waste Program"); (2) provide services and programs to provide for or facilitate the diversion of organic material, including but not limited to Yard Waste and Wood Waste (the "Organic Materials Program"); (3) provide education regarding recycling, composting and other methods of waste diversion to Members and the public (the "Education Program"); and (4) conduct, prepare and submit all monitoring and reporting as a Regional Agency as required pursuant to the Integrated Waste Management Act (the "Reporting Program"). The Agency may not add to or eliminate these core programs except by amendment of this Agreement. The Core Programs are further described in Section 4 of this Agreement.

D. Additional Programs. The Agency may conduct additional planning activities and development of regional programs that are related to the furtherance of increasing waste diversion within the Members' jurisdictions, provided that implementation of any regional program or plan developed by the Agency within any individual Member's jurisdiction shall be subject to the review and approval of the Member's governing body. The Additional Programs are further described in Section 5 of this Agreement.

3. POWERS

A. General Powers. The Agency shall have the powers common to the Members to this Agreement that are necessary or convenient to the implementation and ongoing operation of the Core Programs and Additional Programs, as well as other powers accorded to it by law, subject to the restrictions set forth herein.

B. Specific Powers. The Agency is authorized in its own name to perform all acts necessary for the exercise of common powers to carry out this Agreement, including but not limited to the following:

i. To make and enter into contracts;

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ii. To employ agents and employees;

iii. To obtain legal, financial, accounting, technical and other services as needed to carry out its purposes;

iv. To acquire, construct, manage, maintain and operate any buildings, works, or improvements;

v. To acquire, hold, lease or dispose of property;

vi. To incur debts, liabilities, and obligations;

vii. To impose, levy, collect or cause to be collected, to receive and use charges and fees as provided by law;

viii. To accumulate operating and reserve funds and invest the same as allowed by law for the purposes of the Agency.

ix. To apply for, accept and receive all permits, grants, loans or other aids from any federal, state or local public agency;

x. To receive donations of property, funds, services and other forms of financial assistance from any person, entity or agency;

xi. To invest money that is not needed for immediate necessities, as the Board determines to be advisable, in the same manner and upon the same conditions that apply to other local agencies as specified in Section 53601 of the Government Code.

xii. To sue and be sued in its own name;

xiii. To promulgate, adopt and enforce any by-laws, rules, regulations, policies and procedures in accordance with Section 5 of this Agreement as may be necessary and proper to implement and effectuate the terms, provisions and purposes of this Agreement; and

xiv. To carry out any power necessary or incidental to the foregoing powers in the manner and according to the procedures provided for under the law applicable to the Members to this Agreement and to perform all other acts necessary or proper to fully carry out the purposes of this Agreement.

C. Restriction on Exercise of Powers. Pursuant to the JPA Act, all common powers

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

exercised by the Agency shall be exercised in a manner consistent with, and subject to, the restrictions and limitations upon the exercise of such powers as are applicable to the County of Sonoma.

4. CORE PROGRAMS

A. Household Hazardous Waste Program. Pursuant to a license agreement between the Agency and the County of Sonoma, the Agency operates a program at the Sonoma County Central Landfill (the "**Central Landfill**") for the collection and storage of Household Hazardous Waste. The Agency separately contracts with an operator to collect, sort, store, package and transfer the Household Hazardous Waste collected by designated haulers and other entities approved by the Agency, and from members of the public who are residents of a Member. Hazardous Waste generated by small quantity generators may be accepted, but shall be funded entirely by the generators using the service. The Household Hazardous Waste Program shall continue to exist and operate in compliance with all applicable laws, rules and regulations and in substantially the same manner as on the Effective Date of this Agreement, provided that the Agency Board shall be permitted to change the location of the program or add additional locations from time to time, as deemed necessary or convenient by the Agency Board, and to make other changes to the program as necessary to ensure continued compliance with all applicable laws, rules and regulations.

B. Organic Materials Program. The Agency has the authority to operate a program for the diversion of organic material, including but not limited to yard waste and wood waste.

i. *Current Program.* As of the Effective Date, the Agency operates a program for the collection and processing of Yard Waste, Residential Food Waste and Wood Waste received at the Central Landfill or the Annapolis, Guerneville, Healdsburg and Sonoma Transfer Stations (collectively, the "**Transfer Stations**") from any source within the jurisdictions of the members that participate in the program (the "**Current Composting Program**"). The Current Composting Program is and shall continue to be funded by a tonnage disposal fee levied against Yard Waste, Residential Food Waste and Wood Waste received at the Central Landfill and the Transfer Stations. The Agency shall continue to operate the Current Composting Program, provided that the Agency may from time to time change the locations at which the Yard Waste, Residential Food Waste and Wood Waste are received, until such time that: (i) The Agency and/or individual Members have developed and implemented an alternative program or programs that provides for the diversion of organic material, including, at a minimum, Yard Waste, Residential Food Waste and Wood Waste, for all of the Members as contemplated in Section 4.B.iii below, or (ii) each of the Members has withdrawn from the Current Composting Program, as permitted under Section 4.B.ii below.

ii. *Withdrawal from Current Program.* Any of the Members may withdraw from the Current Composting Program upon ninety (90) days written notice to the Agency. Upon withdrawal from the Current Program, the withdrawing Member shall no longer be permitted to deliver Yard Waste, Residential Food Waste and Wood Waste to the Central Landfill or Transfer Stations for processing. A Member that has withdrawn from the

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Current Composting Program or is not participating as of the Effective Date, may rejoin the Current Composting Program if such request to rejoin is approved by the Agency Board. Even if all Members withdraw from the Current Program, the Agency shall retain the authority set forth in subsection iii below, even if that authority is not exercised. The withdrawal of all Members from the Current Program shall not constitute an elimination of the Organic Materials Program requiring an amendment to this Agreement.

iii. *Alternative Organic Materials Programs.* The Agency shall have the authority, at the direction of the Agency Board, to solicit information and/or request proposals for alternative programs for diversion of organic materials to serve some or all of the Members. The Agency shall serve as a resource to its Members in developing solutions for the diversion of organic materials that will serve the region, either through the development of a single regional organic materials program or multiple programs serving individual Members or groups of Members, including providing advice and expertise to such Members, as directed by the Agency Board. The Agency shall further have the ability to develop and implement an alternative organic materials program that serves the Members or a portion of the Members, provided that any such program shall be implemented through a separate agreement or amendment to this Agreement, and shall be approved by the governing board of each participating Member, and any Member that is not participating in such a future organic materials program shall not have any obligations, financial or otherwise, pursuant to such future organic materials program.

C. Education Program. The Agency provides information and education to individuals using the Agency's services and individuals who live or work in the Members' jurisdictions in order to maximize use of the Agency's programs, encourage recycling and other forms of waste diversion, and otherwise further the purpose and goals of the Agency. The Education Program shall continue to exist and the Agency shall continue to operate such program in compliance with all applicable laws, rules and regulations in furtherance of the Agency's purposes and goals, as directed by the Agency Board.

D. Reporting Program.

i. *Regional Agency.* The Agency is and shall continue to be a Regional Agency for purposes of Section 40971 of the Integrated Waste Management Act, and the Members are member agencies of the Regional Agency, and shall conduct all reporting required for a Regional Agency in accordance with the Integrated Waste Management Act.

ii. *Civil Penalties.* In the event any civil penalties are levied against the Agency pursuant to the Integrated Waste Management Act, the Agency shall research the cause for which civil penalties are being levied. Research may include, but is not limited to, any of the following: Review of landfill disposal origin data, review of hauler origin data, performance of a solid waste disposal study, performance of a solid waste characterization study and/or performance of a solid waste diversion study. Agency shall cooperate with Members, the responsible Member(s) and regulators to identify corrective steps that might be taken prior to assessment of penalties, if any. The Agency shall assign responsibility for payment of any civil penalties as follows: (a) The Agency shall pay the

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

entire penalty, or (b) an individual Member is responsible for the assessment of the civil penalty and the entire penalty shall therefore be imposed upon that member for payment of the penalty; or (c) multiple Members, but not all Members, are responsible for the assessment of the penalty and the penalty therefore shall be allocated equally upon those responsible Members, or (d) the Agency and the individual Members which are also responsible for the penalty shall pay the penalty in amounts proportionate to their responsibility for the penalty. Before apportioning a penalty to one or more Members pursuant to this Section, the Agency shall provide written notice to such Members that explains the basis for apportionment of responsibility for the penalty, and shall provide an opportunity for a hearing before the Agency Board prior to assessment of any such penalty.

iii. *Contingency Plan.* Should the Agency be dissolved for any reason, or should a Member withdraw from this Agreement, each Member or the former Member shall be responsible for complying with the requirements of the Integrated Waste Management Act within their respective jurisdictional boundaries in accordance with the programs set out in the Agency's documents.

iv. *Members' Duties and Responsibilities.* Each Member is responsible for implementing and meeting the mandated diversion requirements within its jurisdictional boundaries.

5. ADDITIONAL PROGRAMS

A. Authority to Develop Additional Programs. The Agency has the authority to develop and implement Additional Programs that are related to the Agency's overarching purpose of increasing waste diversion in the jurisdictions of the Members. The types of Additional Programs authorized under this section include, but are not limited to, development of model ordinances related to waste diversion which may be considered by the legislative bodies of the Members; implementation of waste diversion programs in Member jurisdictions that are adopted pursuant to such model ordinances; development of or participation in regional plans or efforts to reduce the amount of recyclable, compostable or hazardous materials in the region's solid waste stream; and researching and disseminating information to the Members regarding methods to reduce solid waste and increase waste diversion in the region.

B. Approval by Members Prior to Implementation in Specific Jurisdictions. The implementation of any Additional Programs developed pursuant to this Section 5 in individual jurisdictions, including but not limited to ordinances, regulations or similar legislative actions, shall be subject to the approval of such Member prior to implementation of such program in the Member's jurisdiction. The Agency additionally may enter into agreements with individual Members to implement and/or participate in the enforcement of such programs.

C. Costs of Implementation of Additional Programs. In the event that individual Members approve an additional program developed by the Agency pursuant to this Section and desire that the Agency implement and/or participate in the enforcement of such program within the Member's jurisdiction, each individual Member shall bear the reasonable cost of the Agency's

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

implementation and/or enforcement of any additional program in their respective jurisdictions. The reasonable cost of implementation and/or enforcement within a Member's jurisdiction shall be determined by the Agency and shall be paid by the Member in accordance with the terms of an agreement entered into between the Agency and Member pursuant to Subsection 5.B, or if all Members participate in the additional program such costs of implementation may be paid directly by the Agency. The costs of implementation and/or enforcement of an additional program which shall be borne by individual Members based on this Subsection 5.C specifically exclude the cost of development of the additional program, including but not limited to staff, consultant and legal costs incurred in the research, preparation and drafting of the additional program, environmental analysis required prior to the adoption of the program, including but not limited to analysis in accordance with the California Environmental Quality Act (Public Resources Code §§21000 *et seq.*), and the cost to indemnify, defend and hold harmless individual members that are made party to any claim, suit or similar proceeding challenging the validity of the additional program.

D. Additional Programs Included in Budget. The cost of development and/or implementation of any Additional Programs pursuant to this Section 5 shall be included in the Agency Budget.

6. EFFECTIVE DATE AND TERM

A. Effective Date. This Agreement shall become effective on March 1, 2017, or the date upon which all authorized representative of all the Members have executed this Agreement, whichever is later. Such date shall be the "Effective Date" for purposes identified herein.

B. Term. The Agreement shall remain effective until the Agency is dissolved pursuant to the provisions set forth in Section 10.F, subject to the rights of individual Members to withdraw from the Agency.

7. AGENCY BOARD

A. Board of Directors. The Agency is governed and administered by a Board of Directors ("Board") that is composed of one voting seat per Member.

B. Directors and Alternates. Each Member shall appoint one Director and at least one Alternate Director to the Board. One of the Alternate Directors, as directed by the Member, shall serve and assume the rights and duties of the Director when the Director is unable to attend a Board meeting. The Primary and Alternate Directors shall be either an elected or appointed members of the Member's governing body, or an employee of the Member. Directors and Alternate Directors shall serve at the pleasure of the Member appointing them and they may be removed at any time, with or without cause, in the sole discretion of the Member. Each Director and Alternate Director shall hold office until their successor is selected by the Member and the Agency has been notified of the succession. In the event that a Director or Alternate Director loses their position as a member of their appointing body's governing body or as a Member employee, that Director or Alternative Director position shall become vacant and the governing body of that

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Member shall appoint a new Director or Alternative Director.

C. Agency Officers. The Board of Directors shall select, from among themselves, a Chair who shall be the presiding officer of all Board of Directors meetings, a Vice Chair who shall serve in the absence of the Chair and a Chair Pro Tempore who shall serve in the absence of both the Chair and the Vice Chair. In addition, the Board of Directors shall appoint a Clerk (who need not be a Director) to be responsible for keeping the minutes of all meetings of the Board and posting agendas.

D. Board Committees. The Board of Directors may from time to time appoint one or more advisory committees or establish standing or ad hoc committees to assist in carrying out the purposes and objects of the Authority. The Board shall determine the purpose and need for such committees.

E. No Personal Liability of Board Members. Under the JPA Act, no Director shall be personally liable for any debts, obligations or liabilities of the Agency, nor subject to any personal liability or accountability by reason of the Agency's incurrence of debts, obligations or liabilities.

8. BOARD MEETINGS AND VOTING

A. Regular Meetings. The Board shall hold its regular meetings pursuant to a meeting schedule as established by resolution of the Board, but may cancel such regular meetings as it deems necessary or appropriate.

B. Special Meetings. Special meetings of the Board may be called by the Chair or as provided for in the Rules of Governance adopted by the Board.

C. Call, Notice and Conduct of Meetings. All meetings of the Board shall be noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code section 54950 *et seq.*

D. Quorum. Five Board members shall constitute a quorum of the Board.

E. Voting—Regular Items. An affirmative vote of at least a majority of the Board members attending a meeting is required for the Agency to take any action.

F. Super-Majority Vote Items. A super-majority vote, which for purposes of this Agreement constitutes a vote of 8/10 of all members of the Board (currently 8 of 10 members) is required for the Agency to take action on any of the following items:

i. Approval or amendment of the Agency Budget;

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ii. Incurrence of debt from public or private lending or financing sources in an amount of $250,000 or more;

iii. Authorization of expenditures of $250,000 or more to a single source within a single fiscal year;

iv. Any increase in fees or imposition of any new fees.

G. Unanimous Vote Items. A unanimous vote is required for the Agency to acquire any interest in real property with a value of $250,000 or more.

H. Public Meeting for Periodic Review of Agreement. The Board shall conduct a public meeting not less than once every ten (10) years following the Effective Date to review the terms and conditions of this Agreement and discuss whether any amendments to this Agreement are necessary or advisable. At such public meeting the Executive Director and Agency Counsel shall make a report to the Board recommending any amendments to the Agreement, and if directed by the Board shall draft proposed amendments to this Agreement for consideration by the governing boards of each Member. This section shall not preclude the Members from making amendments of this Agreement at other times as deemed necessary or appropriate by the Members, in accordance with Section 13.B of this Agreement.

9. OPERATIONS AND MANAGEMENT.

A. Executive Director. The Agency may appoint an Executive Director, from time-to-time as and when it deems appropriate. If appointed, the Executive Director shall serve at the pleasure of the Board of Directors and his or her duties and responsibilities shall be set forth via a vote of the Board.

B. Legal Counsel and Other Officers. The Agency may appoint Agency Legal Counsel who shall serve at the pleasure of the Board via a vote of the Board. Subject to the limits of the Agency's approved budget, the Board shall also have the power to appoint and contract via a vote of the Board for the services of other officers, consultants, advisers and independent contractors as it may deem necessary or convenient for the business of the Agency, all of whom shall serve at the pleasure of the Board.

C. Treasurer, Controller and Annual Audit. The Sonoma County Auditor-Controller-Treasurer-Tax Collector shall act as the Treasurer and Controller for the Agency. The Treasurer and Controller shall perform all usual and customary duties of their offices for the Agency, including but not limited to receiving all deposits, issuing warrants per direction, and other duties specified in Government Code section 6505.5. The Board may transfer the responsibilities of the Treasurer and/or Controller to any other person or entity as the law may provide at the time (see e.g., Government Code section 6505.5). The Board shall cause an independent annual audit to be made by a certified public accountant, or public accountant, in compliance with Government Code section 6505.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

D. Employees and Management. In addition to, or in lieu of, hiring employees, the Agency may engage one or more Members to manage any or all of the business of the Agency or to provide employees to manage any or all of the business of the Agency on terms and conditions acceptable to the Board of Directors. Any Member so engaged shall have such responsibilities and shall be compensated as set forth in the agreement for such Member's services entered into by and between such Member and the Agency, which agreement shall be approved by the Board. Notwithstanding the foregoing, the Director appointed by the Member providing such services shall not vote on the agreement to provide such services.

E. Other Agency Services. The Agency may further engage one or more Members to provide additional services and resources as necessary or desirable for the administration of the Agency, including but not limited to building use, administrative services, purchasing, human resources, purchasing and other administrative services. Any Member so engaged shall have such responsibilities and shall be compensated as set forth in the agreement for such Member's services entered into by and between such Member and the Agency, which agreement shall be approved by the Board. Notwithstanding the foregoing, the Director appointed by the Member providing such services shall not vote on the agreement to provide such services.

F. Rules of Governance. The Board shall adopt Rules of Governance governing the conduct of meetings and the day-to-day operations of the Agency, which Rules of Governance may be amended from time to time.

G. Conflict of Interest Code. The Board shall adopt and file a Conflict of Interest Code pursuant to the provisions of the Political Reform Act of 1974.

10. RELATIONSHIP OF AGENCY AND ITS MEMBERS

A. Separate Public Entity. In accordance with California Government Code Sections 6506 and 6507, the Agency shall be a public entity separate and apart from the parties to this Agreement.

B. Name. The Agency may change its name at any time through adoption of a resolution of the Board of Directors.

C. Liabilities. In accordance with Government Code section 6508.1, the debts, liabilities and obligations of the Agency shall not be debts, liabilities or obligations of the individual Members unless the governing board of a Member agrees in writing to assume any of the debts, liabilities or obligations of the Agency. A Member who has not agreed to assume an Agency debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Members agree to assume the debt, liability or obligation of the Agency.

D. Indemnity. Funds of the Agency may be used to defend, indemnify, and hold harmless the Agency, each Member, each Director, and any officers, agents and employees of the Agency for their actions taken within the course and scope of their duties while acting on behalf of the Agency. To the fullest extent permitted by law, the Agency agrees to save, indemnify, defend

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are attributable in whole or in part to the Agency's programs. Notwithstanding the foregoing, the sole negligence, gross negligence, or intentional acts of any Member is exempted from the indemnification provided by this Section 10.D.

E. Withdrawal of Members. Any Member shall the have the ability to withdraw by providing a minimum of one hundred eighty (180) days written notice of its intention to withdraw to the Agency and the other Members, which withdrawal shall be effective only at the end of the Fiscal Year in which the one hundred eighty (180) day written notice period is completed. Subject to the terms of any lease or license agreement, any Member who withdraws from the Agency shall retain any real property interests already owned by such Member. Upon withdrawal, the withdrawing Member shall not be entitled to distribution of any Agency property or assets; rather the Agency shall retain all property interests and assets used by the Agency in furtherance of its purpose under this Agreement. Upon withdrawal of a Member, the Agency shall have no further obligation to provide any of the programs described in Section 2.C and 2.D to that Member. In the event of a withdrawal, this Agreement shall continue in full force and effect among the remaining members as set forth in Section 5.E below.

F. Continuing Obligations upon Withdrawal. The withdrawal of one or more Members shall not terminate this Agreement or result in the dissolution of the Agency, and the Agency shall remain in operation provided that there are at least two Members which remain in the Agency and subject to this Agreement.

G. Dissolution. The Agency may be dissolved at any time upon the unanimous approval of the Members' governing boards. However, the Agency shall not be dissolved until all debts and liabilities of the Agency have been eliminated. Upon dissolution of the Agency, each Member shall receive its proportionate share of any remaining assets after all Agency liabilities and obligations have been paid in full. Each Member's proportionate share of such remaining assets shall be determined by the Agency Treasurer based upon the estimated total population of each Member in proportion to the total estimated population of all Members at the time of dissolution. The estimated population of the Members shall be determined based on the estimated population report published by the California State Department of Finance, or if such report is no longer published, by such other method of determining population as agreed upon by the Members. The distribution of remaining assets may be made "in kind" or assets may be sold and the proceeds thereof distributed to the Members. This distribution shall occur within a reasonable time after dissolution. No former Member that previously withdrew shall be entitled to a distribution upon dissolution.

11. AUTHORITY RETAINED BY MEMBERS

A. Approval by Members. This Agreement requires specific approval from the legislative bodies of the Members for certain actions provided for under this Agreement. These actions include:

i. Implementation of an Additional Program in a Member's jurisdiction (Section 2.D, Section 5).

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ii. Approval of an alternative organic materials program (Section 4.B.iii).

iii. Dissolution of the Agency (Section 10.G).

iv. Amendment of this Agreement (Section 13.B).

B. No Limitation on Members. Nothing in this Agreement shall be construed as a limitation on the legislative authority or constitutional police powers of the Members.

12. FINANCIAL PROVISIONS

A. Establishment of Funds. The Agency shall establish and maintain such funds and accounts as may be required by general accepted public agency accounting practices. The Agency shall maintain strict accountability of all funds and report all receipts and disbursements of the Agency on no less than a quarterly basis.

B. Fiscal Year. The Fiscal Year of the Agency shall be from July 1 to June 30.

C. Budget. Prior to the end of each Fiscal Year, the Board shall adopt a budget for the Agency for the ensuing Fiscal Year. The Board may authorize mid-year budget adjustments, as needed.

D. Waste Management Agency Fees. The Agency's programs are funded in part through a tip fee charge on waste entering the County of Sonoma's waste disposal system to fund the cost of the programs and services provided by the Agency, which the County of Sonoma collects and remits to the Agency (the "**Waste Management Agency Fee**"). The County, either directly or through its Contractor, shall continue to collect and remit such Waste Management Agency Fee to the Agency for the term of this Agreement, unless and until the Agency provides written notice directing the County to cease collecting such fee. The County's obligation to collect and remit the Waste Management Agency Fee shall survive the County's withdrawal from the Waste Management Agency.

E. Current Composting Program Fee. The Current Composting Program is primarily funded by a tip fee that is charged to all Yard Waste, Wood Waste and Residential Food Waste received at the Central Landfill and the Transfer Stations (the "**Current Composting Program Fee**"). The County, either directly or through its Contractor, shall continue to collect and remit the Current Composting Program Fee to the Agency for so long as the Agency is operating the Current Composting Program, unless and until the Agency provides written notice to the County to cease collecting the Current Composting Program Fee. At such time that the Agency ceases its operation of the Current Composting Program, the Agency shall provide written notice to the County, and the County shall have no further obligation to collect and remit the Current Composting Program Fee to the Agency. The County's obligation to collect and remit the Waste Management Agency Fee shall survive the County's withdrawal from either the Current Composting Program or the Waste Management Agency.

F. Additional Fees. The Agency may establish, levy and collect such other fees or surcharges for services provided by the Agency in furtherance the Core Programs and Additional Programs to fund the Agency's costs of providing such services, as permitted by law.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

G. Agreements with Individual Member Agencies. In the event that a Member does not provide its jurisdiction's waste to the County of Sonoma's waste disposal system and therefore does not contribute to the Waste Management Agency Fee, Agency may, at its discretion, enter into separate agreements with such individual Members to make available some or all of the Core Programs and Additional Programs in exchange for compensation from the Member for the costs of the Programs provided.

H. Insurance. The Agency shall be required to obtain insurance, or join a self-insurance program in which one or more of the Members participate, appropriate for its operations. Any and all insurance coverages provided by the Agency, and/or any self-insurance programs joined by the Agency, shall name each and every Member as an additional insured for all liability arising out of or in connection with the operations by or on behalf of the named insured in the performance of this Agreement. Minimum levels of the insurance or self-insurance program shall be set by the Agency in its ordinary course of business. The Agency shall also require all of its contractors and subcontractors to have insurance appropriate for their operations. All amounts coverages and provisions of the insurance policies identified in this subsection H shall be subject to the approval of Agency Counsel.

13. MISCELLANEOUS PROVISIONS

A. Agreement Complete. This Agreement constitutes the full and complete agreement of the Members. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement that are not set forth in writing herein.

B. Amendment. This Agreement may be amended from time to time by the unanimous consent of the Members, acting through their governing bodies. Such amendments shall be in the form of a writing signed by each Member.

C. Successors and Assigns. The rights and duties of the Members may not be assigned or delegated without the written consent of all other Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. Any assignment or delegation permitted under the terms of this Agreement shall be consistent with the terms of any contracts, resolutions or indentures of the Agency then in effect. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Members hereto. This section does not prohibit a Member from entering into an independent agreement with another agency regarding the financing of that Member's contributions to the Agency or the disposition of proceeds, which that Member receives under this Agreement so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Agency or the Members under this Agreement.

D. Execution in Counterparts. This Agreement may be executed in counterparts, each counterpart being an exact duplicate of all other counterparts, and all counterparts shall be considered as constituting one complete original and may be attached together when executed by the Members hereto.

E. Member Authorization. The governing bodies of the Members have each authorized execution of this Agreement, as evidenced by their respective signatures below.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

F. Notices. Notices authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the addresses set forth for each of the Members hereto on Exhibit "A" of this Agreement, or to such other changed addresses communicated to the Agency and the Members in writing.

G. Severability and Validity of Agreement. Should the participation of any Member to this Agreement, or any part, term or provision of this Agreement be decided by the courts or the legislature to be illegal, in excess of that Member's authority, in conflict with any law of the State of California, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms or provisions of this Agreement shall not be affected thereby and each Member hereby agrees it would have entered into this Agreement upon the same remaining terms as provided herein.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, the Members hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

COUNTY OF SONOMA

Chair
Board of Supervisors

ATTEST: SHERYL BRATTON
by: Jaime Rattan
Clerk of the Board of Supervisors

APPROVED AS TO FORM:
Assistant County Counsel

CITY OF SANTA ROSA

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, the Members hereto, pursuant to resolutions duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed by their proper and respective officers as of the day and year first above-written.

COUNTY OF SONOMA

_____
Chair
Board of Supervisors

ATTEST:

_____
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

_____
Assistant County Counsel

CITY OF SANTA ROSA

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF ROHNERT PARK

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF SEBASTOPOL

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF SONOMA

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF ROHNERT PARK

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF SEBASTOPOL

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF SONOMA

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF ROHNERT PARK

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF SEBASTOPOL

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF SONOMA

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF CLOVERDALE

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF PETALUMA

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF COTATI

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF CLOVERDALE

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF PETALUMA

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF COTATI

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF CLOVERDALE

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF PETALUMA

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF COTATI

Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF HEALDSBURG

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

TOWN OF WINDSOR

Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CITY OF HEALDSBURG

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

TOWN OF WINDSOR

_____
Mayor

ATTEST:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

COPY

FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITIES OF SONOMA COUNTY AND SONOMA COUNTY FOR A JOINT POWERS AGENCY TO DEAL WITH WASTE MANAGEMENT ISSUES

This First Amendment (the "Amendment"), dated as of January 24, 1996 is by and between the Cities of the County of Sonoma and the County of Sonoma. All capitalized terms used herein shall, unless otherwise defined, have the meaning ascribed to those terms in the existing agreement.

RECITALS

WHEREAS, the Cities of the County of Sonoma and the County of Sonoma entered into that certain Agreement Between the Cities of Sonoma County and Sonoma County for a Joint Powers Agency to Deal with Waste Management Issues ("Agreement"); and

WHEREAS, Section 40970 and following of the California Public Resources Code allows for jurisdictions to create regional agencies for the purpose of implementing, monitoring and reporting programs to meet the goals established by the Integrated Waste Management Act of 1989; and

WHEREAS, the Participants will realize savings in staff time and resources to meet the monitoring and reporting requirements of the Integrated Waste Management Act of 1989 if the Agreement is amended to form such a regional agency.

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

AGREEMENT

1. Section 1 of the Agreement (Definitions) is hereby revised to add the following new definitions:

"Act. The term "Act" means the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000 et seq.) and all regulations adopted under that legislation and any amendments to that legislation and regulations."

"Regional Agency. The term "Regional Agency" means the designation of the Sonoma County Waste Management Agency as a "Regional Agency" by the California Integrated Waste Management Board in compliance with Section 40975 of the Public Resources Code."

2. The following new section shall be added to the end of the Agreement as follows:

"Section 27. Regional Agency

Formation of Regional Agency. The Participants hereby desire to use the structure of the Agency as a Regional Agency for purposes of Section 40971 of the Act. As a result, all Participants are hereby deemed to be member agencies of the Regional Agency.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Civil Penalties. The Agency shall research the cause for which civil penalties are being levied. Research may include, but is not limited to, any of the following: review of landfill disposal origin data, review of hauler origin data, performance of a solid waste disposal study, performance of a solid waste characterization study and/or performance of a solid waste diversion study. Agency shall coordinate with responsible Participant(s) of the Regional Agency and the California Integrated Waste Management Board to identify corrective steps that might be taken prior to assessment of penalties, if any. The Agency shall assign responsibility for payment of any civil penalties as follows:

(a) that the Agency shall pay the entire of the penalty; or

(b) that an individual Participant is responsible for the assessment of the civil penalty and that the entire penalty shall be therefore imposed upon that Participant for payment of the penalty; or

(c) that multiple Participants, but not all Participants, are responsible for the assessment of the penalty and that the penalty shall be therefore allocated equally and imposed upon those responsible Participants.

Contingency Plan. Should the Regional Agency be dissolved for any reason, each Participant shall be responsible for complying with the requirements of the Act within their respective jurisdictional boundaries in accordance with the programs set out in the Regional Agency documents, such as Integrated Waste Management Plan Summary, Siting Element, and Annual Reports for the Source Reduction and Recycling Element and Household Hazardous Waste Element, as they apply to individual jurisdictions.

Participant's Duties and Responsibilities. Each Participant is responsible for implementing the programs set forth in Regional Agency documents as they apply to individual jurisdictions, and each Participant is responsible for meeting the diversion requirements of the Act within its jurisdictional boundaries.

Planning and Monitoring Documents. The Source Reduction and Recycling Elements, Household Hazardous Waste Elements, the Non-Disposal Facility Elements, and the Countywide Integrated Waste Management Plan Summary and Siting Element shall serve as the planning and monitoring documents for the Regional Agency until such time as they are replaced by regional planning documents. The County's document shall serve as the document for the City of Windsor. Henceforth, all necessary documentation shall be created by the Regional Agency."

3. Except to the extent the Agreement is specifically amended or supplemented hereby, the Agreement, together with exhibits is, and shall continue to be, in full force and effect as originally executed, and nothing contained herein shall be construed to modify, invalidate or otherwise affect any provision of the Agreement or any right of Agency arising thereunder.

4. This Amendment shall be governed by and construed under the internal laws of the State of California, and any action to enforce the terms of this Amendment or for the breach thereof shall be brought and tried in the County of Sonoma.

IN WITNESS WHEREOF, the Participants have caused this Agreement to be executed by their respective governing officials duly authorized by resolution of their respective legislative bodies.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED: CITY OF CLOVERDALE

by _____

ATTESTED: CITY OF COTATI

_____ by _____

ATTESTED: CITY OF HEALDSBURG

_____ by _____

ATTESTED: CITY OF PETALUMA

_____ by _____

ATTESTED: CITY OF ROHNERT PARK

_____ by _____

ATTESTED: CITY OF SANTA ROSA

_____ by _____

ATTESTED: CITY OF SEBASTOPOL

_____ by _____

ATTESTED: CITY OF SONOMA

_____ by _____

ATTESTED: CITY OF WINDSOR

_____ by _____

ATTESTED: COUNTY OF SONOMA

_____ by _____

APPROVED AS TO FORM:

_____
Agency Counsel

APPROVED AS TO SUBSTANCE:

_____
Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

CITY OF CLOVERDALE

by_____

ATTESTED:

Bonnie Long

CITY OF COTATI

by John A. Dell'Osso

ATTESTED:

CITY OF HEALDSBURG

by_____

ATTESTED:

CITY OF PETALUMA

by_____

ATTESTED:

CITY OF ROHNERT PARK

by_____

ATTESTED:

CITY OF SANTA ROSA

by_____

ATTESTED:

CITY OF SEBASTOPOL

by_____

ATTESTED:

CITY OF SONOMA

by_____

ATTESTED:

CITY OF WINDSOR

by_____

ATTESTED:

COUNTY OF SONOMA

by_____

APPROVED AS TO FORM:

Agency Counsel

APPROVED AS TO SUBSTANCE:

Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

CITY OF CLOVERDALE

by_____

ATTESTED:

CITY OF COTATI

by_____

ATTESTED:

CITY OF HEALDSBURG

by_____
Mayor

ATTESTED:

CITY OF PETALUMA

by_____

ATTESTED:

CITY OF ROHNERT PARK

by_____

ATTESTED:

CITY OF SANTA ROSA

by_____

ATTESTED:

CITY OF SEBASTOPOL

by_____

ATTESTED:

CITY OF SONOMA

by_____

ATTESTED:

CITY OF WINDSOR

by_____

ATTESTED:

COUNTY OF SONOMA

by_____

APPROVED AS TO FORM:

Agency Counsel

APPROVED AS TO SUBSTANCE:

Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

CITY OF CLOVERDALE

by_____

ATTESTED:

CITY OF COTATI

by_____

ATTESTED:

CITY OF HEALDSBURG

by_____

ATTESTED:

DEPUTY CITY CLERK

CITY OF PETALUMA

by_____

ATTESTED:

CITY OF ROHNERT PARK

by_____

ATTESTED:

CITY OF SANTA ROSA

by_____

ATTESTED:

CITY OF SEBASTOPOL

by_____

ATTESTED:

CITY OF SONOMA

by_____

ATTESTED:

CITY OF WINDSOR

by_____

ATTESTED:

COUNTY OF SONOMA

by_____

APPROVED AS TO FORM:

Agency Counsel

APPROVED AS TO SUBSTANCE:

Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

_____

CITY OF CLOVERDALE

by_____

ATTESTED:

_____

CITY OF COTATI

by_____

ATTESTED:

_____

CITY OF HEALDSBURG

by_____

ATTESTED:

_____

CITY OF PETALUMA

by_____

ATTESTED:

Lorraine Roberts
Deputy City Clerk

CITY OF ROHNERT PARK

by_____
MAYOR

ATTESTED:

_____

CITY OF SANTA ROSA

by_____

ATTESTED:

_____

CITY OF SEBASTOPOL

by_____

ATTESTED:

_____

CITY OF SONOMA

by_____

ATTESTED:

_____

CITY OF WINDSOR

by_____

ATTESTED:

_____

COUNTY OF SONOMA

by_____

APPROVED AS TO FORM:

_____
Agency Counsel

APPROVED AS TO SUBSTANCE:

_____
Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

_____

CITY OF CLOVERDALE

by_____

ATTESTED:

_____

CITY OF COTATI

by_____

ATTESTED:

_____

CITY OF HEALDSBURG

by_____

ATTESTED:

_____

CITY OF PETALUMA

by_____

ATTESTED:

_____

CITY OF ROHNERT PARK

by_____

ATTESTED:

Gayle Petersen, City Clerk

CITY OF SANTA ROSA

by Mayor
MAYOR

ATTESTED:

_____

CITY OF SEBASTOPOL

by_____

ATTESTED:

_____

CITY OF SONOMA

by_____

ATTESTED:

_____

CITY OF WINDSOR

by_____

ATTESTED:

_____

COUNTY OF SONOMA

by_____

APPROVED AS TO FORM:

_____
Agency Counsel

APPROVED AS TO SUBSTANCE:

_____
Agency Director

APPROVED AS TO FORM
CITY ATTORNEY - SANTA ROSA

BY TLL
Assistant City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED: _____

CITY OF CLOVERDALE

by _____

ATTESTED: _____

CITY OF COTATI

by _____

ATTESTED: _____

CITY OF HEALDSBURG

by _____

ATTESTED: _____

CITY OF PETALUMA

by _____

ATTESTED: _____

CITY OF ROHNERT PARK

by _____

ATTESTED: _____

CITY OF SANTA ROSA

by _____

ATTESTED: Noelle Fiori

CITY OF SEBASTOPOL

by _____

ATTESTED: _____

CITY OF SONOMA

by _____

ATTESTED: _____

CITY OF WINDSOR

by _____

ATTESTED: _____

COUNTY OF SONOMA

by _____

APPROVED AS TO FORM:

_____
Agency Counsel

APPROVED AS TO SUBSTANCE:

_____
Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

CITY OF CLOVERDALE

by_____

ATTESTED:

CITY OF COTATI

by_____

ATTESTED:

CITY OF HEALDSBURG

by_____

ATTESTED:

CITY OF PETALUMA

by_____

ATTESTED:

CITY OF ROHNERT PARK

by_____

ATTESTED:

CITY OF SANTA ROSA

by_____

ATTESTED:

CITY OF SEBASTOPOL

by_____

ATTESTED:

CITY OF SONOMA

by_____

ATTESTED:

CITY OF WINDSOR

by_____

ATTESTED:

COUNTY OF SONOMA

by_____

APPROVED AS TO FORM:

Agency Counsel

APPROVED AS TO SUBSTANCE:

Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

CITY OF CLOVERDALE

by_____

ATTESTED:

CITY OF COTATI

by_____

ATTESTED:

CITY OF HEALDSBURG

by_____

ATTESTED:

CITY OF PETALUMA

by_____

ATTESTED:

CITY OF ROHNERT PARK

by_____

ATTESTED:

CITY OF SANTA ROSA

by_____

ATTESTED:

CITY OF SEBASTOPOL

by_____

ATTESTED:

CITY OF SONOMA

by_____

ATTESTED:

Teresita Collins

~~CITY~~ TOWN OF WINDSOR

by Bert Wells

ATTESTED:

COUNTY OF SONOMA

by_____

APPROVED AS TO FORM:

Agency Counsel

APPROVED AS TO SUBSTANCE:

Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

_____

CITY OF CLOVERDALE

by_____

ATTESTED:

_____

CITY OF COTATI

by_____

ATTESTED:

_____

CITY OF HEALDSBURG

by_____

ATTESTED:

_____

CITY OF PETALUMA

by_____

ATTESTED:

_____

CITY OF ROHNERT PARK

by_____

ATTESTED:

_____

CITY OF SANTA ROSA

by_____

ATTESTED:

_____

CITY OF SEBASTOPOL

by_____

ATTESTED:

_____

CITY OF SONOMA

by_____

ATTESTED:

_____

CITY OF WINDSOR

by_____

ATTESTED:

Erin T. Lewis

COUNTY OF SONOMA

by

APPROVED AS TO FORM:

Agency Counsel

APPROVED AS TO SUBSTANCE:

Agency Director

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

AGREEMENT

BETWEEN

THE CITIES OF SONOMA COUNTY

AND

SONOMA COUNTY

FOR A

JOINT POWERS AGENCY

TO DEAL WITH WASTE MANAGEMENT ISSUES

(Wood Waste, Yard Waste,

Household Hazardous Waste, and Public Education)

(Exhibits Attached)

REVISION DATE: 2-11-92

FILE COPY

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

TABLE OF CONTENTS

Section 1.	Definitions
Section 2.	Purpose of Agreement
Section 3.	Covenant of Cooperation in Waste Program
Section 4.	Composition of Joint Powers Agency
Section 5.	County to Provide Sites at Central Landfill
Section 6.	County to Provide Site Improvements
Section 7.	Agency to Arrange for Operator and Equipment
Section 8.	Household Hazardous Waste Acceptance Area
Section 9.	Joint Powers Agency to Administer Treatment System and Household Hazardous Waste Storage and Disposal
Section 10.	Financing - Household Hazardous Waste Storage and Disposal
Section 11.	Role of Participants in Collection of Wood, and Yard Waste
Section 12.	Request for Proposals for Composting, Woodwaste, Tree Stumps and Yard Waste
Section 13.	Financing - Yard and Wood Waste
Section 14.	Joint Powers Agency Authority to Adopt Regulations
Section 15.	Commencement of Operation
Section 16.	Estimation and Payment of O&M Cost
Section 17.	Agency to Accept and Participants to Deliver Yard and Wood Waste
Section 18.	Public Education - Allocation of Costs
Section 19.	Reimbursement of County Costs for Information System and Regulatory Compliance Costs
Section 20.	Term of This Agreement
Section 21.	Records and Accounts
Section 22.	Liabilities and Limitations of Parties
Section 23.	Insurance
Section 24.	Severability
Section 25.	Non-Tipping Fee Funding Sources
Section 26.	Amendments to Agreement

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

AGREEMENT

This is an Agreement between the Cities of the County of Sonoma and Sonoma County to create a Joint Powers Agency (referred to as "Agency") consisting of the Cities and County of Sonoma to deal with waste management issues such as wood waste, yard waste, household hazardous waste, and public education.

This Agreement is made upon the date last signed below between the various cities of Sonoma County who are signators to this Agreement (referred to as "Cities") and Sonoma County (referred to as "County"), all of which are collectively referred to as "Participants."

RECITALS

This Agreement is predicated on the following facts:

A. Increases in the populations of Participants and changes in the requirements for waste treatment and disposal have created an urgent need for new and innovative approaches in the treatment and disposal of waste generated within the boundaries of Participants.

B. A mutually cooperative Joint Powers Agreement will protect the health and safety of the citizens, preserve and enhance their environment, and provide for recycling, diversion, and disposal of waste generated within Participants;

C. The California Integrated Waste Management Act of 1989 (AB939), among other things, requires Participants to divert recyclable and recoverable materials from the waste stream and to cooperate to achieve their diversion goals. Following this principle, it is the intent of Participants to cooperate with each other as reflected in this Agreement so as to carry out, in an efficient manner, these objectives.

D. Participants have agreed on a Joint Powers Agency to deal with wood, yard, and household hazardous waste issues and public education in the manner set forth in this Agreement. Participants will continue to discuss other waste management issues and endeavor to reach agreement on those issues after which this Agreement will be amended by mutual written consent.

E. At the present time, Sonoma County anticipates the adoption of an ordinance restricting or prohibiting the disposal of yard waste and wood waste at the Central Landfill Site due to the fact that alternative technologies are available other than disposal at the Central Landfill. In addition, pursuant to AB939, 25% of the waste stream must be diverted by 1995. This Joint Powers Agreement will assist in that effort.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

NOW, THEREFORE, Participants agree as follows:

Section 1. Definitions

Agency. The Joint Powers Agency created by this Agreement consisting of Cities and County.

City. The various cities of Sonoma County whose signatures appear at the end of this Agreement.

County. Sonoma County.

Household Hazardous Waste. As defined by the California Integrated Waste Management Board.

Licensed Hauler. "Licensed Hauler" means any organization licensed to haul refuse by a Participant.

Participants. The Cities and County of Sonoma who are participating in this Agreement.

Products. Products mean the products including compost of the wood waste and yard waste Treatment System.

Treatment System. The system used to process yard and wood waste.

Wood Waste. "Wood waste" means solid waste consisting of wood pieces or particles which are generated from the manufacturing or production of wood products, harvesting, process or storage of raw wood materials, or construction and demolition activities.

Yard Waste. "Yard waste" means any wastes generated from the maintenance or alteration of public, commercial or residential landscapes including, but not limited to, yard clippings, leaves, tree trimmings, pruning, brush, and weeds.

Section 2. Purpose of Agreement

The purpose of this Agreement is to create Agency and to describe the terms and provisions by which Agency will deal with four (4) programs - namely, (1) household hazardous waste and (2) wood waste and (3) yard waste that otherwise would go to the Central Landfill. Agency shall also have a (4) public education function. Each Participant executing this Agreement may elect to participate in any or all of the Agency programs. From time to time, Participants may agree, in writing, to additional duties and responsibilities and programs beyond those set forth in this Agreement.

Section 3. Covenant of Cooperation in Waste Program

Participants do hereby covenant with each other to take all reasonable actions for orderly treatment of household hazardous, wood, and yard waste under the terms of this Agreement and to comply with all reasonable requirements of Federal and State Entities having jurisdiction over the

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

processing and treatment of household hazardous, wood, and yard waste. Participants also hereby covenant with each other to take all reasonable actions to avoid duplication or conflict of efforts in any waste program undertaken by the Agency.

Section 4. Composition of Joint Powers Agency

The Joint Powers Agency created by this Agreement shall have one member from Sonoma County and one member from each City that joins the Agency (each of whom shall be an elected Councilmember, County Supervisor or appointee). Any city may, at its option, elect to join the Agency and have one (1) vote. An appointee shall be an employee of the city or county making the appointment. Each member shall have one vote. A quorum shall consist of one-half or more of the members. The majority vote of a quorum is sufficient for action. Provided, however, a unanimous vote of the total membership (i.e., all members must approve) shall be required for action on (1) major program expansion(s) or (2) capital expenditures greater than $50,000, or (3) adoption of annual budgets. A "major program expansion" means any program or plan for anything beyond yard and wood waste, household hazardous waste, and public education.

The members of the Agency shall hold their first meeting within forty-five (45) days after execution of the Joint Powers Agreement by all Participants at which time it shall, in compliance with the Brown Act, establish a regular meeting date and take such other action as it deems appropriate to organize itself for the orderly conduct of business. The JPA will contract with Sonoma County for staff services with the Recycling, Marketing, and Integrated Solid Waste Manager.

Section 5. County to Provide Sites at Central Landfill

Provided that all regulatory requirements of Federal and State agencies are first met, the County agrees to provide, free of charge as a subsidy, sites at its Central Landfill Site for the purpose of household hazardous waste collection and storage and for a wood and yard waste Treatment System. After first consulting with the Agency, the County shall provide such sites as County finds reasonably suited and located for the needs of the Agency. A map together with the conditions of use shall be drawn delineating the boundaries of the two sites; the boundaries may be amended by mutual agreement between the Agency and the County in order to meet future needs. Should operations cease on either or both of the existing sites, then Agency shall have no further right to use the existing site(s) where use has ceased. If Agency ceases to use either or both site(s), Agency, at its expense, will remove all wastes and Products so that the site(s) is returned to County in a completely clean condition. Agency, at its expense, shall perform such monitoring tests as County's Public Works Director requests to examine the conditions at the site(s) and the areas around the site(s).

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Such tests may occur during the term of this Agreement or afterward.

Section 6. County to Provide Site Improvements

The County, using tipping fee revenue, will provide reasonable site improvements.

Section 7. Agency to Arrange for Operator and Equipment

Agency will arrange for an operator with the necessary equipment to process yard waste and wood waste delivered to the site. In addition, Agency will arrange for a hazardous household waste operator to perform a collection, recycling and disposal services for Participants electing to participate. Wood and yard waste will be accepted from all sources within Sonoma County; household hazardous waste will be accepted only from licensed haulers and other entities approved by Agency and from members of the public that are residents of a Participant of the Agency. Small quantity generator hazardous waste (as defined by California Legislation or by the Agency with the unanimous concurrence of each Participant) will be included but will be entirely financed by the business using the service. A special fee and method and hours of operation will be established by the Agency for this service.

Section 8. Household Hazardous Waste Acceptance Area

Household hazardous waste will be received from the residents of Participants in a receiving area at the facility. The public will be met by trained personnel who will inspect the delivered waste and determine whether they are acceptable household hazardous wastes. If unidentified (unlabeled) waste are found the delivery person will be requested to provide information to assist in determining the type of material. Times and dates for acceptance of household hazardous waste from Public will be determined by Agency.

The waste received will be sorted into materials that must be disposed of and those that can be reused. Those materials that must be disposed of will be prepared for transportation to disposal facilities. Those wastes received that can be reused will be inventoried for use, exchange, reuse or shipped to a recycling facility. Materials remaining in inventory for a period of time determined to be appropriate by Agency will be disposed of or handled as the Agency determines appropriate.

Section 9. Joint Powers Agency to Administer Treatment System and Household Hazardous Waste Storage and Disposal

The Agency shall administer and execute the Agreement and do all acts necessary for the exercise of said common power for that purpose.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

The Agency shall administer, operate, manage, and control the Treatment System and the household (and any other) hazardous waste storage and disposal system in an efficient and economical manner and maintain and preserve them in good repair and working order, all in accordance with sound engineering practices. Agency shall treat and dispose of all wood and yard waste received and shall collect, recycle, store, and dispose all household (and any other) hazardous waste received under the terms of this Agreement in such manner as to comply with all applicable laws, rules and regulations.

Section 10. Financing - Household Hazardous Waste Storage and Disposal

The cost of startup, maintenance and operation may be paid by the tipping fee process with special cost center established for Household Hazardous Waste and hazardous small quantity generator business waste. County will provide financing to construct and operate the facility by collecting a tonnage tipping fee on all refuse entering the Landfill. The hazardous business waste program, if JPA establishes program, will set a fee schedule to cover all costs including capital startup, operating, maintenance, and disposal fees.

Section 11. Role of Participants in Collection of Wood, and Yard Waste

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

If and when wood and yard waste is treated in the Treatment System and results in useable products (hereinafter referred to as "Products"), then Agency shall have the right to dispose of the Products as it sees fit and in accordance with any contract(s) it may have with an Operator.

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

Section 12. Request for Proposals for Composting, Wood Waste, Tree Stumps and Yard Waste

In the mutual interest of all Participants a Request for Proposals for Composting Wood Waste, Tree Stump and Yard Waste Program at the Central Landfill has been prepared for distribution to potential proposers. This RFP is in accordance

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

with the requirement that the Agency arrange for Operation and Equipment in Section 7. The proposals received will be reviewed by a committee of Participants for recommendation to the full Agency membership. The general wording of the RFP is included in Exhibit "B."

Section 13. Financing - Yard and Wood Waste

The cost of startup, maintenance and operation will be paid through the tipping fee process with a special cost center established for each. County agrees to assist JPA in developing a financing program to construct treatment system and provide startup cash and to install weighing devices for yard and wood waste at Central Landfill to determine the amount of each Participant's use of the Treatment System. The County agrees to collect a tonnage tipping fee on refuse entering landfill sufficient to pay for all capital improvements and other startup costs of the wood waste and yard waste program. The Agency shall receive all revenues accruing in connection with the Treatment System, and then use them to defray operation and maintenance (O&M) expense of the wood or yard waste Treatment System.

Section 14. Joint Powers Agency Authority to Adopt Regulations

Participants agree that the primary purpose of this Agreement are to create an Agency to treat wood waste and yard waste and to collect, store, and dispose of household hazardous waste and to educate the public regarding waste issues. The Joint Powers Agency may, from time to time, adopt uniform rules and regulations to carry out these purposes.

Section 15. Commencement of Operation

After execution of this Agreement by the Participants, they shall cooperate with each other so that Agency can swiftly begin to carry out its mission.

Section 16. Estimation and Payment of O&M Cost.

For each fiscal year the Agency shall prepare separate O&M budgets for (1) household hazardous waste collection, storage, and disposal countywide program and (2) the yard waste Treatment System and (3) wood waste Treatment System and (4) the education program. These budgets, and any other budgets Agency may prepare, shall require the unanimous approval of the total membership of Agency Agreement.

The Agency shall set fees for the services it provides to any non-Participant, other entity, or person participating in any Agency program.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Section 17. Agency to Accept and Participants to Deliver Yard and Wood Waste

Agency agrees that during the term of this Agreement it will receive wood and yard waste from each of the Participants. Participants agree that during the term of this Agreement each Participant will deliver the Exhibit A wood and yard waste tonnage as a minimum. The Exhibit A tonnage is 25% of the wood and yard waste from each participant as identified in the 1991 Waste Characterization Study. If a participant is unable to deliver the established minimum tonnage they may deliver whatever amount they so choose but they will not have a vote in the operation of that particular item (either yard waste or wood waste). The Participants will cooperate with each other to maximize use of the System and to promote its use. If Agency is unable to dispose of the Products of the System to third parties, each Participant agrees to pick up, transport, and take back the remaining Products in proportion to the amounts delivered to the System. For example, if Agency is able to dispose of one-half of the Products to third parties and one City delivers one-fifth of the total amount of the wood and yard waste to the Treatment System, then that City agrees to pick up, transport, and take back one-tenth of the total amount of the Products produced by the System.

Section 18. Public Education -- Allocation of Costs

Agency shall develop a public education program in consultation with the Participants. The public education program shall be designed to maximize the utilization of the yard and wood waste Treatment System and the household hazardous waste facility. In addition, the Agency may develop educational programs designed to divert the maximum amount of materials from disposal at the Central Landfill site. The County agrees to collect a tonnage tipping fee on refuse entering landfill sufficient to pay all capital improvement costs and all operating costs of the program.

Section 19. Reimbursement of County Costs for Information System and Regulatory Compliance Costs.

County agrees to provide an information system capable of tracking each load of yard and wood waste. Agency agrees the County will be reimbursed from the Cost Center established in the enterprise landfill tipping fee account for reasonable costs of maintaining that information system in the amount determined by the County's Public Works Director.

Agency agrees to reimburse County for County's costs, as determined by its Public Works Director, incurred to form the Agency. Once formed, Agency agrees to reimburse County for all new or additional costs incurred by County as a result of the

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

activities of the Agency. Such costs include, but are not limited to, the following: (1) the cost of obtaining required permits from regulatory agencies and the cost of complying with the requirements and conditions of those permits; (2) cost of operating a storm water treatment facility, if needed to prevent excess nitrogen from entering the water from the compost. (3) any cleanup costs (including monitoring costs) incurred as a result of Agency activities for as long as required.

Section 20. Term of This Agreement

The term of this Agreement shall be for twenty-five (25) years. This Agreement shall take effect and begin on the date the Agreement is executed by the last Participant to execute the Agreement. This Agreement may be extended from year to year thereafter by mutual agreement of the Participants.

Should any city desire to withdraw from the JPA a ninety (90) day notice shall be submitted in writing to the Agency. A penalty as set by the JPA and adjusted from time to time to reflect the impact on the JPA shall be paid by the City to the Agency for the withdrawal.

Section 21. Records and Accounts

Agency will keep proper books and records including, but not limited to, types and quantities of wastes received from each jurisdiction which, upon written request, shall be subject to inspection by any duly authorized representative of Participants. Agency will cause the books and records to be kept, and audit to be made, in accordance with the statutory requirements for Joint Powers Agencies. The Agency will make quarterly reports of System operations and of all receipts to and disbursements from the Agency. One copy of the report shall be given to each Participant. The expense of these audits and reports and all recordkeeping and accounting costs shall be an operation and maintenance cost of the Joint Powers Agency.

Section 22. Liabilities and Limitations of Parties

Agency agrees to maintain and operate the Treatment System in a competent and diligent manner to the end that requirements set by the California Integrated Waste Management Board and any other agency having jurisdiction thereof are met. In the event of litigation concerning alleged failure to meet performance requirements, Participants and Agency shall cooperate in the defense. Agency shall assume liability for cost of litigation, settlement of claim, and of any penalty unless it is determined by a court of law, arbitration, or other legal process, that the alleged failure was caused by the negligence, malfeasance, or other culpable act(s) of another. Liabilities of Participants, due to their own acts or negligence prior to creation of Agency, will not be assumed by the Agency.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Agency agrees to indemnify Participants against all liability arising out of Agency's negligence.

Section 23. Insurance

The Agency shall maintain liability insurance so long as this Agreement is in effect and for at least one (1) year thereafter, which insurance shall name each of the Participants as an additional insured for any liability arising out of Agency's activities. The expense of such insurance shall be a proper operation and maintenance charge. This insurance shall provide coverage to an initial policy limit of two million dollars and shall be adjusted up or down as requested by the County Risk Manager at least once each year prior to JPA budget preparation. Provided that all Participants unanimously concur, Agency may elect to establish a self-insurance program.

Section 24. Severability

If any section, subsection, sentence, clause, phrase or word of this Agreement, or the application thereof, to either party, or to any other person or circumstance is for any reason held invalid, it shall be deemed severable and the validity of the remainder of the Agreement or the application of such provision to the other party, or to any other persons or circumstances shall not be effected thereby. Each party hereby declares that it would have entered into this Agreement and each section, subsection, sentence, clause, phrase and word thereof irrespective of the fact that one or more section, subsection, sentence, clause, phrase or word, or the application thereof to either party or any other person or circumstances be held invalid.

Section 25. Non-Tipping Fee Funding Sources

The Agency may apply for and receive funds or property or equipment from non-tipping fee sources such as, but not limited to, advance disposal fees, federal or state grant or loan programs, private contributions, and the like. Such funds, property, or equipment shall by used for any program properly authorized by Agency.

Section 26. Amendments to Agreement

This Agreement may be amended by a written amending Agreement signed by all Participants.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, the Participants have caused this Agreement to be executed by their respective governing officials duly authorized by resolution of their respective legislative bodies.

ATTESTED:

Gayle Gaebe
City Clerk

CITY OF SANTA ROSA

By James Fedeli

ATTESTED:

_____
City Clerk

CITY OF ROHNERT PARK

By _____

ATTESTED:

_____
City Clerk

CITY OF SEBASTOPOL

By _____

ATTESTED:

_____
City Clerk

CITY OF SONOMA

By _____

ATTESTED:

_____
City Clerk

CITY OF CLOVERDALE

By _____

ATTESTED:

_____
City Clerk

CITY OF PETALUMA

By _____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, the Participants have caused this Agreement to be executed by their respective governing officials duly authorized by resolution of their respective legislative bodies.

ATTESTED:

CITY OF SANTA ROSA

_____ By_____

City Clerk

ATTESTED:

CITY OF ROHNERT PARK

Judy Hauff, Deputy By_____

City Clerk

ATTESTED:

CITY OF SEBASTOPOL

_____ By_____

City Clerk

ATTESTED:

CITY OF SONOMA

_____ By_____

City Clerk

ATTESTED:

CITY OF CLOVERDALE

_____ By_____

City Clerk

ATTESTED:

CITY OF PETALUMA

_____ By_____

City Clerk

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, the Participants have caused this Agreement to be executed by their respective governing officials duly authorized by resolution of their respective legislative bodies.

ATTESTED: CITY OF SANTA ROSA

_____ By_____
City Clerk

ATTESTED: CITY OF ROHNERT PARK

_____ By_____
City Clerk

ATTESTED: CITY OF SEBASTOPOL

Melissa K Lewis By
City Clerk

ATTESTED: CITY OF SONOMA

_____ By_____
City Clerk

ATTESTED: CITY OF CLOVERDALE

_____ By_____
City Clerk

ATTESTED: CITY OF PETALUMA

_____ By_____
City Clerk

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, the Participants have caused this Agreement to be executed by their respective governing officials duly authorized by resolution of their respective legislative bodies.

ATTESTED:

_____
City Clerk

CITY OF SANTA ROSA

By_____

ATTESTED:

_____
City Clerk

CITY OF ROHNERT PARK

By_____

ATTESTED:

_____
City Clerk

CITY OF SEBASTOPOL

By_____

ATTESTED:

Eleanor Berto
City Clerk

CITY OF SONOMA

By Laurence O'Murphy

ATTESTED:

_____
City Clerk

CITY OF CLOVERDALE

By_____

ATTESTED:

_____
City Clerk

CITY OF PETALUMA

By_____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, the Participants have caused this Agreement to be executed by their respective governing officials duly authorized by resolution of their respective legislative bodies.

ATTESTED: CITY OF SANTA ROSA

_____ By_____
City Clerk

ATTESTED: CITY OF ROHNERT PARK

_____ By_____
City Clerk

ATTESTED: CITY OF SEBASTOPOL

_____ By_____
City Clerk

ATTESTED: CITY OF SONOMA

_____ By_____
City Clerk

ATTESTED: CITY OF CLOVERDALE

Michele P Winterbottom By_____
City Clerk

ATTESTED: CITY OF PETALUMA

_____ By_____
City Clerk

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, the Participants have caused this Agreement to be executed by their respective governing officials duly authorized by resolution of their respective legislative bodies.

ATTESTED: CITY OF SANTA ROSA

_____ By_____
City Clerk

ATTESTED: CITY OF ROHNERT PARK

_____ By_____
City Clerk

ATTESTED: CITY OF SEBASTOPOL

_____ By_____
City Clerk

ATTESTED: CITY OF SONOMA

_____ By_____
City Clerk

ATTESTED: CITY OF CLOVERDALE

_____ By_____
City Clerk

ATTESTED: CITY OF PETALUMA

_____ By_____
City Clerk

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

Bonnie Gore
City Clerk

CITY OF COTATI

By Bill Miller

ATTESTED:

_____
City Clerk

CITY OF HEALDSBURG

By _____

ATTESTED:

_____
County Clerk

COUNTY OF SONOMA

By _____

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

ATTESTED:

CITY OF COTATI

By

City Clerk

ATTESTED:

CITY OF HEALDSBURG

By

City Clerk

ATTESTED:

COUNTY OF SONOMA

By

County Clerk

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT A

Wood Waste

Participant	Minimum Tonnage (25% of Waste Generation Study Data for each participant done by Emcon Assoc)	% of Tonnage
Unincorporated County	12,083	53.52
Cloverdale	237	1.05
Cotati	232	1.03
Healdsburg	694	3.07
Petaluma	1,722	7.63
Rohnert Park	1,074	4.76
Santa Rosa	5,200	23.03
Sebastopol	658	2.91
Sonoma	677	3.00
	22,577	100%

Yard Waste

Participant	Minimum Tonnage (25% of Waste Generation Study Data for each participant done by Emcon Assoc)	% of Tonnage
Unincorporated County	7,529	37.49
Cloverdale	288	1.43
Cotati	464	2.31
Healdsburg	483	2.40
Petaluma	2,496	12.43
Rohnert Park	1,423	7.08
Santa Rosa	6,342	31.58
Sebastopol	623	3.10
Sonoma	438	2.18
	20,086	100%

Gurule/Reports/Wood/Haz/Public Ed/12/05/91

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT "B"

REQUEST FOR PROPOSALS
FOR
COMPOSTING, WOOD WASTE, AND YARD WASTE

The Cities of Sonoma County and the County of Sonoma have entered into a joint powers agreement to divert wood waste, yard waste, and tree stumps from the Sonoma County Central Landfill for more positive uses. In addition to saving valuable landfill space, the entities have the goal of gaining maximum recycling and diversion credits toward meeting the goals of AB 939. AB 939 requires that each city and county in California reduce their waste stream by 25% by 1995 and 50% by 2000 by recycling, reuse, diversion and source reduction.

Proposals are to be requested from interested parties to provide the full services necessary to divert the maximum amount of wood wastes, yard wastes, and tree stumps from the landfill and market the materials or products resulting from this diversion.

STRUCTURE OF AGREEMENT

The successful proposer will enter into an agreement with the Joint Powers Agency. The agreement will require the proposer to cooperate with and take direction from the County Public Works Director and his designees, including the Recycling, Marketing, and Solid Waste Manager. Additionally, the proposer must comply with all conditions of permits required for proposed activities.

SOURCE OF MATERIALS

Materials for the program will come from the following sources:

1. Four of the cities, Santa Rosa, Petaluma, Rohnert Park and Healdsburg, will provide yard waste material from a curbside pick up program. Residents will separate yard wastes into special containers which will be picked up by the franchise hauler for each city. This material will be delivered by the haulers to Central Landfill or other location specified by the successful proposer that meets with the Joint Powers Agency's (JPA's) approval and has the proper zoning and permits. The County is moving to secure permits that would allow wood chipping, yard waste shredding, and composting at the Central Landfill at 500 Mecham Road, Petaluma.

2. Self haul vehicles and debris boxes coming to the Central Landfill. At the Central Landfill a spotter will be on site to ensure that the yard wastes and wood wastes would be diverted from the waste stream and set aside for processing under this program. Specific location will be established for the materials which can be chipped or shredded on site or taken to another location for processing.

REUSABLE MATERIALS

The Central Landfill currently has a reuse yard for sale of reusable materials. The proposer will be required to set aside for resale reusable material received for processing. Reusable materials include dimensional lumber building materials, landscaping materials, furniture and other similar materials.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

MARKETING AND END USE OF MATERIALS

Proposals shall include a plan for the marketing, sales and end use of the materials. Proposals shall include existing markets that proposer has for the various materials and plans for the marketing and sales of all the materials to be generated and produced by the program. Proposals shall include a plan to avoid or utilize wood containing hazardous materials such as creosote, CCA, pentachlorphenol, glues or other common potential contaminants. Since the end use of the product will affect AB 939, the marketing plan shall identify end use and the expected percentage and tonnage of AB 939 credit the cities and County will get under the proposal. Firm contracts for specific materials and viability of the purchaser of the materials will be identified.

INFORMATION AVAILABLE TO PROPOSERS

The cities and the County have available the Solid Waste Generation Study (SWGS) that was prepared by Emcon Associates to meet the requirements of AB 939. The SWAGS contains information on yard waste and wood waste generated by each entity. This information is made available for purposes of scope of the project and is not a guarantee that these weights of materials will be available for the program. Weights and amounts of materials will be the subject of discussion with the proposer selected for negotiations. Proposals shall assume a minimum annual tonnage of 20,000 tons wood waste and 20,000 tons yard waste and shall be capable of expanding to three (3) times the minimum annual tonnage.

The County has available the number and size of tree stumps disposed of at the Central Landfill during a recent twelve-month period.

In addition to this information, the cities and County will make available other information that is requested that falls within the Public Records Act.

PROPOSAL EVALUATION

Proposals will be evaluated and from those proposals a number of the proposers will be selected for an interview by a commmittee. Each proposer selected for an interview will be given a proposed form of contract for approval which will be considered at the interview. Following the interviews, the committee will rate the proposals in order of recommendation for negotiation. After receiving authorization from the JPA, negotiations will be entered into with the number one rated firm. If negotiations are unsuccessful with the number one rated firm, negotiations will be entered into with the second rated firm and so on.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CC Original
Item # 39
3.3.15
TPW

CENTRAL DISPOSAL SITE AND FORMER LANDFILLS

SETTLEMENT AGREEMENT

BETWEEN

THE COUNTY OF SONOMA

AND

THE COMMITTED CITIES

EFFECTIVE DATE: April 1, 2015

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

TABLE OF CONTENTS

1.0 RECITALS 1

2.0 DEFINITIONS 2

3.0 COUNTY COMMITMENTS 9

3.1 Non-Committed Cities 9

3.2 Former Rural Landfills 9

3.3 County Representations 9

4.0 FORMER URBAN LANDFILLS LIABILITY 10

4.1 Funding for Former Urban Landfills 10

(a) Former Urban Landfills Fund 10

(b) Unexpected Events 10

(c) Exhaustion Of Funds 10

(d) Good Faith Meeting Prior To Litigation 10

5.0 COLLECTION OF COUNTY ADMINISTRATIVE COSTS 11

5.1 Funding for County Administrative Costs 11

(a) County Administrative Costs Fund 11

(b) Dispute Resolution And Burden Of Proof 11

6.0 PAYMENTS AND MONIES DISTRIBUTION 11

6.1 County Base Concession Payments 11

(a) Payment Fluctuation 11

(b) Allocation 12

6.2 Former Urban Landfills Fund 12

6.3 County Administrative Costs Fund 12

6.4 Adjustment of Base Concession Payments Percentages 12

(a) County Adjustments 12

6.5 Fund Tracking; Accounting and Disbursements 12

(a) Tracking 12

(b) Accounting 12

(c) Disbursements 13

6.6 USE OF COUNTY CONTINGENT LIABILITY RESERVE FUND 13

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

6.7 USE OF COMMITTED CITIES CONTINGENT LIABILITY FUND 13

7.0 INDEMNITY, RELEASE AND COVENANT NOT TO SUE BETWEEN THE COUNTY, REPUBLIC AND THE COMMITTED CITIES 14

7.1 Indemnity and Release for Central Disposal Site 14

(a) Republic Indemnity And Release 14

(b) County Covenant Not To Sue 14

(c) Committed Cities Covenant Not To Sue 14

7.2 Covenant Not to Sue for Former Urban Landfills 15

(a) County Covenant Not To Sue 15

(b) Committed Cities Covenant Not To Sue 15

7.3 County Defense of Committed City 15

7.4 Release Of Committed Cities For Former Rural Landfills 16

8.0 DEFAULT BY REPUBLIC 17

8.1 Circumstances and Notification 17

8.2 Automatic Tolling Provisions 17

9.0 OTHER CONSIDERATIONS 18

9.1 Committed Cities Access To County Transfer Stations After Expiration Of Waste Delivery Agreements 18

9.2 Coordination Of Efforts 18

9.3 Parties Obligations At The End Of Year 19 18

10.0 MISCELLANEOUS PROVISIONS 19

10.1 Conditions Precedent to Effectiveness of this Agreement 19

10.2 Authority to Enter Into Settlement Agreement 20

10.3 Dispute Resolution 20

(a) Binding Arbitration 20

(b) Written Notice 20

(c) Proceedings 20

(d) Arbitration Location and Arbitrator Qualifications 20

(e) Hearings 21

(f) No Right to Jury Trial 21

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

(g) Arbitration Costs and Award 22
10.4 Captions 22
10.5 Time is of the Essence 22
10.6 Governing Law 22
10.7 Entire Settlement Agreement 22
10.8 Joint Drafting 22
10.9 Severability 23
10.10 Modification of Settlement Agreement 23
10.11 Application of Settlement Agreement 23
(a) Benefit 23
(b) No Third Party Beneficiaries 23
10.12 Notification Requirements 23
10.13 Interpretation 25
10.14 No Admission of Liability 25

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBITS

Exhibit A:	Concession Payment Schedule
Exhibit B:	Baseline Administrative Costs
Exhibit C:	Committed Cities Contingent Fund Agreement
Exhibit D:	County Employees with Knowledge

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

CENTRAL DISPOSAL SITE AND FORMER LANDFILLS SETTLEMENT AGREEMENT BETWEEN THE COUNTY OF SONOMA

AND

THE COMMITTED CITIES

The County of Sonoma (the "County") and the Committed Cities (as defined below) (collectively, the "Parties" and individually any "Party") enter into this Central Disposal Site and Former Landfills Settlement Agreement (hereinafter "Settlement Agreement"), which shall be effective only if all of the conditions precedent set forth in Section 10.1 below are met.

1.0 RECITALS

Historically, waste throughout the County was disposed of at the Central Disposal Site (as defined below) and one or more of the Former Landfills (as defined below). Environmental liabilities exist for both the Central Disposal Site and the Former Landfills. The County has informed the cities that, if this Settlement Agreement does not become effective, it intends to pursue the cities, including, if necessary, through litigation, for their share of the costs to address the environmental liabilities associated with the Central Disposal Site and the Former Landfills. The Cities dispute their individual exposures for these environmental liabilities and believe that the County is responsible for such liabilities as the owner and operator of the Central Disposal Site and the Former Landfills. Notwithstanding the foregoing, the Committed Cities are entering into this Settlement Agreement to resolve their disputes with the County and avoid the significant time and expense associated with resolving their disputes through litigation.

The County entered into that certain long term operations agreement for the Central Disposal Site through execution of a Master Operations Agreement with Republic Services of Sonoma County ("Republic") on April 23, 2013. The effectiveness of the Master Operations Agreement is contingent upon several conditions precedent. A condition to the effectiveness of the Master Operations Agreement is that there will be a minimum number of Cities that commit their waste to Republic to be received and processed at the County Facilities (as defined below) for a 25 year period. A fundamental premise of this Settlement Agreement is that the Parties will send their waste to the County Facilities in accordance with their respective Waste Delivery Agreements (as defined below).

In exchange for the waste commitment and other obligations under this Settlement Agreement, the Committed Cities will receive a full release and indemnity from Republic for all environmental liabilities associated with the Central Disposal Site in perpetuity, with the exception of liabilities associated with other operators at the Central Disposal Site who are not under the control of, or in contract with, Republic (e.g., compost facility and household hazardous waste facility). The County is not granting the Committed Cities a release nor indemnifying the Committed Cities for any liabilities associated with the Central Disposal Site.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

In addition, in exchange for the County granting Republic an exclusive right to operate the County Facilities, Republic is required to pay County Base Concession Payments (as defined below) for all waste sent to the County Facilities. Through execution of this Settlement Agreement, the County is agreeing to apply all Base Concession Payments to fund the environmental liabilities associated with the Former Urban Landfills (as defined below) and the expected Baseline Administrative Costs (as defined below). Besides the funds attributable to the Base Concession Payments, this Settlement Agreement also includes the payment to the County of a Committed Cities Contingent Liability Fund (as defined below) on all Committed City Waste and sets aside four other funds for the benefit of the County and Committed Cities to cover the environmental liabilities associated with the Former Urban Landfills. The four other funds include the CDS Leak Fund (as defined below), the County Contingent Liability Reserve Fund (as defined below), the Healdsburg Leak Fund (as defined below) and the Sonoma Leak Fund (as defined below). In addition, for purposes of this Settlement Agreement, as between the County and the Committed Cities, the County is agreeing to accept all responsibility for the Former Rural Landfills (as defined below) and is granting the Committed Cities a full release for the Former Rural Landfills.

The County believes that the execution of this Settlement Agreement allows the Parties to achieve a host of other benefits in addition to providing a funding mechanism for the on-going maintenance of the Former Urban Landfills and transferring the environmental liabilities for the Central Disposal Site to Republic. Such benefits include: (i) maintaining an in-County landfill and, therefore, reducing greenhouse gas emissions associated with waste disposal by avoiding unnecessary transportation of waste outside the County; (ii) construction of a materials recovery facility (MRF) at the Central Disposal Site to process and divert recyclable materials from commercial waste and construction and demolition debris waste which will also extend the capacity of the Central Disposal Site; and (iii) ensuring stable and predictable disposal rates and capacity rights for a minimum of 25 years.

As set forth in Section 10.1 below, in the event that the County and some Committed Cities execute this Settlement Agreement, but not enough Committed Cities commit their waste to Republic under the Master Operations Agreement, this Settlement Agreement shall be of no effect.

NOW THEREFORE, the Parties agree as follows:

2.0 DEFINITIONS

To the extent any capitalized terms used in this Settlement Agreement are not specifically defined below, they shall have the meanings defined in the Master Operations Agreement.

"Adjustment Date" means each anniversary of the Effective Date.

"Applicable Law" or "Applicable Laws" means any past, present or future (a) statute, law, code, regulation ordinance, rule or common law, including Environmental Laws, (b) permit(s), (c) binding judgment, or binding judicial or administrative order or decree, (d) written directive, guideline, policy requirement or other restriction imposed by any Governmental

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Authority, or (e) similar form of decision of or determination by, or any written interpretation or administration of any of the foregoing by, any Governmental Authority, in each case, which is applicable to or has an impact on this Settlement Agreement, whether taking effect before or after the Effective Date.

"Base Concession Payment" means the base concession payments paid by Republic to the County, during the initial 20 year term of this Settlement Agreement, in consideration for the County's granting Republic an exclusive right and concession to operate the County Facilities under the Master Operations Agreement. The amounts of the payments are set forth in Exhibit A.

"Base Concession Payment Fund" means that certain fund within the County's Treasury Pool which is maintained and administered by the County Treasurer for receipt of the Base Concession Payments and any interest accrued on said funds.

"Baseline Administrative Costs" means the actual baseline administrative costs related to (i) the County's costs to comply with, implement, and/or maintain any and all Master Operations Agreement duties and obligations after the Master Operations Agreement is effective; (ii) the County's costs to comply with, implement, maintain and/or enforce all requirements and obligations under this Settlement Agreement including any and all costs associated with County's administration of all Funds, including the Committed Cities Contingent Liability Fund; and (iii) the County's costs to oversee and maintain work required as a result of the Former Urban Landfills Liability, including all consultant and contractor work required as a result of the Former Urban Landfills Liability. The initial estimated Baseline Administrative Costs, which represent less than 30% of the County's Fiscal Year 2011/2012 budget for the entire solid waste division, is set forth in Exhibit B.

"Central Disposal Site" or **"CDS"** means that certain real property located at 500 Meecham Road, Petaluma, California, which is comprised of approximately 432 acres.

"CDS Leak Fund" means that certain leak fund with a balance of $2,306,347 which has been set aside by the County to address potential leaks in the future of the CDS.

"City" or **"Cities"** means any of the following: the City of Cloverdale, the City of Cotati, the City of Healdsburg, the City of Petaluma, the City of Rohnert Park, the City of Santa Rosa, the City of Sebastopol, the City of Sonoma, and the Town of Windsor.

"Closure" means the process by which the CDS, or a portion of the CDS, that is no longer receiving waste, undergoes all operations as required by the approved closure plan and Applicable Law to prepare the CDS (or portion thereof as appropriate) to enable it to undergo Post-Closure. Closure shall not be complete until the Closure Date.

"Closure Date" means the date on which all Governmental Authorities with jurisdiction over Closure of the CDS have accepted Republic's certification that the Landfill has been closed in accordance with Applicable Law, or alternatively when all such Governmental Authorities or the County have indicated in writing that Closure of the CDS has been completed.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

"Committed Cities" mean the Cities that have executed Waste Delivery Agreements.

"Committed Cities Contingent Fund Agreement" means that certain agreement that the Committed Cities have negotiated among themselves that include the terms and conditions surrounding the distribution of the Committed Cities Contingent Liability Fund, a copy of which is attached as Exhibit C.

"Committed Cities Contingent Liability Fund" means the special concession payments paid by Republic to the County on each ton of Committed City Waste for all or a portion of the 25 years of the Waste Delivery Agreements as set forth in Column C of the Concession Payment Schedule (Exhibit A), which fund shall be held by the County in trust on behalf of the Committed Cities in accordance with the terms of the Committed Cities Contingent Fund Agreement.

"Committed City Waste" means all waste committed to the County Facilities by a Committed City under a Waste Delivery Agreement.

"County Administrative Costs" means the Baseline Administrative Costs plus any Unexpected Administrative Costs.

"County Administrative Costs Fund" means the monies collected from the Base Concession Payments that are allocated to pay for the County Administrative Costs, as set forth in Section 6.3 below and any interest accrued on said fund.

"County Contingent Liability Reserve Fund" means that certain fund held within the County's Treasury Pool which as of June 30, 2014, has a balance of $10,611,435 and any interest accrued on said fund.

"County Facilities" means the Central Disposal Site, County Transfer Stations, and the Materials Recovery Facility. The term "County Facilities" does not include the compost facility or the household hazardous waste facility which is separately operated by the Sonoma County Waste Management Agency.

"County Transfer Stations" mean those certain transfer stations owned by the County and commonly referred to as the Annapolis Transfer Station, the Central Transfer Station, the Guerneville Transfer Station, the Healdsburg Transfer Station, and the Sonoma Transfer Station.

"Default by Republic" means a material uncured breach of the Master Operations Agreement by Republic and its parent corporation.

"Dispute Resolution" means the process set forth in Section 10.3 of this Settlement Agreement.

"Effective Date" means the date this Settlement Agreement becomes effective pursuant to Section 10.1 below.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

"Environmental Condition" means the presence, release, threat of release or existence of any and all Hazardous Substances, leachate and/or landfill gas introduced into, on, over or about the soil, sediment, surface water, storm water or groundwater at CDS and/or any or all of the Former Landfills, including any migration of Hazardous Substances, landfill gas or leachate from CDS and/or any or all of the Former Landfills.

"Environmental Law" or **"Environmental Laws"** means any Applicable Law, as in effect from time to time, relating to air quality, water quality (including surface water, stormwater, groundwater, drinking water, and wastewater discharges), Hazardous Substances, Waste and similar environmental matters, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.) the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Wat. Code § 13020, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5, et seq.), the Hazardous Substance Account Act (Cal. Health & Safety Code § 25300, et seq.), the California Integrated Waste Management Act of 1989 (Cal. Public Resources Code § 40000 et seq.), Cal. Health & Safety Code § 39000 et seq., 14 Cal. Code of Regulations § 18010 et seq., 23 Cal. Code of Regulations § 2510 et seq., 27 Cal. Code of Regulations § 20005 et. seq., and the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100, et seq.).

"Excess Settlement Funds" mean the amount of funds collected by County for the Former Urban Landfills through a separate settlement agreement between the County and a City that does not execute a Waste Delivery Agreement, after deducting the County's actual cost of pursuing the settlement.

"Force Majeure Event" means any occurrence, event, condition or circumstance beyond the reasonable control and without the fault, active negligence, intentional conduct, or misconduct of the County, Republic or a subsequent operator of CDS. Force Majeure shall include any of the following events to the extent such event has a direct adverse impact on the Former Urban Landfills, (i) acts of God, fire, explosion, flood, earthquake, severe or adverse weather conditions, or other natural disaster; (ii) acts of any Governmental Authority, including, failure or unanticipated or unjustified delay by the Governmental Authority in issuance, cancellation, or non-renewal of any applicable permit; (iii) acts of war or acts of public enemies, including, embargo, riot and/or civil unrest, civil commotion, insurrection, acts of terrorism or anticipated acts of terrorism, or sabotage; (iv) any labor dispute, including, strike, lockout, slowdown, or picketing; (v) any medical emergency, including, epidemic, regional medical crisis or quarantine; (vi) any failure of suppliers or third persons, including, interruption of services, lack of or shortage of electrical power, equipment or software program malfunction, or other occurrence outside of the ordinary course of business; and/or (vii) any other similar event, condition or circumstance beyond the reasonable control of the affected party and without its fault.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

"Former Landfills" mean collectively, the Former Urban Landfills and the Former Rural Landfills.

"**Former Rural Landfills**" means the three former landfills located at 13450 Pocket Road, Guerneville, CA (*i.e.*, the Guerneville former landfill); 4985 Stoetz Lane, Occidental, CA (*i.e.*, the Occidental former landfill); and 33549 Annapolis Road, Annapolis, CA (*i.e.*, the Annapolis former landfill).

"Former Urban Landfills" means the former landfills located at 4376 Stage Gulch Road, Sonoma, CA (*i.e.*, the Sonoma former landfill); 7175 Roblar Road, Petaluma, CA 94952 (*i.e.*, the Roblar former landfill); 5200 Slusser Road, Windsor, CA 95492 (*i.e.*, the Airport former landfill); and 166 Alexander Rd, Healdsburg, CA 95448 (*i.e.*, the Healdsburg former landfill).

"Former Urban Landfills Fund" means the monies collected from the County Concession Payments that are allocated to pay for the Former Urban Landfills Liability as set forth in Section 6.2 below and any interest accrued on said funds.

"Former Urban Landfills Liability" means the costs for the Post-Closure Obligations For The Former Urban Landfills plus all costs and expenses necessary to address Unexpected Events related to the Former Urban Landfills.

"Franchise Hauler" means an entity that collects and hauls waste pursuant to a contract, franchise, permit, authorization or license issued by the County or a Committed City, as such franchises, licenses, contracts, permits and authorizations may be amended from time to time.

"Governmental Authority" and **"Governmental Authorities"** mean either individually or collectively any federal, state, local or other governmental, regulatory or administrative agency, governmental commission, department, board, subdivision, court, tribunal, other governmental arbitrator or arbitral body or other public agency.

"Hazardous Substance" and **"Hazardous Substances"** mean any waste, chemical, material or substance that is listed or regulated, whether presently or in the future, under Environmental Laws as a "hazardous" or "toxic" substance, or any pollutant or contaminant.

"Healdsburg Leak Fund" means that certain leak fund with a balance of $2,567,504 which has been set aside by the County to address potential leaks in the future at the former Healdsburg landfill and any interest accruing on said funds.

"Leak Funds" mean collectively the CDS Leak Fund, Healdsburg Leak Fund and the Sonoma Leak Fund and any interest accruing on said funds.

"Losses" means any and all damages, assessments, losses, liabilities, judgments, orders, requirements, interest, costs, expenditures, attorneys' fees, debts, liens of any kind and nature whether known or unknown, penalties, fines, interest and expenses, including court costs

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

and investigative, remedial, construction, consultant, expert witness, legal, engineering, accounting costs and other fees and expenses.

"Master Operations Agreement" means that certain Agreement for Operation of the Central Landfill and County Transfer Stations between County of Sonoma and Republic Services of Sonoma County, Inc. dated as of April 23, 2013, as may be amended.

"Non-Committed City" and **"Non-Committed Cities"** mean any City or Cities that are not a Committed City and that have not entered into a separate settlement agreement with the County.

"Party" means either the County or a Committed City.

"Parties" mean the County and all Committed Cities.

"Post Closure" means all activities undertaken at a landfill following Closure to maintain the integrity of the containment features and to monitor compliance with applicable performance standards which are consistent with all required plans, permits and Applicable Law.

"Post-Closure Obligations For The Former Urban Landfills" means the 30-year anticipated on-site maintenance and monitoring costs for the Former Urban Landfills to be funded by the Base Concession Payments and Leak Funds.

"Prudent Solid Waste Practices" means any of the practices, methods and acts engaged in or approved by a significant portion of the solid waste and landfill industry during the relevant time period, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, environmental compliance and stewardship and expedition. Prudent Solid Waste Practices is not intended to be the optimum practice, method or act, but rather to be acceptable practices, methods or acts generally and significantly accepted in the solid waste and landfill industry, and specifically in the State of California. At a minimum, Prudent Solid Waste Practices shall be consistent with Applicable Law at the time such practices were followed.

"Remediation" means any or all of the following activities, to the extent they relate to or arise from the actual or threatened presence of Environmental Conditions associated with the Former Urban Landfills whether such activity is conducted at one or more of the Former Urban Landfills or off-site of a Former Urban Landfill boundary: (i) monitoring, investigation, sampling, testing, analysis, treatment, cleanup, containment, remediation, removal, burning, mitigation, transportation, disposal, handling, response or restoration work; (ii) any other activities that are reasonably necessary or appropriate or required under Applicable Law or Prudent Solid Waste Practices; (iii) known or reasonably foreseeable corrective action as required by the Regional Water Quality Control Board, CalRecycle, or other Governmental Authority; and (iv) preparing, implementing and/or submitting any reports, plans, sampling, analysis, other requests or studies for work identified in (i) through (iii).

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

"Republic" means Republic Services of Sonoma County, Inc., a California Corporation, its parent corporation Republic Services, Inc. and includes any third party with whom Republic contracts for operation of the County Facilities.

"Settlement Agreement" means this Central Disposal Site and Former Landfills Settlement Agreement Between the County of Sonoma and the Committed Cities and all attachments and Exhibits hereto.

"Sonoma Leak Fund" means that certain leak fund with a balance of $2,170,837 which has been set aside by the County to address potential leaks in the future at the former Sonoma landfill and any interest accrued on said funds.

"Third Party" and **"Third Parties"** mean any entity other than the Parties to this Settlement Agreement.

"Third Party Claim" means any claim by a Third Party.

"Unexpected Administrative Costs" means costs related to: (a) the County's cost to respond to, oversee, and address any Unexpected Event(s), including any consultant costs and County costs to oversee the consultant(s) work required as a result of such Unexpected Event(s); and/or (b) a change in law or Force Majeure Event causing an increase in the Baseline Administrative Costs.

"Unexpected Event" and **"Unexpected Events"** mean any and/or all of the following as well as any and all Losses associated with the following: (i) Force Majeure Event(s); (ii) Default by Republic that has an adverse effect on the Post-Closure Obligations for the Former Urban Landfills; (iii)Third Party Claim(s),including any claim identifying the County as a responsible party or potentially responsible party for any Environmental Condition and/or Remediation at the Former Urban Landfills; (iv) Environmental Condition(s) and/or Remediation at or associated with the Former Urban Landfills, including any migration of contamination, landfill gas or leachate from the Former Urban Landfills that needs to be addressed, consistent with, or necessary as a result of, Prudent Solid Waste Practices; (v) any Governmental Authority requirement, direction, mandate or order, related to any Environmental Condition and/or Remediation at the Former Urban Landfills; or (vi) any liability imposed under Applicable Laws related to any Environmental Condition and/or Remediation at the Former Urban Landfills. Unexpected Event does not include: (a) any Unexpected Event for which there are sufficient excess funds available to pay the additional costs, losses or expenses related to that event, out of the Leak Funds and the Former Urban Landfills Fund (the amount of excess funds shall be determined by estimating the then remaining costs for Post-Closure Obligations for the Former Urban Landfills and subtracting that from the balance available in the Leak Funds and the Former Urban Landfills Fund); and (b) the anticipated Post-Closure Obligations For The Former Urban Landfills.

"Waste" means all committed waste by the Cities under the Waste Delivery Agreement with Republic or the County under the terms of the Master Operations Agreement. The definition of waste may vary by jurisdiction based upon the special circumstances of each jurisdiction as agreed by Republic.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

"Waste Delivery Agreements" mean those certain individual Waste Delivery Agreements executed by a Committed City and Republic whereby a Committed City has agreed to direct its Franchise Hauler to deliver waste to the County Facilities for a term of 25 years.

"Water Treatment Plant" means the Subregional Wastewater Treatment and Reclamation System Laguna Plant in Santa Rosa, California.

3.0 COUNTY COMMITMENTS

3.1 NON-COMMITTED CITIES

The County, for the benefit of the County and the Committed Cities, agrees to use reasonable efforts to reach a separate settlement agreement with each City that does not enter into a Waste Delivery Agreement and this Settlement Agreement, to ensure that each such City pays its respective share of environmental liabilities for the Central Disposal Site, Former Urban Landfills and County Administrative Costs. Any Excess Settlement Funds shall be deposited into the Former Urban Landfills Fund and County Administrative Costs Fund in accordance with the allocation set forth in Section 6.

3.2 FORMER RURAL LANDFILLS

For purposes of this Settlement Agreement, as between the County and the Committed Cities, the County agrees to (a) indemnify, release, defend and hold the Committed Cities harmless from any and all damages, fees, costs, claims and liability of any sort arising out of the Former Rural Landfills, (b) accept all responsibility for the Former Rural Landfills, and (c) not apply any of the Base Concession Payments to maintenance, monitoring or remediation costs of the Former Rural Landfills. The County agrees to pay for the maintenance, monitoring, and remediation costs of the Former Rural Landfills through use of County general fund monies.

3.3 COUNTY REPRESENTATIONS

County represents to the Committed Cities that as of the Effective Date there are no Known claims pending or threatened against the County related to ownership, operation or use of the Central Disposal Site or any of the Former Urban Landfills arising out of, based on or resulting from the presence or release of, or exposure to, any Hazardous Substance. For purposes of this representation, the term "Known" means the actual knowledge after reasonable due inquiry of the County employees listed on Exhibit D.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

4.0 FORMER URBAN LANDFILLS LIABILITY

4.1 FUNDING FOR FORMER URBAN LANDFILLS

(a) FORMER URBAN LANDFILLS FUND

It is anticipated that the Former Urban Landfills Fund will be sufficient to cover the Post-Closure Obligations For The Former Urban Landfills so long as there are no Unexpected Events. Provided there are no Unexpected Events, the County accepts all responsibility for the Post-Closure Obligations For The Former Urban Landfills for 30 years following the Effective Date.

(b) UNEXPECTED EVENTS

If an Unexpected Event impacts the former Sonoma landfill, the County shall use the Sonoma Leak Fund to address the Unexpected Event. If an Unexpected Event impacts the former Healdsburg landfill, the County shall use the Healdsburg Leak Fund to address the Unexpected Event. Notwithstanding the foregoing, should the Committed Cities unanimously decide to apply the Sonoma Leak Fund or Healdsburg Leak Fund to one of the other Former Urban Landfills, they shall provide County with written notice of such intent, and County shall apply such funds as directed by the Committed Cities.

(c) EXHAUSTION OF FUNDS

Upon the occurrence of an Unexpected Event, and subject to Section 4.1(b) the County shall use the applicable Leak Funds and the Former Urban Landfills Fund to address the Unexpected Event. If the Unexpected Event is not resolved upon the exhaustion of the Leak Funds and the Former Urban Landfills Fund, the mutual covenants not to sue as provided below in Section 7.2 shall expire. County shall provide written notice to the Committed Cities within fourteen (14) days after the date of said exhaustion, along with a detailed accounting of the use of the funds specified above and explanation of why and when said funds were exhausted.

(d) GOOD FAITH MEETING PRIOR TO LITIGATION

In the event of an occurrence of an Unexpected Event, the County and the Cities agree to meet in good faith within thirty (30) days of a notice under subsection (c) and prior to instituting any litigation against the other party for purposes to determine if a resolution of the issue can be agreed upon.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

5.0 COLLECTION OF COUNTY ADMINISTRATIVE COSTS

5.1 FUNDING FOR COUNTY ADMINISTRATIVE COSTS

(a) COUNTY ADMINISTRATIVE COSTS FUND

It is anticipated that the County Administrative Costs Fund will be sufficient to cover the Baseline Administrative Costs. On or before September 30, 2015, and every year thereafter, the County shall provide the Committed Cities with a financial accounting of actual County Administrative Costs incurred during the previous one year period. If actual expenses exceed the initial estimate set forth in Exhibit A and require that more Base Concession Payments be allocated to the County Administrative Costs Fund (to the extent funds are available), then, in accordance with Section 6.4, the County shall provide the Committed Cities with notice of the County's intention to implement such adjustment along with documentation identifying where costs were exceeded and said adjustment may occur only after the procedures set forth in Section 6.4 have been followed and the County has met its burden of proof as set forth in Section 6.4. If the actual expenses incurred by the County in a period covered by the annual financial account were less than 80% of the amount allocated to the County Administrative Costs Fund for the same period, then the County shall transfer any excess amounts to the Former Urban Landfills Fund, after leaving a 20% contingency amount in the County Administrative Costs Fund to roll over into the next annual period.

(b) DISPUTE RESOLUTION AND BURDEN OF PROOF

Any dispute concerning payments for County Administrative Costs shall be subject to Dispute Resolution. In any dispute, the County shall provide reasonable documentation to show that such payments were reasonably necessary and made, or incurred, in accordance with Prudent Solid Waste Practices.

6.0 PAYMENTS AND MONIES DISTRIBUTION

6.1 COUNTY BASE CONCESSION PAYMENTS

(a) PAYMENT FLUCTUATION

The Base Concession Payments will fluctuate over the term of this Settlement Agreement based on actual tons delivered to the County Facilities. The Base Concession Payments formula is set forth in Exhibit A. The County agrees to waive its rights to collect Base Concession Payments from Republic on Committed City Waste delivered to the County Facilities during the 5-year period commencing the first day of year 21 of the Waste Delivery Agreements and ending the last day of year 25 of the Waste Delivery Agreements except as may be required to cover Baseline Administrative Costs for the final five years of the Master Operations Agreement. Starting in year 21, the Base Concession

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Payments on Committed City Waste shall be set by calculating the average annual Baseline Administrative Costs for the previous 5 years.

(b) ALLOCATION

The County, for the benefit of the County and each Committed City, shall allocate the Base Concession Payments as set forth in this Section 6 (which includes subsections 6.1 through 6.5).

6.2 FORMER URBAN LANDFILLS FUND

The County shall initially allocate 70% of the Base Concession Payments to the Former Urban Landfills Fund. Consistent with the requirements of this Settlement Agreement, the County shall use the Former Urban Landfills Fund to cover the Parties' obligations for Former Urban Landfills Liability.

6.3 COUNTY ADMINISTRATIVE COSTS FUND

The County shall initially allocate 30% of the Base Concession Payments to the County Administrative Costs Fund.

6.4 ADJUSTMENT OF BASE CONCESSION PAYMENTS PERCENTAGES

(a) COUNTY ADJUSTMENTS

The County shall be entitled to adjust the percentage of the Base Concession Payments allocated to the Former Urban Landfills Fund and/or the County Administrative Costs Fund. Before any adjustment, the County and the Committed Cities shall discuss the change in allocation. The County shall consider any concerns or issues raised by any Committed City prior to proceeding with the allocation adjustment. Any dispute as to the County's allocation adjustment shall be subject to Dispute Resolution. The County shall have the burden of showing any adjustment is reasonable in light of Prudent Solid Waste Practices and is otherwise consistent with the terms of this Settlement Agreement.

6.5 FUND TRACKING; ACCOUNTING AND DISBURSEMENTS

(a) TRACKING

The County shall provide for the Former Urban Landfills Fund, the County Administrative Costs Fund, the Cities Contingent Liability Fund, and the Base Concession Payment Fund no later than 30 days after the Effective Date of this Settlement Agreement.

(b) ACCOUNTING

On or before September 30th of each year beginning in 2015, the County shall provide each Committed City with an annual accounting of the Former Urban

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Landfills Fund, the County Administrative Costs Fund, the Committed Cities Contingent Liability Fund and the Base Concession Payment Fund, including a breakdown of each Committed City's contribution to the Former Urban Landfills Fund, the County Administrative Costs Fund, the Cities Contingent Liability Fund and the Base Concession Payment Fund based on the Committed City's delivery of Waste to the County Facilities. Such accounting shall include a report of all interest earned on each of the specified funds.

(c) DISBURSEMENTS

County shall have the right to draw funds from the Former Urban Landfills Fund, the County Administrative Costs Fund and the Base Concession Payment Fund in order to pay for County Administrative Costs and the Former Urban Landfills Liability; provided same is done in compliance with this Settlement Agreement.

6.6 USE OF COUNTY CONTINGENT LIABILITY RESERVE FUND

During the term of this Agreement, the County shall retain the County Contingent Liability Reserve Fund in a separate account to be available to the County to: (i) fund Unexpected Events at the Former Urban Landfills; and/or (ii) be used in connection with unfunded liabilities at the CDS in the event of a Default by Republic.

6.7 USE OF COMMITTED CITIES CONTINGENT LIABILITY FUND

The Committed Cities Contingent Liability Fund will fluctuate over the term of this Settlement Agreement based on actual tons delivered to the County Facilities. The Committed Cities Contingent Liability Fund is subject to the following terms and conditions:

(a) Use of the Committed Cities Contingent Liability Fund is limited to: (i) addressing landfill liabilities (Central Disposal Site and/or The Former Urban Landfills); and/or (ii) paying for other expenditures that benefit solid waste ratepayers;

(b) The special concession payment that funds the Committed Cities Contingent Liability Fund shall initially be set at $5/ton and shall be adjusted by the change in the rates for Republic. In addition, said rate may be changed by the Committed Cities in accordance with the terms and conditions of Exhibit C;

(c) The Committed Cities must give County notice at least 90 days in advance of the Adjustment Date of any change to the amount of the surcharge;

(d) Committed Cities shall defend and indemnify the County against any challenge brought related to the special concession payment that funds the Committed Cities Contingent Liability Fund. In the event that any challenge is also brought against the collection of any other concession fees collected by the County, any defense and indemnity shall be prorated on equitable principles. The

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

Committed Cities shall have the sole right to: (i) select counsel to provide such defense; (ii) direct such defense; and (iii) determine the terms to resolve all claims. The County shall cooperate fully with the Committed Cities, including timely complying with all reasonable requests by the Committed Cities with respect to such defense; and

(e) There shall be no disbursement of funds in the Committed Cities Contingent Liability Fund without approval of the Committed Cities in accordance with the terms and condition of Exhibit C.

7.0 INDEMNITY, RELEASE AND COVENANT NOT TO SUE BETWEEN THE COUNTY, REPUBLIC AND THE COMMITTED CITIES

7.1 INDEMNITY AND RELEASE FOR CENTRAL DISPOSAL SITE

(a) REPUBLIC INDEMNITY AND RELEASE

As set forth in the Waste Delivery Agreements, each Committed City shall receive an unconditional and full indemnity and release from Republic for all environmental liabilities associated with the Central Disposal Site; with the exception that Republic shall not indemnify the Committed Cities for liabilities associated with operators other than Republic (e.g., compost facility and household hazardous waste facility) at CDS. Notwithstanding the foregoing, the nature, extent and scope of Republic's release and indemnification shall be governed by the relevant terms in the Waste Delivery Agreements. In no event shall the County be liable or responsible for, or otherwise guarantee, Republic's compliance with the Waste Delivery Agreements, including Republic's indemnification obligations, release and covenant not to sue. Notwithstanding the foregoing, County shall pursue to conclusion all its rights and remedies against Republic, its parent corporation and sureties under the Master Operations Agreement, and pursue the Non-Committed Cities, before pursuing any Committed City for any liability associated with the CDS. The County is not providing any form of release or indemnification to the Committed Cities for any liability associated with the CDS.

(b) COUNTY COVENANT NOT TO SUE

The County covenants not to sue in perpetuity the Committed Cities for any and all environmental liabilities associated with the Central Disposal Site except (1) for environmental liabilities excluded from Republic's assumed liabilities under the Master Operations Agreement (e.g., environmental liabilities associated with operators other than Republic (e.g.,compost facility and the household hazardous waste facility)) at the Central Disposal Site; (2) where there is a material breach by Republic of the Master Operations Agreement which results in Republic's failure to carry out its closure, post closure, remediation and/or indemnity obligations at the Central Disposal Site; and/or (3) when a Committed City is in material default of its Waste Delivery Agreement, in which case and at which time the County's covenant not to sue shall expire as to the Committed City only.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

(c) COMMITTED CITIES COVENANT NOT TO SUE

The Committed Cities covenant not to sue in perpetuity the County for any and all environmental liabilities associated with the Central Disposal Site except (1) for environmental liabilities associated with other operators (e.g., compost facility and the household hazardous waste facility) at the Central Disposal Site; (2) where there is a material breach by Republic of the Master Operations Agreement which results in Republic's failure to carry out its closure, post-closure, remediation and/or indemnity obligations at the Central Disposal Site; (3) when the County is in material default of the Master Operations Agreement; and/or (4) in the event that the County brings an action against a Committed City or Committed Cities pertaining to the Central Disposal Site.

7.2 COVENANT NOT TO SUE FOR FORMER URBAN LANDFILLS

(a) COUNTY COVENANT NOT TO SUE

The County covenants not to sue the Committed Cities for the thirty (30) years following the Effective Date for any and all environmental liabilities associated with the Former Urban Landfills except for any and all environmental liabilities associated with an Unexpected Event. Upon the occurrence of an Unexpected Event, the County shall exhaust all applicable Leak Funds and the Former Urban Landfills Fund to address the Unexpected Event, prior to initiating any lawsuit against the Committed Cities for any environmental liabilities associated with the Former Urban Landfills. If any such lawsuit is initiated against the Committed Cities, the County shall additionally name the Non-Committed Cities as co-defendants. Notwithstanding the foregoing, to the extent the Unexpected Event is caused by an alleged breach by Republic under the Master Operations Agreement, County shall pursue to conclusion any and all remedies against Republic before pursuing any Committed City for any liability associated with the Former Urban Landfills, including without limitation, suing Republic and its parent guarantor.

(b) COMMITTED CITIES COVENANT NOT TO SUE

The Committed Cities covenant not to sue the County for the thirty (30) years following the Effective Date for any and all environmental liabilities associated with the Former Urban Landfills except in the event that (a) the County sues the Committed Cities for any and all environmental liabilities associated with an Unexpected Event; and/or (b) the County breaches this Agreement.

7.3 COUNTY DEFENSE OF COMMITTED CITY

The County shall pay for the common defense of the Committed Cities in the event a Non-Committed City asserts a claim against any such Committed City as a result of the County pursuing any Non-Committed City for environmental liabilities for the Former Urban Landfills. The County shall have the sole right to (i) select counsel to provide such defense; (ii) direct such defense; and (iii) determine the terms to resolve all claims. Any Committed City entitled to the defense provided in this Section 7.3 of this Settlement Agreement, shall cooperate

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

fully with the County, including timely complying with all reasonable requests by the County with respect to such defense. The Parties agree that the Committed Cities and the County through this Agreement, the Master Operations Agreement and the Waste Delivery Agreements will be making a fair and reasonable contribution to the Post-Closure Obligations for the Former Urban Landfills. The Committed Cities hereby understand and acknowledge that: (a) pursuant to Section 14.4 of the Master Operations Agreement, County has assigned to Republic the Assigned Environmental Claims (as defined in the Master Operations Agreement) associated with the Central Disposal Site; and (b) pursuant to Section 15.1(h) of the Master Operations Agreement, Republic is obligated to defend and indemnify the Committed Cities and the County for any claim asserted by a Third Party as a result of, related to or arising from Republic's actions to pursue an entity for any Assigned Environmental Claim (as defined in the Master Operations Agreement).

7.4 RELEASE OF COMMITTED CITIES FOR FORMER RURAL LANDFILLS

The County shall release the Committed Cities from all liabilities for the Former Rural Landfills. Without limiting the generality of the foregoing:

COUNTY DOES HEREBY RELEASE, HOLD HARMLESS AND FOREVER DISCHARGE THE COMMITTED CITIES AND EACH OF THEM FROM ANY AND ALL LOSSES, IN EACH CASE, OF ANY KIND OR CHARACTER, WHETHER KNOWN OR UNKNOWN, HIDDEN OR CONCEALED, TO THE PERSON OR PROPERTY OF COUNTY, ITS SUCCESSORS AND ASSIGNS, RESULTING FROM OR ARISING OUT OF (1) THE PAST, PRESENT, CONTINUED AND FUTURE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING OF WASTE, HAZARDOUS SUBSTANCES OR OTHER MATERIAL AT OR IN THE FORMER RURAL LANDFILLS; (2) THE DISPOSAL OF WASTE COMING FROM THE COMMITTED CITIES TO THE FORMER RURAL LANDFILLS; (3) ANY CLOSURE AND POST-CLOSURE OBLIGATIONS RELATING TO THE FORMER RURAL LANDFILLS; (4) ANY ENVIRONMENTAL CONDITION OR REMEDIATION RELATING TO THE FORMER RURAL LANDFILLS; OR (5) THE OWNERSHIP, OPERATION, MAINTENANCE, REMEDIATION, CLOSURE AND/OR POST-CLOSURE OF THE FORMER RURAL LANDFILLS. COUNTY HEREBY WAIVES ANY AND ALL RIGHTS AND BENEFITS THAT IT NOW HAS, OR IN THE FUTURE MAY HAVE CONFERRED UPON IT BY VIRTUE OF THE PROVISIONS OF SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA (OR ANY OTHER STATUTE OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT), WHICH PROVIDES AS FOLLOWS:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

IN THIS CONNECTION, COUNTY HEREBY AGREES, REPRESENTS, AND WARRANTS THAT IT REALIZES AND ACKNOWLEDGES THAT FACTUAL MATTERS NOW UNKNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CLAIMS THAT ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED, AND IT FURTHER AGREES, REPRESENTS, AND WARRANTS THAT THIS RELEASE HAS BEEN NEGOTIATED AND AGREED UPON IN LIGHT OF THAT REALIZATION AND IT NEVERTHELESS HEREBY INTENDS TO RELEASE THE COMMITTED CITIES FROM THE LOSSES AND MATTERS DESCRIBED IN THIS SECTION.

NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THIS RELEASE SHALL NOT RELEASE THE COMMITTED CITIES FROM ANY OBLIGATIONS THEY MAY HAVE UNDER THIS AGREEMENT.

County's Initials_____

Notwithstanding the foregoing, the release set forth herein shall not preclude County from pursuing, and County hereby expressly reserves its right to pursue, all Third Parties (which expressly exclude any entity released hereby) for any matter covered by the release set forth in this Section.

8.0 DEFAULT BY REPUBLIC

8.1 CIRCUMSTANCES AND NOTIFICATION

In the event there has been a Default by Republic under the Master Operations Agreement, the County shall provide written notification as set forth in Section 10.12 below to each Committed City within fifteen (15) business days after the County determines that there has been a Default by Republic. As set forth in Article 7 above, and pursuant to the terms and conditions set forth in Article 7, the County shall pursue its remedies against Republic, its parent guarantor and sureties under the Master Operations Agreement before pursuing any Committed City for unfunded liabilities, unless a Committed City is in material default of its Waste Delivery Agreement.

8.2 AUTOMATIC TOLLING PROVISIONS

Upon notice to each Committed City of a Default by Republic, the Parties hereby agree to the automatic tolling of any and all Federal, State, legal and equitable claims of any sort concerning the matters described in this Settlement Agreement until such time as the County concludes pursuing its remedies against Republic, the parent guarantor and its sureties.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

9.0 OTHER CONSIDERATIONS

9.1 COMMITTED CITIES ACCESS TO COUNTY TRANSFER STATIONS AFTER EXPIRATION OF WASTE DELIVERY AGREEMENTS

Upon the expiration of the Waste Delivery Agreements, the County agrees to allow any of the Committed Cities to deliver their Waste to those County Facilities that Republic returns back to the County in exchange for the Committed City paying the same rate charged self-haul customers for the processing of such Waste and subject to the County having capacity for such Waste after granting first priority to Waste delivered from the unincorporated County.

9.2 COORDINATION OF EFFORTS

The Parties understand and acknowledge that actions taken by the Sonoma County Waste Management Agency could negatively or positively impact the benefits derived by, or obligations imposed upon, the Parties under this Settlement Agreement, the Waste Delivery Agreements and/or the Master Operations Agreement. Therefore, the Committed Cities and the County mutually agree to ensure that their respective representative to the Sonoma County Waste Management Agency is: (a) fully aware of the benefits and obligations under the Master Operations Agreement, this Settlement Agreement and the Waste Delivery Agreements; and (b) directed not to take any actions that could materially impact the Parties benefits or obligations under the Master Operations Agreement, the Waste Delivery Agreements or this Settlement Agreement without first seeking approval of the Party's appointing authority.

9.3 PARTIES OBLIGATIONS AT THE END OF YEAR 19

At the end of the 19th year of the Waste Delivery Agreements, and every 10 years thereafter, the parties shall meet and confer in good faith to assess the on-going post closure maintenance costs of the Former Urban Landfills. In the event the Parties fail to agree upon the appropriate amount of funding to disburse, retain or collect in connection with the on-going Post Closure Obligations For The Former Urban Landfills, the Parties shall retain a mutually agreeable third party consultant to provide a recommendation on the scope of Post Closure. The Committed Cities shall provide the County with a list of potential third party consultants satisfactory to the Committed Cities and the County shall select the actual third party consultant from that list. The consultant's assessment shall also include a cost estimate for the scope of Post Closure for each of The Former Urban Landfills. If the Parties are unable to agree on what to do with the Former Urban Landfills Fund, the County shall continue to retain and have access to the Former Urban Landfills Fund. In the event the County receives a closure letter or similar commitment from the government agency with oversight for the remediation and closure of one or more of the Former Urban Landfills which provides a basis for the Parties to conclude that not all of the remaining Former Urban Landfills Fund or applicable Leak Funds are required to meet potential

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

future regulatory costs, then all or a portion of the Former Urban Landfills Fund shall be distributed to the Parties based on their respective percentage contributions into the Former Urban Landfills Fund. Any dispute as to whether there should be a distribution is subject to Section 10.3 Dispute Resolution with the understanding that the scope of the arbitrator's responsibility is limited only to this issue and not to any liability determination.

10.0 MISCELLANEOUS PROVISIONS

10.1 CONDITIONS PRECEDENT TO EFFECTIVENESS OF THIS AGREEMENT

The Effective Date of this Settlement Agreement shall not occur until the following conditions have been met:

A. Waste Flow Commitments.

All of the Committed Cities listed below shall have entered into Waste Delivery Agreements with Republic for a minimum period of 25 years. The Committed Cities that must enter into such Waste Delivery Agreements to satisfy this condition are: Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and the Town of Windsor.

B. Central Disposal Site and Central Disposal Site Expansion Permits.

County shall have received a solid waste facilities permit, waste discharge requirements, NPDES permit, and leachate disposal permit from the Santa Rosa Subregional Water Treatment Plant, agreement from Cotati for use of its sewer line and all other permits required for the operation of the Central Disposal Site and the construction and operation of an additional 9 million cubic yards of new disposal capacity at the Central Disposal Site. The parties acknowledge that Rohnert Park has provided notice to the County of termination of the existing sewer agreement effective December 6, 2015. The County is currently negotiating with the City of Cotati for access to Cotati's sewer line for conveying leachate from the pipeline to the Water Treatment Plant.

C. Delivery of Republic's Financial Security Instruments to County.

Republic shall have delivered to County its proof of insurance, bond, letters of credit and signed and duly authorized parent company corporate guaranty.

D. City Execution of Settlement Agreement

Each Committed City shall have duly executed this Settlement Agreement.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

E. Amendment of the Master Operations Agreement

County and Republic shall enter into an amendment to the Master Operations Agreement to provide for: (1) the additional 5 year waste commitment term; (2) the collection of the Committed Cities Contingent Liability Fund; and (3) use of the Transfer Stations by the Committed Cities at fair market rates following the expiration of the 25 year waste commitment term.

F. City Execution of Committed Cities Contingent Fund Agreement

Each Committed City shall have duly executed the Committed Cities Contingent Fund Agreement.

10.2 AUTHORITY TO ENTER INTO SETTLEMENT AGREEMENT

By executing this Settlement Agreement, each Party represents that its respective signatories to this Settlement Agreement are fully authorized to enter into this Settlement Agreement on the Party's behalf and to legally bind the Party to this Settlement Agreement.

10.3 DISPUTE RESOLUTION

(a) Binding Arbitration

Except as otherwise specifically provided for in this Settlement Agreement, any dispute between the Parties or between the County and any Committed City shall be resolved by binding arbitration in accordance with California Code of Civil Procedure Section 1280 et. seq. (the "Act").

(b) Written Notice

A request pursuant to this Section 10.3 of this Settlement Agreement shall be pursuant to written notice as set forth in Section 10.12 of this Settlement Agreement.

(c) Proceedings

Arbitration proceedings will be determined in accordance with the Act, the then-current JAMS Streamlined Arbitration Rules, and the terms of this Section 10.3 of this Settlement Agreement.

(d) Arbitration Location and Arbitrator Qualifications

The Parties involved in the dispute shall seek to agree on a mutually acceptable provider organization for administration of the arbitration proceeding. If the parties are unable to agree within 20 days after delivery by a Party of the written notice requesting arbitration, the arbitration shall be administered by JAMS and conducted in Sonoma County, California. If JAMS is unwilling or unable to (i)

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

serve as the provider of arbitration or (ii) enforce any provision of this arbitration clause, the County may designate another arbitration organization with similar procedures to serve as the provider of arbitration.

All claims shall be determined by one arbitrator. The arbitrator shall have at least 5 years direct experience with environmental remediation at solid waste facilities and shall be independent of, and unaffiliated with, each Party (and shall not ever have been an employee of any Party, under contract with any Party in the past 5 years or acted as an arbitrator for any Party within the past 5 years). If the Parties are unable to select an arbitrator within 20 days after the provider organization for administration of the arbitration proceeding has been determined, the organization administering the arbitration shall select a qualified arbitrator from its panel.

(e) Hearings

The arbitration hearings shall commence within 90 days of the demand for arbitration and close within 45 days of commencement and, the decision of the arbitrator shall be issued within 45 days of the close of the hearing. The Parties shall have the right to such discovery as permitted by California Code of Civil Procedure §1283.05. The arbitrator shall provide a concise written statement of the reasons for the decision. The arbitration decision may be submitted to any court having jurisdiction to be confirmed and have judgment entered and enforced.

(f) No Right to Jury Trial

By agreeing to binding arbitration, the Parties irrevocably and voluntarily waive any right they may have to a trial by jury as permitted by Law in respect of any claim; provided, however, with respect to any dispute arising from events which, in either Party's reasonable judgment, create an emergency condition or other condition which if not immediately resolved will substantially and adversely affect the rights and/or interests of one Party or the other and, as such, requires immediate and decisive action by one or both of the Parties for its resolution, then either the Committed City or County may take such action, including filing court actions, as either of them deems reasonably necessary to preserve such Party's rights under this Settlement Agreement, without first subjecting such dispute to arbitration under this Section 10.3. During the pendency of any arbitration proceeding, the time for (a) performance of any obligation, (b) exercise of any right, and (c) cure of any default, arising under or by virtue of this Settlement Agreement, which is the subject of or directly relates to the matter being arbitrated in such proceeding, shall be tolled, and extended for a period equal to the amount of time consumed by the arbitration process, and ending ten (10) business days after the rendering of the written final decision in the arbitration proceeding as to such matter. **WHETHER OR NOT THE CLAIM IS DECIDED BY ARBITRATION, THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS SETTLEMENT**

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

AGREEMENT IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.

(g) Arbitration Costs and Award

Any of the sides involved in the arbitration shall evenly split the cost of any arbitration under this Section 10.3 of the Settlement Agreement. Any monetary award to any party to an arbitration proceeding shall, as appropriate, include interest owed on amounts due, with interest charged at a rate equal to the then current interest rate earned by the County Treasury investment pool plus 200 basis points.

10.4 CAPTIONS

The captions used in this Settlement Agreement have been inserted only for convenience of reference and do not modify, explain, enlarge or restrict any of the provisions of this Settlement Agreement.

10.5 TIME IS OF THE ESSENCE

Time is of the essence of each term of this Settlement Agreement. Without limiting the generality of the foregoing, all times provided for in this Settlement Agreement for the performance of any act shall be strictly construed.

10.6 GOVERNING LAW

This Settlement Agreement and the obligations of the Parties hereunder shall be governed by and construed and enforced in accordance with the substantive and procedural laws of the State of California, without regard to rules on choice of law.

10.7 ENTIRE SETTLEMENT AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any Party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties.

10.8 JOINT DRAFTING

The Parties have participated jointly in the negotiation and drafting of this Settlement Agreement. In the event of ambiguity or question of intent or interpretation arises, this Settlement Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

or disfavoring any Party by virtue of the authorship of any provision of this Settlement Agreement.

10.9 SEVERABILITY

If any provision of this Settlement Agreement or application thereof to any person, Party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Settlement Agreement or the application of such provision to any person, Party or circumstance other than those as to which it is held invalid or unenforceable shall not be affected thereby and each remaining provision of this Settlement Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.10 MODIFICATION OF SETTLEMENT AGREEMENT

This Settlement Agreement may only be modified upon written agreement of the Parties hereto.

10.11 APPLICATION OF SETTLEMENT AGREEMENT

(a) Benefit

This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, the Parties and their respective board of supervisors, city council members, officers, directors, employees, predecessors, successors and assigns.

(b) No Third Party Beneficiaries

This Settlement Agreement is not intended to create or grant any rights, contractual or otherwise, in any third party beneficiaries.

10.12 NOTIFICATION REQUIREMENTS

Any notice required under this Settlement Agreement shall be effective only if in writing and delivered in person or sent by telecopy, email, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

County of Sonoma:

Name:	County Administrator County of Sonoma
Address:	575 Administration Drive, Room 104A Santa Rosa, CA 95403
With a Copy to:	County Counsel

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

For Each Committed City:

City of Cloverdale

Name:	City Manager City of Cloverdale
Address:	124 N. Cloverdale Blvd. Cloverdale, CA 95425
With a Copy to:	City Attorney

City of Healdsburg

Name:	City Manager City of Healdsburg
Address:	401 Grove Street Healdsburg, CA 95448
With a Copy to:	City Attorney

Town of Windsor

Name:	Town Manager Town of Windsor
Address:	9291 Old Redwood Highway, Suite 400 Windsor, CA 95492
With a Copy to:	City Attorney

City of Santa Rosa

Name:	City Manager City of Santa Rosa
Address:	100 Santa Rosa Avenue Santa Rosa, CA 95404
With a Copy to:	City Attorney

City of Sebastopol

Name:	City Manager City of Sebastopol
Address:	7120 Bodega Avenue P.O. Box 1776 Sebastopol, CA 95473
With a Copy to:	City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City of Rohnert Park

Name:	City Manager City of Rohnert Park
Address:	130 Avram Avenue Rohnert Park, CA 94928
With a Copy to:	City Attorney

City of Sonoma

Name:	City Manager City of Sonoma
Address:	No. 1 The Plaza Sonoma, CA 95476
With a Copy to:	City Attorney

City of Cotati

Name:	City Manager City of Cotati
Address:	201 W. Sierra Avenue Cotati, CA 94931
With a Copy to:	City Attorney

10.13 INTERPRETATION

In this Agreement, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;
(b) "hereunder," "hereof," "hereto," "herein" and words of similar import are references to this Agreement as a whole and not to any particular Section or other provision hereof or thereof;
(c) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;
(d) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding" and "through" means "through and including;" and
(e) reference to any "day" shall mean a calendar day unless otherwise specified.

10.14 NO ADMISSION OF LIABILITY

By execution of this Settlement Agreement, no Party admits any facts, liabilities or conclusions of law. Except for disputes between the Parties related to this Settlement Agreement, nothing in this Settlement Agreement shall constitute or be construed, considered, offered or admitted in whole or in part in any forum or

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

proceeding as evidence of an admission or evidence of fault or liability of any kind.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, this Settlement Agreement shall be effective as of the Effective Date.

County of Sonoma

Dated: 3/6/15

By: Susan Gorin
Name: Suan Gorin
Title: Chair of the Board of Supervisors

APPROVED AS TO FORM FOR COUNTY OF SONOMA:

By:
Name: Sheryl Bratton
Title: Assistant County Counsel

City of Cloverdale

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF CLOVERDALE:

By:_____
Name: Jose Sanchez
Title: City Attorney

City of Cotati

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF COTATI:

By:_____
Name: Robin Donoghue
Title: City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, this Settlement Agreement shall be effective as of the Effective Date.

County of Sonoma

Dated:_____

By:_____
Name: David Rabbitt
Title: Chairman of the Board of Supervisors

APPROVED AS TO FORM FOR COUNTY OF SONOMA:

By:_____
Name: Sheryl Bratton
Title: Assistant County Counsel

City of Cloverdale

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF CLOVERDALE:

By:_____
Name: Jose Sanchez
Title: City Attorney

City of Cotati

Dated: March 16, 2015

By:_____
Name: Damien O'Bid
Title: Acting City Manager

APPROVED AS TO FORM FOR CITY OF COTATI:

By:_____
Name: Robin Donoghue
Title: City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

IN WITNESS WHEREOF, this Settlement Agreement shall be effective as of the Effective Date.

County of Sonoma

Dated:_____

By:_____
Name: David Rabbitt
Title: Chairman of the Board of Supervisors

APPROVED AS TO FORM FOR COUNTY OF SONOMA:

By:_____
Name: Sheryl Bratton
Title: Assistant County Counsel

City of Cloverdale

Dated: 12/10/2014

By: Paul Cayler
Name: PAUL CAYLER
Title: CITY MANAGER

APPROVED AS TO FORM FOR CITY OF CLOVERDALE:

By:_____
Name: Jose Sanchez
Title: City Attorney

City of Cotati

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF COTATI:

By:_____
Name: Robin Donoghue
Title: City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City of Healdsburg

Dated: 3/2/15

By: _____
Name: David Mickaelian
Title: City Manager

APPROVED AS TO FORM FOR CITY OF HEALDSBURG:

By: _____
Name: Robin Donoghue
Title: City Attorney

City of Rohnert Park

Dated: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR CITY OF ROHNERT PARK:

By: _____
Name: Michelle Marchetta Kenyon
Title: City Attorney

City of Santa Rosa

Dated: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR CITY OF SANTA ROSA:

By: _____
Name: Caroline Fowler
Title: City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City of Healdsburg

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF HEALDSBURG:

By:_____
Name: Robin Donoghue
Title: City Attorney

City of Rohnert Park

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF ROHNERT PARK:

By:_____
Name: Michelle Marchetta Kenyon
Title: City Attorney

City of Santa Rosa

Dated: 3/9/15

By:_____
Name: Sean McGuinn
Title: City Manager

APPROVED AS TO FORM FOR CITY OF SANTA ROSA:

By: Caroline F Fowler
Name: Caroline Fowler
Title: City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City of Healdsburg

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF HEALDSBURG:

By:_____
Name: Robin Donoghue
Title: City Attorney

City of Rohnert Park

Dated: December 31, 2014

By: Brian masterson
Name: Brian Masterson
Title: Acting City Manager

ATTEST:
Deputy City Clerk
Per Reso. No. 2014-134 adopted 10/28/14

APPROVED AS TO FORM FOR CITY OF ROHNERT PARK:

By:_____
Name: Michelle Marchetta Kenyon
Title: City Attorney

City of Santa Rosa

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF SANTA ROSA:

By:_____
Name: Caroline Fowler
Title: City Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City of Sebastopol

Dated: 12/2/14

By: _____
Name: Larry McLaughlin
Title: City Manager

APPROVED AS TO FORM FOR CITY OF SEBASTOPOL:

By: _____
Name: Larry McLaughlin
Title: City Attorney

City of Sonoma

Dated: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR CITY OF SONOMA:

By: _____
Name: Jeffrey Walter
Title: City Attorney

Town of Windsor

Dated: _____

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM FOR TOWN OF WINDSOR:

By: _____
Name: Robin Donoghue
Title: Town Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City of Sebastopol

Dated:_____

By: _____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF SEBASTOPOL:

By:_____
Name: Larry McLaughlin
Title: City Attorney

City of Sonoma

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF SONOMA:

By:_____
Name: Jeffrey Walter
Title: City Attorney

Town of Windsor

Dated: 12-4-14

By: Linda Kelly
Name: LINDA KELLY
Title: TOWN MANAGER

APPROVED AS TO FORM FOR TOWN OF WINDSOR:

By: Robin Donoghue
Name: Robin Donoghue
Title: Town Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City of Sebastopol

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF SEBASTOPOL:

By:_____
Name: Larry McLaughlin
Title: City Attorney

City of Sonoma

Dated: 1-5-2015

By: _____
Name: CAROLE E. GIOVANATTO
Title: CITY MANAGER

APPROVED AS TO FORM FOR CITY OF SONOMA:

By: _____
Name: Jeffrey Walter
Title: City Attorney

Town of Windsor

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR TOWN OF WINDSOR:

By:_____
Name: Robin Donoghue
Title: Town Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

City of Sebastopol

Dated:_____

By: _____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF SEBASTOPOL:

By:_____
Name: Larry McLaughlin
Title: City Attorney

City of Sonoma

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR CITY OF SONOMA:

By:_____
Name: Jeffrey Walter
Title: City Attorney

Town of Windsor

Dated:_____

By:_____
Name:_____
Title:_____

APPROVED AS TO FORM FOR TOWN OF WINDSOR:

By:_____
Name: Robin Donoghue
Title: Town Attorney

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT A
CONCESSION PAYMENT SCHEDULE

	A	B	C
Total Annual Tons	**Base Concession Payment on Committed Waste and Self Haul Waste ($/ton)**	**Special Concession Payment on Committed County Waste and Self Haul Waste**	**Special Concession Payment on Committed City Waste**
Less than 200,000 tons	$15.75	$1.00	$5.00
200,000 – 225,000 tons	$13.75	$1.00	$5.00
225,001 – 250,000	$12.25	$1.00	$5.00
250,001 – 275,000	$11.00	$1.00	$5.00
275,001 – 300,000	$10.00	$1.00	$5.00
300,001 – 325,000	$9.25	$1.00	$5.00
325,001 – 350,000	$8.50	$1.00	$5.00
More than 350,000 tons	$8.00	$1.00	$5.00

NOTES:

1. The above rates would be the initial rates starting in 2014. The rates in the above table would all be adjusted annually by the same inflation adjustment factor applicable to the Contractor Service Fee, as described in Section 11.4 A of the MOA.

2. The Base Concession Payment would start at $9.25 for the initial operating year and then be adjusted annually based on changes in total tonnage delivered during the previous 12 months.

3. The Special Concession Payment on Committed City Waste would start at $5.00 for the initial operating year and be adjusted annually by the same inflation adjustment factor applicable to the Contractor Service Fee, as described in Section 11.4 A of the MOA. In addition, the Committed Cities may make other adjustments to the Special Concession Payment on Committed City Waste in the Committed Cities' discretion as further set forth in Exhibit C. County shall implement said adjustments to the Special Concession Payment on Committed City Waste, (to take effect on an Adjustment Date), by providing Contractor with written notice at least 60 days prior to the Adjustment Date.

4. The Special Concession Payment on Committed County Waste and Self Haul Waste (Column B) would start at $1.00 for the initial operating year and then be adjusted annually by the same inflation adjustment factor applicable to the Contractor Service Fee, as described in Section 11.4 A of the MOA. In addition, County may make other adjustments to the Special Concession Payment on Committed County Waste, to take effect on an Adjustment Date, by providing Republic with written notice at least 60 days prior to the Adjustment Date.

5. Both the Base Concession Payment (Column A) and the Special Concession Payment (Column B) will be charged on all Committed City Waste during the term of the Waste Delivery Agreements, provided, however, that County agrees to waive the then current Base Concession Payment for Republic and all Committed Cities on Committed City Waste during the last 5 years of the 25 year term of the Waste Delivery Agreements. For

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

example, during the first year of the Term, Republic would pay County $14.25 per ton of Committed City Waste.

6. Both the Base Concession Payment on County Committed Waste and Self-Haul Waste and the Special Concession Payment on Committed County Waste and Self Haul Waste will be charged throughout the Committed Waste Period and the County Facilities Operation Period. For example, during the first year, Republic would pay County $10.25 per ton of Committed County Waste and Self-Haul Waste.

7. If total tons of Committed and Self Haul Waste drop below 175,000 tons per year, County has the right to increase the Base Concession Payment (Column A).

8. The above Base Concession Payments shall be imposed on every ton coming through the County Facilities (except as provided in Note 10 below) throughout the Committed Waste Period and the County Facilities Operation Period, except as provided in Note 5 above.

9. All Concession Fee Payments described in this Exhibit shall be a "pass-through" expense of Republic and shall be included in the Gate Rates to be collected by Republic. Republic shall not be obligated to make payment on materials where the Concession Fees have not been placed in the tipping fees that Republic can collect or if materials are not being delivered to the County Facilities.

10. The above Base Concession Payments (Column A), Special Concession Payment on Committed County Waste/Self Haul Waste (Column B) and Special Concession Payment on Committed City Waste (Column C) shall be charged on every ton coming through the County Facilities, including all green waste and wood waste received at the County Facilities with the following limited exceptions:

- Beneficial Reuse Material ["Beneficial Reuse Materials" means materials that are incorporated into the operations of the County Facilities in accordance with Applicable Law, including but not limited to material used as or for Alternative Daily Cover, daily or intermediate soil cover, construction of drainage and erosion controls, retaining walls, French drains, sedimentation basins, roads, all weather surfaces, or other non-disposal, beneficial reuse. The term shall not include materials converted for purposes of producing energy or other products.]
- Special Waste from within the County ["Special Waste" means any solid, liquid, semi-solid, gaseous material and associated containers which would not normally be disposed of by a municipal garbage removal and disposal system, which by way of example would include materials generated as a direct or indirect result of an industrial process or from the removal of contaminants(s) from the air, water or land. "Special Waste" includes but is not limited to any Waste from a non-residential source that includes, but is not limited to any of the following: industrial process waste, pollution control waste, incinerator residues, ash, spent catalyst, coke, sludges; tires, bottom settlements and water from storage tanks, oily silt, gasoline additive residues, tars, oils, grease, contaminated soil, contaminated wood, dead animals, residue, debris, articles from the cleanup of a spill or release of materials listed in this section, and regulated asbestos-containing material as defined in 40 CFR 61.141.]
- Residuals from any other non-County owned waste processing or transfer station facility within the County.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT B

BASELINE ADMINISTRATIVE COSTS

Provided the Effective Date occurs within Fiscal Year 2013-14, County administrative costs are estimated to be $785,927 per year, once the Master Operations Agreement becomes effective. The $785,927 estimate for administrative costs is based on the assumption of core labor, services and supplies, equipment, audit, IT and accounting services, legal services and overhead costs needed to run a budget to administer and oversee the Master Operations Agreement and manage post-closure maintenance of the Former Landfills. Labor is large portion of this cost, and has been increased in response to feedback regarding the need for robust oversight of the Master Operations Agreement. Key positions included within the Baseline Administrative Costs are 0.75 FTE for management oversight, and 0.60 FTE for field inspection oversight. A more detailed estimate is set forth on the next page.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

FY 2013-14 Integrated Waste Division Estimated Budget for Managing Residual System

Expenditure Description			Estimated Salaries & Benefits	Estimated Fiscal Year Cost
Salaries and Benefits [1]				
0.67	FTE	Department Analyst	$ 91,428	
0.75	FTE	Division Manager [2]	$ 145,361	
0.60	FTE	Enforcement Code II [3]	$ 78,106	
0.23	FTE	Account Clerk III	$ 22,516	
0.19	FTE	Deputy Director	$ 51,342	
0.14	FTE	Executive Secretary	$ 14,994	
0.13	FTE	Payroll Clerk	$ 14,861	
0.13	FTE	Senior Office Asst. *(Receptionist)*	$ 11,766	
0.12	FTE	IT Support	$ 22,388	
0.11	FTE	Administrative Services Officer II	$ 16,651	
0.10	FTE	Secretary	$ 8,930	
0.09	FTE	Senior Office Asst. *(Clerk Typist III)*	$ 8,057	
0.08	FTE	Director	$ 23,858	
0.05	FTE	Safety Officer/Human Resources ASO I [4]	$ 7,849	
3.39	FTE's		Total Salaries and Benefits	$ 518,108

Accounting Services [5]	$ 77,884
A87 Allocation to Budget (by CAO) [5]	$ 49,936
Legal Services [5]	$ 35,000
Audit Services [6]	$ 69,500
Computer Services (by ISD) [7]	$ 7,500
Miscellaneous Expenditures [5] (Supplies, Equipment, Software, etc.)	$ 28,000

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

	Total Services & Supplies	$ 267,820
	TOTAL ANNUAL ESTIMATE	**$ 785,927**

(1) *Those position titles that were updated have old title in parenthesis.*

(2) *Division Manager position added for more robust oversight of the MOA. In addition, the Admin Aide position has been deleted, and some of that allocation has been added to this position.*

(3) *Refuse Code Enforcement position, created in FY 12-13, was not included in original draft of administration costs for managing residual system. This position has been added to provide more robust oversight and inspection for the MOA.*

(4) *Safety Officer/Human Resources ASO I, created in FY 11-12, was not included in original draft of administration costs for managing residual system.*

(5) *Item to be billed based on actual costs billed to the Integrated Waste Division for services related to the MOA Agreement, the Former Urban Landfills, and other activities authorized under the Settlement Agreement.*

(6) *Annual audit services to be billed based on: (a) actual costs of the audit of the MOA Agreement; (b) 50% of the actual costs of the annual Integrated Waste Division audit; and (c) actual costs of any audit required under the Settlement Agreement.*

(7) *Item to be billed based on actual costs billed to the Integrated Waste Division for computer support for three workstations.*

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT C

Sonoma County Committed Cities' Contingency Liability Fund Agreement

This Agreement is entered into by the Cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol and Sonoma, and the Town of Windsor (collectively, the "Committed Cities").

RECITALS:

WHEREAS, historically, municipal solid waste from throughout Sonoma County was deposited at the Central Disposal Site and one or more of the Former Landfills. Environmental liabilities exist for both the Central Disposal Site and the Former Landfills. Sonoma County has taken the position that the cities within the County are liable for their share of the costs to address the environmental liabilities associated with the Central Disposal Site and the Former Landfills. The Committed Cities dispute their individual responsibility for these alleged environmental liabilities and have taken the position that the County is responsible for such liabilities as the owner and operator of the Central Disposal Site and the Former Landfills. Notwithstanding the foregoing, the Committed Cities have entered into a Settlement Agreement, the "Central Disposal Site and Former Landfills Settlement Agreement between the County of Sonoma and the Committed Cities"("Settlement Agreement"), to resolve their disputes with the County and avoid the significant time and expense associated with resolving their disputes through litigation; and.

WHEREAS, The County, on April 23, 2013, entered into a Master Operations Agreement with Republic Services of Sonoma County ("Republic") whereby Republic will operate the Central Disposal Site, and, upon the exhaustion of it capacity, will close the site and assume all responsibility for environmental liabilities on the site and release the Committed Cities from and indemnify the Committed Cities against all environmental liabilities associated with the Central Disposal Site in perpetuity, with the exception
of liabilities (a) associated with other operators at the Central Disposal Site who are not under the control of, or in contract with, Republic (e.g., compost facility and household hazardous waste facility) and (b) related to facts and events pertaining to the Central Disposal Site and arising after the effective date of the Waste Delivery Agreement between the Committed Cities and Republic. Republic has also provided a parent guarantee and posted bonds as required by the State of California and the County for performance of its obligations under the Master Operations Agreement; and.

WHEREAS, The Central Disposal Site and Former Landfills Settlement Agreement between the County of Sonoma and the Committed Cities provides, in general, that the Committed Cities commit their solid waste to the Central Disposal Site and pay Base Concession Payments on each ton thereof that go to the County as part of the costs of disposal at the Central Disposal Site to be used for closure and post closure costs at the Former Urban Landfills and/or Central Disposal Site in addition to LEAK funds and other reserves previously established for this purpose; and

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

WHEREAS, the County agrees to release and indemnify the Committed Cities for environmental liabilities for the Former Rural Landfills and has agreed to a covenant not to sue on the Former Urban Landfills; however, the County is not granting the Committed Cities a release nor indemnifying the Committed Cities for any liabilities associated with the Central Disposal Site or the Former Urban Landfills. Thus, if Republic should default on its obligations and the County has insufficient funds and has been unable to recover from Republic, its parent corporation or its sureties sufficient funds to satisfy the environmental liabilities of the Central Disposal Site, then the County may pursue the Committed Cities for their alleged shares of that environmental liability; and

WHEREAS, the Committed Cities desire to each accumulate a fund entirely under the control of the Committed Cities to protect themselves and their rate payers against such contingent liability and against any other source of unanticipated environmental liability for solid waste disposal. The County has agreed to collect and hold, in addition to the Base Concession Payment, a fee of up to $5 per ton, adjusted in accordance with the Settlement Agreement and this Agreement, to be designated as the "Committed Cities Contingent Liability Fund" (sometimes "CCCL Fund"), described in the Central Disposal Site and Former Landfills Settlement Agreement. This Agreement is solely between the Committed Cities and governs the setting of the fee, expenditures from the Committed Cities Contingent Liability Fund and the termination of the Committed Cities Contingent Liability Fund.

Now, therefore, the parties agree as follows:

AGREEMENT

1. Definitions.

Except as otherwise provided for herein, the definitions of capitalized terms in this Agreement shall have the same meaning as provided for in the Central Disposal Site and Former Landfills Settlement Agreement between the County of Sonoma and the Committed Cities which definitions are incorporated herein by reference.

2. Recitals.

The Recitals, above, are true and are incorporated into this Agreement.

3. Governance of the Fund.

3.1. Committed Cities' Representatives.

Each Committed City shall designate a representative to speak for and act on behalf of that Committed City with regard to decisions related to the Committed Cities Contingent Liability Fund. That representative shall be conclusively presumed to have the actual authority to speak for and act on behalf of his or her Committed City unless and until each of the other committed Cities have been given written notice of a limitation on that representative's authority, the revocation of that representative's authority or the appointment of a different representative.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

The initial representative of each Committed City shall be its City Manager.

3.2. Voting.

A. Voting Power.

Each committed City shall have one vote on any matter related to the Committed Cities Contingent Liability Fund.

B. Supermajority Votes Required.

The following decisions shall require the assent of at least seven of the eight Committed Cities subject to the provisions set forth in Section 4:

- Changing the amount of the fee to be charged and collected by Republic on each ton of Committed City waste and paid to the County to be held in the Committed Cities Contingent Liability Fund. This does not apply to the automatic adjustments to the fee under the Master Operations Agreement and the Central Disposal Site and Former Landfills Settlement Agreement. The parties agree that the initial amount of the fee to be collected shall be $5.00 per ton.

- Reduction or increase in the amount of the Committed Cities Contingent Liability Fund surcharge.

- The termination of the CCCL Fund. Provided however that any individual Committed City or Cities may request the County and/or Republic to continue to collect funds on its behalf.

C. Unanimous Vote.

The Committed Cities may unanimously agree to such other disbursements from the Committed Cities Contingent Liability Fund for purposes identified in this agreement for the hiring of consultants, hiring of legal counsel or payment of any claims asserting Environmental Liability against the Committed Cities.

Any Committed City may call for a meeting as set forth below to discuss any interim disbursement from the Committed Cities Contingent Liability Fund.

3.3. Meetings.

A. Calling Meetings.

Any Committed City may call a meeting of the Committed Cities by giving at least 30 days' written notice to all of the representatives of the Committed Cities of the date, time and place of the meeting. Prior to

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

calling such a meeting, the Committed City calling the meeting must consult with the representatives of the other Committed Cities to ascertain their availability to attend the meeting. Representatives may attend meetings by teleconference or video conference as long as those attending remotely may hear those present and those present may hear those attending remotely. Noticing of such meeting shall comply with the Ralph M. Brown Act if applicable.

B. Quorum.

Representatives of six or more of the Committed Cities attending a meeting in person or remotely shall be a quorum. Proxy votes are not permitted.

C. Chairing the Meeting.

The representative who called the meeting shall act as Chair of the meeting.

3.4. Secretary.

The Committed Cities shall choose one of their representatives to act as Secretary. It shall be the responsibility of the Secretary to take and keep minutes of each meeting, to keep in the minute book copies of Actions in Writing, and to keep records of each Committed City's reports of fees paid into the committed Cities Contingent Liability Fund as required by section 4.1, below. The Secretary shall serve until resignation, election of a new secretary, or removal of the Secretary as representative of his or her Committed City.

4. Shares of the Fund.

4.1. Determination of Each City's Share.

Each Committed City shall have a share of the Committed Cities Contingent Liability Fund equal to the proportion of the fees paid into the CCCL Fund from each Committed City's solid waste deliveries to the Central Disposal Site. The Committed Cities shall be provided with an annual accounting by the County of the amount and proportion of fees allocated to each Committed City.

4.2. Disbursement of Each City's Share.

Upon the termination of the CCCL Fund, the money in the CCCL Fund shall be disbursed among the Committed Cities in proportion to each City's share. If, during the life of the CCCL Fund, any disbursements or expenditures are made for the benefit of fewer than all of the Committed Cities, the disbursements shall be credited against the share in the CCCL Fund of each City which was disbursed said funds, and, on the termination of the CCCL Fund, only each Committed Cities' remaining share, if any, shall be distributed to each Committed City.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

No City's share of funds shall be disbursed without that City's consent to distribution or payment from its share of the CCCL Fund. If other cities elect to terminate this Agreement, any Committed City or group of Committed Cities shall have the right to request the County to continue to collect fees on behalf of that jurisdiction (or on behalf of those jurisdictions) on its or their Committed Waste.

5. Uses of the Fund.

The Committed Cities Contingent Liability Fund and the money therein may be used only for the benefit of the Committed Cities' solid waste ratepayers. Whether a use is for the benefit of the Committed Cities' solid waste ratepayers is entirely within the reasonable discretion of the Committed Cities and their representatives to the CCCL Fund.

6. Notices.

All notices given pursuant to this Agreement or involving the Committed Cities Contingent Liability Fund shall be in writing, and shall be delivered in person, transmitted by email, facsimile, certified mail or recognized courier service (such as Federal Express or UPS). Notices shall be effective upon delivery at the address provided for each representative of each Committed City as confirmed by reply email, electronic confirmation of facsimile delivery, certified mail receipt or on-line tracking data. The initial addresses for notices are set forth below the signature lines for each Committed City, and may be changed by giving notice as provided in this section.

7. Dispute Resolution.

Any dispute among the Committed Cities or any of them involving the Committed Cities Contingent Liability Fund shall be subject to binding arbitration as provided in section 10.3 of the Central Disposal Site and Former Landfills Settlement Agreement between the County of Sonoma and the Committed Cities.

8. Miscellaneous.

8.1. Severability.

If any provision of this Agreement or application thereof to any person, Party or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such provision to any person, Party or circumstance other than those as to which it is held invalid or unenforceable shall not be affected thereby and each remaining provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

8.2. Amendment and Modification.

This Agreement may be modified only upon written agreement of the Committed Cities.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

8.3 Integration.

This Agreement contains the entire understanding of the parties and constitutes the sole and only agreement between them concerning the subject matter hereof or the rights and duties of any of them in connection therewith. Any agreements or representations among the parties hereto, regarding said subject matter not expressly set forth in this Agreement are null and void.

SIGNATURE PAGES FOLLOW.

Docusign Envelope ID: A2932C09-B9E5-8330-81E8-08E8DCAE2301

EXHIBIT D

COUNTY EMPLOYEES WITH KNOWLEDGE

Susan Klassen
Director of Transportation and Public Works

Marcia Chadbourne
County Risk Manager

Trish Pisenti
Landfill Manager

Alex Sebastian
Landfill Engineer

Glenn Morelli
Landfill Engineer