

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
Meeting Date Held Until
____/____/____ ____/____/____
Agenda Item No: Agenda Item No:
_____ _____

Department: Transportation and Public Works

[] **4/5 Vote Required**

Contact:
Susan Klassen

Phone:
(707) 565-2231

Board Date:
08/05/09

Deadline for Board Action:

Agenda Short Title:

Potential Divestiture of Solid Waste Assets

Requested Board Actions:

It is recommended that the Board of Supervisors (Board) hold the workshop and receive comments from stakeholders and the public on the Divestiture project and the alternatives. The Board is not requested to take any action.

CURRENT FISCAL YEAR FINANCIAL IMPACT

EXPENDITURES

ADD'L FUNDS REQUIRING BOARD APPROVAL

Estimated Cost \$ -0-

Contingencies \$
(Fund Name:)

Amount Budgeted \$ -0-

Unanticipated Revenue \$
(Source:)

Other Avail. Approp
(Explain below) \$ _____

Other Transfer(s)

Additional Requested \$ -0-

Add'l Funds Requested: \$

Explanation (if required):

Prior Board Action(s): October 14, 2008: Board received proposals and gave direction to staff. June 10, 2008: Board authorized Issuance of RFP and took associated actions. May 15, 2008: Board received a status report on the Divestiture project. November 6, 2007: Board authorized Issuance of RFQ and took associated actions. May 22, 2007: Board authorized Development and Release of RFI and RFQ. April, 2006: Board accepted 2006 BVA report and gave direction to staff to pursue divestiture.

Alternatives - Results of Non-Approval: No action is requested by the Board.

Background:

In May 2003, constituents of concern were discovered in groundwater collected immediately under the lined portion of the Central landfill. In August 2004, the Regional Water Quality Control Board adopted a revised permit prohibiting further expansion of the Central landfill. In October 2005, the Central Landfill stopped receiving waste for disposal and all waste started being transported out of county for disposal. All remedial efforts to address this issue have been completed, and no contaminated groundwater has ever left the landfill site.

In April 2006, the Board accepted the "Reassessment of Long-Term Solid Waste Management Alternatives Report" prepared by Brown, Vence & Associates (BVA). The BVA report analyzed various options for long term management of the County's solid waste. Based on the BVA report recommendations and stakeholder comments, the Board directed staff to pursue the option of divestiture ; selling of the County's solid waste assets and privatizing operations and solid waste management or, if not feasible, to close the Central landfill and continue to outhaul the County's waste.

Potential Benefits of Divestiture:

Potential benefits to be derived through divestiture of the County's solid waste assets include the following:

- Provides long term disposal for county and cities' waste;
- Provides the best opportunity to re-establish in-county disposal option;
- Eliminates truck outhaul;
- Reduces greenhouse gas emissions;
- Provides self-sufficient and sustainable system;
- Achieves competitive and stabilized pricing (tip fees) over the long-term;
- Provides increased diversion programs through establishment of a Material Recovery Facility (MRF) at the Central Landfill;
- Provides best opportunity to address closure/post-closure funding obligation and potential future liabilities for Central landfill and the other seven closed landfill sites.

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Attachments: Attachment A - Summary of the Divestiture Purchase and Sale Agreement; Attachment B - Summary of Long-term Solid Waste Management Alternatives.

On File With Clerk: RFI, RFQ, RFP, and final draft PSA and various supporting documents, BVA report, Update to BVA Report by HDR. These materials are also available on the Department's website at www.sonoma-county.org/tpw.

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote:

Process:

A Divestiture Project Team was established and a plan was developed to pursue the potential divestiture of the County's solid waste assets. The Divestiture Project Plan included the following phases:

1. Phase 1 – Request for Information (RFI)
2. Phase 2 – Request for Qualifications (RFQ)
3. Phase 3 – Industry review, public outreach, and development of Request for Proposals (RFP)
4. Phase 4 – Evaluate proposals and select winning proposal

Phase 1 - In May 2007, the Board authorized staff to develop and release a Request for Information (RFI). Consistent with Board direction, staff, working with a team including expert counsel and financial advisors, issued the RFI on July 27, 2007. Eight responses were received on August 24, 2007. The eight respondents were: USA Waste, Allied Waste, Waste Connections Inc., North Bay Corporation, Zanker Resource Management, Norcal Waste Systems Inc., Republic Services Inc., and Landfill Energy Systems. Based on the number of responses to the RFI, the County chose to go forward with an RFQ.

Phase 2 - On November 6, 2007, the Board authorized staff to issue a Request for Qualification (RFQ). The RFQ was issued and on January 8, 2008, Statements of Qualifications (SOQ) were received from seven of the eight initial responders (Landfill Energy Systems did not submit an SOQ). An SOQ was also received from Solid Waste of Willits. SOQs were evaluated based on (i) financial capacity (e.g., ability to fund and complete the purchase); (ii) technical/operational capability (e.g., ability to permit, operate and manage solid waste assets); (iii) experience owning and operating solid waste assets; (iv) approach to the divestiture. Based on an evaluation of the SOQs, the following companies were shortlisted and were allowed to continue in the process: USA Waste, Allied Waste, Waste Connections Inc., and Republic Services, Inc.

Phase 3 - In January 2008, staff began Phase 3 of the divestiture project. Phase 3 included: 1) the development and issuance of a Request for Proposal (RFP) and Purchase and Sale Agreement (PSA) and 2) Public Outreach.

1) RFP and PSA Development - The Divestiture Project Team worked closely with short-listed proposers to ensure a fair and competitive process which would ultimately result in proposals that represented the best value to the County. The process included a series of individual meetings with each short-listed proposer to:

- improve the proposer's understanding of the County's goals, and how they were reflected in the business structure contained within the RFP and PSA;
- facilitate due diligence activities conducted by the proposers;
- maximize the value and quality of the proposals;
- incorporate input and ideas from the short-listed proposers into the RFP and PSA; and
- minimize the complexity of post-selection negotiations.

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Staff received substantial input from proposers, which was incorporated in the RFP and Draft PSA.

On June 10, 2008, the Board directed that the RFP and PSA be released to the short-listed proposers for their final input and consideration. Through additional industry review meetings conducted with proposers in the summer of 2008, the County continued to revise, modify and change the RFP and PSA, through the issuance of six Addenda to the RFP and PSA.

2) Public Outreach – During the spring of 2008 and concurrent with development of the RFP and PSA, the County conducted outreach to various stakeholders and the public. Meetings were held with the AB 939 Local Task Force including a special evening meeting which was noticed to a broad list of interested parties and the public. Meetings were held with the City Managers Association, the Mayors and Council Members Association, the Landfill Neighborhood group, and several local business and environmental groups. The input received from these meetings was presented to the Board at the June 10, 2008, meeting when the Board considered the issuance of the RFP and PSA.

Phase 4 – In October 2008, two divestiture proposals were received by the Board and forwarded to staff to evaluate. Proposals were received from USA Waste and Allied Waste. Allied Waste was selected by staff as having the proposal that most closely aligned with the County’s divestiture goals. Staff was directed to enter into confidential divestiture negotiations with Allied Waste in December 2008. Shortly thereafter, Allied Waste and Republic Services Inc. merged, complicating the negotiation process and lengthening the schedule. Through many months of negotiations and iterations of the RFP and PSA, a final agreement has been drafted. A copy of the negotiated PSA is on file with the Clerk of the Board. A summary of the major deal points in the negotiated PSA is attached to this report.

Divestiture Goals Adopted by the Board

Primary Goals:

- Maximize the monetary return for divestiture of the facilities;
- Reduce or eliminate exposure for past, current and future environmental, operational and closure/post-closure liabilities related to the facilities;
- Provide a location for solid waste disposal of the municipal solid waste stream at reasonable prices;
- Transfer, through a divestiture, all of the facilities;
- Assure that the facilities be operated in the future in an environmentally sound and safe manner consistent with applicable law and regulations;
- Assure facilities are operated in the future in a manner that reduces greenhouse gases, complies with the California Global Warming Solutions Act of 2006 (AB 32) and other County climate protection initiative, such as through the use of rail or other appropriate means;
- Support diversion goals consistent with AB 939 and the Countywide Integrated Waste Management Plan.

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Secondary Goals:

- Achieve an in-county Central Landfill solution, if the Divestiture terms are such that they substantially alter the findings of the BVA study, which led to the County Board of Supervisor's decision to move towards a permanent out-haul solution;
- Assist impacted employees to compete for and find employment with the successful purchaser;
- Involvement in tip rate setting process;
- Preserve capacity at the Central Landfill for the County-generated waste stream.

Terms of the Purchase and Sale Agreement:

Attachment A to this report is a summary of how the key business terms of the negotiated PSA further the divestiture goals adopted by the Board.

Under PSA, the County will transfer ownership of the Central Landfill (including the Central Transfer Station), and the Annapolis and Sonoma Transfer Stations. The Guerneville and Healdsburg Transfer Stations will be operated by Republic under the terms of a 75-year lease agreement. The primary financial consideration being paid for the facilities by Republic to the County is in the form of royalties equal to \$9 per ton (in 2009 dollars) on every ton processed at the facilities for as long as the facilities are operated. The royalties are adjusted annually based on the consumer price index. Royalties are expected to generate up to \$2.7 million per year when escrow closes. The PSA also includes an obligation for Republic to build a materials recovery facility (MRF) at the Central site by July 2012 which will process and divert commercial solid waste and construction and demolition (C&D) materials.

As part of the PSA, the County will commit its waste flow to the facilities for a 20-year period. The divestiture deal closes escrow at such time as all of the following events occur: (i) the Board of Supervisors executes the PSA, (ii) cities generating at least 590 tons per day average Monday through Friday execute similar 20-year waste flow commitment agreements (e.g., all cities with the exception of Petaluma would meet the minimum flow commitment requirement), and (iii) Republic achieves permits to resume landfill operations in previously permitted areas at the Central Landfill and (iv) County and Cities reach a resolution concerning unfunded landfill liabilities. Disposal rates are based on the amount of waste ultimately committed.

Upon the close of escrow, Republic will take full responsibility for all environmental liabilities associated with the Central Landfill with the limited exception that for the first 10 years following the close of escrow, if there is an off-site migration of contaminants from the Central Landfill property to adjacent property, then there is a risk sharing formula in the PSA. The risk sharing formula is based on Republic taking responsibility for the first \$7.5 million in costs associated with the off-site event and the County placing its existing closure funds (approximately \$10 million) into an escrow account for Republic to use for excess costs. In addition, Republic will be giving the County \$500,000 per year (for the first 10 years) for the County to either purchase a pollution insurance policy or to place the funds in the escrow account. After 10 years, if there has been no claim for off-site liabilities, then the County and committed cities will be fully released from all environmental liabilities associated with the site and any funds remaining in the escrow account will be disbursed to the County and shared with the committed cities under the terms of a settlement agreement (to be negotiated prior to September 2009).

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The PSA acknowledges that the County will complete any documentation required in order to comply with CEQA. In essence, the proposed project, if approved by the Board, is simply a transfer of assets and current permits to Republic. Under the terms of the PSA, Republic will be seeking to resume disposal operations within existing capacity at the Landfill. The County previously certified an EIR for the landfill operations in 1998. Staff is in the process of preparing an addendum to the 1998 EIR to address the proposed project, which will be brought to the Board at such time as the PSA is brought to the Board for final consideration.

Alternatives to Divestiture for Long-Term Solid Waste Management:

The 2006 BVA report assessed several long-term solid waste management alternatives, including the County re-opening the Central Landfill, the County continuing long term out-haul by truck (the status quo), and out-haul by rail to more distant landfills. In 2009, staff requested that HDR (formerly BVA) perform a limited scope update to their report to re-assess the feasibility of the four primary alternatives from the prior report using the most up to date information and cost projections available.

Since the time the 2006 BVA report was completed, several other long-term alternatives have been evaluated including contracting out for the entire operation of a County-owned out-haul system, and a proposal from North Bay Corporation for a privately owned and operated MRF/Transfer Station/Out-haul system. Attachment B is a summary of the pros and cons of divestiture as well as the various other long-term solid waste management alternatives, which was prepared by staff utilizing information provided by the HDR update and presentations made by North Bay Corporation.

Tentative Divestiture Schedule:

- August 2009 - Staff plans on bringing the final PSA to the Board for its consideration to execute later this month;
- September through November 2009 – Staff will work with the Cities to secure their commitments of flow and resolve outstanding issues concerning unfunded landfill liabilities;
- December 2009 - When City flow commitments are secured, the PSA becomes effective and escrow opens;
- Spring 2010 - Republic will submit application(s) to resume Landfill operations at Central within 6 months of the effective date of the PSA;
- December 2011 - Escrow closes if permits are achieved.

Recommendation:

It is recommended that the Board of Supervisors (Board) hold the workshop and receive comments from stakeholders and the public on the Divestiture project and the alternatives. The Board is not requested to take any action.

SUMMARY OF PURCHASE AND SALE AGREEMENT

DIVESTITURE GOALS	MAJOR DEAL POINTS	PURCHASE AND SALE AGREEMENT
Provide location for municipal solid waste disposal at reasonable price	Base Tip Fee	<p style="text-align: center;">\$89.75/ton-\$100.93/ton (2009)</p> <ul style="list-style-type: none"> The lowest end of the range represents starting tip fee if all cities <i>including</i> Petaluma commit their waste, the high end of the range represents all cities <i>excluding</i> Petaluma
	Additions to Tip Fee to Support Ongoing System Costs	<ul style="list-style-type: none"> JPA Fee \$5.40/ton – not included Former Landfill Maintenance \$3.00-\$6.10 not included
	Fully Loaded Tip Fee	<p style="text-align: center;">\$101.25/ton-\$112.43/ton (2009)</p> <ul style="list-style-type: none"> The lowest end of the range represents starting tip fee if all cities <i>including</i> Petaluma commit their waste, the high end of the range represents all cities <i>excluding</i> Petaluma
	Rate Stability and Predictability	<ul style="list-style-type: none"> 20 year term with annual adjustments based on CPI (min adjustment 3.2%; max adjustment 5%) Requires 20 year waste flow commitments from County and cities, which includes contractually agreed upon tip fee increases to offset reduced flow, including a put or pay at 70% of committed flow Republic to operate the system for a 2-year transition period, if escrow does not close Republic to determine self haul rates
Maximize monetary return for divestiture of facilities	Cash Compensation	<ul style="list-style-type: none"> Royalty of \$9.00/ton included in tip fee which will generate up to \$2.7 million annually as long as facilities are operating Royalty continues in perpetuity Royalties will be used to pay for County/City contingent liabilities for Central and former landfills (see below)
	Improvements	<ul style="list-style-type: none"> Republic to make improvements to the facilities worth up to \$9.5 million including, re-permitting effort, new heavy equipment, MRF, transfer station upgrades
Transfer, through divestiture, all facilities	Asset Transfer	<ul style="list-style-type: none"> There is a transfer of assets if Central Landfill is permitted to resume disposal operations Republic will purchase the Central Disposal site, and the Annapolis and Sonoma transfer stations Republic will enter into a 75-year lease for the Healdsburg and Guerneville transfer stations Agreement includes minimum operating requirements for first 5 years; after 5 years Republic has the option to close all but one facility, either landfill or transfer station which must have capacity to handle full waste commitment 24 month escrow period Cities have 90 days to decide to commit waste; need all cities to commit flow (except Petaluma)

SUMMARY OF PURCHASE AND SALE AGREEMENT

DIVESTITURE GOALS	MAJOR DEAL POINTS	PURCHASE AND SALE AGREEMENT
Reduce or eliminate exposure for past, current, and future liability, operational and closure / post closure obligations related to the facilities	Indemnification / Release for On-Site Environmental Liabilities	<ul style="list-style-type: none"> • Republic assumes all on-site environmental liabilities • Republic assumes obligation for closure/post closure environmental maintenance costs • If there is a change in law, during the commitment period, that increases closure/post-closure environmental maintenance costs, which is not unique to the site, then Republic can pass through increased costs to all users of the facilities through a tip fee adjustment
	Indemnification / Release for Off-Site Environmental Liabilities at the Central Disposal Site	<ul style="list-style-type: none"> • If no <i>off-site</i> environmental claims are made within the first 10 years, Republic assumes all off-site liabilities • Should an <i>off-site</i> environmental claim be received within the first 10 years, then the parties agree to share risk as follows: <ul style="list-style-type: none"> ○ Republic assumes liability for first \$ 7.5 million ○ Republic pays to County \$500,000/year; for first 10 years County has the option to either use funds toward purchasing a pollution insurance policy or County can put money into the escrow fund for contingent liabilities ○ Existing closure funds (\$10 million) held by County to be placed in escrow for Republic to use to cover amounts over the first \$7.5 million ○ If remediation costs exceed all layers of funding above then County will use royalties to fund contingent liabilities
Assure facilities are operated in a manner that reduces greenhouse gas, complies with AB 32, and County climate protection initiatives	Re-establish in-county disposal to reduce Greenhouse Gas	<ul style="list-style-type: none"> • In County disposal estimated to reduce greenhouse gas emissions as compared to existing out-haul
Support diversion consistent with AB 939 and the County Integrated Waste Management Plan	Additional Diversion at Central	<ul style="list-style-type: none"> • Republic to construct a MRF at Central by 2012 to process commercial waste, and construction & demolition debris
Achieve an in-county Central Landfill	Re-permitting of Central	<ul style="list-style-type: none"> • If Divestiture is successful, there will be an in-county Central Landfill
Minimize impact to County employees	Assist impacted employees to compete for and find employment with Purchaser	<ul style="list-style-type: none"> • Prior to June 1, 2010, Republic shall provide interviews to County employees and determine their eligibility for employment by Republic at the facilities
Involvement in tip rate setting process	County rate setting input	<ul style="list-style-type: none"> • Purchase Agreement establishes disposal rates for County and committed cities for 20 years • Republic sets rates for self-haul customers
Preserve capacity at the Central Landfill for the County-generated waste stream	Reservation of Capacity	<ul style="list-style-type: none"> • Purchase Agreement requires committed waste to be disposed of in the Central Landfill for as long as the landfill is open

ATTACHMENT B

SUMMARY OF LONG-TERM SOLID WASTE MANAGEMENT ALTERNATIVES

<u>Long Term Option</u>	Base Operation and Disposal \$/ton ¹	Central Environmental, Closure and Post-Closure Maintenance \$ /ton	Closed Landfill Maintenance \$/ton	JPA Fee \$/ton	Total Projected Tip Fee \$/ton	<u>Pros</u>	<u>Cons</u>
Divestiture	\$89.75	Included in Base Operation and Disposal Cost (Current 30-year closure and post-closure estimate= \$40-\$50 million)	\$6.10	\$5.40	\$101.25	<ul style="list-style-type: none"> • Central Landfill would re-open for in-county disposal • Central, Sonoma and Annapolis are divested and Healdsburg and Guerneville are under long-term lease • Proposer takes all risk for Central Landfill unless it is related to an off-site release of contaminants resulting in a claim filed in the first 10 years of the agreement. • Significant funds (\$2.7 million/year) available to County to address (i) potential off-site claims at Central in first ten years, plus (ii) post-closure costs of closed landfill sites • After ten years potential for no further liability for the Central Landfill • Rates stabilized for 20 years • MRF to be built by proposer at the landfill will result in significant increase in diversion • Decreased GHG emissions from in-county disposal • Under the current proposal if the Central Landfill cannot be re-permitted, Proposer provides out-haul and disposal for 2-3 years until County issues a new contract • If for any reason the Central Landfill becomes unavailable after closing, the proposer is required to take County and City committed waste to one of their other landfills in the Bay Area 	<ul style="list-style-type: none"> • Requires 20 year flow commitment from County and all cities, if all cities don't sign up, may be possible to save deal but with higher rates. • If there is an off-site claim within the first 10 years, County and Cities retain some residual liability for off-site claims • Residual risks are incrementally increased by continued expansion and disposal of waste at Central Landfill • If permits for in-county landfill not achieved there is no divestiture and no transfer of liabilities • Increased county waste diversion and per capita generation rate reductions, could result in tip rate increases • Proposer has requested a put or pay if refuse generation drops below 70% of the 2007 generation rates. • County employees displaced

¹ Assumes 100% system tonnage including Petaluma

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<u>Long Term Option</u>		Base Operation and Disposal \$/ton ¹	Central Environmental, Closure and Post-Closure Maintenance \$ /ton	Closed Landfill Maintenance \$/ton	JPA Fee \$/ton	Total Projected Tip Fee \$/ton	<u>Pros</u>	<u>Cons</u>
Long-term Truck Out-Haul Options	Public and Private Operation (Status Quo)	\$75.00	\$23.00 (Until Central Closure is completed, \$3.00 afterward)	\$6.10	\$5.40	\$109.50 (Until Central closure is completed)	<ul style="list-style-type: none"> Easiest to implement because it is existing system Could meet long term disposal capacity through long-term disposal agreements County maintains control of County facilities which may provide on-going means to collect funds needed to cover liabilities provided cities continue to use system 	<ul style="list-style-type: none"> Continues higher level of GHG emissions County/Cities retain all environmental liabilities for Central and other landfills, including closure and post closure maintenance If less than all cities use system, rates could increase to as much as \$118.40/ton @ 80% or \$146.40/ton @ 50% of current tonnage Rates more volatile as County must have full cost recovery and waste flow not secure and may decrease Little or no impact on diversion Regulatory Agencies will require immediate closure of Central – County may need to finance closure gap to meet regulatory deadlines
	Fully Privatized Operation	\$71.00	\$23.00 (Until Central Closure is completed, \$3.00 afterward)	\$6.10	\$5.40	\$105.50 (until Central closure is completed)	<p align="center"><i>(All pros as above apply)</i></p> <ul style="list-style-type: none"> Likely will result in lowest possible rates 	<p align="center"><i>(All cons as above apply)</i></p> <ul style="list-style-type: none"> County employees are displaced
Long –Term Rail Out-Haul		\$77.00	\$23.00 (Until Central Closure is completed, \$3.00 afterward)	\$6.10	\$5.40	\$111.50 (until Central closure is completed)	<ul style="list-style-type: none"> Could meet long term disposal capacity through long-term disposal agreements County maintains control of County facilities which may provide on-going means to collect funds needed to cover liabilities provided cities continue to use system Rail haul will reduce local congestion over truck out-haul GHG impact unknown 	<ul style="list-style-type: none"> Freight service does not currently exist in Sonoma County Would need to extend existing out-haul contracts until infrastructure is in place County/Cities retain all environmental liabilities for Central and other landfills, including closure and post closure maintenance If less than all cities use system, rates could increase to as much as \$120.40/ton @ 80% or \$148.40/ton @ 50% of current tonnage Rates more volatile as County must have full cost recovery and waste flow not secure and may decrease Little or no impact on diversion Regulatory Agencies will require immediate closure of Central – County may need to finance closure gap to meet regulatory deadlines

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<u>Long Term Option</u>	Base Operation and Disposal \$/ton ¹	Central Environmental, Closure and Post-Closure Maintenance \$ /ton	Closed Landfill Maintenance \$/ton	JPA Fee \$/ton	Total Projected Tip Fee \$/ton	<u>Pros</u>	<u>Cons</u>
Re-Open Central Landfill	\$77.00	\$28.00	\$6.10	\$5.40	\$116.50	<ul style="list-style-type: none"> • Central re-opened for in-County Disposal • Reduced GHG emissions • Long term disposal capacity 15 years + • Time to collect funds needed for final closure • County maintains control of County facilities which may provide on-going means to collect funds needed to cover liabilities provided cities continue to use system 	<ul style="list-style-type: none"> • Would need to extend existing out-haul contracts until infrastructure is in place • County /Cities retain all environmental liabilities for Central and other landfills, including closure and post closure maintenance • Closure, post-Closure and leak liability costs increase with resumption of expansion and disposal at the Central Landfill • County re-opening the Landfill results in highest disposal rates of all alternatives • If less than all cities use system rates could increase to as much as \$142.40/ton @ 80% or \$194.40/ton @ 50% of current tonnage • Would need to secure flow commitments to finance liner construction and economy may still make it difficult to get financing • Rates more volatile as County must have full cost recovery and waste flow not secure and may decrease • Due to high development cost this option is not feasible for reduced tonnage scenarios • Little or no impact on diversion

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SUMMARY OF LONG-TERM SOLID WASTE MANAGEMENT ALTERNATIVES

<u>Long Term Option</u>	<u>Base Operation and Disposal \$/ton¹</u>	<u>Central Environmental, Closure and Post-Closure Maintenance \$ /ton</u>	<u>Closed Landfill Maintenance \$/ton</u>	<u>JPA Fee \$/ton</u>	<u>Total Projected Tip Fee \$/ton</u>	<u>Pros</u>	<u>Cons</u>
The Center for the Environment	\$100.50	\$23.00 (Until Central Closure is completed, \$3.00 afterward)	\$6.10	\$5.40	\$135.00 ≤\$15.40 ² ≥ \$119.60 (until Central closure is completed)	<ul style="list-style-type: none"> • According to North Bay this project will increase system wide diversion approximately 5%-15% • May result in decreased GHG emissions attributed to increased diversion 	<ul style="list-style-type: none"> • There is no actual written proposal to the County only a verbal proposal that has changed over time; uncertain whether North Bay is willing to contractually guaranty the increased diversion targets • Would need to extend existing out-haul contracts until infrastructure is in place • County/Cities retain all environmental liabilities for Central and other landfills, including closure and post closure maintenance; the \$10.00/ton rebate is not enough to cover all liabilities • Requires flow control commitments from the County and all cities for 20 years • If less than all cities use system, rates could increase to an unknown level • Would render County system infeasible; resulting in transfer station closures and increasing GHG emissions for vehicle miles traveled hauling garbage, potentially negating any emissions benefits • Potential for rate escalation is unknown • With only one facility in the County, illegal dumping could increase • Residual waste will be out-hauled • County employees displaced

² Assumed base rate includes \$10.00/ton rebate toward liabilities and \$5.40 for JPA based on verbal proposals by North Bay Corporation to City Managers Association Meeting in the Spring of 2009