

**SPECIAL AND REGULAR MEETINGS OF THE
SONOMA CITY COUNCIL
&
CONCURRENT REGULAR MEETING OF THE SONOMA CITY COUNCIL AS THE
SUCCESSOR AGENCY TO THE DISSOLVED SONOMA COMMUNITY
DEVELOPMENT AGENCY**



Community Meeting Room, 177 First Street West, Sonoma CA

**Monday, August 18, 2014
5:00 p.m. (Special Meeting)
6:00 p.m. (Regular Meeting)**

AGENDA

City Council
Tom Rouse, Mayor
David Cook, Mayor Pro Tem
Steve Barbose
Ken Brown
Laurie Gallian

Be Courteous - **TURN OFF** your cell phones and pagers while the meeting is in session.

5:00 P.M. - STUDY SESSION

**SS1: Study Session with the Community Services and Environment Commission
Regarding the Special Event Policy**

6:00 P.M. - REGULAR MEETING

**CALL TO ORDER & PLEDGE OF ALLEGIANCE
ROLL CALL (Brown, Gallian, Barbose, Cook, Rouse)
REPORT ON CLOSED SESSION, if any**

1. COMMENTS FROM THE PUBLIC

At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the City Council at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Council consideration. Upon being acknowledged by the Mayor, please step to the podium and speak into the microphone. Begin by stating and spelling your name.

2. MEETING DEDICATIONS

3. PRESENTATIONS

Item 3A: Proclamation Recognizing the Redwood Credit Union Upon the Occasion of the Grand Opening of the new Sonoma Branch

Item 3B: Proclamation Recognizing the Sonoma League for Historic Preservation Upon Their 45th Anniversary

4. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL

All items listed on the Consent Calendar are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council, staff, or public request specific items to be removed for separate action. At this time Council may decide to change the order of the agenda.

Item 4A: Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only. (Standard procedural action - no backup information provided)

4. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL, Continued

Item 4B: Approval of the Minutes of the July 21 and August 7, 2014 City Council meeting.
Staff Recommendation: Approve the minutes.

Item 4C: Approval of the allocation of free days use at the Sonoma Veteran’s Memorial Building as requested by the Sonoma Community Center (Thanksgiving Dinner, Sonoma Community Center (Fashion Trashion), and Valley of the Moon Lions (Crab Feed).
Staff Recommendation: Approve the requests for free days.

Item 4D: Approval and ratification of the appointment of Fred Allebach to the Community Services and Environment Commission for a two-year term.
Staff Recommendation: Approve and ratify the appointment.

Item 4E: Approval and ratification of the appointment of Mary Piasta-Valluzzo to the Community Services and Environment Commission for a two-year term.
Staff Recommendation: Approve and ratify the appointment.

Item 4F: Approval and ratification of the appointment of Alice Liddell as the Alternate for the Community Services and Environment Commission for a two-year term.
Staff Recommendation: Approve and ratify the appointment.

Item 4G: Adoption of Resolution Extending the Sonoma County Abandoned Vehicle Abatement Program.
Staff Recommendation: Adopt the resolution supporting extension of the Sonoma County Abandoned Vehicle Abatement Program for another 10 years.

Item 4H: Adoption of Plans and Specifications and Award of Contract to Argonaut Constructors, lowest responsible bidder, for the 2014 Road Rehabilitation and Water Services Replacement Project No. 1401 in the amount of \$736,823.50.
Staff Recommendation: Approve.

Item 4I: Approve the Notice of Completion for the 2014 Citywide Slurry Seal Project No. 1403 Constructed by VSS International, Inc. and Direct the City Clerk to File the Document.
Staff Recommendation: Approve.

5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY

All items listed on the Consent Calendar are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council, staff, or public request specific items to be removed for separate action. At this time Council may decide to change the order of the agenda.

Item 5A: Approval of the portions of the Minutes of the July 21 and August 7, 2014 City Council meeting pertaining to the Successor Agency.
Staff Recommendation: Approve the minutes.

6. PUBLIC HEARING – None Scheduled

7. REGULAR CALENDAR – CITY COUNCIL

(Matters requiring discussion and/or action by the City Council)

Item 7A: Discussion, consideration and possible action on the adoption of a Resolution declaring the City’s intention to renew the Sonoma Tourism Improvement District (TID) and fixing the time and place of a public meeting and a public hearing thereon and giving notice thereof, and setting the renewal term of the TID. (City Manager)

Staff Recommendation: Council discretion.

Item 7B: Discussion, Consideration and Possible Action on the Results of the Vacation Rental Review Program including a Discussion of the City’s Existing Ordinance Provisions Regulating Vacation Rentals. (City Manager)

Staff Recommendation: Council discretion.

Item 7C: Approval of a Resolution declaring a Stage 2 Water Shortage, responding to the State’s Drought Emergency Water Conservation Regulations. (Public Works Director)

Staff Recommendation: Adopt resolution.

Item 7D: Consider adopting Resolution Approving (1) Central Landfill and Former Landfills Settlement Agreement (“Settlement Agreement”) with County of Sonoma, (2) Waste Delivery Agreement with Republic Services of Sonoma County, Inc. (“Republic”), (3) Franchised Hauler’s Agreement to Be Bound by City’s Waste Delivery Commitment with Republic and Sonoma Garbage Collectors, Inc., and (4) Committed Cities Contingent Liability Fund Agreement with other cities; and Making CEQA Findings and Certifications that: (a) the Central Site FEIR and Reopening Addendum approved by the County of Sonoma in 1998 and 2013, respectively, were considered by the Sonoma City Council in approving the above-mentioned documents and adequately address the environmental impacts of the improvements to the Central Landfill Site for continued operations, incorporates necessary mitigation measures and adopts appropriate statements of overriding consideration with respect to significant environmental impacts related to the operation and future expansion of the Central Landfill Site; (b) those environmental documents have adequately reviewed any potentially significant impacts associated with the activities proposed under the Waste Delivery Agreement and Franchised Hauler’s Agreement to Be Bound by City’s Waste Delivery Commitment, and with the mitigation measures adopted by the County will not have a significant environmental impact other than those for which the County adopted statements of overriding consideration which said statements the City Council re-adopts as its own; and (c) the Settlement Agreement and Contingent Liability Fund Agreement are exempt from CEQA review because it can be seen with certainty that there is no possibility that the activities contemplated thereunder may have a significant impact on the environment. (City Attorney)

Staff Recommendation: Adopt resolution.

8. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY

(Matters requiring discussion and/or action by the Council as the Successor Agency)

9. COUNCILMEMBERS’ REPORTS AND COMMENTS

10. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF

11. COMMENTS FROM THE PUBLIC

12. PUBLIC COMMENTS REGARDING CLOSED SESSION

Public testimony on closed session item(s) only.

13. CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Pursuant to Government Code §54956.8. Property: Montini Property, AP# 018-021-006, 018-011-017, 018-031-003, 127-051-105 and 127-051-106, Sonoma. Agency Negotiators: Planning Director David Goodison, City Attorney Jeff Walter & City Manager Carol Giovanatto. Negotiating Parties: Sonoma County Agricultural Preservation and Open Space District. Under Negotiation: Potential amendment of Transfer Agreement under which property is to be conveyed to the City.

14. RECONVENE IN OPEN SESSION & REPORT ON CLOSED SESSION

15. ADJOURNMENT

I do hereby certify that a copy of the foregoing agenda was posted on the City Hall bulletin board on August 14, 2014. Gay Johann, Assistant City Manager/City Clerk

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are normally available for public inspection the Wednesday before each regularly scheduled meeting at City Hall, located at No. 1 The Plaza, Sonoma CA. Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the City Council regarding any item on this agenda after the agenda has been distributed will be made available for inspection at the City Clerk's office, No. 1 The Plaza, Sonoma CA during regular business hours.

If you challenge the action of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described on the agenda, or in written correspondence delivered to the City Clerk, at or prior to the public hearing.

In accordance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk (707) 933-2216. Notification 48-hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: SS1

Meeting Date: 08/18/14

Department

Planning

Staff Contact

Speical Event Coordinator, Atkins

Agenda Item Title

Study Session with the Community Services and Environment Commission Regarding the Special Event Policy

Summary

Background

In 2007, the City Council approved modifications to the Special Events Policy. Presently, as directed by the City Council, staff and the Community Services and Environment Commission (CSEC) are proposing updates to the Special Events Policy (Policy) to achieve a more defined structured special event coordination with recommendations geared toward having the potential for onsite event management.

The following is a summary of the major changes involved with the update of the Policy:

- Added provisions to permit staff review of large-scale reoccurring events when directed by the CSEC.
 - Inserted a section prohibiting inflatable jumpers.
 - Added a section outlining specific requirements for safety and security, portable restrooms, and public restroom monitoring.
 - Attached a section that requires for-profit events to comply with the Food and Beverage Ticket Sales policy.
 - Added a section allowing food trucks.
 - Included definitions for large-scale events and locally based non-profit organizations.
 - Modified the duration and hours of operation for Plaza Park and Depot Park events (including the prohibition of event structures in the Plaza Park during the week from the hours of 8 a.m. to 5 p.m.).
 - Modified the banner section for the Plaza Park by prohibiting all signs with the exception of one banner on the historic directory sign and signs on approved tents.
 - Added section prohibiting tents (greater than 10 square feet in area) or structures (including inflatables) in the horseshoe area.
 - Addressed a process for reserving parking around the Plaza.
 - Removed the requirement for rotation of off-limit areas of the Plaza.
-

Recommended Council Action

Staff recommends that the City Council and the CSEC discuss the proposed changes to the Special Events Policy developed by the CSEC and any other alternatives of interest.

Alternative Actions

N.A.

Financial Impact

N.A.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

Supplemental Report

Draft Special Events Policy

Alignment with Council Goals: Balancing City character by setting policy for community events to not impact our City in negative ways.

cc: CSEC Members

SUPPLEMENTAL REPORT

DISCUSSION OF UPDATES TO THE SPECIAL EVENTS POLICY DEVELOPED BY THE COMMUNITY SERVICES AND ENVIRONMENT COMMISSION

*For the City Council/Community Services and Environment Commission Study Session
August 18, 2014*

Background

In 2007, the City Council approved modifications to the Special Events Policy. Presently, as directed by the City Council, staff and the Community Services and Environment Commission (CSEC) are proposing updates to the Special Events Policy (Policy) to achieve a more defined structured special event coordination with recommendations geared toward having the potential for onsite event management.

Key Changes

The following is a summary of the major changes involved with the update of the Policy:

- Added provisions to permit staff review of large-scale reoccurring events when directed by the CSEC.
- Inserted a section prohibiting inflatable jumpers.
- Added a section outlining specific requirements for safety and security, portable restrooms, and public restroom monitoring.
- Attached a section that requires for-profit events to comply with the Food and Beverage Ticket Sales policy.
- Added a section allowing food trucks.
- Included definitions for large-scale events and locally based non-profit organizations.
- Modified the duration and hours of operation for Plaza Park and Depot Park events (including the prohibition of event structures in the Plaza Park during the week from the hours of 8 a.m. to 5 p.m.).
- Modified the banner section for the Plaza Park by prohibiting all signs with the exception of one banner on the historic directory sign and signs on approved tents.
- Added section prohibiting tents (greater than 10 square feet in area) or structures (including inflatables) in the horseshoe area.
- Addressed a process for reserving parking around the Plaza.
- Removed the requirement for rotation of off-limit areas of the Plaza.

Discussions of Key Changes

The Special Events and Farmers' Market subcommittee (subcommittee) expressed concerns that an unobstructed view of City Hall, which is a National Historic Landmark, must be provided at all times. To that end, the draft Policy attempts to prohibit banner signs, large tents, and other structures from placement on the horseshoe lawn and paved area in front of City Hall. The subcommittee recommended the prohibition of any type of sign or banner (with the exception of signs on tents) unless it is attached the historic directory sign, which is anticipated to be installed prior to the 2015 Plaza event season. Staff would note that it is also the intention of the Policy to prohibit freestanding finish line delineations for races. Further, it is the intent of the regulations to *not* allow for provisions in the Policy for banners or

signs on the horseshoe lawn to be considered by the City Council (as currently allowed) in order to provide an unobstructed view of City Hall, which is a National Historic Landmark, and to reduce the amount of requests reviewed by the City Council.

In addition, the subcommittee chose to prohibit event structures in the Plaza Park from display during the week from the hours of 8 a.m. to 5 p.m. The impetus for this prohibition stems from the observation that event structures in the Plaza Park during the week interfere with City Hall business and also to encourage events that desire daytime events (during the week) to use Depot Park instead of the Plaza Park. Therefore, the event hours were modified for both the Plaza Park and Depot Park.

City staff worked closely with the Police and Fire Departments to include a section that discusses safety and security to ensure that event organizers provide a safe environment for event participants.

Vendor accountability was also a concern for the subcommittee. The subcommittee wants to ensure that for-profit vendors accurately report event earnings from sales. The goal is to ensure that 10 percent of gross revenue or 40 percent of net proceeds (whichever is greater) benefit a locally based non-profit organization. That said, the subcommittee is proposing to introduce a Food and Beverage Ticket Sales policy in the 2015 event season applicable to for-profit organizations only. This policy will be defined prior to November, 2014.

Food trucks would be allowed (subject to review and approval by the CSEC or Special Event Coordinator) in order to enhance the ability for event organizers to raise funds for local non-profit organizations.

A section was added in Appendix A that discusses reserved street parking. While the CSEC does not have discretion over City streets it would like the ability to make a recommendation to the Streets Supervisor on the number and location of requested reserved parking spaces adjacent to the Plaza as street parking around the Plaza is a limited resource and the needs of event organizers, businesses, and residences must be balanced.

Finally, the practice of rotating off-limit areas of the Plaza has been removed from Appendix A. The intent of this practice was to minimize compaction of soil around tree roots; however, the Parks Supervisor has indicated that unless an area of the Plaza is physically barricaded from use by all members of the public (not just Special Events) rotation of off-limits areas of the Plaza would not benefit tree roots.

Onsite Event Management

Staff members and the subcommittee have expressed concerns that onsite event management is often necessary to ensure that event organizers adhere to the approved event conditions of approval. As of the date of this staff report the Special Event Coordinator has attended four events and has had major issues to report with only one event. A provision exists in the current policy to recover costs associated with onsite event management. Moving forward, it is staff's recommendation that onsite event management should be on a case-by-case basis and costs associated with staff time expended to monitor the event should be the born by the event organizer.

Sonoma County Health Department Temporary Food Facilities: Requirements and Procedures

Most recently, staff became aware of existing Sonoma County Health Department requirements and procedures related to temporary food facilities. These are existing requirements that staff has not been enforcing or discussing with event organizers. These requirements require further research before they can be addressed in the Policy. Issues of concern relate to the following requirements: 1) all food vendors must submit a temporary food facility application packet and permit fees to the County Health Department at least two weeks prior to the event; and, 2) food booths must be entirely enclosed with four complete sides, and booths operating on grass or dirt must use plywood, tarp, or similar material for floor surfaces. Staff will continue to research this issue and provide addition information at the Study Session.

Updated Policy

The updated Policy was developed over the course of a seven month period through the coordinated efforts of staff, the CSEC Special Events and Farmers' Market subcommittee, and the CSEC.

Suggestions to City Council

Since the purpose of the CSEC is to advise the City Council on matters related to the preservation and enhancement of the parks, the subcommittee would like to suggest that the City Council consider providing additional security in the Plaza Park. Specific concerns raised by the subcommittee are related to children harassing ducks, tree climbing, and dog activity.

Recommendation

Staff recommends that the City Council and the CSEC discuss the proposed changes to the Special Events Policy developed by the CSEC and any other alternatives of interest.

Note: The CSEC is scheduled to consider the updates to the Special Event Policy at its meeting on September 10, 2014, at which time the public and event organizers will be invited to provide comments. Subsequent to the September CSEC meeting, the draft Special Events Policy will be taken up by the City Council.

CITY OF SONOMA

SPECIAL EVENTS POLICY

Revised by Resolution No. ~~19-2007~~

A. PURPOSE

The purpose of this policy is to set rules and processes that will guide the Community Services and Environment Commission ([CSEC](#)) and City staff in seeking an appropriate balance between the benefits of organized events and their associated impacts on the community.

B. COMMUNITY BENEFITS OF SPECIAL EVENTS

Special Events can create a sense of community for the City of Sonoma and Sonoma Valley by, among other things:

- Providing a gathering place for residents
- Establishing and maintaining local traditions
- Providing exposure and celebration of diverse cultures
- Showcasing the talents of local artists
- Enhancing the local economy by promoting Sonoma as a destination for tourists and shoppers
- Generating income for local community-serving non-profit organizations
- Generating funds to support public programs and projects
- Generating income for non-local causes
- Educating the public and increasing public awareness about issues of local concern

C. COMMUNITY COSTS OF SPECIAL EVENTS

Special Events can generate impacts to area residents and businesses and to the City of Sonoma by, among other things:

- Adding to traffic congestion and exacerbating parking problems
- Impinging on the use of public spaces for non-structured, passive enjoyment by area residents
- Having a negative impact on the health and appearance of public landscaping and on the condition of public buildings
- Adding direct expenses to the City budget for maintenance of public facilities
- Adding indirect expenses to City operations by diverting staff resources away from other high priority work programs and projects

D. SPECIAL EVENT APPLICATION AND PERMIT PROCESS

Every special event held on property or in a facility owned, leased, or otherwise controlled by the City of Sonoma requires a [Special Event Permit](#).

This provision is not intended to regulate recurring program activities on public property, conducted by the City or by a lessee of City property, where the activity is specifically authorized by use permit and/or by the terms of the property lease.

1. Application Content and Deadlines

- a. A complete application must be submitted prior to a proposed event being considered for approval. An incomplete application will not be processed or scheduled for review until all information is submitted in accordance with this policy.
- 1) For small scale events, complete applications must be submitted at least 21 days prior to the event.
 - 2) For all other events, complete applications must be submitted at least 120 days prior to the event. An exception to the 120 day submittal deadline may be granted provided 2/3 of the Community Services and Environment CommissionCSEC vote in the affirmative to grant the exception.

Note: a special event shall not be advertised until the application has been approved by the Special Event Coordinator, CSEC, or City Council.

- b. A complete application must include the following:

- 1) Special Event Application Form with required attachments.
- 2) Payment of aAll required application fees, rental fees, costs and damage deposits.
- ~~3)~~ If the event includes an admission charge, sale of event promotional items such as, but not limited to clothing and souvenirs, charges to exhibitors or vendors for booth or display space, sponsorship involving cash donations to the sponsoring organization, on-site solicitation of donations or any other cash income, an event budget shall be submitted showing estimated income by source, estimated direct event production expenditures (including, but not limited to, the costs of goods to be sold) and a letter identifying the planned beneficiary(ies) of any excess of income over expenditures.

3) Site plan:

a) Indicate the number and location of all proposed food vendors (including food trucks) barbeques, and generators (if proposed). The number of food vendors allowed shall be at the discretion of the CSEC or the Special Event Coordinator. Indicate type, layout, and method of support for all proposed fencing (Note: staking or fencing to delineate activity areas is discouraged).

b) Indicate type and layout of all proposed furniture (i.e. tables and chairs).

- ~~c.~~ Costs associated with efforts required of City forces to provide traffic control, parking restrictions, special barricading, emergency medical services, on-site monitoring of events or other special event needs shall be the responsibility of the applicant and shall include all costs incurred by the City, including actual time, material and equipment costs. A cost estimate will be provided subsequent to staff review of the application. A deposit for estimated costs shall be provided prior to the application being considered by the CSEC. Payments and deposits for police services must be arranged through the Police Department with the Sonoma County Sheriff's Department.

- d. Special Events proposing encroachments on the state highway or the closure of City streets must obtain the appropriate permits as set forth in Chapter 12.20 of the Sonoma Municipal Code.
- e. New events that are unusually unique in nature will be evaluated on a case-by-case basis and may be subject to City Council approval. All costs associated with efforts required of City forces to review the Special Event Permit aApplication and provide comments s related to event needs and City impact shall be the responsibility of the applicant. A cost estimate will be provided with initial application review; a deposit for estimated costs shall be provided at the time the application is submitted and is required to complete the application process.
- f. Special events sponsored by, and/or, held on the property owned by other governmental agencies including, but not limited to the Sonoma Valley Unified School District, Sonoma County, and the State of California Department of Parks and Recreation, are not required to obtain Sspecial Eevents Ppermits from the City. Such agencies are encouraged to consult with the Special Events Coordinator during the planning stages of such events to address community impacts such as traffic, parking, noise, security, etc.

2. Staff Review

- a. Small-scale events may be reviewed and approved by the Special Event Coordinator, with or without interdepartmental review by the Special Event Committee (SEC).
- b. Events of eight hours or more in duration or events of any durationLarge-scale events, or events which in the judgment of the Special Event Coordinator raise unusual issues, will be subject to an interdepartmental review -(prior to a decision by the Special Event Coordinator or by the CSEC). Interdepartmental review will be scheduled on an as-needed basis by the Special Event Coordinator. Interdepartmental review may result in recommended conditions of approval to be considered by the Special Event Coordinator or by the CSEC.
- c. The CSEC may allow the review of large-scale reoccurring events by the Special Event Coordinator, with or without interdepartmental review by the SEC, provided zero violations of the Special Event Policy were indicated during the previous Post-Event Review.

3. CSEC Review and Findings

Applications for events requiring CSEC approval will be placed on the next available CSEC agenda after staff review is completed. Applications will not be scheduled for CSEC review and approval until all required information has been provided and all staff reviews have been completed. CSEC meetings are scheduled in conformance with Brown Act noticing requirements.

4. Findings

In making determinations about approval or conditions of a special event permit, the CSEC or the Special Event Coordinator shall consider and make findings regarding the following factors:

- a. Does the application conform to all general and site-specific restrictions, requirements and guidelines as set forth in this Policy and in the Appendices hereto?
- b. In the case of a recurring event, to what level did prior events adhere to all general and site-specific restrictions, requirements and guidelines and to specific conditions of approval, as indicated in post-event reports prepared by staff and in the post-event reviews conducted by the CSEC?
- c. What are the nature and magnitude of the community benefits that are anticipated for this event, and, for recurring events, what was the magnitude of community benefits, including the value of donations to non-profit beneficiaries, realized by prior events?
- d. What are the nature and magnitude of the community costs and impacts that are anticipated for this event and, for recurring events, what was the magnitude of community costs and impacts that were experienced in prior events?

54. Post-Event Review

Sponsoring ~~o~~rganizations of large-scale events must attend a post event review at the next meeting of the CSEC that is held not more than ninety days after the event. The requirement for CSEC post-event review may be waived by the CSEC (if waved by the CSEC the review is required by the Special Events Coordinator). The event representative shall provide the event's complete and full financial statements (actual gross income and expenditures) to the City Clerk-Special Event Coordinator within seventy days after the event. The financial statement shall be prepared in accordance with Generally Accepted Accounting Principles, including a simple budget to actual analysis and detail of any overhead expense line that exceeds 10% of gross receipts. City staff shall provide completed post event evaluation for review and discussion at the post event review ~~meeting~~. Payment of all post event invoices, charges, fees or penalties must be received within ~~ten-thirty~~ days ~~subsequent to of post~~the post event review. Proof of receipt of funds from the beneficiary(ies) of the event is required to be submitted.

Conditions of approval of subsequent years' events may be affected by the organization's failure to attend the mandatory post event review and/or to provide required information, which failure may also constitute grounds for denial of future years' event permits.

65. Modification of Approved Permit

Once an application is approved, no event shall be modified without prior approval of the CSEC or of the Special Event Coordinator, whichever approved the event. The Special Event Coordinator is authorized to approve minor modifications to events. Modifications that require CSEC approval include, but are not limited to, changes in the dates, duration, and location of the event.

76. Appeal of CSEC or Staff Decisions

Decisions of the Special Event Coordinator or of the CSEC to approve or deny a permit, and any conditions of an approved permit may be appealed to the City Council as provided in the Municipal Code.

8. Prohibitions

- a) Inflatable Jumpers are not allowed in City Parks.
- b) Stakes are not allowed to be inserted into the lawn area unless approved by the CSEC or Special Event Coordinator.

E. RESTRICTIONS, REQUIREMENTS AND GUIDELINES

1. Date and Location Preference

- a. Date and location preference for City facility use is given to longstanding recurring events and to locally based City or Sonoma Valley organizations benefiting the community on a non-profit basis.
- b. In order to qualify for a preference in conducting a regularly scheduled event, sponsors of recurring events ~~of eight hours or more in duration (including set-up and take-down time)~~ shall submit a letter to the ~~City Clerk~~ Special Events Coordinator by January 1 of the year in which the event is to take place indicating the date or dates and the location on which the event is expected to take place, being sure to include set-up and take-down dates This letter will be used for scheduling purposes only and will not constitute an application as required above.
- c. A “master calendar” shall be prepared by City staff to assist with schedule coordination.
- d. Upon receiving their approvals, all other events shall be placed on the master calendar on a first-come, first-served basis subject to location availability and adherence to policies limiting the number and frequency and the location of events. Applicants are encouraged to submit an alternate venue location as a back up, along with the application for the desired venue.
- e. Minimum Contributions (not applicable to locally based tax-exempt non-profit organization)

- 1. Merchandise: Events that are sponsored by a for-profit organization (as defined in this policy) shall donate a minimum of 10% of gross revenue or 40% of the net profits (whichever is greater) from merchandise sold at the event to one or more locally based non-profit organizations. The amount of donation to each specified non-profit beneficiary shall be submitted at the post event review meeting.
- 2. Food and Beverage: Events that are sponsored by a for-profit organization (as defined in this policy) shall donate a minimum of 10% of gross revenue or 40% of the net profits (whichever is greater) from food and beverage sold at the event to one or more locally based non-profit organizations. The amount of donation to each specified non-profit beneficiary shall be submitted at the post event review meeting.

Conditions of approval of subsequent years’ events may be affected by the

organization's failure to provide the required information regarding the required donation to non-profit beneficiaries, which failure may also constitute grounds for denial of future years' event permits. A copy of non-profit IRS form 990 or equivalent shall be required with subsequent year's Special Event Application submittal.

f. Limitations on the Sale of Wholesale Purchased Arts and Crafts

Arts and crafts sold at special events shall not be purchased wholesale and then sold retail at the event.

g. Proof of Insurance

1. Proof of insurance shall be provided at least one week prior to the commencement of any event.

2. No event shall commence set up or delivery of event supplies, materials, or equipment without required insurance documents submitted and verified by the Special Events Coordinator to meet all City requirements.

Except for small scale events as defined herein, in no case shall two or more special events be scheduled on the same weekend at any given venue.

2. Plaza Park Events

For restrictions, requirements and guidelines applicable to events at Plaza Park, see Appendix A.

3. Depot Park Events

For restrictions, requirements and guidelines applicable to events at Depot Park, see Appendix B.

4. Events at All Other Venues

For restrictions, requirements and guidelines applicable to events at any venue other than Plaza Park and Depot Park, see Appendix C.

5. Unique Events and/or Locations

As determined by the City Manager, event locations or new events that are unusually unique in nature may be referred to the City Council for review and approval.

6. Safety and Security

a. Crowd managers shall be provided by the event organizer for events where more than 1,000 persons congregate. The minimum number of crowd managers shall be established at a ratio of one crowd manager to every 250 persons. The event organizer shall contact the police department concerning security related issues and this information shall be provided in the required Public Safety Plan. The City may require

- professional security or contracted police department services for events where alcoholic beverages will be sold or consumed (with an estimated attendance in excess of 750 persons), or for any event for which the Special Events Coordinator or Police Chief determines identified public safety concerns warrant security.
- b. The City reserves the right of full access to all activities at any time to insure all rules and laws are being observed. The City reserves the right to suspend any individual or group from using City facilities and property if their behavior is determined to be abusive, destructive or in violation of any City rule without refund. The City reserves the right to cancel any scheduled event.
 - c. All special events closing streets, or estimating 250 or more people must submit a Public Safety Plan with their application. Safety Plan must contain who is monitoring the event for safety and what is the action plan in the event of a minor or major injury or incident.
 - d. The Fire Department requires that all decorations be fire-retardant per Chapter 8 of the California Fire Code and no open flame or pyrotechnics are allowed without written approval from the Sonoma Valley Fire and Rescue Department (707) 996-2102.
 - e. Temporary tents and membrane structures having an area in excess of 400 square feet and individual tents (open on all sides) having a maximum size of 700 square feet shall not be erected, operated, or maintained for any purpose without first obtaining a permit, inspection, and approval from the fire code official.
7. Restrooms: events with attendance of 100 persons must provide portable restrooms at the ratio of one (1) restroom for each 150 persons in attendance, 10% of which must meet ADA specifications. At least one hand washing station shall also be provided.
8. Solid Waste and Recycling All event applicants are required to submit a recycling and solid waste plan. Helpful hints for event planners will be provided as part of the special event application packet.
9. Sales and distribution of Food, Beverages, or Merchandise
- a. Any person or organization, including a non-profit organization, who is selling food or merchandise at a special event, must obtain a City of Sonoma business license, as provided in Title 5 of the Sonoma Municipal Code. Please call the City of Sonoma Finance Department at (707) 933-3681 for more information.
 - 1. Sponsoring organizations are required to cooperate with the City in assuring compliance with the City's business license requirements, for example, by providing lists of vendors and exhibitors upon request by the City.
 - 2. Sponsoring organizations shall cooperate with the City in programs to assure that all taxable retail sales occurring at events are reported as taking place within the City.
 - b. Events that are sponsored by a for-profit organization must comply with the City of Sonoma policy regulating Food and Beverage Ticket Sales.
 - c. Each participating food vendor shall obtain a City of Sonoma Business License. Each vendor shall post their business license in a readily visible location at or upon the vending station.

d. Each participating food vendor shall obtain a Sonoma County Health Department Permit to Operate. Each vendor shall post an SB180-“public right to know” sign in a readily visible location at or upon the vending station.

F. FEES AND COSTS

1. The City Council shall from time to time by resolution as it deems necessary and appropriate provide for and set all rates, charges and fees for special event permit applications, use of, or impact to, City facilities and other costs related to special events.
2. Application and facility rental fees shall not be charged for “City-sponsored events,” although such events shall be subject to the normal application and review process. The decision of the Special Event Coordinator as to whether an event is a “City-sponsored event” may be appealed to the City Council as provided in the Municipal Code.
- ~~3. Rental fees shall not be charged for “Small-scale events.” Application processing fees may be charged at the discretion of the Special Event Coordinator, depending on the amount of time deemed necessary to review the application. Decisions of the Special Event Coordinator in this regard may be appealed to the City Council as provided in the Municipal Code.~~
- 4.3. The Community Services and Environment Commission shall annually establish an appropriate rental fee for the Farmers’ Market, as part of its annual review of the Farmers’ Market Plaza Use Application.
- 5.4. Except as provided for with respect to “City-sponsored events” ~~and Small-scale events,”~~ as defined, fee waivers for Special Event application fees, rental fees and other related costs are prohibited.

G. DEFINITIONS

For the purpose of this Policy, the following definitions shall apply:

Application Processing Fee – Charges for staff time and expenses for processing special event permit applications. Application fees are established by the City Council by resolution.

City Property – Any City street, sidewalk, parking lot, park, plaza, or any other property owned or controlled by the City.

City Sponsored Event – A special event that meets at least one of the following criteria:

1. The City is the primary financial beneficiary of the event.
2. The City provides significant funding or material support to the event due to its overall civic importance.
3. The City Council has agreed to be named as the sponsor or co-sponsor of the event

Crowd Manager – One or more people who are assigned the responsibility of maintaining safety of attendees during an event, duties include but are not limited to the following:

- Provide a safe environment.
- Be aware of and maintain event safety requirements required by the Special Events Coordinator.

- Conduct pre-event inspections to verify that the event safety requirements are in place.
- Use a portable fire extinguisher.
- Guide the crowd in an emergency.
- Identify problem attendees and what to do once they are identified.
- Coordinate with emergency responders.

Event – Includes special event.

Event Organizer – Any person or organization that conducts, manages, promotes, organizes, aids or solicits attendance at a commercial or non-commercial special event.

For-profit Organization -- A business or other organization whose goal is to return a profit to the owners.

Goods – Includes goods, wares, personal property, merchandise or any other similar item which is generally sold.

Gross Proceeds-Profit – The sum of all cash received by an event organizer for a special event, including, but not limited to, admission charges, sale of event promotional items, charges to exhibitors or vendors for booth or display space, licensing, sponsorships, television, advertising, sale of goods, donations at the event and similar revenues and concessions.

Large-scale Events -- An event that, in the judgment of the Special Event Coordinator, meets one or more of the following three requirements: 1) requires more than two hours of total staff time for pre-event preparation and/or post-event rehabilitation of the event venue; 2) makes use of more than one sector of the Plaza or other venue; and, 3) exceeds eight hours in duration (including time required for set-up and take down).

Locally based Tax-exempt Non-profit Organization; An organization that qualifies as a tax-exempt non-profit organization and provides community benefit within Sonoma City, Sonoma Valley, or Sonoma County. Proof of tax exempt status must be submitted with application.

Longstanding Recurring Event – An event that has utilized the same City venue for 20 consecutive years.

Net profit – The sum of all cash remaining after assets have been sold and related expenses have been paid.

Public Facility – Any property located within the Sonoma City limits and owned by the City of Sonoma or by any other governmental agency, such as the Sonoma Valley Unified School District, California State Parks or Sonoma County.

Public Safety Plan – A plan that address such items as emergency vehicle ingress and egress, fire protection, emergency egress or escape routes, emergency medical services, public assembly areas and the directing of both attendees and vehicles (including the parking of vehicles), vendor and food concession distribution, and the need for the presence of law enforcement, and fire and emergency medical services personnel at the event.

Rental Fee - A fixed amount for the rental of all or a portion of a venue, based on the length of the event; where applicable a maintenance fee for facility rehabilitation/maintenance is included with the rental fee. Rental fees are established by the City Council by resolution.

Sidewalk – That portion of a highway or street, other than the roadway, set apart by curbs, barriers, markings or other delineation for pedestrian travel.

Small Scale Event – An event that, in the judgment of the Special Event Coordinator, meets all three following requirements: 1) requires less than two hours of total staff time for pre-event preparation and/or post-event rehabilitation of the event venue; 2) makes use of no more than ~~two-one~~ sectors of the Plaza or other venue; and, 3) does not exceed ~~six-eight~~ hours in duration (including time required for set-up and take down).

Solid Waste Recycling Plan – A written plan that achieves the following: 1) minimizes the production of solid waste; 2) provides for convenient recycling containers for event attendees and for event participants/vendors/etc. 3) provides for a sufficient number of trash receptacles for non-recyclable waste; and, 4) assures that the venue is returned to a trash-free and sanitary condition for use by the general public.

Special Event – An activity on public property open to the general public, with or without an admission charge. Special events include:

1. Any organized formation, parade, procession or assembly of persons, which may or may not include animals, vehicles or any combination thereof which is to assemble or travel in unison on any street which does not comply with normal or usual traffic regulations or controls; or,
2. Any organized assemblage of persons at any park or facility, owned by the City or by any other governmental agency, such as the Sonoma Valley Unified School District, California State Parks or Sonoma County which is to gather for a common purpose under the direction and control of a person; or,
3. Any other organized activity conducted by a sponsoring organization or person for a common or collective use, purpose or benefit which involves the use of, or has an impact on, City property or facilities and the provisions of city services in response thereto.

Examples of special events include, but are not limited to concerts, parades, special interest shows or expos, markets, fairs, festivals, block parties, community events or mass participation sports (such as, marathons and running events, bicycle races or tours, etc.).

For the purpose of this policy, special events are distinguished from the following:

- Private events which may be authorized on public property but which are not open to the general public;
- Recurring program activities on public property, conducted by the City or by a lessee of City property, where the activity is specifically authorized by use permit and/or by the terms of the property lease;
- Events on private property.

| Special Event Coordinator — The person assigned by the city manager to carry out the duties and responsibilities set forth in this policy.

Special Event Permit - A permit issued under this Resolution.

Special Event Venue - That area for which a special event permit has been issued.

Street – A way or place of whatever nature publicly maintained and open to use of the public for purposes of vehicular travel. Street includes Highway 12.

Tax-exempt non-profit organization – An organization that is exempted from payment of income taxes by federal or state law and which has been in existence for a minimum of three months preceding the date of application for a special event permit. [Proof of tax exempt status must be submitted with application.](#)

~~Tax-exempt non-profit organization; locally based – An organization that qualifies as a tax-exempt non profit organization and provides community benefit within Sonoma City, Sonoma Valley, or Sonoma County.~~

| Vendor – any person who sells or offers to sell any goods, food, ~~or~~ beverages, [or services](#) within a special event venue.

**CITY OF SONOMA
SPECIAL EVENTS POLICY**

APPENDIX A

**PLAZA PARK
RESTRICTIONS, REQUIREMENTS AND GUIDELINES**

The following restriction, requirements and guidelines apply to all special events conducted at [the Plaza Park](#).

1. Limitations on the number and frequency of events and on event activities

- a. Events exceeding eight hours in duration (including set-up and take-down time) shall not be scheduled in the Plaza Park on successive weekends between June 1 and October 1 of any given year.

With the approval of the CSEC, exceptions may be granted to the following Longstanding recurring special events: The Ox Roast sponsored by the Community Center, Hit the Road Jack sponsored by VOM Boys & Girls Club and VOM Hospice, Flag Day Celebration sponsored by Native Sons of The Golden West, Fourth of July Celebration co-sponsored by the City and the Sonoma Community Center.

- ~~b.~~ The Plaza Horseshoe Lawn shall not be available for active use, such as, but not limited to, tents, booths, ~~Jumping Jacks~~, ~~tables~~, etc. during special events. This restriction is intended to allow an unobstructed view of City Hall a National Historic Landmark and to minimize damage to the lawn. With the approval of the CSEC, an exception may be granted for limited active use of the Plaza Horseshoe Lawn.

- ~~b-c.~~ No tents (greater than 10 square feet in area and a maximum height of 10 feet) or structures (including inflatables) shall be placed in the horseshoe area.

- ~~c-d.~~ In order to minimize compaction and damage to the Plaza landscape during the wet season, Special Events shall be restricted to paved areas of the Plaza from and including November through May. Small scale events, as defined in this policy, may be allowed to use lawn area during the wet season.

- ~~d-e.~~ The number of Special Events held in the Plaza Park is limited to twenty-five events per ~~calendar~~ year. The Jazz Society Summer Music Series held on Farmers' Market nights and the Farmers' Market events shall be counted as one event.

2. Rotation of off-limit areas in the Plaza

~~Each calendar year on a rotational, four-year cycle, one quadrant of the Plaza shall be closed to Special Event use for the entire year. This restriction does not prevent the restricted quadrant from being open to casual use and enjoyment by the general public. With the approval of the CSEC, an exception may be granted for limited active use of the restricted quadrant.~~

23. Duration and Hours of Operation

a. Special Events shall be limited to the following hours of operation:

- Monday through Thursday 5 p.m. to 7:30 a.m.
- Friday through Sunday, events may begin set up at 5 p.m. on Friday. Event cleanup shall be completed by 7:30 a.m. Monday morning. No Special Event shall exceed a maximum of 72 hours, including set-up and take-down time. The CSEC shall have the discretion to place specific time limits on any event through its review of event applications within the total seventy-two hour limit.

~~**Should a Special Event exceed the 72 hour limit, event organizers shall be subject to a penalty charge to be established by the City Council by resolution. In addition, conditions of approval of subsequent years' events may be affected by the organization's failure to observe the 72-hour limit, which failure also may constitute grounds for denial of future years' event permits.**~~

~~With the approval of the CSEC, the "Salute to the Arts" event may be permitted to use the Plaza for up to a maximum of 96 hours, including set-up and take-down time.~~

34. Restroom Facilities

- a. All events utilizing public restrooms shall be required to provide restroom monitors to ensure that no vandalism occurs during the course of the event and that restrooms are vacated, and locked, cleaned, and resupplied at the close of the event. Event Sponsors shall be responsible for cleaning and supplying restrooms. Restrooms shall be monitored and cleaned (if necessary) at least once per hour during the event.

45. Solid Waste and Recycling

~~All event applicants are required to submit a recycling and solid waste plan that minimizes the production of solid waste, provides for convenient recycling containers for event attendees and for event participants/vendors/etc., that provides for a sufficient number of trash receptacles for non-recyclable waste and that assures that the venue is returned to a trash-free and sanitary condition for use by the general public. Helpful hints for event planners will be provided as part of the special event application packet.~~

56. Noise

Amplified music shall not begin prior to 7 a.m. and normally cease no later than 10:00 PM p.m.; however, the CSEC shall have the authority to extend the time through the application review process if circumstances warrant an extension.

67. Banners Freestanding Sign

With approval of the ~~Sonoma City Council~~CSEC or Special Event Coordinator, a banner may be displayed on the historic directory sign located on the southeast portion of the Plaza. Plaza to advertise Special Events held at the Plaza or at other locations in the City. Banners advertising a community-wide event of general interest and sponsored by a noncommercial community group shall not exceed six square feet, nor shall they be displayed for longer than 3 consecutive days; allowable display time commencing one-

~~day prior to the event. Appearance and content of the banner are subject to Council review and approval. **Banners shall not be displayed in the Plaza horseshoe lawn.** Methods of supporting the banner and location in the Plaza are subject to review and approval by the Public Works Administrator or his or her designee.~~

Banner Design and Fabrication Guidelines

- Banner schematic to be submitted and reviewed along with event application.
- The banner is to be sized compatible with the Historic Directory Sign policy.
- The banner is to be fabricated using marine acrylic, canvas, or other environmentally-friendly material.
- The banner may be displayed beginning the Monday prior to the event and must be removed the last day of the event.
- Banner installation shall be completed by City staff.

8. Minimum Contributions

~~For events that are sponsored by a non-tax exempt organization (as defined in this policy) that anticipate any cash income from the event (as described in Section D(1)(b)(3)), sponsoring organizations must donate a minimum of 40% of the gross proceeds from the event to one or more locally based non-profit organizations. The amount of donation to each specified non-profit beneficiary must be submitted at the post event review meeting.~~

~~Should a sponsoring organization wish to provide donation to a designated non-profit recipient other than a locally based non-profit organization, those donations must be channeled through a locally based non-profit organization, such as the American Red Cross Sonoma Chapter, or other such organization approved by the CSEC.~~

~~**Conditions of approval of subsequent years' events may be affected by the organization's failure to provide the required information regarding the 40% donation to non-profit beneficiaries, which failure may also constitute grounds for denial of future years' event permits. A copy of non-profit IRS form 990 or equivalent shall be required with subsequent year's Special Event Application submittal.**~~

9. Limitations on the Sale of Wholesale Purchased Arts and Crafts

~~Arts and crafts sold at special events shall not be purchased wholesale and then sold retail at the event.~~

10. Proof of Insurance

~~Proof of insurance shall be provided at least one week prior to the commencement of any event.~~

~~No event shall commence set up or delivery of event supplies, materials, or equipment without required insurance documents submitted and verified by the City Clerk to meet all City requirements.~~

101. Business Licenses and Sales Tax

~~Every vendor or exhibitor participating in an event is required to obtain a City of Sonoma business license, as provided in Title 5 of the Sonoma Municipal Code.~~

~~Sponsoring organizations are required to cooperate with the City in assuring compliance with the City's business license requirements, for example, by providing lists of vendors and exhibitors upon request by the City.~~

~~Sponsoring organizations shall cooperate with the City in programs to assure that all taxable retail sales occurring at events are reported as taking place within the City.~~

127. Public Access to City Facilities During Events

Special Events shall not exclude the public from the general use of any park or public property or charge an entry fee to any city park or public property during the course of the event. Fees may be charged for event participation.

8. Food Vendors

Barbeques shall not be located adjacent to the City Hall building in an attempt to prohibit smoke fumes from entering the building and grease from damaging the exterior stone of the building.

9. Reserved Street Parking

Event applicants may request reserved on-street parking in conjunction with a Plaza event with the submittal of a Permit Application for Reserved Street Parking and shall be consistent with the applicable fee schedule. The CSEC or Special Event Coordinator shall make a recommendation to the Streets Supervisor as to the maximum number of parking spaces to be reserved.

**CITY OF SONOMA
SPECIAL EVENTS POLICY**

APPENDIX B

**DEPOT PARK
RESTRICTIONS, REQUIREMENTS AND GUIDELINES**

The following restriction, requirements and guidelines apply to all special events conducted at Depot Park.

1. Limitations on the number and frequency of events and on event activities

- a. Events exceeding eight hours in duration (including set-up and take-down time) shall not be scheduled in the Depot Park on successive weekends between June 1 and October 1 of any given year.
- b. In order to minimize compaction and damage to the Depot Park landscape during the wet season, Special Events shall be restricted to paved areas of the Depot Park from and including November through May. Small scale events, as defined in this policy, may be allowed to use lawn area during the wet season.
- c. The number of Special Events held in the Depot Park is limited to twenty-five events per year. The Farmers Market events shall be counted as one event.

2. Signage

A Banner advertising the event will be allowed in the Depot Park only with the approval of the CSEC. Banners shall not exceed six square feet, nor shall they be displayed for longer than the duration of the event; allowable display time commencing with the first day of the event. Appearance and content of the banner are subject to CSEC review and approval. Methods of supporting the banner and location in the Depot Park are subject to review and approval by the Public Works Administrator or his or her designee.

~~3. Duration and Hours of Operation~~

- ~~a. No Special Event shall exceed a maximum of 72 hours, including set-up and take-down time. The CSEC shall have the discretion to place specific time limits on any event through its review of event applications within the total seventy-two hour limit.~~

~~**Should a Special Event exceed the 72 hour limit, event organizers shall be subject to a penalty charge to be established by the City Council by resolution. In addition, conditions of approval of subsequent years' events may be affected by the organization's failure to observe the 72-hour limit, which failure also may constitute grounds for denial of future years' event permits.**~~

- ~~b. With the approval of the CSEC, the "Salute to the Arts" event may be permitted to use the Depot Park for up to a maximum of 96 hours, including set-up and take-down time.~~

4. Restroom Facilities

All events utilizing public restrooms shall be required to provide restroom monitors to ensure that no vandalism occurs during the course of the event and that restrooms are vacated, ~~and locked~~, cleaned, and resupplied at the close of the event. Event Sponsors shall be responsible for cleaning and supplying restrooms. Restrooms shall be monitored and cleaned (if necessary) at least once per hour during the event.

5. Solid Waste and Recycling

~~All event applicants are required to submit a recycling and solid waste plan that minimizes the production of solid waste, provides for convenient recycling containers for event attendees and for event participants/vendors/etc., that provides for a sufficient number of trash receptacles for non-recyclable waste and that assures that the venue is returned to a trash-free and sanitary condition for use by the general public. Helpful hints for event planners will be provided as part of the special event application packet.~~

6. Noise

Amplified music shall normally cease no later than 10:00 PM; however, the CSEC shall have the authority to extend the time through the application review process if circumstances warrant an extension.

7. Banners

~~With approval of the Sonoma City Council, a banner may be displayed on the Plaza to advertise Special Events held at the Plaza or at other locations in the City. Banners advertising a community-wide event of general interest and sponsored by a noncommercial community group shall not exceed six square feet, nor shall they be displayed for longer than 3 consecutive days; allowable display time commencing one day prior to the event. Appearance and content of the banner are subject to Council review and approval. Banners shall not be displayed in the Plaza horseshoe lawn. Methods of supporting the banner and location in the Plaza are subject to review and approval by the Public Works Administrator or his or her designee.~~

78. Minimum Contributions

~~For events that anticipate any cash income from the event (as described in Section D(1)(b)(3)), sponsoring organizations must donate a minimum of 40% of the gross proceeds from the event to one or more locally based non-profit organizations. The amount of donation to each specified non-profit beneficiary must be submitted at the post event review meeting.~~

~~Should a sponsoring organization wish to provide donation to a designated non-profit recipient other than a locally based non-profit organization, those donations must be channeled through a locally based non-profit organization, such as the American Red Cross Sonoma Chapter, or other such organization approved by the CSEC.~~

~~**Conditions of approval of subsequent years' events may be affected by the organization's failure to provide the required information regarding the 40% donation to non-profit beneficiaries, which failure may also constitute grounds for denial of future**~~

~~years' event permits. A copy of non-profit IRS form 990 or equivalent shall be required with subsequent year's Special Event Application submittal.~~

~~9. Limitations on the Sale of Wholesale Purchased Arts and Crafts~~

~~Arts and crafts sold at special events shall not be purchased wholesale and then sold retail at the event, except that the Sonoma City Council, may, in its discretion, grant an exception for limited sale of arts and crafts purchased wholesale and then sold retail at the event.~~

~~10. Proof of Insurance~~

~~Proof of insurance shall be provided at least one week prior to the commencement of any event.~~

~~No event shall commence set up or delivery of event supplies, materials, or equipment without required insurance documents submitted and verified by the City Clerk to meet all City requirements.~~

~~11. Business Licenses and Sales Tax~~

~~Every vendor or exhibitor participating in an event is required to obtain a City of Sonoma business license, as provided in Title 5 of the Sonoma Municipal Code.~~

~~Sponsoring organizations are required to cooperate with the City in assuring compliance with the City's business license requirements, for example, by providing lists of vendors and exhibitors upon request by the City.~~

~~Sponsoring organizations shall cooperate with the City in programs to assure that all taxable retail sales occurring at events are reported as taking place within the City.~~

~~12. Public Access to City Facilities During Events~~

~~Special Events shall not exclude the public from the general use of any park or public property or charge an entry fee to any city park or public property during the course of the event. Fees may be charged for event participation.~~

**CITY OF SONOMA
SPECIAL EVENTS POLICY**

APPENDIX C

**ALL VENUES OTHER THAN PLAZA PARK AND DEPOT PARK
RESTRICTIONS, REQUIREMENTS AND GUIDELINES**

The following restriction, requirements and guidelines apply to special events conducted at venues other than Plaza Park and Depot Park

1. Restroom Facilities

All events utilizing public restrooms shall be required to provide restroom monitors to ensure that no vandalism occurs during the course of the event and that restrooms are vacated ~~and~~, locked, cleaned, and resupplied at the close of the event. Event Sponsors shall be responsible for cleaning and supplying restrooms. Restrooms shall be monitored and cleaned (if necessary) at least once per hour during the event.

2. Solid Waste and Recycling

~~All event applicants are required to submit a recycling and solid waste plan that minimizes the production of solid waste, provides for convenient recycling containers for event attendees and for event participants/vendors/etc., that provides for a sufficient number of trash receptacles for non-recyclable waste and that assures that the venue is returned to a trash-free and sanitary condition for use by the general public. Helpful hints for event planners will be provided as part of the special event application packet.~~

3. Noise

Amplified music shall normally cease no later than 10:00 PM; however, the CSEC shall have the authority to extend the time through the application review process if circumstances warrant an extension.

4. Banners

~~With approval of the Sonoma City Council, a banner may be displayed on the Plaza to advertise Special Events held at the Plaza or at other locations in the City. Banners advertising a community-wide event of general interest and sponsored by a noncommercial community group shall not exceed six square feet, nor shall they be displayed for longer than 3 consecutive days; allowable display time commencing one day prior to the event. Appearance and content of the banner are subject to Council review and approval. Banners shall not be displayed in the Plaza horseshoe lawn. Methods of supporting the banner and location in the Plaza are subject to review and approval by the Public Works Administrator or his or her designee.~~

45. Minimum Contributions

~~For events that are sponsored by a non-tax exempt organization (as defined in this policy) that anticipate any cash income from the event (as described in Section D(1)(b)(3)), sponsoring organizations must donate a minimum of 40% of the gross proceeds from the event to one or~~

~~more locally based non-profit organizations. The amount of donation to each specified non-profit beneficiary must be submitted at the post event review meeting.~~

~~Should a sponsoring organization wish to provide donation to a designated non-profit recipient other than a locally based non-profit organization, those donations must be channeled through a locally based non-profit organization, such as the American Red Cross Sonoma Chapter, or other such organization approved by the CSEC.~~

~~**Conditions of approval of subsequent years' events may be affected by the organization's failure to provide the required information regarding the 40% donation to non-profit beneficiaries, which failure may also constitute grounds for denial of future years' event permits. A copy of non-profit IRS form 990 or equivalent shall be required with subsequent year's Special Event Application submittal.**~~

~~6. Limitations on the Sale of Wholesale Purchased Arts and Crafts~~

~~Arts and crafts sold at special events shall not be purchased wholesale and then sold retail at the event.~~

~~7. Proof of Insurance~~

~~Proof of insurance shall be provided at least one week prior to the commencement of any event.~~

~~No event shall commence set up or delivery of event supplies, materials, or equipment without required insurance documents submitted and verified by the City Clerk to meet all City requirements.~~

~~8. Business Licenses and Sales Tax~~

~~Every vendor or exhibitor participating in an event is required to obtain a City of Sonoma business license, as provided in Title 5 of the Sonoma Municipal Code.~~

~~Sponsoring organizations are required to cooperate with the City in assuring compliance with the City's business license requirements, for example, by providing lists of vendors and exhibitors upon request by the City.~~

~~Sponsoring organizations shall cooperate with the City in programs to assure that all taxable retail sales occurring at events are reported as taking place within the City.~~

~~**89. Public Access to City Facilities During Events**~~

~~Special Events shall not exclude the public from the general use of any park or public property or charge an entry fee to any city park or public property during the course of the event. Fees may be charged for event participation.~~

~~**910. Duration and Hours of Operation**~~

Hours of operation shall be established by the permitting authority based on the nature of the event and the nature of impacts on neighboring properties.

104. Other Conditions

- a. Other restrictions, requirements and guidelines for events at City venues other than Plaza and Depot Parks may be developed on a case by case basis during the application review to address specific impact or issues at such venues.
- b. Recommended conditions are identified through the staff review process; conditions for approval are moved forward with applications that require CSEC approval.
- c. As determined by the City Manager, event locations or new events that are unusually unique in nature may be subject to City Council approval.

DRAFT



CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 3A

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager/City Clerk

Agenda Item Title

Proclamation recognizing the Redwood Credit Union upon the occasion of their Grand Opening of the new Sonoma Branch.

Summary

On August 28, 2014, the Redwood Credit Union will celebrate the grand opening of a new, improved, full-service branch in the City of Sonoma, located at 500 West Napa Street, Suite 500 in the Sonoma Valley Center.

Cynthia Negri and Robert Friedman will be present to accept the proclamation.

Recommended Council Action

Mayor Rouse to present the proclamation.

Alternative Actions

N/A

Financial Impact

N/A

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

Proclamation

Alignment with Council Goals:

N/A

cc: R. Friedman via email

City of Sonoma



Proclamation

REDWOOD CREDIT UNION GRAND OPENING

WHEREAS, August 28, 2014 marks a milestone for Redwood Credit Union as it celebrates the grand opening of a new, improved, full-service branch in the City of Sonoma, located at 500 West Napa Street, Suite 500 in the Sonoma Valley Center; and

WHEREAS, Redwood Credit Union has a strong history of supporting the Sonoma community, including its ongoing grand sponsorship of the annual Sonoma City Party; and

WHEREAS, Redwood Credit Union was founded in 1950 by seven employees of the County of Sonoma and today is the second-largest local financial institution in Sonoma County, providing jobs for more than 400 residents in the North Bay while serving over 237,000 Members; and

WHEREAS, Redwood Credit Union is a full-service financial institution that provides Members with affordable ways to achieve their hopes and dreams; and

WHEREAS, The Sonoma branch management team brings an abundance of experience and local community involvement while also providing exceptional service; and

WHEREAS, Redwood Credit Union is committed to the Sonoma community, to sustainability and to financial education. With its support, Sonoma will continue to have a strong financial services partner whose mission is to passionately serve the best interests of its Members, employees and the local community.

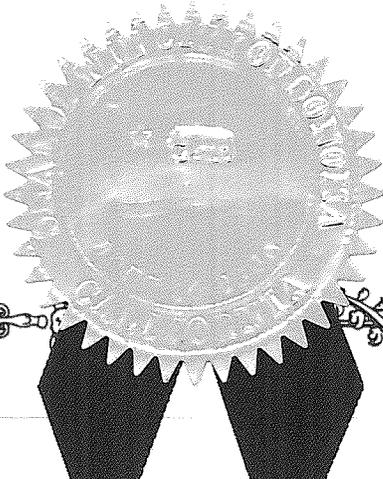
NOW THEREFORE, I, TOM ROUSE, Mayor of the City of Sonoma, in recognition of this important milestone, do hereby recognize

Redwood Credit Union

for its ongoing efforts to maintain and improve Sonoma and the Sonoma Valley.

IN WITNESS WHEREOF, I hereby set my hand and cause the seal of the City of Sonoma to be affixed this 18th day of August 2014.

Tom Rouse, Mayor





CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 3B

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager/City Clerk

Agenda Item Title

Proclamation recognizing the Sonoma League for Historic Preservation upon their 45th anniversary

Summary

The Sonoma League for Historic Preservation, founded in 1969, is celebrating its 45th anniversary. The mission of the League is to educate, promote interest in, and advocate for the preservation of historic buildings, neighborhoods, and landscapes in the City of Sonoma and Sonoma Valley.

The League maintains the Henri Maysonnave House and the General Joseph Hooker House where over the years tens of thousands of visitors have enjoyed free access to numerous exhibits telling the story of our historic City of Sonoma and Sonoma Valley.

Recommended Council Action

Mayor Rouse to present the proclamation.

Alternative Actions

N/A

Financial Impact

N/A

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

Proclamation

Alignment with Council Goals:

N/A

cc: R. Demler and B. Wimmer via email

City of Sonoma



Proclamation

45TH ANNIVERSARY OF THE SONOMA LEAGUE FOR HISTORIC PRESERVATION

Whereas, the Sonoma League for Historic Preservation, founded in 1969, continues to maintain both the Henri Maysonnave House and the General Joseph Hooker House where over the years tens of thousands of visitors have enjoyed free access to numerous exhibits telling the story of our historic City of Sonoma and Sonoma Valley; and

Whereas, the mission of the Sonoma League for Historic Preservation is to educate, promote interest in, and advocate for the preservation of historic buildings, neighborhoods, and landscapes in the City of Sonoma and Sonoma Valley; and

Whereas, the society is committed to preserving all things historical pertaining to the City of Sonoma and Sonoma Valley including its rich pioneer, architectural and events history; and

Whereas, hundreds of local residents have devoted thousands of hours as docents and volunteers sustaining the operations of the Henri Maysonnave House and the General Joseph Hooker House and the multifaceted mission of the Sonoma League for Historic Preservation; and

Whereas, in effecting its mission, the Sonoma League for Historic Preservation:

- Encourages preservation and restoration of historic documents as well as historic structures and their cultural landscape;
- Encourages responsible design for new construction if proposed to be in a historically significant cultural landscape;
- Promotes surveys and studies that support historic preservation within the City of Sonoma and Sonoma Valley;
- Produces and make available relevant materials to support and promote historic preservation;
- Supports individuals and organizations that are actively engaged in historic preservation, especially for educational purposes.

Whereas, the Sonoma League for Historic Preservation is celebrating its 45th anniversary and now is the time to recognize the unique and valuable contribution its members and the Maysonnave and the Hooker Houses make to the Sonoma community as well as to the county, the state, the nation and beyond.

NOW, THEREFORE, I, Tom Rouse, Mayor of Sonoma, do hereby congratulate the

SONOMA LEAGUE FOR HISTORIC PRESERVATION

in celebrating 45 years of existence, and extend best wishes for continued success in the name of Sonoma's history and its preservation.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Sonoma to be affixed this 18th day of August 2014.

Tom Rouse, Mayor





CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 4B

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager/City Clerk

Agenda Item Title

Approval of the Minutes of the July 21 and August 7, 2014 City Council meetings.

Summary

The minutes have been prepared for Council review and approval.

Recommended Council Action

Approve the minutes.

Alternative Actions

Correct or amend the minutes prior to approval.

Financial Impact

N/A

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

Minutes

Alignment with Council Goals: N/A

cc: N/A

**CONCURRENT REGULAR MEETINGS OF THE
SONOMA CITY COUNCIL
&
SONOMA CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE
DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY**

**Community Meeting Room, 177 First Street West
Sonoma CA 95476**



**Monday, July 21, 2014
6:00 p.m.**

MINUTES

City Council
Tom Rouse, Mayor
David Cook, Mayor Pro Tem
Steve Barbose
Ken Brown
Laurie Gallian

OPENING

Mayor Rouse called the meeting to order at 6:00 p.m. Rebecca Hermosillo led the Pledge of Allegiance.

CITY COUNCILMEMBERS PRESENT: Barbose, Brown, Cook, Gallian and Mayor Rouse.

OTHERS PRESENT: City Manager Giovanatto, Assistant City Manager/City Clerk Johann, Assistant City Attorney Nebb, Planning Director Goodison, Finance Director Hilbrants, Public Works Director Takasugi and Development Services Director Wirick.

1. COMMENTS FROM THE PUBLIC

David Eicher asked the City Council to address the issues of water conservation and the Police Chief's previously stated concerns related to Type 42 ABC licenses.

Rachel Hundley commented on the recent Malaysia Airline tragedy and the Sonoma team that participated in the Aids Walk.

Rosemarie Pedranzini expressed unhappiness with Councilmember Brown related to a conversation he had with the hospital CEO.

2. COUNCILMEMBERS' COMMENTS AND ANNOUNCEMENTS

Item 2A: Councilmembers' Comments and Announcements

Mayor Rouse dedicated the meeting in the memory of his brother-in-law David Motta and stated he had been one of the kindest men in the world. Clm. Brown dedicated the meeting to beloved friend and local musician David Ian Robbins. Clm. Gallian announced she would be on vacation during the Council's summer break but would be accessible by phone. Clm's. Cook and Brown announced their office hours and Clm. Barbose stated he was always available by phone.

3. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF

City Manager Giovanatto reported that on July 15 the State Water Resources Control Board adopted an emergency regulation to ensure water agencies, their customers and state residents increase

water conservation in urban settings or face possible fines or other enforcement. Staff will be bringing a resolution enacting Stage 2 water conservation measures to Council at the August 18 meeting.

4. PRESENTATIONS

Item 4A: Proclamation Honoring the Sonoma Valley Volunteer Firefighters' Association in Recognition of Over Thirty-Five Years of Presenting the Annual 4th of July Fireworks Display

Mayor Rouse read aloud a proclamation recognizing the many years of service by the Sonoma Valley Volunteer Firefighters' Association in putting on the annual 4th of July fireworks display. President Tom Deely thanked the Council and the community for their support. He stated that Sonoma's was probably the only fireworks display in California totally funded by private contributions. Rebecca Hermosillo, Constituent Services Representative for Congressman Mike Thompson, also presented a certificate of appreciation to the men.

Item 4B: Proclamation Recognizing Lexy Fridell

Mayor Rouse read aloud a proclamation recognizing local talent Lexy Fridell and congratulated her on her success in theater.

5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL

Item 5A: Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only.

Item 5B: Approval of the Minutes of the July 7, 2014 City Council Meeting.

Item 5C: Adoption of a resolution approving the granting of an easement to Pacific Gas and Electric Company (PG&E) for overhead utility line facilities to serve the Maysonnave Cottage located at 289 First Street East, Sonoma. (Res. 35-2014)

Item 5D: Adopt resolution approving the Final Parcel Map for the 2-lot Parcel Map at 1151 Broadway known as Parcel Map No. 440. (Res. No. 36-2014)

Item 5E: Authorization to execute and file a Notice of Completion for the Sonoma City Hall Bell Tower Repair Project.

Item 5F: Approval of a Resolution of the City Council of the City of Sonoma Authorizing Investment of Monies in the Local Agency Investment Fund. (Res. No. 39-2014)

Item 5G: Approval of the allocation of free days use at the Sonoma Veteran's Memorial Building as requested by the American Legion Jack London Post #489 (Dance for the Troops), American Legion Jack London Post #489 (Sonoma Bar Battle), Native Sons of the Golden West (Surf & Turf Dinner), Valley of the Moon Amateur Radio Club (Hamfest), and Historic Parks Association (Volunteer Appreciation Dinner).

Item 5H: Approval of a Resolution titled "Credit Card Participant's Non-Profit Organization Resolutions" for Participation in Merchant Banking Services with West America Bank. (Res. No. 37-2014)

Mayor Rouse announced that he would recuse from voting on Item 5D because he owned the subject property. The public comment period was opened and closed with none received. It was moved by Clm. Barbose, seconded by Clm. Cook, to approve the consent calendar as presented. The motion carried unanimously, Rouse absent for item 5D.

6. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY

Item 6A: Approval of the portions of the Minutes of the July 7, 2014 City Council meeting pertaining to the Successor Agency.

The public comment period was opened and closed with none received. It was moved by Clm. Gallian, seconded by Clm. Barbose, to approve the consent calendar as presented. The motion carried unanimously.

7. PUBLIC HEARING

Item 7A: Discussion, consideration, and possible action on a draft amendment to the Management Plan for the Montini Preserve to allow leashed dogs on trails with the Preserve, including consideration of a resolution adopting an initial study/mitigated negative declaration and making findings as required under the California Environmental Quality Act.

Planning Director Goodison reported that on May 19, 2014, the City Council conducted a preliminary review of a draft amendment to the Management Plan for the Montini Preserve that would have the effect of allowing leashed dogs on trails within the Preserve. Accompanying the amendment was a draft initial study, prepared to evaluate the potential environmental effects of the amendment and identify any needed mitigation measures. With a vote of 4-1, Councilmember Rouse dissenting, the Council directed staff to circulate the initial study for review and comment. In accordance with the requirements of the California Environmental Quality Act (CEQA), the initial study was circulated for review and the agency comment period closed. The initial study, along with all of the comments received, was now before the City Council for consideration along with the Management Plan amendment itself. As required by CEQA, the City Council must complete the environmental review process before it can take action to forward the amendment to the Management Plan to the Open Space District. The initial study concluded that the potentially significant impacts associated with the proposed amendment could be reduced to less than significant levels with the implementation of identified mitigation measures. If the City Council concurred with that finding, the Council could adopt a mitigated negative declaration. It should be noted that a number of commentators took issue with that finding and the Council should weigh these comments in its decision making process. All written comments received on the initial study had been provided in the agenda packet.

Goodison went on to report that the amendment process was separate from the ultimate action that the Council would need to take to authorize dogs on trails within the preserve. The amendment of the Management Plan would give the Council the option, but would not in itself institute any change, which could only occur through an amendment to the Municipal Code. The issue of western access represented a complicating factor, since the portion of the trail that connected to Fourth Street West crossed the Vallejo Home State Park, as allowed by a revocable license. Under State law, dogs were prohibited on trails within State Parks and the District Superintendent had stated that regardless of any mitigation measures that the City may propose, if leashed dogs were allowed on trails within the Montini Preserve, the agreement allowing access though the State Parks property would be terminated. The Recreation Covenant between the Open Space District and the City required that, in the event the connection through the State Parks property was lost, the City would design and implement an alternative western access route within five years. This could be accomplished by developing a trail segment on the pasture property or by working with State Parks to implement a lot line adjustment that would enable the existing western access to be retained. With regard to the lot-line adjustment concept, State Parks had emphasized that even if this option were available, it would take a considerable amount of time to implement, with no guaranteed outcome. All costs associated with this process would be borne by the City.

Planning Director Goodison stated that staff's recommended action was that the City Council adopt the resolution making findings for a mitigated negative declaration and forward the draft amendment along with any revisions deemed necessary by the Council to the Open Space District for review and consideration of adoption.

Mayor Rouse invited comments from the public. The following persons spoke in favor of moving ahead with the process to allow leashed dogs on the Montini Preserve: Rich Lee, Ellen Brandley, Jennifer Hainstock, Rachel Hundley (but only for a trial period), and Bob Edwards. The following persons did not support allowing dogs on the Montini Preserve: Fred Allebach, Lynn Clary, Lisa Summers, Jacqueline Sawyer, Joanna Kemper, and Rosemarie Pedranzini. When there were no other persons wishing to speak Mayor Rouse closed the public comment portion of the hearing.

Clm. Barbose stated that those who were against allowing dogs on Montini were ignoring all the other agencies and parks that allow dogs. He felt the proposed mitigation measures were adequate and the Council would have the opportunity to correct any problems at a later date. It was moved by Clm. Barbose, seconded by Clm. Brown, to adopt the resolution entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA ADOPTING AN INITIAL STUDY/MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM, PREPARED IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING FOR SUBMISSION TO THE SONOMA COUNTY AGRICULTURAL PRESERVATION AND OPEN SPACE DISTRICT AN AMENDMENT TO THE MONTINI OPEN SPACE PRESERVE MANAGEMENT PLAN. The motion carried four to one, Mayor Rouse dissenting.

RECESS: The meeting recessed from 7:20 to 7:27 p.m.

8. REGULAR CALENDAR – CITY COUNCIL

Item 8A: Discussion, Consideration and Possible Action on the Sonoma Valley Health and Recreation Association Request for Funding for the Community Swimming Pool Property Purchase.

Mayor Rouse announced that he and Clm. Brown were Boardmembers for the Sonoma Valley Health and Recreation Association and would have to recuse themselves. Assistant City Attorney Nebb explained that their conflict was a common law conflict that dealt with participation in contracts and unlike other types of recusals; the Mayor and Clm. Brown were not required to leave the room during the discussion of the item. Mayor Rouse handed the gavel to Mayor Pro Tem Cook and he and Clm. Brown stepped down from the dais.

City Manager Giovanatto reported that the City Council had supported the concept of a community swimming pool for several years and had made it a stated Goal of the Council since 2009 to "Support a Community Swimming Pool facility". In 2011, Council took a more formalized approach in appointing (current) Mayor Rouse and Councilmember Brown as liaisons to the SVHRA to monitor the progress of discussions on the development of an aquatic center. The most recent progress by the SVHRA was the potential purchase of the property known as "Paul's Resort" located on Verano Avenue which required that fund-raising efforts meet an estimated \$1.7M to close escrow by August 19. SVHRA submitted a request for funding in the amount of \$500,000 to complete the first phase of funding level necessary to close escrow on the property. This amount represented slightly less than 5% of the estimated total project cost of \$10-12 million. Giovanatto then described several funding options Council could utilize if they chose to provide funding to the group.

Mayor Pro Tem Cook invited comments from the public. Paul Favaro, SVHRA President, stated the importance of having a community swimming pool and that they felt this was the perfect location. He stated that they were a 501 (c)(3) non-profit organization. Their approach would be to design a facility

that would allow partnerships with commercial user groups such as a co-located health club facility. He stated they were approximately \$500,000 short of reaching the \$1.5 million necessary to close escrow on the property and were asking the City for a loan in that amount secured by a deed of trust and forgivable after five years based on continued progress and operation. He stated they had received favorable responses and pledges of support from Sonoma County and its various departments.

The following persons spoke in favor of approving the request for funding: David Eichar, Jennifer Hainstock, Jack Wagner, Carol Engleward, Madolyn Agrimonti, Cheryl Baldwin, Rosemarie Pedranzini, Sam Curtari, Fred Alleback, Valerie Codin, and Cynthia Leonard. Rachel Hundley supported the idea and stated that the Council needed to ensure it was a sound investment based on a financial plan backed by investors. Bob Edwards spoke in favor of a pool and would like to see their financial plan. He suggested that instead of giving them \$500,000 the Council should consider funding admission fees for City residents, which would provide a steady revenue source to help with ongoing expenses. John Kelly supported the pool but thought it should be under City control.

CIm. Barbose stated that it was easy to get excited about a swimming pool but he wanted to be a good steward of the City's money. He and CIm. Cook met with SVHRA Attorney Michael Woods and reached agreement on terms that would address his concerns as well as address their needs. He suggested that the City provide a fifteen year no interest no payment loan secured by a Second Deed of Trust and backed by personal guarantees. Half of the loan could be forgiven based on them providing scholarships or fee waivers for City residents and a future Council could determine what to do about the other half.

CIm. Gallian stated that without a sustainable business plan she was not willing to "build it just to wait for them to come". Using \$500,000 from reserves brought up lots of questions for her. For instance who would be next in line seeking a contribution, where were the matching partnerships? She expressed concern about not having financial details about the project, redevelopment contracts for which funding would be ending, and the City's overall financial future.

Mayor Pro Tem Cook stated he had mixed feelings on the matter but he wanted to see the City be a part of the project. A lengthy discussion ensued between Councilmembers, Attorney Nebb and Attorney Woods regarding potential elements of the loan agreement.

RECESS: The meeting recessed from 8:51 to 8:56 p.m.

Mayor Pro Tem Cook called the meeting back to order. Attorney Nebb stated that staff suggested bringing this matter back to Council to review the loan documents at a Special Meeting on August 7 at 6:00 p.m. held in the Emergency Operations Center. It was moved by CIm. Barbose, seconded by CIm. Gallian, to direct staff to draw up the documents pursuant to their discussion and bring them back for Council review on August 7. The motion carried unanimously, Rouse and Brown absent.

Item 8B: Discussion, consideration and possible action regarding designation of the voting delegate and alternate for the 2014 League of California Cities Annual Conference.

City Manager Giovanatto reported that the League of California Cities 2014 Annual Conference would be held September 3-5, 2014 at the Los Angeles Convention Center. An important part of the conference is the annual business meeting scheduled for noon on Friday September 5. At that meeting, representatives from each city consider and take action on resolutions that establish League policy. In order for the City of Sonoma to cast a vote at the September 5 annual business meeting, the City Council must designate a Voting Delegate and up to two Alternates. Councilmembers discussed this briefly and determined that none of them would be attending the conference.

Item 8C: Discussion, consideration and possible action regarding a proposed change or changes to the City Council agenda format, requested by Mayor Rouse.

Mayor Rouse stated that he would like to streamline the agenda by moving the first Council Comment section down and incorporate it with the Council Reports and Final Remarks section on the agenda. Discussion ensued and Council reached unanimous consensus to combine the Councilmember comment sections and to move the City Manager Report after Councilmember Comments at the end of the agenda.

9. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY

10. COUNCILMEMBERS’ REPORTS AND FINAL REMARKS

Item 10A: Reports Regarding Committee Activities.

CIm. Barbose reported attendance at the Sonoma County Waste Management Authority meeting.

CIm. Brown reported he and Mayor Rouse had interviewed excellent candidates for the Community Services and Environment Commission.

CIm. Gallian reported on the Sonoma County Transportation Agency and Regional Climate Protection Authority, the Tourism Improvement District and the Visitor Bureau meetings.

Item 10B: Final Councilmembers’ Remarks.

CIm. Barbose stated it was exciting to move forward on the pool project. CIm. Cook stated he would be attending this 30th class reunion and CIm. Gallian announced the City Party on July 29.

11. COMMENTS FROM THE PUBLIC

Rachel Hundley said she would have a Council Candidate table at Farmers Market.

12. ADJOURNMENT

The meeting was adjourned at 9:24 p.m. in the memory of David Motta and David Ian Robbins.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma City Council on the day of 2014.

Gay Johann
Assistant City Manager / City Clerk

**SPECIAL MEETING OF THE
SONOMA CITY COUNCIL**

Emergency Operations Center, 175 First Street West
Sonoma CA 95476



Thursday August 7, 2014
6:00 p.m.

City Council
Tom Rouse, Mayor
David Cook, Mayor Pro Tem
Steve Barbose
Ken Brown
Laurie Gallian

MINUTES

OPENING

Mayor Pro Tem Cook called the meeting to order at 6:00 p.m. David Bolling led the Pledge of Allegiance.

CITY COUNCILMEMBERS PRESENT: Barbose, Gallian and Mayor Pro Tem Cook.

ABSENT: Mayor Rouse and Councilmember Brown

OTHERS PRESENT: City Manager Giovanatto, Assistant City Manager/City Clerk Johann, Assistant City Attorney Nebb.

Assistant City Attorney Nebb announced that she had received confirmation from the State Attorney General's office that because they are on the Board of Directors for Sonoma Splash, Mayor Rouse and Councilmember Brown did have a conflict of interest and could not participate in discussion of the issue at hand.

1. REGULAR CALENDAR – CITY COUNCIL

Item 1A: Discussion, consideration and possible action to provide direction to staff and/or approve a Loan Agreement, Promissory Note, Deed of Trust and Guarantee relating to the request from the Sonoma Valley Health and Recreation Association for a loan for the development of a pool facility.

City Manager Giovanatto opened the discussion and requested Assistant City Attorney Nebb to update the Council on the progress that had been made in preparation of the drafting of the necessary loan and security documents.

Assistant City Attorney Nebb stated that a loan agreement, a deed of trust, a note, and an environmental agreement had been drawn up but were not yet in final form and she was not expecting the City Council to take any action at this meeting. She explained the purpose of the environmental report and then led a very lengthy discussion with input from the City Councilmembers, SVHRA Attorney Michael Woods, and SVHRA President Paul Favaro regarding details of the loan agreement.

Mayor Pro Tem Cook invited comments from the public. Madolyn Agrimonti, SVHRA, suggested drawing up a memorandum of understanding or similar document.

DRAFT MINUTES

Loretta Carr expressed concern that because of the two recused Councilmembers it was possible that two Councilmembers, representing a majority of three, could be making a half a million dollar decision about City funds. She also stated concern about the nine to twelve residents that would be displaced as a result of the proposed development. Ms. Carr stated that because of the severe lack of affordable housing SVHRA should not do away with the housing units.

John Kelly stated that Calistoga tracks City residents using their pool and suggested they be contacted to find out the tracking method they use. He felt the scholarships should be available to all Sonoma Valley residents.

Jack Wagner confirmed with Attorney Nebb that three affirmative votes from the Council would be required to approve the loan.

2. COUNCILMEMBERS' COMMENTS & REPORTS

3. COMMENTS FROM THE PUBLIC

4. ADJOURNMENT

The meeting was adjourned at 7:40 p.m.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma City Council on the day of August 2014.

Gay Johann
Assistant City Manager / City Clerk



CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 4C

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager/City Clerk

Agenda Item Title

Approval of the allocation of free days use at the Sonoma Veteran's Memorial Building as requested by the Sonoma Community Center (Thanksgiving Dinner), Sonoma Community Center (Fashion Trashion), and Valley of the Moon Lions (Crab Feed).

Summary

As a benefit to the many non-profit, school, veterans and other local volunteer organizations the City allocates "free days" of use at the Sonoma Veteran's Memorial Building. These "free days" are made possible through an agreement the City has with the County of Sonoma. Pursuant to the agreement dated June 16, 2014, the City will receive fifteen "free days" of use at the Sonoma Veteran's Memorial Building in exchange for \$15,000 for fiscal year 2014/15.

A free day allocation allows a group use of the facility for up to twelve hours on the date of their event free of charge as long as the building is left clean and is secured upon departure. All use of the facility is subject to the terms and conditions of the County's standard use agreement for the building. Groups are required to provide a refundable security and cleaning deposit at the time of booking.

Per the terms of the 2014/15 agreement, ten of the City's free days were for weekend days (Friday 5 p.m. thru Sunday midnight), and five were for mid-week use. Free day events may not be held on a County-observed holiday or any day that the use would conflict with use of the building by a Veterans organization.

Staff is presenting three free day requests. If all are approved, the City will have two weekend free days and two weekday free days left for the remainder of the fiscal year.

Recommended Council Action

Approve the requests for free days.

Alternative Actions

Council discretion.

Financial Impact

\$15,000 has been included in the 2014/15 budget. \$1,000 is remitted to the County for each free day approved.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

Requests for free days (3)

Alignment with Council Goals:

Provide continuing leadership as elected officials and residents of the community by taking steps to assure a safe and vibrant community.

cc: Via email: Toni Castrone & Charles Bettinelli



SONOMA COMMUNITY CENTER

www.sonomacommunitycenter.org

July 18, 2014

Thursday

Sonoma City Council
#1 the Plaza
Sonoma, CA 95476

Re: Request for Free Day at the Veteran's Building

Dear Mayor Rouse and members of the City Council:

The Sonoma Community Center hereby requests the use of a City-subsidized day at the Veterans Building on November 27, 2014.

The use of the Veterans' Building is necessary for the annual free Thanksgiving Dinner produced by Sonoma Community Center. Because the Sonoma Community Center does not use the dinner as a fundraiser, the free use of the building is critical to the success of the event.

This dinner has taken place in Sonoma for decades, and over 450 dinners are served to a broad cross-section of Sonoma Valley residents.

Thank you for your attention to this request and for your continued support of the free Thanksgiving Dinner.

Sincerely,

Toni Castrone
Executive Director



SONOMA COMMUNITY CENTER

www.sonomacommunitycenter.org

July 18, 2014

Saturday

Sonoma City Council
#1 the Plaza
Sonoma, CA 95476

Re: Request for Free Day at the Veteran's Building

Dear Mayor Rouse and members of the City Council:

The Sonoma Community Center hereby requests the use of a City-subsidized day at the Veterans Building on April 18, 2015.

The use of the Veterans' Building is necessary for the Trashion Fashion Show produced by Sonoma Community Center. Because the Sonoma Community Center uses this event as a fundraiser, the free use of the building helps maximize the revenue earned to ensure the largest amount possible goes toward our programs.

Thank you for your attention to this request and for your continued support of the Trashion Fashion Show.

Sincerely,

Toni Castrone
Executive Director



Saturday

Sonoma City Council
City of Sonoma
#1 The Plaza
Sonoma, CA 95476

January 24, 2014

Subject: Veterans' Memorial Building
Rent Subsidy (Free Day) Application

Attn City Clerk: Gay Johann

For approximately 20 years, the Valley of the Moon Lions Club, Sonoma, (a 501-C-4 non-profit organization) has held a crab feed at the Veterans Memorial Building in Sonoma. This is our major fund raising event and we feed 330 people and it is annually on the last Saturday of February.

In the past, we have been included on a list of twenty applicants for use of the facility at the reduced rate of \$800.00+/-.

This last year, the new management of the building reduced the number of applicants for this *special rate* from twenty to ten applicants. We were not included in that group. Our fee increased to roughly \$3,200.

This charge that will seriously impact our donations to programs to which we are committed, ie: providing eye exams, eye glasses, surgery, if necessary for those in need, supporting the Mentoring alliance, Scouting, Little league, a scholarship program for deserving high school students, St. Francis CYO, Sonoma Valley Ed Foundation, etc.

It is our hope that, in some way, you may intercede for us with the management of the Veterans Memorial Building in Sonoma and get them to reconsider these new charges in favor of allowing us to continue to pay at the free day rate for next year, Saturday, February 28, 2015.

Sincerely,

Charles Bettinelli

Charles Bettinelli
Valley of the Moon Lions Club
Crab Fee Chairman

Gay Johann

From: Terry Leen <bnz2fr@yahoo.com>
Sent: Monday, July 21, 2014 4:16 PM
To: Gay Johann
Subject: May 2, 2015

Saturday

Gay,
Could you please put American Legion for a Sonoma free day at the Sonoma Veterans Bldg. Sonoma County GSA is aware of that date and has booked that date for American Legion. The purpose will be a fund raise. At this time no event name has been chosen but coincides with Kentucky Derby and be themed around that.

Thanks
Terrence P. Leen
Commander
American Legion Post #489
(707)337-1397



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 4D

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager / City Clerk

Agenda Item Title

Approval and ratification of the appointment of Fred Allebach to the Community Services and Environment Commission for a two-year term.

Summary

The Community Services and Environment Commission (CSEC) consists of nine members and one alternate who serve at the pleasure of the City Council. Of the nine members, one is designated as a representative of the youth in the community. Five of the members and the alternate must be City residents. Commissioners may serve for a total of eight years (Two-year term, Four-year term, Two-year term).

Mayor Rouse and Councilmember Brown interviewed several applicants July 21, 2014 and Mayor Rouse has nominated Fred Allebach for appointment to the CSEC for a two-year term ending August 18, 2016.

Recommended Council Action

Approve and ratify the appointment of Fred Allebach.

Alternative Actions

Council discretion.

Financial Impact

N/A.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

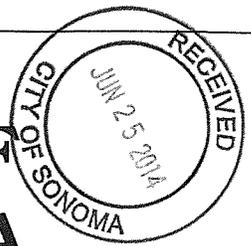
Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

1. Fred Allebach's application
-

cc: Fred Allebach, via email



CITY OF SONOMA

COMMISSION APPLICATION

NAME: Fred Allebach

ADDRESS: 19550 8th Street East Sonoma, CA 95476

MAILING ADDRESS: PO Box 351, Vineburg, CA 95487

CONTACT INFO (Please include daytime & evening phone numbers and email address):

707-935-3514

fallebach@gmail.com

COMMISSION OF INTEREST: CSEC

HAVE YOU EVER ATTENDED A MEETING OF THIS COMMISSION? yes HOW MANY? 1
plus: Tree Committee @ 6 meetings

If you are not selected for the commission listed above, would you be interested in serving on any of our other commissions? If so, please indicate which commission(s): Planning Commission

HOW MANY YEARS HAVE YOU RESIDED IN SONOMA? 8

PRESENT OCCUPATION: self employed handyman / house painter

EDUCATION

SCHOOL	MAJOR	GRADUATION DATE & DEGREE
<u>University of Illinois at Chicago</u>	<u>Anthropology</u>	<u>BA 1983</u>
<u>SRJC</u>	<u>History</u>	<u>AA 2011</u>

COMMUNITY SERVICE EXPERIENCE

ORGANIZATION	DATES SERVED	POSITION
<u>please see attached community service list</u>		

(Use additional paper if necessary)

OTHER RELEVANT EXPERIENCE OR EXPERTISE: _____

please see Letter of Interest & supporting materials

WHAT IS YOUR UNDERSTANDING OF THE ROLE AND RESPONSIBILITY OF THIS COMMISSION?

To assess & advise the council on local public land issues
and to review significant Playa use applications.

WHICH ACTIVITIES OF THIS COMMISSION INTEREST YOU THE MOST? parts, rec.

and public land use issues

WHICH ACTIVITIES INTEREST YOU THE LEAST? N/A

WHAT WOULD BE YOUR GOAL AS A COMMISSIONER? To be a productive,

thoughtful member contributing to a positive &
well-considered public process

WHAT DO YOU FEEL YOU COULD CONTRIBUTE TO SEE THESE GOALS REALIZED?

Desire & ability to engage, along with my
experience in public land issues.

PLEASE LIST TWO LOCAL REFERENCES AND THEIR PHONE NUMBERS:

please see list of references

SOME COMMISSION POSITIONS MUST BE FILLED BY A **QUALIFIED ELECTOR** OF THE CITY OF SONOMA. A QUALIFIED ELECTOR IS A PERSON WHO IS 1) A U.S. CITIZEN; 2) AT LEAST 18 YEARS OF AGE; AND 3) RESIDES WITHIN THE BOUNDARIES OF THE CITY OF SONOMA.

ARE YOU A QUALIFIED ELECTOR OF THE CITY OF SONOMA?

YES NO
for 1 & 2 for # 3

I DECLARE UNDER PENALTY OF PERJURY THE INFORMATION PROVIDED ON THIS APPLICATION IS TRUE AND CORRECT.

Fredrick C. Callahan

Applicant Signature

6/25/14

Date

All submitted applications are available for public inspection.

Return completed form to:
City Clerk
City of Sonoma
No. 1 The Plaza
Sonoma CA 95476



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 4E

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager / City Clerk

Agenda Item Title

Approval and ratification of the appointment of Mary Piasta-Valluzzo to the Community Services and Environment Commission for a two-year term.

Summary

The Community Services and Environment Commission (CSEC) consists of nine members and one alternate who serve at the pleasure of the City Council. Of the nine members, one is designated as a representative of the youth in the community. Five of the members and the alternate must be City residents. Commissioners may serve for a total of eight years (Two-year term, Four-year term, Two-year term).

Mayor Rouse and Councilmember Brown interviewed several applicants July 21, 2014 and Mayor Rouse has nominated Mary Piasta-Valluzzo for appointment to the CSEC as the Youth Representative for a two-year term ending August 18, 2016.

Recommended Council Action

Approve and ratify the appointment of Mary Piasta-Valluzzo.

Alternative Actions

Council discretion.

Financial Impact

N/A.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

1. Mary Piasta-Valluzzo application
-

cc: Mary Piasta-Valluzzo, via email



CITY OF SONOMA

COMMISSION APPLICATION



NAME: Mary Piasta-Valluzzo

ADDRESS: 1081 Robertson Rd, Glen Ellen 95442

MAILING ADDRESS: P.O. Box 1196, Glen Ellen 95442

CONTACT INFO (Please include daytime & evening phone numbers and email address):

415.596.3342

Mary@piasta-lawgroup.com

COMMISSION OF INTEREST: Community Service

HAVE YOU EVER ATTENDED A MEETING OF THIS COMMISSION? No HOW MANY? _____

If you are not selected for the commission listed above, would you be interested in serving on any of our other commissions? If so, please indicate which commission(s): Design Review,

Planning, Sonoma Valley Citizens Advisory

HOW MANY YEARS HAVE YOU RESIDED IN SONOMA? 4

PRESENT OCCUPATION: attorney

EDUCATION

SCHOOL	MAJOR	GRADUATION DATE & DEGREE
<u>USF</u>	<u>Law</u>	<u>J.D. / 2003</u>
<u>UC Davis</u>	<u>Political Science</u>	<u>B.A. / 1999</u>

COMMUNITY SERVICE EXPERIENCE

ORGANIZATION	DATES SERVED	POSITION
<u>Sonoma Mothers Club</u>	<u>2011-13</u>	<u>Board Member, Program</u>
<u>Sonoma Film Festival</u>	<u>2014</u>	<u>Volunteer w/ Dreamers & Heroes</u>
<u>Sonoma Index Tribune</u>	<u>2012 ish</u>	<u>Blogger re: Sonoma + Parenting</u>

(Use additional paper if necessary)

OTHER RELEVANT EXPERIENCE OR EXPERTISE: I have a background in
politics having served as former First Lady Sharron Davis' aide. Also
have lobbying experience as in law school I did so at UN Commis's
on Status of Women.

WHAT IS YOUR UNDERSTANDING OF THE ROLE AND RESPONSIBILITY OF THIS COMMISSION?

applying experience to bettering the community to
serve Sonoma.

WHICH ACTIVITIES OF THIS COMMISSION INTEREST YOU THE MOST?

looking at the use of the plaza

WHICH ACTIVITIES INTEREST YOU THE LEAST?

WHAT WOULD BE YOUR GOAL AS A COMMISSIONER? to apply my education,
training and expertise to serve the needs of
the Commission, Mr. Mayor and Sonoma.

WHAT DO YOU FEEL YOU COULD CONTRIBUTE TO SEE THESE GOALS REALIZED?

I am motivated, a self-starter and hard working.

PLEASE LIST TWO LOCAL REFERENCES AND THEIR PHONE NUMBERS:

Marck Zuehlendorf 707/933-3750 Evin Maue 415/308-9259

SOME COMMISSION POSITIONS MUST BE FILLED BY A **QUALIFIED ELECTOR** OF THE CITY OF SONOMA. A QUALIFIED ELECTOR IS A PERSON WHO IS 1) A U.S. CITIZEN; 2) AT LEAST 18 YEARS OF AGE; AND 3) RESIDES WITHIN THE BOUNDARIES OF THE CITY OF SONOMA.

ARE YOU A QUALIFIED ELECTOR OF THE CITY OF SONOMA?

YES

NO

I DECLARE UNDER PENALTY OF PERJURY THE INFORMATION PROVIDED ON THIS APPLICATION IS TRUE AND CORRECT.


Applicant Signature

6.25.14
Date

All submitted applications are available for public inspection.

Return completed form to:
City Clerk
City of Sonoma
No. 1 The Plaza
Sonoma CA 95476



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 4F

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager / City Clerk

Agenda Item Title

Approval and ratification of the appointment of Alice Liddell as the Alternate for the Community Services and Environment Commission for a two-year term.

Summary

The Community Services and Environment Commission (CSEC) consists of nine members and one alternate who serve at the pleasure of the City Council. Of the nine members, one is designated as a representative of the youth in the community. Five of the members and the alternate must be City residents. Commissioners may serve for a total of eight years (Two-year term, Four-year term, Two-year term).

Mayor Rouse and Councilmember Brown interviewed several applicants July 21, 2014 and Mayor Rouse has nominated Alice Liddell for appointment as the Alternate CSEC member for a two-year term ending August 18, 2016.

Recommended Council Action

Approve and ratify the appointment of Alice Liddell.

Alternative Actions

Council discretion.

Financial Impact

N/A

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

1. Alice Liddell's application
-

cc: Alice Liddell, via email

resident

1-14-14



CITY OF SONOMA

COMMISSION APPLICATION

NAME: Alice Liddell _____

ADDRESS: 268 Todd Ave, Sonoma, CA 95476 _____

MAILING ADDRESS: 268 Todd Ave, Sonoma, CA 95476 _____

CONTACT INFO (Please include daytime & evening phone numbers and email address):

917-566-2045 (day and evening phone), liddellalice@hotmail.com _____

COMMISSION OF INTEREST: Community Services & Environment Commission _____

HAVE YOU EVER ATTENDED A MEETING OF THIS COMMISSION? No ___ HOW MANY? NA ___

If you are not selected for the commission listed above, would you be interested in serving on any of our other commissions? If so, please indicate which commission(s): Yes, I would be interested in serving on either the Cultural and Fine Arts Commission (CFAC) or the Sonoma Valley Citizen's Advisory Commission.

HOW MANY YEARS HAVE YOU RESIDED IN SONOMA? 1 year. _____

PRESENT OCCUPATION: Environmental and Energy Consultant _____

EDUCATION		
SCHOOL	MAJOR	GRADUATION DATE & DEGREE
Columbia University, School of International and Public Affairs	Environmental Policy Studies and International Energy Management & Policy	2005, Master of Public Administration
Bowdoin College	Government and Environmental Studies	1999, A.B

COMMUNITY SERVICE EXPERIENCE		
ORGANIZATION	DATES SERVED	POSITION
Women's Environmental Network	2008-present	Board member since 2009 including President, Newsletter Co-Chair and At-Large Board member.
Junior League	2002-2013	Volunteer

(Use additional paper if necessary)

OTHER RELEVANT EXPERIENCE OR EXPERTISE: I have over 15 years in energy efficiency program implementation, and environmental and energy policy. Please see my attached resume for more information.

WHAT IS YOUR UNDERSTANDING OF THE ROLE AND RESPONSIBILITY OF THIS COMMISSION?

My understanding is that the Commission works to approve and coordinate events in Sonoma as well as to oversee progress on improving the City's natural resources and sustainability efforts. There are subcommittees to deal with specific issues such as transportation, community health, recreation, and trees. These subcommittees report out on their accomplishments during the regular commission meetings and meet throughout the month as needed.

WHICH ACTIVITIES OF THIS COMMISSION INTEREST YOU THE MOST? I am most interested in the Commission's Natural Resources and Sustainability subcommittee since I have the most expertise and passion in greenhouse gas reduction, water and energy conservation, and sustainability. I am also interested in the community health, recreation and open space sub-committee since I try to hike the overlook trail several times per week and I understand and appreciate the benefits that parks and open space have in making Sonoma a vibrant community.

I would love to help increase awareness and participation in Sonoma events occurring in parks and recreation areas.

WHICH ACTIVITIES INTEREST YOU THE LEAST? I am interested in all of the activities, meetings and responsibilities that are part of being on the Commission. Of all the sub-committees, I have the least knowledge about trees so that is the subcommittee I would have the least interest in participating in. That being said, I will participate in any subcommittee where I am needed and I am confident I could get up to speed quickly.

WHAT WOULD BE YOUR GOAL AS A COMMISSIONER? As a commissioner, my goal is to make sure Sonoma residents of all ages are aware of the work that the Commission does. I would also want to actively participate in increasing awareness and participation to the Climate Action 2020 planning process. I have attended the City of Sonoma Workshop on Climate Action 2020 and I want to raise awareness of what Sonoma residents can do to meet its sustainability goals.

WHAT DO YOU FEEL YOU COULD CONTRIBUTE TO SEE THESE GOALS REALIZED?

I would like to participate in the Climate Action 2020 planning process as a member of the Community Services & Environment Commission. I would like to write a few articles for the Sonoma Index Tribune to increase awareness on the Committee. I would also like to install a donation and suggestion box at the base of the Overlook Trail and provide better signage throughout the Trail.

PLEASE LIST TWO LOCAL REFERENCES AND THEIR PHONE NUMBERS:

Carl MacPetrie 707-321-2177
Amy Grimes 707-494-0498

SOME COMMISSION POSITIONS MUST BE FILLED BY A QUALIFIED ELECTOR OF THE CITY OF SONOMA. A QUALIFIED ELECTOR IS A PERSON WHO IS 1) A U.S. CITIZEN; 2) AT LEAST 18 YEARS OF AGE; AND 3) RESIDES WITHIN THE BOUNDARIES OF THE CITY OF SONOMA.

ARE YOU A QUALIFIED ELECTOR OF THE CITY OF SONOMA? YES NO

I DECLARE UNDER PENALTY OF PERJURY THE INFORMATION PROVIDED ON THIS APPLICATION IS TRUE AND CORRECT.

Alice E. Kiddlel
Applicant Signature

1/14/2014
Date

All submitted applications are available for public inspection.

Return completed form to:
City Clerk
City of Sonoma
No. 1 The Plaza
Sonoma CA 95476



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 4G

Meeting Date: 8/18/14

Department

Police

Staff Contact

Bret Sackett, Police Chief

Agenda Item Title

Adoption of Resolution Extending the Sonoma County Abandoned Vehicle Abatement Program

Summary

In 1990, the California Legislature enacted legislation allowing for the creation of county-based vehicle authorities, pursuant to the provision of Section 22710 VC. In 1995, the Sonoma County Abandoned Vehicle Abatement was formed and imposed a one dollar annual vehicle registration fee on vehicles registered to an owner with an address in the County of Sonoma. The City of Sonoma has participated in the program since it was created.

Vehicle registration fees are collected by the Department of Motor Vehicles and allocated to Sonoma County by the State Controllers Officer pursuant to 9250.7 VC. Fees are then allocated back to any Sonoma County city participating in the program. The Sonoma County Abandoned Vehicle Program must be renewed every 10 years.

The Sonoma County Abandoned Vehicle Abatement Authority has contributed over \$100,000 since its inception to support the investigation and removal of abandoned vehicles in the City of Sonoma. The current program is set to expire in 2015. New legislation allows the local service authorities to extend the program every 10 years with the approval of the County and a majority of the cities comprising a majority of the population of the incorporated areas. Adoption of the attached resolution is the first step towards the extension of this important program.

Recommended Council Action

Adopt a resolution supporting the extension of the Sonoma County Abandoned Vehicle Abatement Program for another 10 years.

Alternative Actions

1. Do not support the extension the Sonoma County Abandoned Vehicle Abatement Authority
-

Financial Impact

Upon approval, the City of Sonoma will continue to receive funding from the Sonoma County Abandoned Vehicle Authority.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

- Resolution
-

Alignment with Council Goals:

This item is consistent with Council goals of Fiscal Stability and Public Service

CITY OF SONOMA

RESOLUTION NO. __ - 2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA IN SUPPORT OF THE EXTENSION OF THE SONOMA COUNTY ABANDONED VEHICLE ABATEMENT AUTHORITY THROUGH 2025

WHEREAS, the Sonoma County Abandoned Vehicle Abatement Authority was formed in 1995; and

WHEREAS, the City Council adopted Resolution 65-94 in August 1994 supporting the establishment of the Sonoma County Abandoned Vehicle Abatement Authority; and

WHEREAS, the City Council adopted Resolution 61-2004 in October 2004 supporting the extension of the Sonoma County Abandoned Vehicle Abatement Authority; and

WHEREAS, the Sonoma County Abandoned Vehicle Abatement Authority has contributed over \$100,000 since its inception to support the investigation and removal of abandoned vehicles in the City of Sonoma; and

WHEREAS, the Sonoma County Abandoned Vehicle Abatement Authority is set to expire in 2015; and

WHEREAS, new legislation allows for an extension of the program with the approval of the county and the majority of the cities comprising a majority of the population of the incorporated areas; and

WHEREAS, the City Council finds it is beneficial and desirable to the City of Sonoma to have the program continued.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sonoma hereby supports the extension of the program until 2025.

ADOPTED this 18th day of August 2014 by the following vote:

AYES:
NOES:
ABSENT:

Tom Rouse, Mayor

ATTEST:

Gay Johann
Assistant City Manager / City Clerk



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 4H

Meeting Date: 08/18/2014

Department

Public Works

Staff Contact

Dan Takasugi, Public Works Director/City Engineer

Agenda Item Title

Adoption of Plans and Specifications and Award of Contract to Argonaut Constructors, lowest responsible bidder, for the 2014 Road Rehabilitation and Water Services Replacement Project No. 1401 in the amount of \$736,823.50.

Summary

Proposed work consists of street rehabilitation and improvements, including edge grinding/conform grinding, digout and repair of localized pavement failures prior to asphalt overlay, and full width grinding and removal and replacement of existing asphalt pavement, placing paving mat, demolishing and removing existing concrete curb, gutter and sidewalk and/or residential driveway, replacing pavement markings and striping, adjusting utility structures to grade, repairing miscellaneous concrete curb and gutter, sidewalk and driveway, upgrading existing pedestrian curb ramps for ADA compliance, removing and replacing 1-inch and 2-inch water services, including trenching, shoring, installation, backfill and surface restoration, temporary traffic control, storm water pollution control, and other related work, as set forth on the project Plans and Specifications. Plans and Specifications may be viewed on the City's online plan room at:

www.blueprintexpress.com/sonomacity

Seven bids were received and are summarized in Table 1 on the following page. In accordance with the guidelines in City Purchasing Policy No. 2.1, the City Manager is authorized to approve contract change orders of up to 20 percent of the base bid amount.

Recommended Council Action

It is recommended that Council: a) Adopt the Plans and Specifications for the 2014 Road Rehabilitation and Water Services Replacement Project No. 1401, and b) Accept the bids and award the contract to Argonaut Constructors, the lowest responsible bidder, for \$736,823.50.

Alternative Actions

Council discretion.

Financial Impact

The Council approved funding for the 2014 Road Rehabilitation and Water Services Replacement Project in the FY14/15 CIP Budget. 75% will be funded from the General Fund and 25% funded from the Water Enterprise Fund. A construction contingency, construction management/inspection, and geotechnical services are to be funded within the project budget.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Alignment with Council Goals:

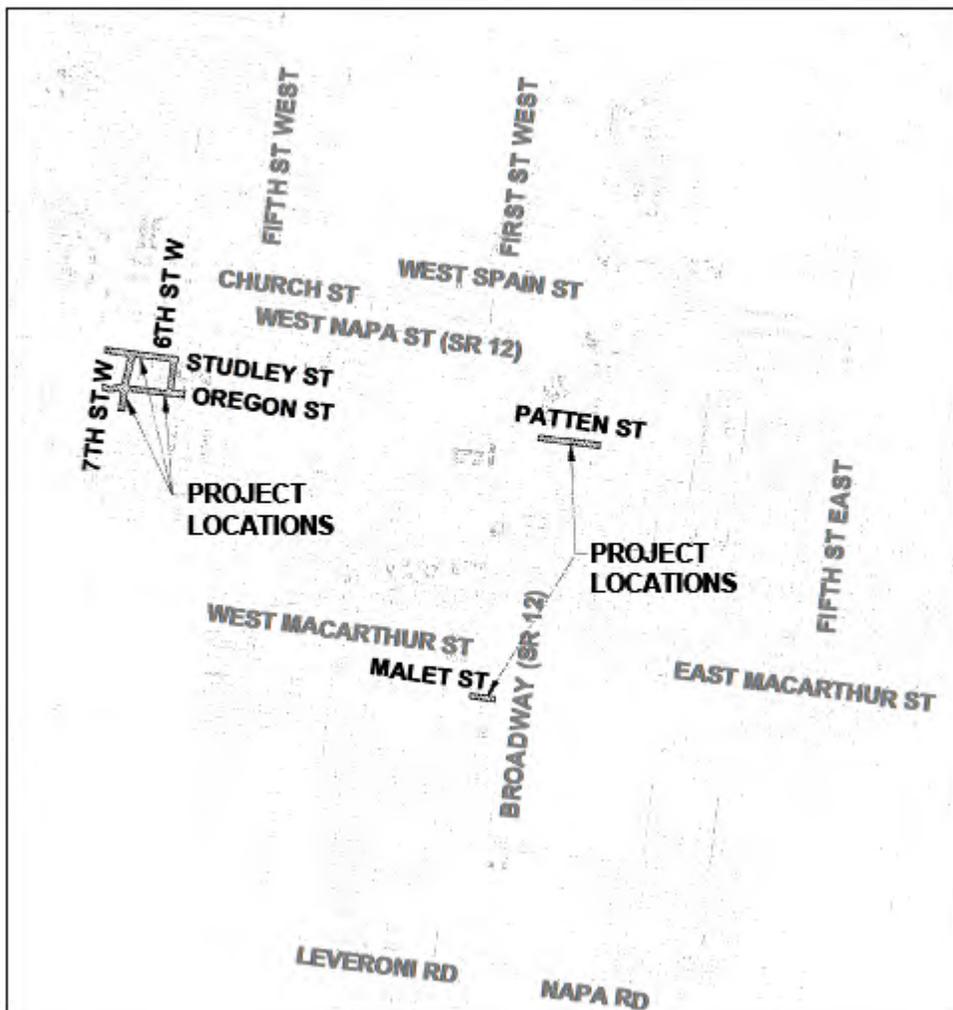
Supports the Council Water & Infrastructure Goals to maintain streets and water infrastructure. Replacing water service lines also supports the Council Goal of water conservation by preventing system leakage.

Attachments: Table 1 Bid Results
Figure 1 Project Location

Table 1, Bid Results

	Bidder Name	Company Location	Bid Amount
	Engineer's Estimate		\$877,000.00
1	Argonaut Constructors	Santa Rosa	\$736,823.50
2	Team Ghilotti	Petaluma	\$749,843.50
3	Serres Corporation	Sonoma	\$768,863.00
4	Ghilotti Construction	Santa Rosa	\$856,735.00
5	G.D. Nielson Construction, Inc	Napa	\$857,066.04
6	Coastside Concrete	Santa Rosa	\$922,349.50
7	J.A. Gonsalves & Sons	Napa	\$934,840.66

Figure 1, 2014 Road Rehabilitation and Water Services Replacement Project Location





City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 41

Meeting Date: 08/18/2014

Department

Public Works

Staff Contact

Dan Takasugi, Public Works Director/City Engineer

Agenda Item Title

Approve the Notice of Completion for the 2014 Citywide Slurry Seal Project No. 1403 Constructed by VSS International, Inc. and Direct the City Clerk to File the Document

Summary

The City Council accepted the 2014 Citywide Slurry Seal Project No. 1403 at their meeting of June 2, 2014 and the City Manager awarded the contract to VSS International, Inc. The work generally consisted of street surface treatment (slurry Seal) for various streets throughout the City, including surface preparation, crack seal, slurry seal, removal and replacement of pavement striping and markings, protection of existing utility structures, curb and gutter and cross gutter, traffic control and other related work. Final punch-list items have been completed and signed off by the Public Works Inspector. At this time, all work has been completed in accordance with the contract and it is recommended that the Notice of Completion (NOC) be approved and the City Clerk directed to file the NOC at the County Recorder's Office. The final contract amount is \$152,151.00.

Recommended Council Action

It is recommended that Council approve the Notice of Completion for the 2014 Citywide Slurry Seal Project No. 1403 Constructed by VSS International, Inc. and Direct the City Clerk to File the Document.

Alternative Actions

None recommended.

Financial Impact

The Council approved a mid-year budget adjustment of \$600,000 for certain street rehabilitation projects in the FY 2013/14 Streets CIP budget. Of this amount, \$200,000 was reserved for a City-wide slurry seal project.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

Notice of Completion – 2014 Citywide Slurry Seal Project No. 1403

Alignment with Council Goals:

Supports the Council Infrastructure Goal to Maintain Streets.

When recorded, return to:

City Clerk
City of Sonoma
No. 1 The Plaza
Sonoma, CA 95476

OFFICIAL BUSINESS: Exempt from Recording Fees Pursuant to California Government code §6103.

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN THAT:

1. On the 18th day of August, 2014, the public project known as: 2014 Citywide Slurry Seal Project No. 1403 was completed.
2. The name and address of the party filing this Notice is:
City of Sonoma, No. 1 The Plaza, Sonoma, CA 95476
3. The name and address of the Contractor responsible for the construction of said public project is: VSS International, Inc, 13785 Channel Drive, West Sacramento, CA 95691.
4. The name and address of said Contractor's insurance carrier is:

Andreini & Company – San Mateo
220 West 20th Ave
San Mateo, CA 94403
5. The work generally consisted of street surface treatment (slurry Seal) for various streets throughout the City, including surface preparation, crack seal, slurry seal, removal and replacement of pavement striping and markings, protection of existing utility structures, curb and gutter and cross gutter, traffic control and other related work.
6. The original contract amount was: \$ 152,151.00

Recording of this document is requested for **CITY OF SONOMA** and on behalf of the **City of Sonoma**, a Municipal Corporation, under Section 6103 of the Government Code.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Carol Giovanatto, City Manager

Dated: _____, 2014

ATTEST: _____
City Clerk



CITY OF SONOMA
City Council/Successor Agency
Agenda Item Summary

City Council Agenda Item: 5A

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager/City Clerk

Agenda Item Title

Approval of the portions of the Minutes of the July 21 and August 7, 2014 City Council meetings pertaining to the Successor Agency.

Summary

The minutes have been prepared for Council review and approval.

Recommended Council Action

Approve the minutes.

Alternative Actions

Correct or amend the minutes prior to approval.

Financial Impact

N/A

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

See Agenda Item 4B for the minutes

Alignment with Council Goals: N/A

cc: NA



CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 7A

Meeting Date: 08-18-2014

Department

Administration

Staff Contact

Carol E. Giovanatto, City Manager

Agenda Item Title

Discussion, consideration and possible action on the adoption of a Resolution declaring the City's intention to renew the Sonoma Tourism Improvement District (TID) and fixing the time and place of a public meeting and a public hearing thereon and giving notice thereof, and setting the renewal term of the TID

Summary

On June 18, 2012, the City Council formally established the Sonoma Tourism Improvement District (TID) for an initial 3-year period [July 1, 2012 through June 30, 2015]. The TID continues to be focused solely on the marketing and promotion of Sonoma as a tourist destination with a particular influence towards the off-season period. As established in the initial plan, the TID has contracted with the Sonoma Valley Visitors Bureau for promotion and marketing programs to market Sonoma lodging businesses as overnight tourist, meeting and event destinations as well as providing support for visitor's services.

The TID renewal process requires that the District perform the same steps as those taken during the original formation including the adoption of a resolution of intention, collection of petitions signed by the lodging establishments representing at least a majority of the revenue to be generated and a public hearing. The current TID Board would remain in place to administer the affairs of the District and the City would continue to serve as the fiscal agent collecting the revenue and remitting it to the non-profit corporation. The documents attached provide the City Council the opportunity to renew the TID for a period up to 10 years. The TID is requesting a 10-year renewal although this term is not required by statute, and this is ultimately a City Council decision

The TID renewal would continue the 2% assessment on all overnight room stays in the City of Sonoma city limits, including all types of lodging – hotels, bed and breakfast inns and vacation rentals for the explicit purpose of "generating room nights" for those members paying into and benefitting from the assessment. The assessments during the proposed renewal period represent approximately \$550,000 per year in collections a 25% increase over the initial year of District approval. The Plan also continues to reimburse the City for costs related to the City's collection and administrative costs in an amount equal to 1% of the total collections.

The action before the City Council at this time to (1) determine whether or not the City should go forward by declaring its intention to renew the TID, and if so (2) determine whether to renew the TID for 10- years or some period less than the requested 10-year period.

If the City Council wishes to move forward, then the resolution of intention (attached) must be adopted setting a public meeting and public hearing to consider whether or not to renew the TID and continue to levy assessments. The public hearing notice provides the date and time of the public meeting and public hearing on the renewal of the TID.

Recommended Council Action

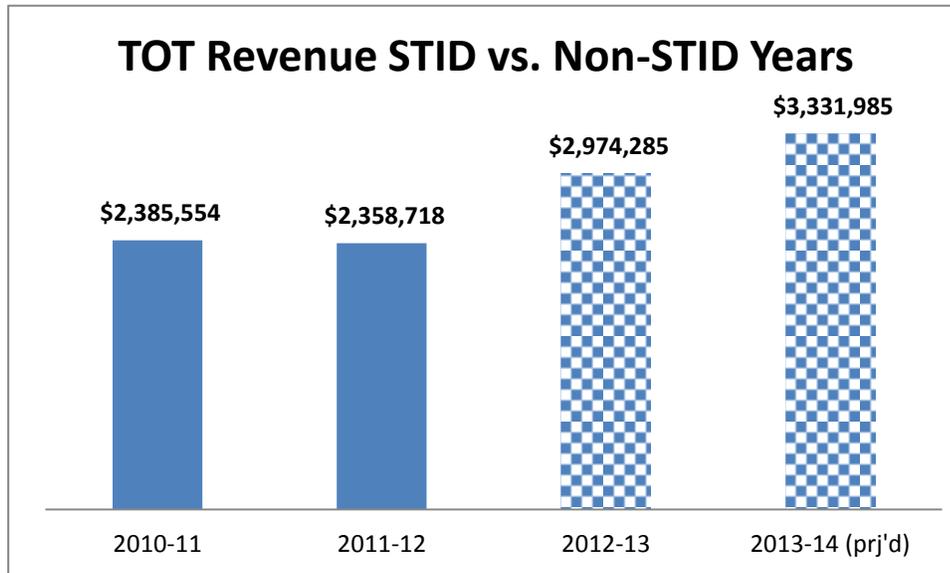
The City has maintained a seat on the TID Board since inception and has verified the actions of the TID Board including expenditure of funds as well as monitoring the activities of the contractual marketing services of the Sonoma Valley Visitors Bureau. The TID has met the stated goals and objectives in their initial years of formation. Council discretion as to the renewal of the District and the term.

Alternative Actions

Delay the renewal.

Financial Impact

The TID has provided the increased funding necessary to sustain a robust marketing program through the Sonoma Valley Visitors Bureau [SVVB]. As a result, one of the City’s main sources of revenue, Transient Occupancy Tax has shown significant growth patterns. Absent the TID, it is unlikely that this level of growth would have occurred and the level of marketing dollars would not have been available to the SVVB.



Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

- Renewal Timeline for Tourism Improvement District
- List of signed petitions from local Hoteliers representing approximately 90% of the available rooms in Sonoma
- Sonoma Tourism Improvement District Management District Plan
- Resolution of City Council declaring its intention to establish the Sonoma Tourism Improvement District
- Notice of Public Meeting and Public Hearing concerning the establishment of TID

Alignment with Council Goals:

FISCAL MANAGEMENT

Maintain fiscal responsibility that ensures short and long-term prosperity through effective fiscal planning; apply sound budget strategy to assure financial sustainability in the General Fund.

cc:

- TID Board of Directors
- Wendy Peterson, SVVB



Partnerships. Progress. Prosperity.
Sacramento · Los Angeles

Sonoma City Tourism Improvement District Renewal Timeline

Action	Date
Initiate project	April 2014
Develop initial draft Management District Plan (MDP)	April - May 2014
SCTIDC review and comment on MDP	May 2014
Civitas incorporate SCVB comments on MDP	May 2014
Submit draft MDP & Petition to City for approval	May 23, 2014
Final MDP and Petition approved by City	June 11, 2014
SCTIDC Board Meeting	June 12, 2014
Petition drive	June 12 - June 23, 2014
Civitas to submit draft ROI, Notice, and ROF to City	June 13, 2014
Submit Petitions totaling over 50% of assessment to City	June 23, 2014
City Council* – Initial Hearing <ul style="list-style-type: none"> Resolution of Intention (ROI) 	August 18, 2014
Mail <ul style="list-style-type: none"> Notice of Public Meeting/Hearing – <i>Must be mailed 1 day (next day) after ROI is adopted. Clerk certification of mailing is required.</i> 	August 19, 2014
City Council* – Public Meeting <ul style="list-style-type: none"> No action required – <i>Must be held at least 10 days after Notice of Public Meeting/Hearing is mailed and at least 7 days before Public Hearing is held.</i> 	September 15, 2014
City Council* – Public Hearing <ul style="list-style-type: none"> Adopt Resolution of Formation (ROF) – <i>Must be held at least 45 days after Notice is mailed.</i> 	October 6, 2014
Current district expires	June 30, 2015
Renewed district begins collecting updated assessment	July 1, 2015

* The Sonoma City Council meets on Monday at <<time>>. Dates identified on this timeline are based off the 2014 Council Schedule posted online.

**PETITION TO THE CITY OF SONOMA
TO RENEW THE SONOMA CITY TOURISM IMPROVEMENT DISTRICT
AUGUST 18, 2014**

LODGING ESTABLISHMENTS

BUSINESS OWNERS

AN INN 2 REMEMBER
171 West Spain Street

Alice Adriani – Alice Ottolitri

AUBERGE SONOMA
151 East Napa Street

Byron Jones

BUNGALOW SONOMA
157 West Spain Street

Dorinda Parker

CINNAMON BEAR CREEKSIDE INN
19455 Sonoma Hwy

Russ Harrison

COTTAGE INN & SPA
302 First Street East

Zac Weinberg

COTTAGE SONOMA
424 Second Street West

Byron Jones

EL DORADO HOTEL
405 First Street West

EDI Associates/Treg Finney

EL PUEBLO INN
896 West Napa Street

Wendy Stewart

HIDDEN OAK INN
214 East Napa

Valerie Patterson

INN AT SONOMA
630 Broadway

Daniel Parks

LEDSON HOTEL
480 First Street East

Steve Ledson

McARTHUR PLACE
29 East MacArthur Street

Bill Blum

RENAISSANCE LODGE at SONOMA RESORT & SPA
1325 Broadway Street

Marriott Int'l/Suzy Hart

SONOMA HOTEL
110 West Spain Street

Tim Farfan

SONOMA VALLEY INN
550 Second Street West

Norman Krug

SWISS HOTEL
18 West Spain Street

Hank Marioni



MANAGEMENT DISTRICT PLAN

JULY 18, 2014

2015-2025

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I. OVERVIEW

Developed by the Sonoma Tourism Improvement District Corporation (STIDC), the Sonoma Tourism Improvement District (STID) is an assessment district proposed to provide specific benefits to payors, by funding programs that specifically benefit assessed businesses. The STID was formed in 2012 for a three-year term; lodging businesses now wish to renew it.

Location: The renewed STID includes all lodging businesses located within the boundaries of the City of Sonoma.

Services: The STID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total STID annual budget for the initial year of its ten (10) year operation is anticipated to be approximately \$550,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the STID's term.

Cost: The annual assessment rate is two percent (2%) of gross short-term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days, nor on stays by federal or state employees on official business, nor on stays by any officer or employee of a foreign government on official business.

Collection: The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the STID. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

Duration: The renewed STID will have a ten (10) year life, beginning July 1, 2015 through June 30, 2025. Once per year beginning on the anniversary of renewal of the district there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a City Council hearing on district termination.

Management: The Sonoma Tourism Improvement District Corporation (STIDC) will continue to serve as the STID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

II. HISTORY AND ACCOMPLISHMENTS

The District was created in 2012 to provide additional, stable funding for marketing and public relations efforts. Over the District's initial term, programs have been implemented with great success and the District has seen growth in rooms nights, occupancy and TOT revenue. During the fiscal year prior to the implementation of the STID (2011-2012), TOT revenues grew less than 4% from \$2.38 million to \$2.47 million. During the first full fiscal year of the TID (2012-2013), TOT revenues grew in excess of 15% from \$2.47 million to \$2.86 million. In 2013-2014 TOT in the City of Sonoma is projected to be in excess of \$3 million for the first time.

A robust marketing program implemented by the Sonoma Valley Visitors Bureau, by direction of the STID Corporation, targeting Bay Area residents and travelers visiting San Francisco was designed to increase occupancy during Sonoma's off-season months and midweek periods. This program has garnered more than 112 million impressions. The STID was also able to assist with grant funding to several local non-profit agencies including the Sonoma International Film Festival, Valley of the Moon Vintage Festival, Valley of the Moon Certified Farmers Market, and the Sonoma Valley Museum of Art with the goal of increasing overnight visitors to these events.

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over eighty California destinations have followed suit. In recent years, other states have begun adopting the California model – Washington, Montana, and Texas have adopted TID laws. Several other states are in the process of adopting their own legislation. And, some cities, like Portland, Oregon, have utilized their charter powers to create TIDs without a state law.

California's TIDs collectively raise over \$150 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Sonoma lodging businesses continue to invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TIDs:

- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

III. BOUNDARY

The STID will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City of Sonoma.

The boundary, as shown in the map below, currently includes fifty-six (56) lodging businesses. A complete listing of lodging businesses within the renewed STID can be found in Appendix 2.



IV. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the STID funds are sales and marketing programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit businesses throughout the District. A detailed annual budget will be developed and approved by the Owners' Association. The table below illustrates the initial annual budget allocations.

Category	%	\$
Sales and Marketing	85%	\$467,500
Administration	4%	\$22,000
City Collection Costs	1%	\$5,500
Reserve/Contingency/Renewal	10%	\$55,000
Total Annual Budget	100%	\$550,000

Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the STIDC board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the STID, any and all assessment funds may be used for the costs of defending the STID.

Sales and Marketing

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Sonoma as a desirable place to stay. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence;
- Print ads in magazines and newspapers targeted at potential visitors;
- Television ads targeted at potential visitors;
- Radio ads targeted at potential visitors;
- Attendance of trade shows;
- Sales blitzes;
- Familiarization tours;
- Promotional activities and events;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps;
- Attendance of professional industry conferences and affiliation events;
- Lead generation activities designed to attract tourists and group events to Sonoma;

- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts;
- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits; and
- Education of lodging business management and the owners' association on marketing strategies best suited to meet Sonoma's needs.

Administration and Operations

The administrative and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

City Administration Fee

The City of Sonoma shall be paid a fee equal to one percent (1%) of the amount of assessment collected to cover its costs of collection and administration.

Reserve/Contingency/Renewal

A prudent portion of the budget will be set aside in a contingency fund, to be used for unforeseeable costs in carrying out the sales and marketing programs. If near the expiration of the district there are contingency funds remaining, and business owners wish to renew the district, the remaining contingency funds may be used for renewal costs.

B. Determination of Specific Benefit

State law requires that assessment funds be expended on specific benefits conferred directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits. The services in this Management District Plan are designed to provide targeted benefits directly to assessed lodging businesses. These services are tailored not to serve the general public, but rather to serve the specific lodging businesses within the District, e.g., the proposed activities are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the District, and are narrowly tailored. STID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. For example, non-assessed businesses will not be featured in STID programs and will not receive sales leads from them. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

Further, the assessment may be utilized to provide specific government services directly to the payors that are not provided to those not charged, and which do not exceed the reasonable costs to the City of providing the services. The legislature has recognized that marketing and promotions services like those to be provided by the STID are, in the context of assessment districts, government services. Further, the amount of the assessment is no more than necessary to cover the reasonable costs of the proposed activities, and the manner in which the costs are allocated to a business owner bear a fair share or reasonable relationship to the businesses' benefits received from the proposed activities.

District services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. Funds will be managed by the Owners' Association, and reports submitted on an annual basis to the City. Only assessed businesses will be featured in marketing materials, receive sales leads generated from district-funded activities, be featured in advertising campaigns, and

benefit from other district-funded services. Non-assessed businesses will not receive these, nor any other, district-funded services and benefits.

C. Assessment

The annual assessment rate is two percent (2%) of gross short term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days, nor on stays by federal or state employees on official business, nor on stays by any officer or employee of a foreign government on official business.

The term “gross room rental revenue” as used herein means: the consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the “STID Assessment.” The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds will not be issued.

D. Penalties and Interest

1. The City shall be responsible for collection of delinquent assessments, penalties and interest from lodging businesses. The City shall be fully reimbursed for its costs (including, but not limited to, attorneys’ fees and litigation expenses) of collecting delinquent assessments, penalties and interests under this Section. Notwithstanding the above, at the City’s option the City may at any time direct the STIDC to undertake at the STIDC’s sole cost and expense all delinquent collections through a third party provider of collection services to the STIDC. Thereafter, the City will be discharged of delinquent collection responsibilities under this Section D.
2. Any lodging business which fails to remit any assessment within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
3. Any lodging business which fails to remit any delinquent remittance on or before a period of 30 days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
4. If the collections agency determines that the nonpayment of any remittance is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties state in subsections 2 and 3 of this section.
5. In addition to the penalties imposed, any lodging business which fails to remit any assessment imposed shall pay interest at the rate of one-half of one percent (0.5%) per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
6. Every penalty imposed and such interest as accrues under the provisions of this section shall become part of the assessment required to be paid.

E. Time and Manner for Collecting Assessments

The STID assessment will be implemented beginning July 1, 2015 and will continue for ten (10) years through June 30, 2025. The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the STID. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

F. Annual Budget

The total ten year improvement and service plan budget is projected at approximately \$550,000 annually, or \$5,500,000 through 2025. This amount may fluctuate as sales and revenue increase at assessed businesses, but is not expected to change significantly over the term.

V. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the STID as defined in Streets and Highways Code §36614.5. The City Council has determined that the Sonoma Tourism Improvement District Corporation will serve as the Owners' Association for the STID.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the STIDC board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The STIDC shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1).

The annual report will include:

- Any proposed changes in the boundaries of the tourism improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner, to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

Property And Business Improvement District Law of 1994

Cal Sts & Hy Code § 36600 (2013)

*** This document is current through the 2014 Supplement ***
(All 2013 legislation)

§ 36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

§ 36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

§ 36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

§ 36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

§ 36603.5. Part prevails over conflicting provisions

Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

§ 36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

§ 36605. [Section repealed 2001.]

§ 36606. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

§ 36607. "Business"

"Business" means all types of businesses and includes financial institutions and professions.

§ 36608. "City"

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with *Section 6500*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

§ 36609. "City council"

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

§ 36610. "Improvement"

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

§ 36611. "Property and business improvement district"; "District"

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

§ 36612. "Property"

"Property" means real property situated within a district.

§ 36613. "Activities"

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.
- (b) Furnishing of music in any public place within the district.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Activities which benefit businesses and real property located in the district.

§ 36614. "Management district plan"; "Plan"

"Management district plan" or "plan" means a proposal as defined in Section 36622.

§ 36614.5. "Owners' association"

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with *Section 54950*) of *Part 1 of Division 2 of Title 5 of the Government Code*), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with *Section 6250*) of *Division 7 of Title 1 of the Government Code*), for all documents relating to activities of the district.

§ 36615. "Property owner"; "Business owner"; "Owner"

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

§ 36616. "Tenant"

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

§ 36617. Alternate method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

§ 36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

§ 36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

§ 36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

§ 36622. Contents of management district plan

The management district plan shall contain all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property

and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements and activities proposed for each year of operation are the same, a description of the first year's proposed improvements and activities and a statement that the same improvements and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance.

(l) Any other item or matter required to be incorporated therein by the city council.

§ 36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with *Section 53753 of the Government Code*.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with *Section 54954.6 of the Government Code*, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a

person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

§ 36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

§ 36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

§ 36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

§ 36626.5. [Section repealed 1999.]

§ 36626.6. [Section repealed 1999.]

§ 36626.7. [Section repealed 1999.]

§ 36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

§ 36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

§ 36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

§ 36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

§ 36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

§ 36631. Time and manner of collection of assessments; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be

collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

§ 36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

§ 36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

§ 36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

§ 36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

§ 36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

§ 36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

§ 36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with *Section 6584*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

§ 36641. [Section repealed 2001.]

§ 36642. [Section repealed 2001.]

§ 36643. [Section repealed 2001.]

§ 36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this

part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

§ 36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

§ 36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

§ 36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assessees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

§ 36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

APPENDIX 2 - LODGING BUSINESSES TO BE ASSESSED WITHIN THE STID		
Business Name	Street Address	City, State, Zip
854 Broadway	854 Broadway	Sonoma, CA 95476
Alexandra's Plaza Suite	442 2nd St. East	Sonoma, CA 95476
An Inn 2 Remember	171 Spain St. W	Sonoma, CA 95476
Annabelle's	289 First Street W	Sonoma, CA 95476
Andrea's Hidden Cottage	138 Spain St. E	Sonoma, CA 95476
Auberge Sonoma	151 Napa St. E	Sonoma, CA 95476
Beautiful Places	539 1st St. W.	Sonoma, CA 95476
Benziger Solana Cottage	305 1st St. E.	Sonoma, CA 95476
Bragg Arms	453 Second St. West	Sonoma, CA 95476
Bungalow 313	313 1st St. E.	Sonoma, CA 95476
Bungalow At 853 Broadway	853 Broadway	Sonoma, CA 95476
Bungalow Sonoma	157 Spain St. W.	Sonoma, CA 95476
Carl Allen	466 Patten St	Sonoma, CA 95476
Caroline's Cottage	171 Newcomb St.	Sonoma, CA 95476
Casa Carolina	495 Claudia Dr	Sonoma, CA 95476
Cedar Mansion	531 Second St. East	Sonoma, CA 95476
Cinnamon Bear Creekside	19455 Sonoma Hwy	Sonoma, CA 95476
Cooperage Inn	301 1st St. W.	Sonoma, CA 95476
Cora's Cottage	441 Second St. East	Sonoma, CA 95476
The Cottage (Cottage Inn & Spa)	310 1st St. E	Sonoma, CA 95476
Cottage Sonoma	424 2nd St. W.	Sonoma, CA 95476
Cuneo Cottage	391 Spain St. E	Sonoma, CA 95476
Donner Cottage	270 France St.	Sonoma, CA 95476
El Dorado Hotel	405 1st St. W.	Sonoma, CA 95476
El Pueblo Motel	896 Napa St. W	Sonoma, CA 95476
Erickson's	851 Second St. East	Sonoma, CA 95476
Hidden Oak	214 Napa St. E	Sonoma, CA 95476
Il Nido Nel Giardino	354 East Napa St	Sonoma, CA 95476
Inn at Sonoma	630 Broadway	Sonoma, CA 95476
Inn Wine Country	758 Broadway	Sonoma, CA 95476
Katherine's Cottage	363 1st St W	Sonoma, CA 95476
Kenwood Ramekins	450 Spain St. W	Sonoma, CA 95476
Ledson Hotel	480 1st St. E	Sonoma, CA 95476
The Lodge at Sonoma	1325 Broadway	Sonoma, CA 95476
Mac Arthur Place	29 Mac Arthur E	Sonoma, CA 95476
Mary Jean's Place	20073 Broadway	Sonoma, CA 95476
Peter Mathis	287 1st St. W	Sonoma, CA 95476
Mission B & B	310 1st St. E	Sonoma, CA 95476
Kate Murphys Cottage	43 France St.	Sonoma, CA 95476
Rose Garden B & B	681 Broadway	Sonoma, CA 95476
Schaefer House	663 2nd St. E	Sonoma, CA 95476
Sonoma Crush	460 Second Street East	Sonoma, CA 95476
Sonoma Farm House #1	446 3rd St W	Sonoma, CA 95476

Sonoma Farm House #2	454 3rd St W	Sonoma, CA 95476
Sonoma Hotel	110 Spain St. W	Sonoma, CA 95476
Sonoma Valley Inn	550 2nd St W	Sonoma, CA 95476
Sonoma Vintage Cottage	464 Third Street West	Sonoma, CA 95476
Sparrow's Nest Inn	424 Denmark St.	Sonoma, CA 95476
Stone Grove	240 Second St. East	Sonoma, CA 95476
Susan's	458 2nd St. W	Sonoma, CA 95476
Swiss Hotel	18 Spain St. W	Sonoma, CA 95476
Tulsi Cottage	304 First St. W	Sonoma, CA 95476
The Yellow Door	153 Andrieux St.	Sonoma, CA 95476
Victorian Garden Inn	316 Napa St. E	Sonoma, CA 95476
Woodfield Properties	166 France St	Sonoma, CA 95476
Woodfield Properties	434 Moll Ct	Sonoma, CA 95476

RESOLUTION NO. ____-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA
DECLARING ITS INTENTION TO RENEW THE SONOMA TOURISM
IMPROVEMENT DISTRICT (STID) AND FIXING THE TIME AND PLACE
OF A PUBLIC MEETING AND A PUBLIC HEARING THEREON AND
GIVING NOTICE THEREOF**

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq., authorizes cities to establish and renew business improvement districts for the purposes of promoting tourism; and

WHEREAS, the Sonoma Tourism Improvement District Corporation, lodging business owners, members of the business community and representatives from the City of Sonoma have met to consider the renewal of the Sonoma Tourism Improvement District (STID); and

WHEREAS, the Sonoma Tourism Improvement District Corporation has drafted a Management District Plan which sets forth the proposed boundary of the STID, a service plan and budget, and a proposed means of governance; and

WHEREAS, a majority of the lodging business owners subject to assessment under the STID have petitioned the City Council to establish the STID.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT:

1. The recitals set forth herein are true and correct.
2. The City Council finds that the lodging businesses that will pay more than fifty percent (50%) of the assessment proposed in the Management District Plan have signed and submitted petitions in support of the renewal of the STID. The City Council accepts the petitions and adopts this Resolution of Intention to renew the STID and to levy an assessment on certain lodging businesses within the STID boundaries in accordance with the Property and Business Improvement District Law of 1994.
3. The City Council finds that the Management District Plan satisfies all requirements of Streets and Highways Code § 36622.
4. The City Council declares its intention to renew the STID and to levy and collect assessments on lodging businesses within the STID boundaries pursuant to the Property and Business Improvement District Law of 1994.
5. The STID shall include all lodging businesses located within the boundaries of the City of Sonoma, as shown in the map, attached as Exhibit A.
6. The name of the district shall be Sonoma Tourism Improvement District (STID).

7. The annual assessment rate is two percent (2%) of gross short-term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days, nor on stays by federal or state employees on official business, nor on stays by any officer or employee of a foreign government on official business.
8. The assessments levied for the STID shall be applied toward sales promotion and marketing programs to market assessed lodging businesses in Sonoma City as tourist, meeting, and event destinations, as described in the Plan. Funds remaining at the end of any year may be used in subsequent years in which STID assessments are levied as long as they are used consistent with the requirements of this resolution and the Plan.
9. The STID will have a ten (10) year term, beginning July 1, 2015 through June 30, 2025, unless renewed pursuant to Streets and Highways Code § 36660.
10. Bonds shall not be issued.
11. The time and place for the public meeting to hear testimony on establishing the STID and levying assessments are set for September 15, 2014, at 6:00 PM, or as soon thereafter as the matter may be heard, at the Council Chambers located at 177 First Street West, Sonoma, CA 95476.
12. The time and place for the public hearing to establish the STID and the levy of assessments is set for October 6, 2014, at 6:00 PM, or as soon thereafter as the matter may be heard, at the Council Chambers located at 177 First Street West, Sonoma, CA 95476. The City Clerk is directed to provide written notice to the lodging businesses subject to assessment of the date and time of the meeting and hearing, and to provide that notice as required by Streets and Highways Code § 36623.
13. At the public meeting and hearing the testimony of all interested persons for or against the establishment of the STID may be received. If at the conclusion of the public hearing, there are of record written protests by the owners of the lodging businesses within the proposed STID that will pay more than fifty percent (50%) of the estimated total assessment of the entire STID, no further proceedings to establish the STID shall occur for a period of one year.
14. The complete Management District Plan is on file with the City Clerk and may be reviewed upon request.
15. This resolution shall take effect immediately upon its adoption by the City Council.

I HEREBY CERTIFY that the foregoing Resolution of Intention was introduced and adopted at a regular meeting of the City Council on the _____ day of _____ 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

City Clerk

EXHIBIT A
District Boundaries



NOTICE OF PUBLIC MEETING AND PUBLIC HEARING CONCERNING THE RENEWAL OF THE SONOMA TOURISM IMPROVEMENT DISTRICT AND TO LEVY AN ASSESSMENT ON CERTAIN LODGING BUSINESSES WITHIN THE DISTRICT

NOTICE IS HEREBY GIVEN that on August 18, 2014, the City Council (the "Council") of the City of Sonoma (the "City") adopted a Resolution of Intention to renew the Sonoma Tourism Improvement District (the "STID") and to levy an assessment on certain lodging businesses within the STID as set forth in the attached Resolution of Intention.

NOTICE IS HEREBY FURTHER GIVEN that at 6:00 PM on September 15, 2014, at the City of Sonoma Council Chambers, 177 First Street West, Sonoma, CA 95476, a public meeting shall be held pursuant to Government Code section 54954.6 to allow public testimony regarding the renewal of the STID and the levy of assessments therein as set forth in the enclosed resolution of intention and pursuant to Government Code section 54954.6.

NOTICE IS HEREBY FURTHER GIVEN that at 6:00 PM on October 6, 2014, at the City of Sonoma Council Chambers, 177 First Street West, Sonoma, CA 95476, has been set as the time and place for a public hearing at which time the Council proposes to renew the STID and to levy the proposed assessment as set forth in the Resolution of Intention.

Boundaries: The STID includes all lodging businesses located within the boundaries of the City of Sonoma.

Assessment: The annual assessment rate is two percent (2%) of gross short-term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days, nor on stays by federal or state employees on official business, nor on stays by any officer or employee of a foreign government on official business.

Budget: The total STID annual budget for the initial year of its proposed ten (10) year operation is anticipated to be approximately \$550,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the STID's term.

Purpose: The STID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Collection: The City will be responsible for collecting the assessment on a monthly basis (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the STID. The City shall take all reasonable efforts to collect the

assessments from each lodging business. The City shall forward the assessments collected to the Owners' Association.

Protest: Any owner of a lodging business within the proposed STID that will be subject to the assessment may protest the renewal of the STID. If written protests are received from the owners of lodging businesses in the proposed STID who represent 50 percent (50%) or more of the estimated annual assessments to be levied, the STID shall not be renewed and the assessment shall not be imposed.

You may mail a written protest to:

Office of the City Clerk
City of Sonoma
No. 1 The Plaza
Sonoma, CA 95476

You may also appear at the public hearing and submit a written protest at that time.

Information: Should you desire additional information about this proposed STID or assessment contact:

Bill Blum
Sonoma Tourism Improvement District Corporation
29 E. MacArthur Street
Sonoma, CA 95476
(707)933-3180

Dated: _____

City Clerk



CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 7B

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Carol E. Giovanatto, City Manager

Agenda Item Title

Discussion, Consideration and Possible Action on the Results of the Vacation Rental Review Program including a Discussion of the City's Existing Ordinance Provisions Regulating Vacation Rentals

Summary

In October 2013, the Council authorized staff to secure an agreement with MuniServices LLC to conduct an audit of properties within the City limits who may be operating as a Vacation Rental without benefit of registering with the City under the requirements of the Transient Occupancy Tax Ordinance. The process undertaken by MuniServices included researching various data sources to identify vacation rentals including MuniServices proprietary data warehouse and external internet web sites such as AirBnB, VRBO, etc. As a result of the consultant's work, 46 properties were identified of which 37 require follow-up action by MuniServices and/or the City's Planning Department. Revenue identified through review of financial records submitted by the properties owners totaled:

- Transient Occupancy Tax Revenue: \$36,072.34
- Business License Tax Revenue: \$ 4,815.50

For this service, MuniServices is compensated on a revenue-split basis with 45% of any new revenues being retained by MuniServices and the remaining 55% received as unanticipated revenue to the City. Staff is recommending that MuniServices be retained to continue this review process on a limited bi-annual basis.

PLANNING DEPARTMENT REVIEW: Once lodging properties are brought into compliance with TOT requirements, the property addresses are referred to the City's Planning Department for review under the City Vacation Rental Ordinance [VRO]. While the City's TOT and Business License requirements are the financial components of the Vacation Rental issue, the VRO is the regulatory/land use component, as set forth in the Development Code. Under the Code, the operation of vacation rentals is allowed only in limited circumstances and is subject to use permit review and approval by the Planning Commission. Planning Director Goodison has prepared an overview of the Planning Department review and enforcement processes [attached], as well as a discussion of the parameters of the current ordinance.

Recommended Council Action

Council discretion.

Alternative Actions

N/A

Financial Impact

The initial program with MuniServices created a net on-time income for retroactive revenue collections of \$22,488. Future revenue dependent upon determination of legal operating status of properties identified.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

MuniServices Discovery Report
Memo from Planning Director

Alignment with Council Goals:

Maintain fiscal responsibility that ensures short and long-term prosperity through effective fiscal planning and efficient management of the taxpayers' assets

cc:



TOT & Local Tax Compliance Activity Report
Project to Date
Period Ending: June 30, 2014

City of Sonoma, CA



Activity

	<u>Project to Date</u>
Communication	
Taxpayers Notified First Notice.....	46
Taxpayers Notified Follow Up.....	12
Businesses Exempt from Registration	6
Businesses Compliant Prior to Notification	3
Return Mail (No New Location Found)	0
Accounts with Incomplete Documentation.....	8
Phone Consultations	27
 Accounts Processed	
Applications Received & Invoiced.....	12
Accounts Paid in Full	9
 Financial Detail – Transient Occupancy Tax	
Revenue Identified (Invoiced).....	\$36,072.34
Revenue Collected (Payments Received)	\$28,791.70
Revenue Outstanding	\$7,280.64
 Financial Detail – Business License	
Revenue Identified (Invoiced).....	\$4,815.50
Revenue Collected (Payments Received)	\$3,020.80
Revenue Outstanding	\$1,794.70

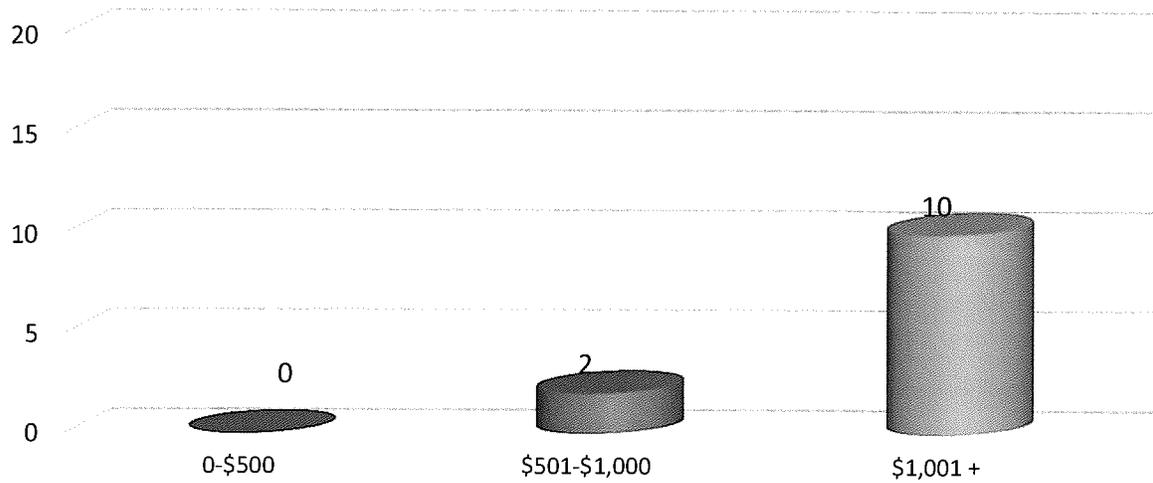
Summary of Feedback, Results, Notes from those notified

Of the 46 currently notified, 9 have paid in full their Transient Occupancy Tax and Business License Tax liability on their current and applicable prior periods. A few have paid either their business license tax or their transient occupancy tax, but not both. MuniServices continues to follow up. Approximately 7 claimed that they are long term tenants (over 30 day stays and not subject to TOT). One property claims that they no longer rent, and we are working on compliance for the time they were renting. 4 properties claim they no longer rent, and 3 of them have removed their advertisement from Air BNB; however, one of those properties is still advertising at up to \$600 per night and that add states 3 day stay. One had an incorrect address and has been fixed with the notice being sent to the correct address. 12 that were notified are in various stages of compliance, waiting for application and/or payment of taxes. 3 stated they were never a property rental, yet their advertisement is still active on the internet. Finally, in one instance, due to our notification, the owner learned their tenant was subletting on AirBNB without their permission. The owners have contacted the tenant and the subletting has ceased as of this writing.

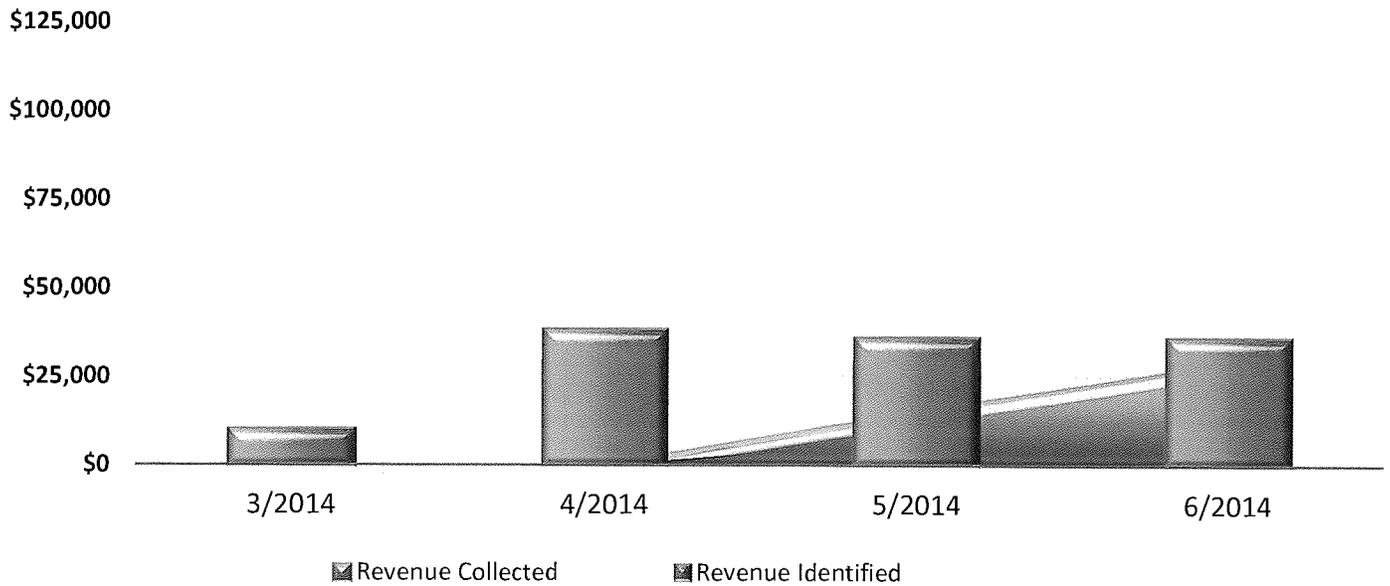


Statistical Information

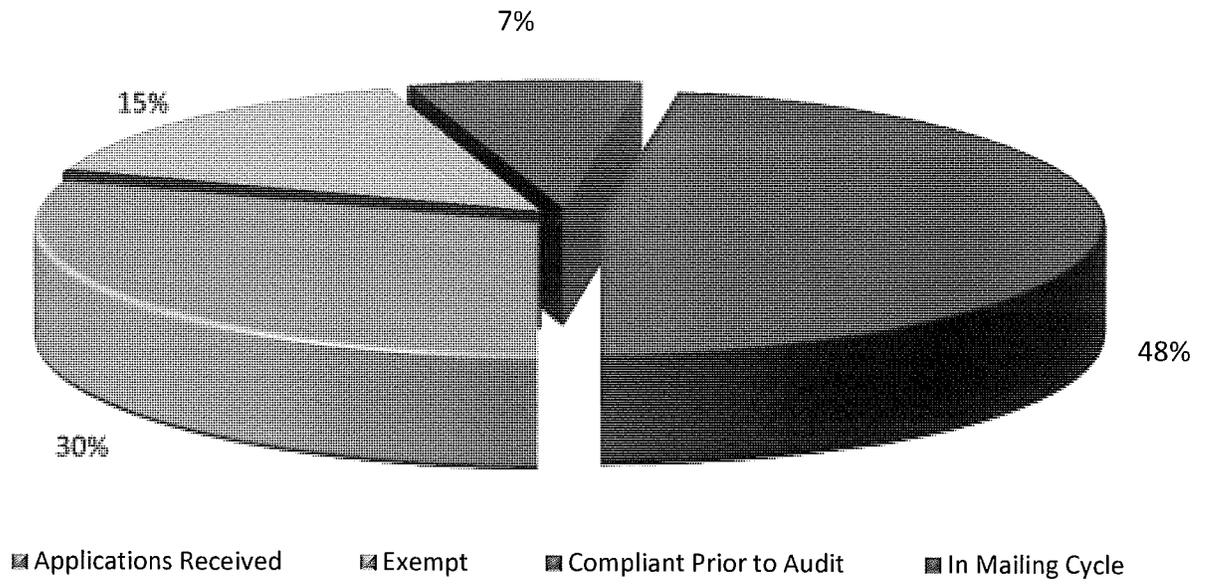
Businesses Identified by Total TOT Tax Due



TOT Tax Revenue History: Monthly



Notification Response Results



PROPERTY DISCOVERY LISTING

128-201-029-000	006-021	MORLER EDWARD E TR	1140 BROCKMAN LN, SONOMA, CA 95476
128-630-001-000	006-021	SUSHA CHRISTOPHER P EST OF ET AL	492 ENGLER ST, SONOMA, CA 95476
128-690-015-000	006-031	RITTENHOUSE VIRGIL & HOLLOWAY SHERYL SUE	963 BROADWAY, SONOMA, CA 95476
127-651-022-000	006-012	ZECHLIN RONALD BERNARD & ZECHLIN MARGARET CH	426 BERNICE LN, SONOMA, CA 95476
023-040-062-000	006-000	BERTRAND THORNE & SHARON	1260 DEWELL DR, SONOMA, CA 95476
128-640-023-000	006-031	KILLIAN CULLEN J & DUFFLEY GAIL M	231 E MACARTHUR ST, SONOMA, CA 95476
018-171-019-000	006-000	BEHRENS CYNTHIA FAYE TR	304 1ST ST E (310 1st ST)
018-172-003-000	006-000	Scheel John F & Patricia Ann	378 2nd St E Sonoma Ca 95476
018-484-002-000	006-000	LOWE SANDRA M	651 WHITE BRIAR DR, SONOMA, CA 95476
018-363-003-000	006-000	MULCAHY MICHAEL & MELISSA STEUBING	820 DONNER AVE, SONOMA, CA 95476
018-373-022-000	006-000	BUNDSCHU JEFFREY TOWLE TR & ELIZABETH NAGEL	856 OAK LN, SONOMA, CA 95476
128-690-011-000	006-031	SEDENO DAVID J	956 1ST ST W, SONOMA, CA 95476
018-382-027-000	006-000	VARIN THOMAS D TR & ADRIENNE M TR	451 YORK CT, SONOMA, CA 95476
018-342-008-000	006-012	LEDER STEVEN & SCALLAN-LEDER SUSAN ET AL	216 ANDRIEUX ST, SONOMA, CA 95476
018-162-019-000	006-012	RESPINI HELEN A TR	340 1ST ST W, SONOMA, CA 95476
018-201-007-000	006-012	J & M FAMILY LLC	294 W NAPA ST, SONOMA, CA 95476
018-161-023-000	006-012	KENRICK-VICKERS KATIE TR	363 1ST ST W, SONOMA, CA 95476
018-273-020-000	006-000	ALLEN CARL HOWARD TR & ALLEN JEANNE FLOYD TR	466 PATTEN ST, SONOMA, CA 95476
018-870-003-000	006-000	MCDEVITT MARY C TR	475 MONTINI WAY, SONOMA, CA 95476
018-112-004-000	006-000	MATZ DOUGLAS L TR & MATZ CAROLINE A TR	495 CLAUDIA DR, SONOMA, CA 95476
018-352-038-000	006-012	COLLINS PATRICK E TR & COLLINS BARBARA B TR	78 CHASE ST, SONOMA, CA 95476
018-383-014-000	006-000	LOBANOVSKY MARIA TR	837 4TH ST E, SONOMA, CA 95476
128-690-001-000	006-029	TOWNSEND MARY LEIGH	964 1ST ST W, SONOMA, CA 95476
018-111-054-000	006-000	CACHITA LLC	306 5TH ST W, SONOMA, CA 95476
128-151-041-000	006-021	HENLEY REBECCA LYNN & HENLEY RICHARD JOHN	310 DAVILA CT, SONOMA, CA 95476
127-563-011-000	006-000	JOHNSON RUSSELL W TR & MEIER PATRICIA E TR	784 FANO LN, SONOMA, CA 95476
128-131-008-000	006-031	BALDO GIANLUCA & BONISOLI SANDRA	225 MALET ST, SONOMA, CA 95476
018-221-020-000	006-000	OTOOLE MOONA TR	180 E NAPA ST, SONOMA, CA 95476
018-193-027-000	006-012	LELY CASSANDRA J	467 4TH ST W, SONOMA, CA 95476
018-171-030-000	006-000	PATHAK MANISH	304 1ST ST E, SONOMA, CA 95476
018-412-032-000	006-012	TILLEM LEONARD M TR ET AL	846 BROADWAY, SONOMA, CA 95476
018-303-021-000	006-012	MAGLIULO MARILYN TR	BROADWAY SONOMA CA
018-780-001-000	006-000	MERTES-STONE SALLY M	196 W SPAIN ST, SONOMA, CA 95476
018-830-020-000	006-012	EDLIN MARI L TR	169 PIPER LN, SONOMA, CA 95476
018-201-035-000	006-012	LLODRA DAVID & LLODRA KATHERINE I	249 W SPAIN ST, SONOMA, CA 95476
018-121-003-000	006-000	EWINGS DENISE REILLY TR ET AL	217 1ST ST W, SONOMA, CA 95476
018-870-021-000	006-000	WESOLEK BRIENNE N ET AL	478 MONTINI WAY, SONOMA, CA 95476

August 13, 2014

MEMO

To: Carol Giovanatto, City Manager

From: David Goodison, Planning Director

Re: Overview of Vacation Rental Regulations and Enforcement Issues

Definition of Vacation Rental

Under the Development Code, a vacation rental is defined as the rental or letting of up to two complete residential units, containing bedrooms, kitchens, and bathrooms, for a period of less than 30 consecutive days. Unlike bed and breakfasts, an on-site manager is not required for vacation rentals. Similar to B&B's, hotels and inns, operators of a vacation rental are required to maintain a business license and pay transient occupancy taxes to the City.

Past and Current Regulations

For many years, the City did not address vacation rentals in its zoning regulations, but as a matter of practice they were treated as an allowed use in residential zoning districts, subject only to the issuance of a business license. However, in 1999, the City Council became concerned that an increasing number of vacation rentals were becoming established in residential neighborhoods throughout the city and were resulting in conflicts with long-term residences. In response, the City Council adopted Ordinance 1999-14, which established the following:

- Vacation rentals were defined as a land use type.
- Vacation rentals were allowed subject to conditional use permit in the Commercial zone and the Mixed Use zone, but prohibited in the Gateway Commercial zone.
- Vacation rentals were prohibited in residential zones, except as an adaptive reuse of a historic structure, subject to use permit review.
- A list of existing vacation rentals was recognized as “grand-fathered”, in meaning that they could continue to operate as a legal non-conforming use.

In 2003, the City Council adopted the Development Code, the comprehensive zoning regulations and guidelines that are currently used by the City. In general, the limitations on vacation rentals previously established by Ordinance 1999-14 were integrated into the Development Code. However, the Development Code also introduced specific standards for the adaptive reuse of historic structures, including eligibility criteria, allowable uses, and findings that the Planning Commission must make (in addition to those required for a Use Permit) in order to approve an adaptive reuse.

In 2009, the City Council amended the vacation rental regulations once again, this time tightening the adaptive re-use allowance. Two key changes were made. First, in order to be eligible to apply, the property had to be listed or eligible for listing on the State Register of Historic Places. (To qualify for other types of adaptive reuse it is only necessary for a property to

have local historic significance.) Second, in order for to be approved as an adaptive re-use, the Planning Commission must find that the use of the property as a vacation rental is necessary to:

Restore and rehabilitate a historic structure and/or property, which is listed or eligible for listing on the State Register of Historic Places, that has fallen into such a level of disrepair that the economic benefits of adaptive reuse are necessary to stem further deterioration, correct deficient conditions, or avoid demolition as implemented in the conditions of project approval.

This is a high bar and since 2009 only one residence in a single-family zoning district has been approved for use as a vacation rental under the current adaptive re-use provisions. Another application for adaptive re-use is now pending before the Planning Commission.

Current Conditions

At this time, there are 50 recognized, legal vacation rental units within city limits. Of these, 27 were designated as legal-non-conforming units in the 1999 ordinance, while another 23 have been approved since that time. The distribution of units by zoning district is as follows:

R-L = Low Density Residential	10
R-M = Medium Density Residential	21
R-HS = Hillside Residential	1
C = Commercial	12
MX = Mixed Use	6
Total:	50

The attached spreadsheet provides additional information on these units.

Enforcement Issues

For the most part, violations of Development Code regulations are identified through complaints. In following on a complaint, the enforcement process typically proceeds as follows:

- 1) Staff attempts to make an initial contact with the property owner, by letter or phone call, to notify them that a complaint has been received and inform them of the applicable regulations.
- 2) If the property owner agrees to correct the situation, a letter is sent document this fact and identifying the steps that need to be taken to achieve compliance.
- 3) If the property owner fails to respond, a second letter is sent notifying them that the matter will be referred to the City Prosecutor's Office unless an immediate correction is made.
- 4) If compliance is still not achieved, then the matter is referred to the City Prosecutor for an administrative abatement. Planning staff is still involved as it is necessary to establish a record of the violation.

Usually compliance is achieved by step 3. However, this process often takes several weeks or longer to implement as there is typically a certain amount of back-and-forth between staff and the property and because, since the City does not have a dedicated Code Enforcement Officer, it is necessary for planning staff to accommodate enforcement activities among many other tasks. It is also the case that with the advent of on-line booking services such as Airbnb, VRBO, and

Craigslist, operating one's home as a vacation rental has become an easy and increasingly popular option, to the point where conducting enforcement on a complaint basis is no longer a good option. The MuniServices survey was quite effective in identifying illegal vacation rentals in a comprehensive manner that would never be achieved by relying on neighbor complaints. In total, it has identified as many 32 instances of potentially illegal vacation rentals or bed and breakfasts that staff is now investigating. It should also be noted that the enforcement workload resulting from the MuniServices report represents about 40% of the enforcement caseload that staff would normally handle in one year.

Other Considerations

As on-line advertising and booking services have grown increasingly popular, many communities are now grappling with issues related to vacation rentals and bed and breakfasts operating outside of the rules. Sonoma's regulation, which have been developed over the years by the City Council, are relatively restrictive, based on the following concerns:

- Vacation rentals may lead to an increase in the number of second homes in residential neighborhoods, which could erode neighborhood character.
- Vacation rentals sometimes result in conflicts with adjoining neighbors with respect to noise.
- An allowance for vacation rental use may have the effect of increasing overall housing prices.
- The conversion of long-term rental units to vacation rentals diminishes an already scarce resource that is needed to maintain housing diversity in Sonoma.

On the other hand, it has been argued that vacation rentals and bed and breakfasts could be considered a preferable alternative to hotel development. In addition, several of those that staff has made contact with as a result of the MuniServices survey have stated that they rent out rooms on an occasional basis in order to offset housing costs and to make ends meet. However, if consideration is given to loosening the rules—for example, by allowing a property owner or tenant to offer short-term rentals on a limited basis—careful consideration would need to be given as to how such imitations would be monitored and enforced.

City of Sonoma - Legal Vacation Rentals (updated 4/9/14)

Operator/Property Name	APN	Site Address	Zoning	Number of Units	Approval Date	Type of Approval
Alexandra's Plaza Suite	018-222-023	440 Second Street East	R-L/H	1	Grandfathered	Grandfathered
Casa De Carroll	018-442-019	965 West Spain Street	C	1	Grandfathered	Grandfathered
Andrea's Hidden Cottage	018-171-009	138 East Spain Street	R-M/H	1	Grandfathered	Grandfathered
Bungalows 313	018-162-025	313 First Street East	R-M/H	5	Grandfathered	Grandfathered
Casa Chiquita Cottage	018-780-001	196 West Spain Street	R-M/H	2	Grandfathered	Grandfathered
Blankfort/Martin	018-352-030	117 France Street	R-L/H	1	Grandfathered	Grandfathered
Sonoma Farmhouse Town	018-201-003	446 Third Street West	R-L/H	2	Grandfathered	Grandfathered
Huff	018-121-021	289 First Street West	R-M/H	1	Grandfathered	Grandfathered
McGovern	018-510-019	190 Padre Drive	R-M/H	1	Grandfathered	Grandfathered
Mathis	018-121-020	287 First Street West	R-M/H	1	Grandfathered	Grandfathered
Cecilia's Adobe	018-172-003	378 Second Street East	R-M/H	1	Grandfathered	Grandfathered
Cortopassi	018-191-034	477 West Spain Street	R-L	3	Grandfathered	Grandfathered
Cuneo Cottage	018-231-022	391 East Spain Street	R-L/H	1	Grandfathered	Grandfathered
Susan's Guest Cottage	018-202-006	458 Second Street West	C/H	2	Grandfathered	Grandfathered
Cooperage Inn	018-161-017	301 First Street West	R-M/H	3	Grandfathered	Grandfathered
Caroline's Cottage	128-172-051	171 Newcomb Street	R-L	1	Grandfathered	Grandfathered
Bernard	018-201-008	270 West Napa Street, Unit 2R	C/H	1	4/13/00	Use Permit
Cottage Sonoma	018-202-002	424 Second Street West	R-M/H	1	7/10/03	Adaptive Reuse
Bungalow Sonoma	018-202-026	157 West Spain Street	R-M/H	1	7/10/03	Adaptive Reuse
Tulsi Cottage	018-171-030	304 First Street East	R-M/H	1	6/9/05	Adaptive Reuse
Casa Sebastiani	018-141-012	247 Fourth Street East	R-HS/H	1	9/14/06	Adaptive Reuse
Inn Wine Country	018-352-052	758 Broadway	MX/H	1	1/10/08	Use Permit
Auberge Sonoma	018-261-023	151 East Napa Street	R-M/H	2	5/20/08	Adaptive Reuse
Hoover	018-311-009	663 Second Street East	R-L/H	1	4/10/08	Adaptive Reuse
Mary Jean's Place	128-083-021	20073 Broadway	MX/H	1	12/11/08	Use Permit
Sonoma Farmhouse Ranch	018-201-004	454 Third Street West	C/H	1	3/10/11	Use Permit
Tillem-Fegan	018-412-032	854 Broadway	MX/H	1	12/11/11	Use Permit
Jones-Morrison	128-083-009	20079 Broadway	MX/H	1	2/14/12	Use Permit
Matt & Jan Mathews	018-201-007	284-294 West Napa Street, Units #2 and #3	C/H	2	4/11/13	Use Permit
Sonoma Plaza 1889	018-201-039	464 Third Street West	C/H	1	4/11/13	Use Permit
Marino	018-411-020	853 Broadway	MX/H	1	4/11/13	Use Permit
O'Toole	018-221-020	180 East Napa Street	R-M/H	1	5/9/13	Adaptive Reuse
Dambach-Argenziano	018-352-040	780 Broadway	MX/H	1	8/8/13	Use Permit
Redmond	018-212-026	567 First Street East	C/H	1	10/10/13	Use Permit
Marino	018-202-010	158 West Napa Street	C/H	1	3/13/14	Use Permit
Marino	018-202-009	164 & 172 West Napa Street	C/H	2	3/13/14	Use Permit
Total:				50		

Zoning Designations:

- R-L = Low Density Residential 10
- R-M = Medium Density Residential 21
- R-HS = Hillside Residential 1
- C = Commercial 12
- MX = Mixed Use 6
- /H = Historic Overlay Zone 45



CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 7C

Meeting Date: 8/18/2014

Department

Public Works

Staff Contact

Dan Takasugi, Public Works Director / City Engineer

Agenda Item Title

Approval of a Resolution declaring a Stage 2 Water Shortage, responding to the State's Drought Emergency Water Conservation Regulations

Summary

The Governor proclaimed a state of emergency on January 17, 2014, and declared drought conditions under the California Emergency Services Act (Act) and on April 25, 2014, the Governor issued a proclamation of continued state of emergency under the Act based on continued drought conditions existing statewide. On February 3, 2014, Council declared a voluntary Stage 1 water shortage emergency, prohibiting waste of water and non-essential uses of water. In response, the City's water customers have shown a 16.2% water use reduction during the months of April through July 2014, in comparison to the same time period last year.

City staff have already taken water conservation activities including:

- Conservation outreach in cooperation with the Sonoma-Marin Saving Water Partnership.
- Before-the-Movie advertising for water conservation rebates at Sonoma Cinema 9.
- Conducted a Drought Drive-Up event on April 23rd to raise water conservation awareness.
- Deferred hydrant flushing maintenance and flow testing in 2014.
- Recalled hydrant meters that provide tanked water outside the City's water service area.
- Increased leak detection efforts and are monitoring water waste more closely.
- Switched to monthly water billing to keep customers more closely apprised of water use.
- Distributed "ask for water" placards at some local restaurants.
- Curtailed irrigation in public parks and landscaping to a minimum vegetation survival level.

On July 15, 2014, the State Water Resources Control Board (State Board) adopted Article 22.5 entitled "Drought Emergency Water Conservation Regulations" (California Code of Regulations Title 23, Sections 863, 864, and 865) which makes drought related findings and imposed state-wide mandatory requirements on urban water suppliers (Attachment 1). The City of Sonoma is an Urban Water Supplier with nearly 4,500 water service connections.

Staff reviewed the State Boards adopted findings and mandatory requirements in Sections 863, 864 and 865, and have drafted a resolution to comply with the recent State Board requirements (Attachment 2). This Resolution augments our currently adopted Stage 1 water conservation measures with mandatory urban outdoor water use restrictions and water usage reporting procedures in compliance with the State Board's requirements. The water conservation requirements included in the Resolution impose limitations on outdoor water use, a commitment to continuing enforcement of the current water waste and non-essential use prohibitions and staff direction to report monthly water usage to the State Board as mandated. The requirements in the Resolution shall remain in effect as the Drought Emergency Water Conservation Regulations remains in effect.

Sonoma Municipal Code 13.10.070 gives the City Council the authority to declare a Mandatory Stage 2 water conservation alert by resolution. When a Stage 2 water shortage has been declared by the Council, the following restrictions shall apply, in addition to the restrictions set forth in a Stage 1 water shortage alert:

1. Refilling or initial filling of a swimming pool shall be prohibited;
2. Use of water for nonrecirculating ornamental fountains by commercial customers shall be prohibited;
3. Noncommercial washing of privately owned motor vehicles, trailers, and boats except from a bucket and a hose equipped with a shutoff nozzle shall be prohibited;
4. Any use of water from a fire hydrant except for fighting fires shall be prohibited. Use for essential construction needs may be permitted by the director upon submittal of a permit application for construction water;

- 5. Use of potable water for dust control at construction sites shall be prohibited;
- 6. Residential and commercial irrigation shall be prohibited except on specific days and times as set forth by resolution of the council;
- 7. Other uses deemed by council resolution to be nonessential by the council.

One key element of a Stage 2 alert is that of 13.10.070.B.6 above, which prohibits irrigation except on specific days and times. This is a mandatory requirement of the State’s emergency regulation. While the State regulation does not specifically prescribe a level of mandatory irrigation restriction, it does imply that limiting outdoor turf irrigation to 2 days per week is their expectation, unless it can be proven that other measures can produce an equivalent degree of water conservation. Staff recommends that turf irrigation be limited to 2 days per week, being the nights of Mondays and Thursdays from 7pm to 7am. Setting specific dates and times would highlight those who may be irrigating outside specified times. Gardens would not be limited to such irrigation restrictions. Certain athletic fields would be exempted for injury safety purposes. The City’s Plaza would be exempted due to its heavy use and as one gathering place where residents and children can enjoy green turf. All other City parks would curtail turf irrigation to 2 days per week.

Other mandatory requirements of the State’s emergency regulation are addressed in the City’s water waste ordinance of 13.10.060 and in Council Resolution 07-2014 which imposed the Stage 1 Water Conservation Alert.

While the City code allows for various forms of enforcement in 13.10.090 through 13.10.130, it is City staff’s intent to urge voluntary compliance rather than impose harsh penalties. Staff will initially enforce with friendly reminders when violations are noticed in the normal course of City business. Direct mailed notices, media releases, and temporary signage will be provided to remind residents of the water restrictions in force.

Recommended Council Action

Approve the Resolution.

Alternative Actions

Council discretion.

Financial Impact

An undetermined amount of water enterprise revenue will not be captured, if water use reductions are realized. The amount of lost revenue would depend upon the duration and timing of the water use reductions. Lost revenue would draw down the Water Enterprise reserve.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

State Emergency Water Conservation Regulations Resolution

Alignment with Council Goals:

Supports the Council’s Water and Infrastructure goal of implementing water conservation measures.

cc:

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2014-0038**

TO ADOPT AN EMERGENCY REGULATION
FOR STATEWIDE URBAN WATER CONSERVATION

WHEREAS:

1. On April 25, 2014, Governor Edmund G. Brown Jr. issued an [executive order](#) to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water. The executive order finds that the continuous severe drought conditions present urgent challenges across the state including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity if drought conditions continue into 2015. The [National Integrated Drought Information System](#) reported that nearly 80% of the state was reported to be under "extreme" drought conditions at the end of June;
2. The executive order refers to the [Governor's Proclamation No. 1-17-2014](#), issued on January 17, 2014, declaring a State of Emergency to exist in California due to severe drought conditions. The January Proclamation notes that the state is experiencing record dry conditions, with 2014 projected to become the driest year on record. Since January, state water officials indicate that reservoirs, rainfall totals and the snowpack remain critically low. This follows two other dry or below average years, leaving reservoir storage at alarmingly low levels. The January Proclamation highlights the State's dry conditions, lack of precipitation and the resulting effects on drinking water supplies, the cultivation of crops, and the survival of animals and plants that rely on California's rivers and streams. The January Proclamation also calls on all Californians to reduce their water usage by 20 percent;
3. There is no guarantee that winter precipitation will alleviate the drought conditions that the executive orders address, which will lead to even more severe impacts across the state if the drought wears on;
4. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports";
5. Over 400,000 acres of farmland are expected to be fallowed, thousands of people may be out of work, communities risk running out of drinking water, and fish and wildlife will suffer.

6. Many Californians have taken bold steps over the years and in this year to reduce water use; nevertheless, the dire nature of the current drought requires additional conservation actions from residents and businesses. Some severely affected communities have implemented water rationing, limiting water use in some cases to only 50 gallons per person per day, foregoing showers, laundry, toilet flushing, and all outdoor watering.
7. Water conservation is the easiest, most efficient and most cost effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this summer is water available next year, giving water suppliers the flexibility to manage their systems efficiently. The more water that is conserved now, the less likely it is that a community will experience such dire circumstances that water rationing is required ;
8. Most Californians use more water outdoors than indoors. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water;
9. Public information and awareness is critical to achieving conservation goals and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (<http://saveourwater.com>).
10. Enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated;
11. The emergency regulations set a minimum standard requiring only modest lifestyle changes across the state. Many communities are already doing more and have been for years. They should be commended, but can and should do more. Others are not yet doing so and should at least do this, but should do much more given the severity of the drought;
12. On July 8, 2014, the State Water Board issued public notice that the State Water Board would consider the adoption of the regulation at the Board's regularly-scheduled July 15, 2014 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations;
13. On April 25, 2014, the Governor suspended the California Environmental Quality Act's application to the State Water Board's adoption of emergency regulations pursuant to Water Code section 1058.5 to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water, to promote water recycling or water conservation;
14. As discussed above, the State Water Board is adopting the emergency regulation because of emergency drought conditions, the need for prompt action, and current limitations in the existing enforcement process;

15. Disadvantaged communities may require assistance in increasing water conservation and state agencies should look for opportunities to provide assistance in promoting water conservation;
16. Nothing in the regulations or in the enforcement provisions of the regulations, preclude a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulations adopted by this resolution and local agencies retain their enforcement discretion in enforcing the regulations, to the extent authorized, and may develop their own progressive enforcement practices to encourage conservation.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts California Code of Regulations, title 23, sections 863, 864, and 865, as appended to this resolution as an emergency regulation;
2. The State Water Board staff will submit the regulation to the Office of Administrative Law (OAL) for final approval;
3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or designee may make such changes;
4. These regulations shall remain in effect for 270 days after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions, or unless the State Water Board renews the regulations due to continued drought conditions as described in Water Code section 1058.5;
5. The State Water Board directs staff to provide the Board with monthly updates on the implementation of the emergency regulations and their effect;
6. Directs State Water Board staff to condition funding upon compliance with the emergency regulations, to the extent feasible;
7. Directs State Water Board staff to work with the Department of Water Resources and the Save Our Water campaign to disseminate information regarding the emergency regulations; and
8. Directs State Water Board staff in developing an electronic reporting portal to include data fields so that local agencies may provide monthly reporting data on (i) conservation-related implementation measures or enforcement actions taken by the local agency and (ii) substitution during the drought of potable water with recycled water to extend water supplies.

THEREFORE BE IT FURTHER RESOLVED THAT:

9. The State Water Board commends water suppliers that have increased conservation messaging and adopted innovative strategies to enhance customer awareness of water use, such as applications that let customers compare their water use to water use by others; reduce system losses, such as fixing system leaks which can deplete supplies by 10 percent or more; and establish incentives to reduce demand, such as tiered or drought rate structures. The State Water Board also commends all Californians that have already been working to maximize their conservation efforts, both at home and at work;
10. The State Water Board calls upon water suppliers to take the following actions:

Educate customers and employees

- Retail water suppliers should provide notice of the regulations in English and Spanish in one or more of the following ways: newspaper advertisements, bill inserts, website homepage, social media, notices in public libraries;
- Wholesale suppliers should include reference to the regulations in their customer communications;
- All water suppliers should train personnel on the regulations;
- All water suppliers should provide signage where recycled or reclaimed water is being used for activities that the emergency regulations prohibit with the use of potable water, such as operation of fountains and other water features;
- All water suppliers should redouble their efforts to disseminate information regarding opportunities and incentives to upgrade indoor fixtures and appliances;
- All water suppliers should use education and the tools available through the Save Our Water website (<http://saveourwater.com>); and
- All water suppliers should educate and prepare their boards and councils on the drought response actions contained in the emergency regulations and in this resolution, and to make sure that drought response items are placed on agendas as early as possible;

Increasing local supplies

- All water suppliers should accelerate the completion of projects that will conserve potable water by making use of non-potable supplies, such as recycled water, "greywater," and stormwater collection projects;
- All water suppliers should improve their leak reporting and response programs and request that police and fire departments and other local government personnel report leaks and water waste that they encounter during their routine duties/patrols;
- Smaller water suppliers – those with fewer than 3,000 service connections – should take proactive steps to secure their communities' water supplies and educate their customers about water conservation and the status of their supply reserves;
- All water suppliers should conduct water loss audits and make leak detection and repair a top priority for the duration of the drought; and
- All urban water suppliers should evaluate their rate structures and begin to implement needed changes as part of planning for another dry year. Information and assistance on setting and implementing drought rates is available from the Alliance for Water Efficiency. (<http://www.allianceforwaterefficiency.org/>).

11. The State Water Board calls on all Californians to take the following additional actions:
 - Further reduce water demand, whether by using less water in daily routines indoors and out, retrofitting appliances and installing greywater and rainwater catchment systems; and
 - Check residential and business water bills to see if there are high charges that may indicate a leak and to fix the leak, if they are able, or contact their local water utility if they need assistance.

12. The State Water Board encourages its staff, the Department of Water Resources, the Public Utilities Commission, urban water suppliers, and other local agencies to look for opportunities to encourage and promote new technologies that reduce water usage, including through timely access to water usage information and behavioral response.

13. The State Water Board encourages all state and local agencies to look for additional opportunities to minimize potable water use in outdoor spaces.

14. The State Water Board encourages investor-owned utilities to expeditiously submit applications for implementation of the regulations to the California Public Utilities Commission.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on July 15, 2014.

AYE: Chair Felicia Marcus
 Vice Chair Frances Spivy-Weber
 Board Member Steven Moore
 Board Member Dorene D'Adamo

 NAY: None

 ABSENT: Board Member Tam M. Doduc

 ABSTAIN: None



 Jeanine Townsend
 Clerk to the Board

PROPOSED TEXT OF EMERGENCY REGULATIONS

Article 22.5. Drought Emergency Water Conservation

Sec. 863 Findings of Drought Emergency

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;

(4) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

(5) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

Sec. 864 Prohibited Activities in Promotion of Water Conservation

(a) To promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.

(b) The taking of any action prohibited in subdivision (a) of this section, in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

PROPOSED TEXT OF EMERGENCY REGULATIONS

Sec. 865 Mandatory Actions by Water Suppliers

(a) The term “urban water supplier,” when used in this section, refers to a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation of ornamental landscapes or turf with potable water.

(2) As an alternative to subdivision (b)(1), an urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation-based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

(c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within thirty (30) days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week or shall implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

(d) In furtherance of the promotion of water conservation each urban water supplier shall prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. Beginning October 15, 2014, the monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves. In its initial monitoring report, each urban water supplier shall state the number of persons it serves.

(e) To promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, within thirty (30) days, take one or more of the following actions:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(2) Implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105; 350; 10617; 10632.

CITY OF SONOMA

RESOLUTION ___ - 2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA DECLARING A STAGE 2 WATER SHORTAGE ALERT AND REQUESTING A 20 PERCENT VOLUNTARY REDUCTION IN SYSTEM-WIDE WATER USE

WHEREAS, pursuant to California Water Code Section 102, all water in the state is the property of the people of the state; and

WHEREAS, the State Resources Control Board (State Board) is the agency tasked with issuing and monitoring permits to urban water suppliers and others to appropriate water statewide and determining the amount, purpose, place and beneficial use of that water. The City of Sonoma is the beneficiary of multiple State Board permits which authorize the appropriation of waters of the state; and

WHEREAS, Water Code Section 10617 defines "urban water supplier" as a supplier for municipal purposes that serves 3,000 customers or more than 3,000 acre feet annually. Pursuant to Section 10617, the City is an urban water supplier; and

WHEREAS, California is continuing to experience extremely dry conditions and the Governor of the State of California, on January 17, 2014, declared a state-wide drought emergency and requested Californians to voluntarily reduce water use by 20%; and

WHEREAS, on February 3, 2014, the Council of the City of Sonoma adopted Resolution 07-2014 requesting Sonoma customers reduce water use by 15% community-wide through voluntary conservation; and

WHEREAS, on April 25, 2014, the Governor of the State of California issued an Executive Order directing local water suppliers to redouble efforts to implement water conservation activities; and

WHEREAS, Sonoma customers have reduced water use by approximately 16% during the months of April through July 2014 in comparison to the same time in 2013; and

WHEREAS, on July 15, 2014, the State Water Resources Control Board adopted Drought Emergency Water Conservation Regulations (Emergency Regulations) prohibiting certain water using activities and requiring urban water suppliers to implement their Urban Water Shortage Contingency Plans to a level that imposes mandatory restrictions on outdoor irrigation with potable water; and

WHEREAS, the City of Sonoma has the authority and responsibility to adopt and had adopted water conservation measures within its area of service; and

WHEREAS, in order to comply with the State Water Resources Control Board Emergency Regulations, the City staff is recommending implementation of a Mandatory Stage 2 Water Conservation Alert, which imposes mandatory restrictions on outdoor irrigation with potable water; and

WHEREAS, the City Council has determined that it is necessary to be proactive and responsible in the management of the City's water supply.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sonoma hereby declares a Stage 2 water shortage alert, in accordance with Sonoma Municipal Code 13.10.070, requesting a 20 percent voluntary reduction in system-wide water use.

BE IT FURTHER RESOLVED that until such time as the City Council determines that the condition for conservation no longer exists, all potable water customers of the City of Sonoma shall adhere to the following restrictions on non-essential water use:

1. Refilling or initial filling of a swimming pool shall be prohibited;
2. Use of water for nonrecirculating ornamental fountains by commercial customers shall be

- prohibited;
3. Noncommercial washing of privately owned motor vehicles, trailers, and boats except from a bucket and a hose equipped with a shutoff nozzle shall be prohibited;
 4. Any use of water from a fire hydrant except for fighting fires shall be prohibited. Use for essential construction needs may be permitted by the director upon submittal of a permit application for construction water;
 5. Use of potable water for dust control at construction sites shall be prohibited;
 6. Residential and commercial turf irrigation shall be prohibited except on Mondays and Thursdays from 7:00pm to 7:00am. An exception to this prohibition shall apply to the Sonoma Plaza Park turf and athletic fields to the degree to ensure the safety of athletes.

PASSED, APPROVED AND ADOPTED this 18th day of August 2014 by the following vote:

AYES:
NOES:
ABSENT:

Tom Rouse, Mayor

ATTEST:

Gay Johann
Assistant City Manager / City Clerk



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 7D

Meeting Date: 08/18/2014

Department

Administration

Staff Contact

Jeffrey Walter, City Attorney

Agenda Item Title

Consider adopting Resolution Approving (1) Central Landfill and Former Landfills Settlement Agreement (“Settlement Agreement”) with County of Sonoma, (2) Waste Delivery Agreement with Republic Services of Sonoma County, Inc. (“Republic”), (3) Franchised Hauler’s Agreement to Be Bound by City’s Waste Delivery Commitment with Republic and Sonoma Garbage Collectors, Inc., and (4) Committed Cities Contingent Liability Fund Agreement with other cities; and Making CEQA Findings and Certifications that: (a) the Central Site FEIR and Reopening Addendum approved by the County of Sonoma in 1998 and 2013, respectively, were considered by the Sonoma City Council in approving the above-mentioned documents and adequately address the environmental impacts of the improvements to the Central Landfill Site for continued operations, incorporates necessary mitigation measures and adopts appropriate statements of overriding consideration with respect to significant environmental impacts related to the operation and future expansion of the Central Landfill Site; (b) those environmental documents have adequately reviewed any potentially significant impacts associated with the activities proposed under the Waste Delivery Agreement and Franchised Hauler’s Agreement to Be Bound by City’s Waste Delivery Commitment, and with the mitigation measures adopted by the County will not have a significant environmental impact other than those for which the County adopted statements of overriding consideration which said statements the City Council re-adopts as its own; and (c) the Settlement Agreement and Contingent Liability Fund Agreement are exempt from CEQA review because it can be seen with certainty that there is no possibility that the activities contemplated thereunder may have a significant impact on the environment.

Summary

After nine (9) years of negotiations, the staffs and attorneys of the cities of Sonoma County and the County of Sonoma are recommending entering into a Settlement Agreement (and ancillary agreements) to resolve the competing claims the agencies have been asserting over the assignment of liability for the costs of closing the County’s Central Landfill site, and attendant post-closure costs, all of which are estimated to amount to \$52.1 million. The County has already entered into a Master Operations Agreement with Republic to operate the Central Landfill Site (except for the composting and household hazardous waste operations) and in return Republic has agreed to pay for these costs. However, that Master Operations Agreement is contingent on the County entering into the Settlement Agreement with the cities, and the cities entering a Waste Delivery Agreement (“WDA”) with Republic under which the cities agree to commit their respective waste streams to the Central Landfill Site for 25 years. Additionally, the cities are proposing to enter into a Committed Cities Contingent Liability Fund agreement under which \$5/ton in gate fees will be collected by Republic and set aside during the life of the WDA to cover any contingent liabilities arising out of the operations, closure and post-closure of the Central Landfill and Former Urban Landfill sites not otherwise paid for by Republic and/or the County.

Recommended Council Action

Adopt Resolution

Alternative Actions

Do not adopt Resolution

Adopt the Resolution with Modifications

Direct Staff to Return to the Council at a Future Meeting with Different Resolution and/or to Take Other Actions

Financial Impact

There are no anticipated financial impacts on the City; but City ratepayers will likely experience an initial modest increase in their garbage rates.

Environmental Review

Status

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

- Central Landfill and Former Landfills Settlement Agreement with County of Sonoma
 - Waste Delivery Agreement with Republic Services of Sonoma County, Inc.
 - Committed Cities Contingent Liability Fund Agreement
 - Franchised Hauler's Agreement to Be Bound by City's Waste Delivery Commitment
 - Resolution Approving the Above and Making CEQA Findings
-

cc:

SUPPLEMENTAL STAFF REPORT

BACKGROUND¹

In December 2004, the City of Petaluma advised the County of Sonoma (“County”) that Petaluma was no longer going to transport its solid waste to the Sonoma County Central Disposal Site (“Central Landfill,” “Central Landfill Site” or “landfill”). At that point, the County sent a letter demanding that Petaluma contribute to the remediation, closure and post closure costs of the landfill or the County would file suit against it. Petaluma indicated that if litigation were instituted it would bring a cross-complaint against the other cities in the county.

The County had, up to this point in time, been setting aside a portion of the tip fees collected on the solid waste from all cities and the County to cover the landfill’s anticipated costs of remediation, closure and post closure based on prior cost estimates and a “pay as you go” approach that factored in the expected life of the landfill.

In September 2005, the County was required to start outhauling all solid waste from the landfill to out of county sites because the RQWCB would not grant the necessary approvals to the County for a revised liner system on part of the landfill that had releases or leakage of contaminants through the liner system then in place.

As a result of the shutdown of the landfill, the County was faced with regulatory pressure to immediately begin final closure of the landfill. Prior to the shut down, the County estimated that it had an additional 15 years of landfill capacity left. Without having the additional 15 years to continue to collect the closure costs, the County had to calculate the shortfall. The County indicated at this time that there was a significant shortfall to cover the costs based on the need to fund the full amount of the costs assuming the landfill had to be closed immediately. The County looked to the Cities to assist in contributing to these substantial costs.

The Cities entered into a joint defense agreement and have been working collaboratively to resolve the issues with the County regarding the landfill. Since that time, the cost estimates have been evaluated and revised.

The County then commenced with a RFI, RFQ, RFP process to sell the landfill and attempt to resolve the issues relating to liabilities associated with the landfill and seek a proposal that would

¹ With her permission, a majority of this report is taken from its counterpart developed by the City Attorney for the City of Santa Rosa, Caroline Fowler. I want to acknowledge the leadership that Ms. Fowler has demonstrated throughout these long years of negotiations with the County, and express my appreciation for the work that she has done in vetting and assembling the documents and reports necessary in order for this matter to be submitted at the present time to the affected legislative bodies in the County for their decision-making.

keep the landfill operational. As a result of the process, the County selected Republic Services of Sonoma County, Inc. (“Republic”) and negotiated with that corporation to purchase the landfill and negotiated a proposed settlement with the Cities to commit their waste flow to Republic in exchange for a release of liability. When the final proposal came before the Board of Supervisors in October 2009, a number of individual council members from various cities opposed the proposal and the Board voted not to move forward with the divestiture.

In December 2009, the Board established the County City Solid Waste Advisory Group (“SWAG”) which was composed of two supervisors from the County and an elected representative of each City that met over a two year period to discuss the future of solid waste in the county and the goals and interests of the Cities and County. In 2012, the SWAG made recommendations which included a recommendation for a long term private operator for the landfill and that the County negotiate with the current operator, Republic. On June 12, 2012, the Board of Supervisors directed County Staff to negotiate with Republic for a long term operating agreement.

In the meantime, commencing in August 2010, the County entered into a short term operating agreement with Republic which agreed to take on the task of obtaining a permit from the RWQCB to continue the operations of the landfill. The County also entered into an agreement with the Ratto Group to operate the transfer stations. The City Attorneys, City Managers and County Counsel and County Staff continued to discuss a proposed settlement agreement and received input and direction from their respective councils in closed session and input from the SWAG regarding key principles.

On April 23, 2013, the Board of Supervisors approved a twenty (20) year Agreement for Operation of the Central Landfill and County Transfer Stations (“Master Operations Agreement”)² with Republic Services contingent on obtaining a permit from the RWQCB; obtaining commitments from Santa Rosa, Windsor, Rohnert Park, Sebastopol, Cotati, Healdsburg, Sonoma and Cloverdale to enter into a Waste Delivery Agreement with Republic and contingent on the County reaching a settlement agreement with these cities.

On March 14, 2013, the RWQCB issued the permit for continued operation of the landfill.

The Cities’ and County’s staff and attorneys have now negotiated a proposed Settlement Agreement (Exhibit A), a proposed Waste Delivery Agreement (Exhibit B), and a proposed Franchised Hauler’s Agreement to be Bound by City’s Waste Delivery Commitment (Exhibit D).

² With its exhibits, the Master Operations Agreement is two (2) inches thick. For that reason, it is not attached. It can be reviewed by accessing the following link (which is the link to the City of Santa Rosa City Council agenda packet for its meeting of July 29, 2014):

http://legistar.granicus.com/santarosa/meetings/2014/7/1006_A_CITY_COUNCIL_14-07-29_Regular_Meeting_Agenda_and_Summary_Report.pdf.

all of which are presented for the Council's approval. These agreements are contingent upon approval by the other cities and amendment of the Master Operations Agreement by the County to extend that agreement for an additional five (5) year term and to add a requirement for Republic to collect as part of the Gate Fee a Committed Cities Contingent Liability Fee of \$5.00 per ton on city committed waste to set aside for the benefit of the Committed Cities a reserve fund to be held in trust by the County for potential future liabilities. The Committed Cities have negotiated a Committed Cities Contingent Liability Fund Agreement to govern the collection, disbursement and use of these funds which is attached hereto as Exhibit C and is also presented for the Council's approval.

The key terms of each of these agreements are discussed below. Sonoma Garbage Collectors ("SGC"), as the City's franchised hauler, has reviewed these documents, and in particular the Waste Delivery Agreement, and, as such, SGC will also sign a consent to the Waste Delivery Agreement.

ANALYSIS

1. Agreement for Operation of the Central Landfill and County Transfer Stations (Master Operations Agreement)

A. Term The Master Operations Agreement provides for Republic to operate the Central Disposal Site and transfer stations for a period of 20 years. The term of the Master Operations Agreement will be amended as part of the Settlement process to add an additional 5 year term to the agreement. Additionally, the Master Operations Agreement must be amended to include the requirements that at the end of the term, Republic shall provide the use of the transfer stations³ at fair market rate to any of the Committed Cities and also agree to collect the Committed Cities Contingent Liability Fee as part of the gate fees at the landfill. It is anticipated the County will obtain approval of this amendment when all of the cities (excepting Petaluma) have approved the Settlement Agreement and Waste Delivery Agreement. The settlement discussed herein is contingent on such amendments. Committed Cities are those cities that agree to enter into a Waste Delivery Agreement with Republic. It is anticipated that all cities in the County with the possible exception of Petaluma will enter into such agreements. The Master Operations Agreement does not become effective until all cities, with the exception of Petaluma, have agreed to Waste Delivery Agreements unless the parties agree otherwise.

B. Financial Obligations of Republic The Master Operations Agreement provides that Republic will fund the estimated \$119 million in future infrastructure development of the landfill, including development of a Material Recovery Facility (MRF). Republic will pay closure and post closure costs for the Central Landfill Site which are currently estimated based upon a 2011 consultant report to be approximately \$28 million for closure and \$24.1 million for post closure costs. At this point and based upon expected diversion to non-disposal end-points, it is anticipated that the landfill still has approximately a 30-35 year life. Republic also agrees to indemnify and hold harmless the County and Committed Cities from any liability for the Central

³ The transfer stations are located at the Central Landfill Site, Annapolis, Healdsburg and Sonoma.

Landfill Site except for portions of the operation that are not operated by Republic such as the current compost and household hazardous waste sites. Republic also agrees to indemnify and hold harmless the County and Committed Cities from any liability if Republic files suit against any third parties for liability in connection with the Central Landfill Site.

C. Security for Performance Republic is required to post a bond with the State to guarantee its performance of post closure obligations in the amount of \$24 million dollars which provides security for its performance of those obligations. Additionally, the County has required Republic to provide a “parent” guaranty from Republic Services, Inc. for performance of Republic’s obligations and a \$3 million letter of credit. Additionally, the County retains more than \$10 million in tipping fees already collected to cover these types of contingencies.

D. Rates The Contractors service fee is initially set at \$ 104.35/ton and is adjusted annually by 90% of the Consumer Price Index (CPI) with a maximum cap in any given year of 3.5%. The gate fee will also include the \$7.50/ton government fees for funding of the Sonoma County Waste Management Programs and other government fees as well as a \$9.25/ton County Concession Fee and when the agreement is amended the \$5.00/ton Committed Cities Contingent Liability Fee. It is estimated that the various gate fees which are being agreed to in these agreements will bring the total gate fee to \$126.10/ton. It is estimated by the County that the total gate fee of \$126.10/ton would increase the City of Sonoma’s rate for a 32 Gallon can by .32 cents.⁴ The current tipping fee is \$114.00 per ton. The Agreement also contains provision for increases in the event of certain unforeseen circumstances and a dispute resolution provision if there is not agreement on any increases.

E. Diversion Republic is required to comply with the goal of diverting 67,000 tons of waste per year. The diversion requirements commence after completion of the MRF. The Agreement contains liquidated damage provisions for failure to meet the diversion goals and requires Republic to provide an annual report on its diversion and provide education that coordinates with the Waste Management Agency. This represents approximately 55,000 tons of new diversion a year and is expected to result in the county reaching 80% countywide diversion.

F. Ownership and Oversight The County will continue to own the landfill and provide oversight of Republic’s operation.

G. Greenhouse Gas Monitoring Republic is required to provide annual Greenhouse Gas reports after establishing a baseline report.

H. Compost and Household Hazardous Waste There is an 18 month window which allows the cities and the County to decide whether they desire Republic to provide pricing for operation of

⁴ This estimated \$.32 increase in the rates charged for a 32 gallon can does not take into consideration the \$3.60/ton gate fee reduction that Republic will provide to SGC because SGC has already implemented a commercial food waste collection program, the costs of which are already included in SGC’s collection rates.

the compost and/or household hazardous waste program. However, prior to providing pricing for composting services, the Agreement requires Republic to first negotiate with Sonoma Compost to see if it can reach a subcontract agreement with Sonoma Compost for the provision of the services.

2. Settlement Agreement (Exhibit A)

The Settlement Agreement's purpose is to settle any potential liability that the Committed Cities may have for contributing their municipal waste to the Central Landfill Site and Former Landfills (defined below). The Committed Cities do not admit that they have any specific liability for such claims.

In exchange for entering the Waste Delivery Agreement with Republic, the County agrees to release and indemnify the Committed Cities for any potential liability in connection with the Former Rural Landfills (Annapolis, and Occidental and Geyserville) and will assume all costs of post closure for these landfills.

The County further covenants not to sue the Committed Cities for any liability for the Central Landfill Site except (i) for liabilities not assumed by Republic, (ii) if Republic breaches the Master Operations Agreement or (iii) if a City materially breaches its obligations under the Waste Delivery Agreement. Before the County can bring any action against a Committed City it must pursue any available remedies against Republic, its corporate guaranty, the security provided by Republic and exhaust the approximately \$10 million already collected from former tipping fees and the approximately \$2 million Central Landfill Site Leak Fund. In addition, the parties agree to mediate prior to any litigation.

With respect to the Former Urban Landfills (Sonoma, Healdsburg, Airport and Roblar), the County agrees not to sue the Committed Cities for any environmental liability or closure or post closure costs with the exception of any third party claims that arise in the future or any unexpected events. Under the Master Operations Agreement, Republic is required to pay "base concession payments" (financed by a concomitant increase in gate fees) to the County to fund County liabilities arising out of the Central Landfill (to the extent not covered by Republic) and closing and post-closing costs of the Former Urban Landfills.⁵ This concession payment/fee is waived and will not be charged at the gate by Republic during the last 5 years of the Settlement Agreement with the Cities: from years 20-25.

The County also agrees that it will allocate 70% of the "base concession payments" collected under the Master Operations Agreement to a County-controlled fund to cover the costs of closure and post closure of the Former Urban Landfills. The County shall also hold in trust and use for closure and post closure the existing County-controlled Healdsburg Leak Fund of \$2,567,504 and the existing County-controlled Sonoma Leak Fund of \$2,170,837. The County shall be

⁵ The concession payment that Republic will collect at the gate depends upon the amount of waste delivered to Central Landfill each year. It is estimated to start at \$9.25/ton which is shown in Exhibit D to the Waste Delivery Agreement.

required to exhaust all applicable funds and any remedies against Republic before pursuing any Committed City for such costs.

Thirty percent (30%) of the “base concession payments” shall be allocated for the County’s Administrative Costs which are defined in the Settlement Agreement as the costs the County is anticipated to incur for its oversight of the Master Operations Agreement and the collection and reporting of the various funds collected. Based on the starting “base concession payment” of \$9.25/ton, the County will be distributed about \$785,000/year to cover its administrative costs. Only the County’s actual administrative costs shall be paid from this fund. There are provisions for excess funds in the Administrative Fund to roll over to the Former Urban Landfills Funds and provisions to engage in dispute resolution if there is a disagreement over any increase in administrative costs.

The County represents and warrants to the Cities that it does not have any knowledge of any third party claims or unexpected events as of the execution of the Settlement Agreement. In the event the County or Republic sues any non-committed City, Republic shall defend and indemnify the Committed Cities and the County will defend the Committed Cities. The County further agrees that the settlement made by the Cities in the Settlement Agreement represents a fair and reasonable apportionment of any potential liability of the parties. Any funds collected from a non-committed City shall be contributed to the funds specified above.

At the end of year 19 of the Settlement Agreement, the parties shall meet and confer and assess the funds being held by the County and the then current known liabilities and determine whether it is necessary to continue to retain all of the funds. The parties have the right to hire a consultant to review these issues and shall submit any dispute to the dispute resolution procedure (binding arbitration through JAMS) to resolve. Any funds that may be distributed shall be distributed to the Cities based on the respective percentages of their contributions to the funds.

Republic is also required to collect at the gate and pay to the County a “Committed Cities Contingent Liability Fund” fee based on each Committed Cities’ waste stream. The fee is to be held by the County in trust for benefit of the Committed Cities to pay for, among other things, any liabilities arising out of the closing and post-closing of the Former Urban Landfills not covered by the County’s “base concession payments” and other funds already established by County. This fee will start as a \$5/ton liability surcharge. These funds can also be used to make expenditures that benefit the Cities’ solid waste ratepayers.

The Settlement Agreement is conditioned on obtaining the expansion permit and necessary permits for landfill operation (which was issued on March 14, 2013 by RWQCB); execution by all Committed Cities of the Waste Delivery Agreement; delivery of Republic’s Financial Security Instruments to the County; and amendment of the Master Operations Agreement to extend its term for an additional five (5) years and to provide for collection of the Committed Cities Contingent Liability Fund fee.

3. Waste Delivery Agreement (Exhibit B)

The Waste Delivery Agreement provides that the City shall direct its waste flow except for certain exempted waste to the Central Landfill Site in accordance with the rate structure set forth in the Master Operations Agreement for a period of 25 years and to provide the services set forth in the Master Services Agreement. The agreement contains 6, five year extension options which may be exercised at the City's discretion.

In exchange for such commitment, Republic agrees to indemnify and hold harmless the City for any liabilities associated with the Central Landfill Site and accepts responsibility for closure and post closure costs except for those operations controlled by other entities (Compost and Household Hazardous Waste).

Republic further agrees to allow the City to have access and use of the transfer stations at the expiration of the term of the Waste Delivery Agreement at then fair market rates. A dispute resolution provision is provided in the event the parties cannot agree on a price. Access to the transfer stations is important to the City in order for the City to have options at the expiration of the term of the agreement to possibly transport its waste to other locations. If the City did not have access to a transfer station it would be required to build one to provide transfer of waste from its hauler to a disposal site other than the Central Landfill Site.

Although the Waste Delivery Agreement does not compel the City to guarantee SGC's payment of bills sent to SGC by Republic, upon notice by Republic that SGC is not paying its bills, the City required to take reasonable action to persuade SGC to pay undisputed bills (including terminating its franchise, making financial arrangements to pay for bills, etc.).

Keeping the City's waste locally will result in reductions in Greenhouse gases. Additionally, diversion will be enhanced by the commitment of Republic to build an MRF.

And, as already discussed, Republic further agrees to collect on behalf of the Committed Cities a fee to provide security for any contingent liability as directed by the Cities under the Committed Cities Contingent Fee Agreement. The fee shall initially be set at \$5.00 but may be adjusted by the Cities.

4. Committed Cities Contingent Liability Fund Agreement (Exhibit C)

In order to protect the Committed Cities against any residual liability not otherwise paid for or indemnified against under these agreements, the Committed Cities have requested Republic, and the County and Republic have agreed, to collect as part of the Gate Fees a "Committed Cities Contingent Liability Fee" on committed city waste. Pursuant to the agreement, the initial fee shall be set at \$5.00 per ton. Fees collected are allocated to each Committed City based on waste delivered from each city's jurisdiction. The County will hold and administer the funds for no cost to the Cities. Funds are to be used solely to cover the contingent liabilities or costs associated therewith for the benefit of the ratepayers.

Each City has one vote. 7 out of 8 cities may vote to increase the fee, reduce the fee or terminate collection of fee. Any Committed City has the right to request that Republic and the County continue to collect such fees on its behalf.

The Cities may, by a unanimous vote, agree to other disbursements of the fees for hiring of consultants or settlements of claims related to such liabilities. Disbursement of said funds shall be in accordance with the respective amounts collected on behalf of each Committed City.

4. Franchised Hauler's Agreement to be Bound by City's Waste Delivery Commitment (Exhibit D)

A further condition to the global settlement of the parties' claims includes each city's waste hauler agreeing to be bound by each city's Waste Delivery Agreement with Republic. That means that SGC must agree to abide by the terms of the Waste Delivery Agreement, to the extent that those terms affect SGC, including the obligation to delivery the City's municipal waste to the Central Landfill for the term of SGC's franchise with the City.

SGC's representative has reviewed all documents relevant to SGC's responsibilities and has approved them.

CEQA ANALYSIS

In November 1998, the County of Sonoma certified the Sonoma County Central Site Improvement Program Final Environmental Impact Report, State Clearing House Number 1995073068 ("Central Site FEIR")⁶, which analyzed potentially significant impacts related to the proposed site improvements for continued operation of the Central Disposal Site. On June 12, 2012, the County considered and approved an Addendum to the Central Site FEIR, looking at the impacts of reopening the Central Disposal Site, to which a revised addendum was approved April 23, 2013, ("Reopening Addendum") and found that no further environmental review was required under CEQA. In reliance upon the Central Site FEIR and the Reopening Addendum, the County Board of Supervisors approved the Agreement for Operation of the Central Landfill and County Transfer Stations on April 23, 2013. In its consideration of entering into the proposed Waste Delivery Agreement for utilization of the Central Disposal Site, the City is a responsible agency under CEQA. The City's staff has reviewed the Central Site FEIR and the Reopening Addendum and has determined that the Waste Delivery Agreement falls within the scope of the analysis contained in the Central Site FEIR and Reopening Addendum. Further, it has been determined that the analysis in those environmental documents has adequately reviewed any potentially significant impacts associated with the proposed activities in the Waste Delivery Agreement.

⁶ The environmental documents mentioned in this report are voluminous. For that reason, they are not attached. They can be reviewed by accessing the following link (which is the link to the City of Santa Rosa City Council agenda packet for its meeting of July 29, 2014): http://legistar.granicus.com/santarosa/meetings/2014/7/1006_A_CITY_COUNCIL_14-07-29_Regular_Meeting_Agenda_and_Summary_Report.pdf.

CONCLUSION

The proposed Settlement Agreement and Waste Delivery Agreement provides resolution of long standing issues with respect to liabilities of the landfill system, provides for a predictable and long term solution for disposing of the City's waste within the County, promotes the City's goals of diversion and reduction of greenhouse gases and insures continued operation of the Sonoma County Landfill.

RECOMMENDATION

It is recommend that the City Council approve and authorize the City Manager to execute the Central Disposal Site and Former Landfills Settlement Agreement with the County of Sonoma; the Waste Delivery Agreement with Republic Services of Sonoma County, Inc.; the Franchised Hauler's Agreement to be Bound by City's Waste Delivery Commitment with Republic and Sonoma Garbage Collectors, Inc. and the Committed Cities Contingent Liability Fund Agreement with the other cities in Sonoma County in substantially the form attached hereto with such minor edits or corrections as may be approved by the City Attorney.

CITY OF SONOMA

RESOLUTION NO. __ - 2014

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE FOLLOWING AGREEMENTS: 1) CENTRAL LANDFILL AND FORMER LANDFILLS SETTLEMENT AGREEMENT WITH COUNTY OF SONOMA; 2) WASTE DELIVERY AGREEMENT WITH REPUBLIC SERVICES OF SONOMA COUNTY INC.; 3) FRANCHISED HAULER'S AGREEMENT TO BE BOUND BY CITY'S WASTE DELIVERY COMMITMENT WITH REPUBLIC AND SGC; AND 4) COMMITTED CITIES' CONTINGENT LIABILITY FUND AGREEMENT WITH OTHER COMMITTED CITIES

WHEREAS, the City of Sonoma has for many years disposed of its waste at the Central Disposal Site (also referred to as "landfill" or Central Landfill Site") operated by the County of Sonoma; and

WHEREAS, the City of Sonoma and other cities within the County and the County of Sonoma have worked together over the past nine years to develop a solution to the long term solid waste issues in the County with the goal of maintaining an in county landfill, and

WHEREAS, on December 8, 2009, the County formed a Solid Waste Advisory Group (SWAG) comprised of two members of the Board of Supervisors, and one City Council Member from each city in Sonoma County, to establish an open and transparent process and make recommendations on solid waste system planning and operations; and

WHEREAS on June 12, 2012, the Board of Supervisors accepted the SWAG's recommendations, and directed staff to proceed with required permitting to re-open the landfill and enter into negotiations with the current operators of the Central Landfill and Transfer Stations for a long-term operations agreement for the County solid waste facilities. The Board of Supervisors set the following basic goals and objectives for the negotiation:

- The County will enter into a long-term comprehensive operations agreement for the Central Landfill and Transfer Station properties it owns, with a private party.
- The private party will be responsible for development of the Central Landfill in accordance with permits issued by CalRecycle and the Regional Water Quality Control Board.
- The private party will develop such additional diversion facilities on the Central Landfill Property as may be requested by the County based upon policy recommendations of the Sonoma County-City Solid Waste Advisory Group.
- The private party will assume liabilities associated with the Central Landfill and

operation of the Transfer Stations included, but not limited to, Operational liability and Central landfill closure, post closure, and third party liability.

- The agreement with the private party will establish a sustainable funding structure for the acceptance of waste, and recyclables, from the governmental jurisdictions within the County, businesses, and the general public, which will not include put-or-pay provisions and will not create disincentives to diversion of material from landfill disposal.

WHEREAS, on April 23, 2013, the Board of Supervisors approved an AGREEMENT FOR OPERATION OF THE CENTRAL LANDFILL AND COUNTY TRANSFER STATIONS with Republic Services of Sonoma County, Inc. (“Republic”); and

WHEREAS, the City of Sonoma and the other cities within the County and Republic, the private party operating the facility, have negotiated the terms of a WASTE DELIVERY AGREEMENT which will allow the City to dispose of its waste at the Central Disposal Site for 25 years with the option for six (6) five (5) year extensions; and

WHEREAS, under the terms of the WASTE DELIVERY AGREEMENT, Republic agrees to indemnify and hold the City harmless from any liabilities associated with the Central Disposal Site with certain limited exceptions; and

WHEREAS, in consideration of the City entering into the WASTE DELIVERY AGREEMENT and its ancillary FRANCHISED HAULER’S AGREEMENT TO BE BOUND BY CITY’S WASTE DELIVERY COMMITMENT, the County and Sonoma County cities have negotiated a SETTLEMENT AGREEMENT resolving liabilities associated with the Central Disposal Site, the former Urban Landfills and former Rural Landfills which will not require the City to pay any additional consideration; and

WHEREAS, the cities desire to establish a Contingent Liability Fund to protect the cities and their ratepayers from any remaining contingent liabilities and, consequently, have negotiated an agreement to govern such fund as set forth in the COMMITTED CITIES’ CONTINGENT LIABILITY FUND AGREEMENT; and

WHEREAS, in November 1998, the County of Sonoma certified the Sonoma County Central Site Improvement Program Final Environmental Impact Report, State Clearing House Number 1995073068 (“Central Site FEIR”), which analyzed potentially significant impacts related to the proposed site improvements for continued operation of the Central Disposal Site, incorporated necessary mitigation measures and adopted statements of overriding consideration with respect to significant environmental impacts related to the operation and future expansion of the Central Disposal Site. On June 12, 2012, the County considered and approved an Addendum to the Central Site FEIR, looking at the impacts of reopening the Central Disposal Site, to which a revised addendum was approved April 23, 2013, (“Reopening Addendum”) and found that no further environmental review was required under CEQA. In reliance upon the Central Site FEIR and the Reopening Addendum, the County Board of Supervisors approved the Agreement for Operation of the Central Landfill and County Transfer Stations with Republic on April 23, 2013.

WHEREAS, in its consideration of entering into the proposed WASTE DELIVERY AGREEMENT for utilization of the Central Disposal Site, the City is a responsible agency under CEQA. City staff has reviewed the Central Site FEIR and the Reopening Addendum and has determined that the WASTE DELIVERY AGREEMENT and its corresponding FRANCHISED HAULER'S AGREEMENT TO BE BOUND BY CITY'S WASTE DELIVERY COMMITMENT fall within the scope of the analysis contained in the Central Site FEIR and Reopening Addendum. Further, staff has determined that the analysis in those environmental documents has adequately reviewed any potentially significant impacts associated with the proposed activities in the WASTE DELIVERY AGREEMENT and FRANCHISED HAULER'S AGREEMENT TO BE BOUND BY CITY'S WASTE DELIVERY COMMITMENT, and that with the mitigation measures adopted by the County will not have significant environmental impacts other than those for which the County adopted statements of overriding consideration; and

WHEREAS, staff has determined that the CENTRAL DISPOSAL SITE AND FORMER LANDFILLS SETTLEMENT AGREEMENT and the COMMITTED CITIES' CONTINGENT LIABILITY FUND AGREEMENT are exempt from CEQA review in that it can be seen with certainty that there is no possibility that the activity in question may have a significant impact on the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby certifies that it considered the Central Site FEIR and Reopening Addendum in making the decisions memorialized herein. Further, the City Council hereby finds that the Central Site FEIR and Reopening Addendum adequately analyzed all potentially significant impacts associated with the WASTE DELIVERY AGREEMENT and the FRANCHISED HAULER'S AGREEMENT TO BE BOUND BY CITY'S WASTE DELIVERY COMMITMENT, and further finds that all potentially significant environmental impacts will be mitigated to less than significance with the adoption and implementation of the mitigation measures adopted by, and which are within the jurisdiction of, the County as part of the Central Site Improvement Project, excepting those impacts for which the County adopted statements of overriding consideration, and to the extent that the approval of the WASTE DELIVERY AGREEMENT and FRANCHISED HAULER'S AGREEMENT TO BE BOUND BY CITY'S WASTE DELIVERY COMMITMENT will contribute to the unmitigated environmental impacts identified by the County, the Council hereby concurs with and adopts the statements of overriding consideration adopted by the County in connection with the Central Site Improvement Project.

BE IT FURTHER RESOLVED that the CENTRAL DISPOSAL SITE AND FORMER LANDFILLS SETTLEMENT AGREEMENT and the COMMITTED CITIES' CONTINGENT LIABILITY FUND AGREEMENT are exempt from CEQA review in that it can be seen with certainty that there is no possibility that the activity in question may have a significant impact on the environment.

BE IT FURTHER RESOLVED that the location and custodian of the documents and materials which constitute the record of proceedings upon this decision is based are the clerks of the City of Sonoma and the County of Sonoma.

BE IT FURTHER RESOLVED that the City Council of the City of Sonoma approves and authorizes the City Manager to execute the CENTRAL DISPOSAL SITE AND FORMER LANDFILLS SETTLEMENT AGREEMENT with the County of Sonoma, attached hereto in substantially the same form as Exhibit A, subject to approval as to form by the City Attorney.

BE IT FURTHER RESOLVED that the Council of the City of Sonoma approves and authorizes the City Manager to execute the WASTE DELIVERY AGREEMENT with Republic Services of Sonoma County, Inc., attached hereto in substantially the same form as Exhibit B, subject to approval as to form by the City Attorney.

BE IT FURTHER RESOLVED that the Council of the City of Sonoma approves and authorizes the City Manager to execute the COMMITTED CITIES' CONTINGENT LIABILITY FUND AGREEMENT with the other cities in Sonoma County, attached hereto in substantially the same form as Exhibit C, subject to approval as to form by the City Attorney.

BE IT FURTHER RESOLVED that the Council of the City of Sonoma approves and authorizes the City Manager to execute the FRANCHISED HAULER'S AGREEMENT TO BE BOUND BY CITY'S WASTE DELIVERY COMMITMENT with Republic Services of Sonoma County, Inc., and Sonoma Garbage Collectors, Inc., attached hereto in substantially the same form as Exhibit D, subject to approval as to form by the City Attorney.

PASSED, APPROVED AND ADOPTED on _____, 2014 by the following vote:

AYES:
NOES:
ABSENT:

Tom Rouse, Mayor

ATTEST:

Gay Johann
Assistant City Manager / City Clerk

Attachments: Exhibit A - Central Disposal Site and Former Landfills Settlement Agreement
Exhibit B - Waste Delivery Agreement
Exhibit C - Committed Cities Contingent Liability Fund Agreement
Exhibit D – Franchised Hauler's Agreement to be Bound By City's Waste Delivery Commitment

EXHIBIT A

CENTRAL DISPOSAL SITE AND FORMER LANDFILLS

SETTLEMENT AGREEMENT

BETWEEN

THE COUNTY OF SONOMA

AND

THE COMMITTED CITIES

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EXHIBITS

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

**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.

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

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 the Contractor’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.

“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.

“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.

“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

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).

“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.

“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.

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.

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 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 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 the Contractor. 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 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.

(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 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 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.

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

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 CONDITION PRECEDENTS 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.

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)

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**

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

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 boards 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
Address:	575 Administration Drive, Room 104A Santa Rosa, CA 95403
Telephone:	(707) 565 2431
E-mail:	_____

For Each Committed City:

City of Cloverdale

Name: _____

Address: _____

Telephone: _____

E-mail: _____

City of Cotati

Name: _____

Address: _____

Telephone: _____

E-mail: _____

City of Healdsburg

Name: _____

Address: _____

Telephone: _____

E-mail: _____

City of Rohnert Park

Name: _____

Address: _____

Telephone: _____

E-mail: _____

City of Santa Rosa

Name: _____

Address: _____

Telephone: _____

E-mail: _____

City of Sebastopol

Name: _____
Address: _____

Telephone: _____
E-mail: _____

City of Sonoma

Name: _____
Address: _____

Telephone: _____
E-mail: _____

Town of Windsor

Name: _____
Address: _____

Telephone: _____
E-mail: _____

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

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

County of Sonoma

Dated: _____

By: _____

Name: _____

Title: _____

City of Cloverdale

Dated: _____

By: _____

Name: _____

Title: _____

City of Cotati

Dated: _____

By: _____

Name: _____

Title: _____

City of Healdsburg

Dated: _____

By: _____

Name: _____

Title: _____

City of Rohnert Park

Dated: _____

By: _____

Name: _____

Title: _____

City of Santa Rosa

Dated: _____

By: _____

Name: _____

Title: _____

City of Sebastopol

Dated: _____

By: _____

Name: _____

Title: _____

City of Sonoma

Dated: _____

By: _____

Name: _____

Title: _____

Town of Windsor

Dated: _____

By: _____

Name: _____

Title: _____

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:

- 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.
- 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.
- 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.
- 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 Contractor with written notice at least 60 days prior to the Adjustment Date.
- 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 the Contractor and all Committed Cities on Committed City Waste during the last 5 years of the 25 year term of the Waste Delivery Agreements. For example, during the first year of the Term, Contractor would pay County \$14.25 per ton of Committed City Waste.

- 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, Contractor would pay County \$10.25 per ton of Committed County Waste and Self-Haul Waste.
- 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).
- 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 paragraph 5 herein.
- All Concession Fee Payments described in this Exhibit shall be a “pass-through” expense of Contractor and shall be included in the Gate Rates to be collected by Contractor. Contractor shall not be obligated to make payment on materials where the Concession Fees have not been placed in the tipping fees that Contractor can collect or if materials are not being delivered to the County Facilities.
- 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.

EXHIBIT B

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.

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. (<i>Receptionist</i>)	\$ 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. (<i>Clerk Typist III</i>)	\$ 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
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.

}

EXHIBIT C

[ATTACH COMMITTED CITIES CONTINGENT FUND AGREEMENT]

EXHIBIT D

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

EXHIBIT B

WASTE DELIVERY AGREEMENT

by and between

CITY OF SONOMA

and

REPUBLIC SERVICES OF SONOMA COUNTY, INC.

EXHIBITS

- A. Description of Landfill Land**
- B. Exclusions from Committed City Waste**
- C. Franchised Hauler Agreement to Be Bound**
- D. Contractor Gate Rates**
- E. Scope of Services to be Provided by Contractor**
- F. Corporate Guaranty**
- G. Committed Cities Contingent Fee Agreement**

WASTE DELIVERY AGREEMENT

This Waste Delivery Agreement (this "Agreement") is executed as of _____, 2014 by and between the City of Sonoma, a municipal corporation organized under the laws of the State of California ("City"), and Republic Services of Sonoma County, Inc., a Delaware corporation ("Contractor"). The City and Contractor are jointly referred to herein as the "Parties," or individually as a "Party." [Note: All references to "city" or "cities" herein shall include the City of Sonoma.]

RECITALS:

WHEREAS, the County of Sonoma owns the Central Landfill, the Central Transfer Station and a network of four other solid waste transfer stations in Annapolis, Guerneville, Healdsburg, and Sonoma (the "County Facilities"), which have historically provided for the Waste Disposal needs of the County and the cities in Sonoma County; and

WHEREAS, the County wishes to contract with Contractor for the continued permitting, construction, and operation of these County Facilities, for construction of a new materials recovery facility within the Central Transfer Station building (which, when constructed, shall become part of the "County Facilities") and, ultimately, for the closure and post-closure of all of the Central Landfill in accordance with Applicable Law; and

WHEREAS, on March 14, 2013, the County of Sonoma obtained valid Waste Discharge Requirements No. R1-2013-0003 from the North Coast Regional Water Quality Control Board for operation, corrective action, new construction, and closure of the Central Landfill; and

WHEREAS, the Contractor has the expertise and resources to undertake these obligations requested by the County and is willing to do so, provided that the County and a sufficient number of cities in the County commit the delivery of their Waste to Contractor and the County Facilities; and

WHEREAS, on April 23, 2013, Contractor entered into an agreement with the County of Sonoma entitled "Agreement for Operation of the Central Landfill and County Transfer Stations," ("County Operations Agreement"), whereby Contractor has agreed, subject to various conditions including Contractor receiving adequate Waste delivery commitments from the cities in the County, to operate the Central Landfill, Central Transfer Station, Materials Recovery Facility and the County's other Transfer Stations to provide for the Waste Disposal needs of the communities in Sonoma County; and

WHEREAS, in order to satisfy a condition to the effectiveness of the County Operations Agreement and to obtain the benefits of Contractor's performance thereunder, the City has agreed to deliver its Committed City Waste, which is hereinafter defined, to the Contractor and the County Facilities for a minimum period of twenty five (25) years, subject to the terms and conditions in this Waste Delivery Agreement; and

WHEREAS, the effectiveness of this Waste Delivery Agreement is likewise contingent on the execution of the Amended County Operations Agreement, the execution of individual Waste Delivery

Agreements with the Cities of Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol, and Sonoma and the Town of Windsor, as well as their individual Settlement Agreements with the County of Sonoma concerning alleged liability relating to the County Facilities.

NOW, THEREFORE, taking into account the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1. DEFINITIONS

Initially capitalized words, terms and phrases in this Agreement shall have the meanings set forth below. As used herein, “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term. The word “and” as used in these definitions means both “and” and “or,” so that it includes both the conjunctive and the disjunctive. Definitions may be used in this Agreement in their singular or plural form. Any capitalized terms that are not defined in this Agreement but are defined in the County Operations Agreement shall have the same meaning as defined in the County Operations Agreement.

Adjustment Date “Adjustment Date” means each anniversary of the Effective Date.

Applicable Law “Applicable Law” or “Applicable Laws” means any (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 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 Agreement, the County Facilities, the Land or any Party as it relates to this Agreement, whether taking effect before or after the Execution Date.

Assigned Contracts “Assigned Contracts” means those written agreements, which, pursuant to the County Operations Agreement, are assigned by County to Contractor and expressly assumed by Contractor.

Base Concession Payment “Base Concession Payment” means the base concession payments paid by Contractor to the County as defined in the County Operations Agreement, during the initial 20 year term of this Agreement, in consideration for the County’s granting Contractor an exclusive right and concession to operate the County Facilities under the County Operations Agreement.

Baseline Administrative Costs “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 County Operations Agreement duties and obligations after the County Operations Agreement is effective; (ii) the County’s costs to comply with, implement, maintain and/or enforce all requirements and obligations under its Settlement Agreement with the Committed Cities, including any and all costs associated with County’s administration of all Funds, including the Committed Cities Contingent Liability Fund (as defined in the Settlement Agreement); and (iii) the County’s costs to oversee and maintain work required as a result of the Former Urban Landfills Liability (as defined in the Settlement Agreement), 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 E to the Settlement Agreement with the Committed Cities.

Beneficial Reuse Materials "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.

Central Landfill "Central Landfill" means the landfill located on a portion of the Landfill Land and that is more fully described in Exhibit A.

Central Transfer Station "Central Transfer Station" means the Transfer Station located on the Landfill Land.

Change in Law "Change in Law" means (a) the adoption of any Applicable Law after the Execution Date, or (b) any change in any Applicable Law or in the interpretation or application thereof by any Governmental Authority after the Execution Date which, in the case of both clauses (a)-(b), impacts the Landfill, Transfer Stations and/or Materials Recovery Facility, and/or Contractor's operations hereunder, including changes arising out of AB 32 relating to climate change, greenhouse gas management or reduction. "Change in Law" excludes (1) any change in or new Applicable Law proposed or pending (in the current legislative session as of the Execution Date), passed or adopted but not yet effective as of the Execution Date or which was later enacted in similar form (except for new or increased Governmental Fees that become effective after the Execution Date, which shall be reflected as an adjustment in Contractor's Gate Rates consistent with this Agreement); and (2) any existing Applicable Law issued pursuant to the Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants, and Greenhouse Gases from In-Use Heavy Duty Diesel-Fueled Vehicles, Cal. Code Regs, title 13, section 2025.

City "City" means a city or town (including the Town of Windsor) located in the County and, as applicable based on the context in which this term is used, includes a city's or town's jurisdictional boundaries, and as those boundaries are hereafter extended through annexation.

Closed County Landfills "Closed County Landfills" means the former County landfills, some of which are located immediately adjacent to or under the Transfer Stations (other than the Central Transfer Station), and include the Annapolis, Guerneville, Occidental, Airport, Sonoma, Healdsburg, and Roblar landfills. The Central Landfill is not a "Closed County Landfill" for purposes of this Agreement.

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

Closure and Post-Closure Obligations "Closure and Post-Closure Obligations" means any and all obligations related to Closure and Post-Closure of the Landfill required by

(i) Applicable Law including (A) any obligation to decommission, deactivate, demolish, seal, cover, grade, landscape, monitor, clean, remediate, excavate, investigate, analyze, test, maintain or close the Landfill or any portion thereof, and (B) the obligation to fund, deposit and maintain Financial Assurances. Closure and Post-Closure Obligations shall remain until the Closure Date and Post-Closure Date respectively.

Closure Commencement Date “Closure Commencement Date” means the date which is concurrent with the end of the Committed Waste Period, or if Contractor’s operations are extended in accordance with the County Operations Agreement the County Facilities Operations Period, when among other things Contractor ceases accepting all Waste for Disposal at the Landfill.

Closure Date “Closure Date” means the date on which all Governmental Authorities with jurisdiction over Closure of the Landfill have accepted the Contractor’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 Landfill has been completed.

Commercial Food Waste “Commercial Food Waste” means all Food Waste except for Residential Food Waste.

Committed City “Committed City” means a City that has executed a Waste Delivery Agreement. “Committed Cities” shall be the plural of Committed City.

Committed City Contingent Liability Fee “Committed City Contingent Liability Fee” means the fee to be charged on each ton of Committed Cities Waste as set forth in the Committed Cities Contingent Liability Fund Agreement attached hereto as ~~Exhibit G (?)~~ and transferred to the County to hold in trust for the Cities in accordance with the terms of the Settlement Agreement between the County and the Committed Cities.

Committed City Waste “Committed City Waste” means, as to each Committed City, Waste from the jurisdictional area of such Committed City that is described in this Agreement (excluding all exclusions therefrom as set forth in Exhibit B) for such Committed City and collected and hauled by the Committed City or the City’s Franchised Haulers or by any other person or Entity over which the City has Flow Control. Committed City Waste shall also include any residual waste or other materials requiring Disposal remaining after the processing of Source Separated Recyclable Material, Generic Recyclable Materials or Waste collected in a Committed City at any Prime Subcontractor’s and its Affiliates’ or other entity’s recycling and material recovery facility in or outside of Sonoma County that is processing Source Separated Recyclables or Waste collected under a Franchise Agreement.

Committed Waste “Committed Waste” means Committed City Waste and Committed County Waste.

Committed Waste Period “Committed Waste Period” means the first twenty five (25) years of Contractor’s operations under this Agreement during which the County and the Committed Cities agree to deliver their respective Waste to Contractor for Disposal under this Agreement; and any extensions thereof pursuant to Section 3.2.

Compost Facility “Compost Facility” means the compost facility located on a portion of the Landfill Land. The boundaries of the Compost Facility are more particularly described in Section 4.2B of the County Operations Agreement.

Construction and Demolition Wastes “Construction and Demolition Wastes” means wood, wallboard, ferrous and non-ferrous metals, glass, any fibrous material (including paper, cardboard, newspaper), plastic, concrete and other Recyclable Materials and Wastes generated by residential, commercial and industrial demolition, remodeling and construction activities.

Contractor “Contractor” means Republic Services of Sonoma County, Inc., a subsidiary of Republic Services, Inc.

County “County” means the County of Sonoma.

County Administrative Costs Fund “County Administrative Costs Fund” means the monies collected from the Base Concession Payments that are allocated to pay for the County Administrative Costs.

County Administrative Fee “County Administrative fee” means the Baseline Administrative Costs plus any Unexpected Administrative Costs (as defined in the Settlement Agreement between the County and the Committed Cities).

County Facilities “County Facilities” means the Central Landfill, the Transfer Stations, and/or the Materials Recovery Facility. As of the Execution Date of this Agreement, “County Facilities” do not include the Compost Facility or the Household Hazardous Waste Facility. In the event County exercises its option in Article 7 of the County Operations Agreement to have Contractor control the operations of the Compost Facility and/or the Household Hazardous Waste Facility, and the Contractor agrees in writing to do so, then such facility(ies) shall be deemed to be included in the definition of “County Facilities”.

County Facilities Operations Period “County Facilities Operations Period” means the period after the expiration of the initial twenty-five year Committed Waste Period during which Contractor may operate either the Central Facilities or all County Facilities as provided in the County Operations Agreement, (which may include periods during which some or all of the County and Committed Cities may renew their commitment to deliver Waste to the County Facilities).

County Operations Agreement “County Operations Agreement” means the Agreement entered into by and between Republic Services of Sonoma County, Inc. and the County of Sonoma entitled “Agreement for Operation of the Central Landfill and County Transfer Stations,” executed on April 23, 2013, and as it may be amended from time to time.

County Transfer Stations “County Transfer Stations” means the Annapolis, Central, Guerneville, Healdsburg, and Sonoma Transfer Stations.

CPI “CPI” means the Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics, “All Items” for All Urban Consumers in the San Francisco-Oakland-San Jose metropolitan area (1982-1984=100). If the CPI index is no longer in effect, the successor index that replaces the CPI index will be utilized for purposes of this Agreement.

Disposal “Disposal”, “Dispose” or “Disposed” means the final disposition of Waste by burial.

Effective Date “Effective Date” means the date upon which all conditions to the effectiveness of the Amended County Operations Agreement and to this Agreement, as described in Article 4, have been fully satisfied.

Environmental Conditions “Environmental Conditions” means:

(a) **With respect to the Landfill**, the presence, release, threat of release or existence of Hazardous Substances, pollutants, contaminants, Leachate, and Landfill Gas introduced into, on, over, about or from (i) the Landfill Land; and (ii) the air, soil, surface impoundments, ditches, trenches, surface water, water runoff, storm water runoff, groundwater and/or drinking water at the Landfill Land; in all cases set forth in clauses (i)-(ii), existing prior to or as of the Effective Date and during the Term, which are required to be addressed under Applicable Law.

(b) **With respect to the Transfer Stations and Materials Recovery Facility**, the presence, release, threat of release or existence of Hazardous Substances, pollutants, contaminants, and Grey Water through air, soil, surface impoundments, ditches, trenches, surface water, water runoff, storm water runoff, groundwater, improvements, buildings, structures, fixtures, machinery and/or equipment to or from the Land, resulting from operation of these Transfer Stations or the Materials Recovery Facility during the Committed Waste Period and any County Facilities Operations Period which are required to be addressed under Applicable Law. With respect to these Transfer Stations and the Materials Recovery Facility, “Environmental Conditions” excludes any migration or contamination of Hazardous Substances, pollutants, contaminants, leachate and/or landfill gas or other hazardous conditions caused by or associated with the Closed County Landfills.

(c) **With respect to the Transportation of Waste**, the spill or release of Waste or Waste contact liquids from vehicles used by Contractor or its Prime Subcontractor in the performance of this Agreement.

(d) Unless the County exercises its option in Article 7 of the County Operations Agreement to have Contractor control the operations of the Compost Facility, Future Compost facility and/or the Household Hazardous Waste Facility, and Contractor agrees in writing to do so, then the definition of “Environmental Conditions” shall not include the presence, release, threat of release or existence of Hazardous Substances, pollutants, contaminants, compost leachate, or nuisances, arising prior to, from or after the Effective Date to the extent they are caused by or result from the presence or operation of the Compost Facility, Future Compost Facility, the Household Hazardous Waste Facility, or any other composting operation allowed by County on the Land.

Environmental Laws “Environmental Laws” means any Applicable Law, as in effect from time to time, relating to air quality, water quality (including surface water, storm water, groundwater, drinking water, and wastewater discharges), Hazardous Substances, Waste, Green Waste or Yard Waste, Household Hazardous Waste, Food Waste, Medical and Infectious Waste, Mixed Waste, Recyclable Materials, Organic Material, Landfill Gas, Leachate, Financial Assurance 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.).

Execution Date “Execution Date” means the date first above written, which shall be deemed the date by which duly authorized representatives of the City and Contractor have all signed this Agreement.

Flow Control “Flow Control” means the legal ability of the County or of a City to deliver, or cause an Entity to deliver, Waste to a solid waste facility. The County or a City may have “Flow Control” by means of a contract, franchise, permit, authorization or license issued by the County or City, respectively, to an Entity, or it may also exist by reason of Applicable Law.

Food Waste “Food Waste” means material that will decompose or putrefy including pre and post-consumer kitchen and table food scraps; animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; fruit waste; grain waste; dairy waste; meat and fish waste; paper or waxed cardboard contaminated with various food waste. This material can be generated at residential and commercial Premises including restaurants, grocery stores and other food processing facilities.

Force Majeure Event “Force Majeure Event” means the occurrence of any of the following events that materially and adversely affects Contractor’s ability to perform obligations under this Agreement or Contractor’s costs in operating the County Facilities, provided that such events (or the effects of such events) could not have been avoided by the exercise of due diligence or reasonable efforts by Contractor or Prime Subcontractor and subject to notice requirements and the duty to mitigate through the most economical means practical: (a) war (including civil war and revolution), invasion, armed conflict, violent act of foreign enemy, military or armed blockade, or military or armed takeover of the Facility, in each case occurring within the State of California; (b) any act of terrorism or sabotage, in each case occurring within the State of California; (c) biological contamination, nuclear explosion or nuclear contamination; (d) fire, explosion, flood, earthquake, landslide, fissure, volcanic activity, tsunami, ionizing radiation that causes direct physical damage to a County Facility or to all of the transportation routes to and from a County Facility; (e) a national strike or local strike not directed at Contractor (and excluding any strike within the control of Contractor); (f) the inability of or refusal by the Water Treatment Plant to accept some or all of the Leachate from the Landfill, or some or all of the liquids from the Compost Facility or Future Compost Facility that Contractor agrees may be delivered to the Water Treatment Plant through the Leachate Pipeline; (g) the unavailability for any reason of the Leachate Pipeline or the Cotati Park sewer line to convey to the Water Treatment Plant some or all of the Leachate from the Landfill, or some or all of the liquids from the Compost Facility or Future Compost Facility that Contractor agrees may be delivered; (h) any percentage increase in diesel fuel costs, starting from a baseline of \$5 per gallon, that is more than the percentage CPI increase for Contractor’s Service Fees that Contractor has accumulated at any given point in time and that Contractor has incurred as a result of increased payments made to the Prime Subcontractor in accordance with the Prime Subcontract; and (i) an illegal or criminal act, not caused by Contractor or its agents, that causes direct damage to a County Facility or its access or which otherwise interferes with Contractor’s performance of this Agreement.

Franchised Hauler “Franchised Hauler” means a person or Entity that collects and hauls Waste pursuant to a contract, franchise, permit, authorization or license issued by the City, and as

such franchises, licenses, contracts, permits and authorizations may be amended from time to time, or pursuant to any other means of Flow Control exercised by the City. Should the City elect during the Term to have its Waste delivered to the County Facilities using City forces, the City shall be treated as the “Franchised Hauler” for purposes of this Agreement.

Gate Rates “Gate Rates” means those rates, fees, or charges, whether expressed as per-ton tipping fees or other charges, charged to customers (which includes the City’s Franchised Hauler) of any of the County Facilities.

Generic Recyclable Material “Generic Recyclable Material” means glass, bottles, plastic, metal, cardboard, newspaper, fibrous material that is typically generated from residential Premises and many commercial Premises, collected under the terms and conditions of a Franchise Agreement and which is Source Separated with the intention of being delivered to a processing facility for subsequent processing, recycling, and diversion. “Generic Recyclable Material” does not include Source Separated Commercial Food Waste, which shall be a part of Committed City Waste. Generic Recyclable Material is excluded from Committed City Waste.

Governmental Authority “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.

Green Waste or Yard Waste “Green Waste” or “Yard Waste” shall have the meaning set forth in that certain Joint Powers Agreement dated February 11, 1992 by and among the County and the Cities of Sonoma County which defines it as “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.”

Hazardous Substances “Hazardous Substances” means 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, including “hazardous substances” as defined in 42 United States Code section 9601 (14) and “hazardous waste” as defined in California Health and Safety Code section 25117 and 25117.9.

Household Hazardous Waste “Household Hazardous Waste” shall have the meaning set forth in Health and Safety Code § 25218.1(e) and California Code of Regulations, Title 14, Division 7, Chapter 7, Article 1.1, § 18502, or successor laws and regulations as may be amended from time to time.

Household Hazardous Waste (HHW) Facility “HHW Facility” means a facility that manages and stores Household Hazardous Waste, which is currently located on a portion of the Landfill Land.

Indemnified Claim “Indemnified Claim” means any claim specifically described in Article 6 that is covered by one of the Parties’ respective indemnity obligations set forth in Article 6.

Landfill “Landfill” means that certain landfill located on the portion of the Land described on Exhibit G-1 to the County Operations Agreement and commonly known as the Central Landfill. To the extent that the landfill boundaries are altered over time, the landfill, as altered, shall be considered as part of the “Landfill”.

Landfill Land “Landfill Land” means that certain real property located in the County of

Sonoma, which is comprised of approximately 432 acres.

Market Rates “Market Rates” as it relates to transfer station and Transportation services shall mean the prevailing average rates (net of franchise fees, use permit fees, and other governmental fees, surcharges, taxes and assessments) in the nine San Francisco Bay Area counties for transfer station and Transportation services with a scope substantially similar to those to be provided to a City by Contractor.

Materials Recovery Facility “Materials Recovery Facility” or “MRF” means that portion of the Central Transfer Station building interior that will contain materials recovery and processing equipment for the purposes of sorting Recyclable Materials from Waste.

Medical and Infectious Waste “Medical and Infectious Waste” means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities and other similar establishments including waste regulated pursuant to the California Medical Waste Management Act.

Mixed Waste “Mixed Waste” means Waste that includes both Recyclable Materials and Waste in varying proportions.

Occupant “Occupant” means a Person who may or may not hold the legal title to real property constituting the Premises, including businesses or other entities, and who permanently or temporarily lives, works, or operates a business or other venture at the Premises.

Permits “Permits” means the Solid Waste Facilities Permits, the Waste Discharge Requirements applicable to the Landfill Land (but excluding the portion of the Landfill Land used for operation of the Compost Facility and the Household Hazardous Waste Facility), the permits listed on and included within Exhibit H to the County Operations Agreement and all other necessary permits, licenses, consents, orders, certificates, authorizations, waivers, approvals and variances issued by a Governmental Authority including, in each case, all agreements, mandates, requirements, and directives related thereto, applicable to the ownership, operation and management of the County Facilities, currently in effect or issued after the Execution Date (including any transfers, modifications, successors or reissuances thereof).

Permitted Disposal Capacity “Permitted Disposal Capacity” means the capacity of the Landfill to Dispose of additional Waste (in addition to the Waste already Disposed of and in place at the time in question) under Permits in effect as of the Execution Date, as well as any additional Disposal capacity allowed in any and all future Permits.

Person “Person” means any individual, business, firm, association, organization, partnership, public or private corporation, trust, joint venture, political subdivision, special purpose district, the County of Sonoma, or public or Governmental Authority.

Post-Closure “Post-Closure” means all activities undertaken at the Landfill following Closure to maintain the integrity of the containment features and to monitor compliance with applicable performance standards which are required for Post-Closure of the Landfill under the closure plan and Applicable Law. Post-Closure shall not be complete until the Post-Closure Date.

Post-Closure Date “Post-Closure Date” means the date on which all Governmental Authorities with jurisdiction over Post-Closure of the Landfill have accepted the Contractor’s certification that the Post-Closure and any then required Remediation work has been completed in

accordance with Applicable Law, or alternatively when all such Governmental Authorities or the County have indicated in writing that the Remediation and Post-Closure of the Landfill has been completed.

Premises “Premises” means any land or building in the City where Committed City Waste is generated.

Recyclable Materials “Recyclable Materials” means glass, fibrous material (including paper, cardboard, newspaper), wood, green waste and organic material, food waste, concrete, plastic, ferrous and non-ferrous metal, aluminum, used motor oil and filters, and any other materials that are Recycled. Recyclable Materials does not include Waste that is not actually Recycled.

Recycle “Recycle”, “Recycled” and “Recycling” each mean and refer to the process of collecting, sorting, cleansing, treating, and/or reconstituting Recyclable Materials and Mixed Wastes and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace.

Residential Food Waste “Residential Food Waste” means all Food Waste generated by persons owning or occupying single-family homes or residential structures with no more than four separate residential living units.

Self-Haul Waste “Self-Haul Waste” means all Waste, Special Waste and Beneficial Reuse Materials that are delivered to the County Facilities other than Committed County Waste and Committed City Waste.

Source Separated “Source Separated” means materials separated from an Occupant’s Waste and placed in designated colored containers at the Occupant’s Premises with the intention of diversion for a beneficial use, and which are collected by the City’s Franchised Hauler but are not part of the City’s waste delivery commitment. Source Separated materials include Generic Recyclable Materials, Wood Waste, Green Waste, and Residential Food Waste, that has no more than ten percent (10%) maximum residue that is not Recyclable Material.

Special Waste “Special Waste” means any non-hazardous 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 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, biosolids; 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.

Term “Term” means the duration of this Agreement, as specified in Sections 3.1 and 3.2.

Transfer Stations “Transfer Stations” means those certain County-owned facilities that receive and temporarily store Committed City Waste and then transfer such materials onto larger vehicles for Transport. The Transfer Stations include the Central Transfer Station, Annapolis Transfer Station, Healdsburg Transfer Station, and Sonoma Transfer Station, but expressly exclude the Closed County Landfills.

Transport “Transport,” “Transported” and “Transportation” means the conveyance of Franchised Materials Collected from the point of Collection to an Approved Processing Facility, Designated Recyclables Trans-Load Facility, or Approved Transfer Station or from the Approved Transfer Station to an Approved Processing Facility or to the Approved Disposal Facility.

Unpermitted Material “Unpermitted Material” means Hazardous Substances, Medical and Infectious Waste, and all other Waste that the County Facilities may not receive under Applicable Law.

Waste “Waste” means all putrescible and non-putrescible solid, semi-solid and associated liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes; discarded non-hazardous home and industrial appliances; dewatered, treated or chemically fixed non-hazardous biosolids; Special Waste; manure; vegetable or animal solid and semi-solid wastes; other discarded solid and semi-solid wastes; Mixed Waste; Construction and Demolition Wastes; Recyclable Materials, organic material, Food Waste, Beneficial Reuse Material, agricultural wastes; landscaping wastes and non-hazardous industrial wastes; residual waste from processing and any other types of Waste allowed by the Permits. Waste does not include (i) Hazardous Substances; (ii) Medical and Infectious Waste; and (iii) other Unpermitted Material that is not allowed by Permit to be received at a facility to which it is delivered.

Waste Delivery Agreement “Waste Delivery Agreement” means any agreement between Contractor and the County or any city or town in Sonoma County that has substantially the same form as this Agreement.

Wood Waste “Wood Waste” shall have the meaning set forth in that certain Joint Powers Agreement dated February 11, 1992 by and among the County and the Cities of Sonoma County which defines it as “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”.

ARTICLE 2. DELIVERY AND ACCEPTANCE OF WASTE

2.1 Commitment to Deliver Committed City Waste to County Facilities

(a) Commencing on the Effective Date and throughout the Term of this Agreement, the City shall exercise all legal and contractual power and authority which it may possess to deliver or cause the delivery to the Contractor and the County Facilities of all Committed City Waste, except for those categories of Waste excluded from such commitment in Section 2.2 below and Exhibit B. A City shall not avoid its commitment to deliver Committed City Waste under this Agreement by entering into a new primary hauler contract or by adopting an ordinance, resolution or other local rule that provides that Committed City Waste shall not be required to be directed to the Central Landfill.

(b) Without limiting the generality or scope of the definition of Waste, this waste delivery commitment includes the following categories of Waste generated in the City: non-Recyclable Materials, Mixed Waste, Beneficial Reuse Materials, and generally all Waste currently directed to the Central Landfill or County Facilities pursuant to the current City collection franchise

agreement, subject to the exclusions below in Section 2.2 and Exhibit B.

(c) The City shall exercise its Flow Control powers to fulfill the entirety of its waste delivery commitment to Contractor throughout the Term of this Agreement.

(d) This commitment for delivery of Committed City Waste by the City is not a guaranty that any specific quantity of Waste will be delivered to Contractor and the County Facilities. This Agreement does not represent a “put or pay” arrangement in which the City or its Franchised Hauler must make a fixed or minimum monthly or annual payment to Contractor regardless of the actual amount of Waste deliveries made to Contractor under this Agreement. Contractor acknowledges that the actual Waste deliveries to Contractor and the County Facilities may be higher or lower than its projections, proposal assumptions or historical averages.

(e) Contractor shall accept all Committed City Waste described in this Agreement, except for Unpermitted Material, delivered to any of the County Facilities for transfer, processing, recycling and/or disposal, in accordance with the respective rules and operating hours of each such County Facility.

(f) For the Term of this Agreement, the Gate Rate at the Central Landfill shall be fixed by the terms of Article 11 and other sections of the County Operations Agreement and be inclusive of any costs associated with the operation of the Transfer Stations and Transport to the Central Landfill.

2.2 Exclusions from Committed City Waste

See Exhibit B, which defines the categories of Waste that are excluded from Committed City Waste for purposes of this Agreement.

2.3 Food Waste and Dry Commercial Mixed Waste Collection Program

(a) City shall authorize its Franchised Hauler to implement a City-wide residential and commercial Food Waste collection program. The City’s Franchised Hauler will commence the new City-wide Food Waste collection program when directed to do so by the City. The Franchised Hauler’s costs of this program are fully compensated through the Contractor’s Gate Rates, and Franchised Hauler shall agree by executing the addendum, attached hereto as Exhibit C, not to seek additional compensation from City for the Food Waste collection program for the Term of the Agreement.

(b) The City’s Franchised Hauler shall commence the City-wide collection of dry commercial Mixed Waste from commercial Premises in the City when directed to do so by the City. The Franchised Hauler’s costs of this program are being fully compensated through the Contractor’s Gate Rates, and City’s Franchised Hauler shall agree by executing the addendum, attached hereto as Exhibit C, not to seek additional compensation from City for the Contractor’s incremental costs of implementing and conducting the dry commercial Mixed Waste collection program for the Term of the Agreement.

2.4 New, Extended Or Modified Franchise Agreements

Whenever the City's Franchised Hauler has its contract, authorization, permit, license or franchise agreement renewed (excluding only a renewal on the basis of a unilateral option of the Franchised Hauler), extended or materially modified after the Execution Date, the City shall incorporate language in such contract, authorization, permit, license or franchise agreement, requiring the Franchised Hauler to deliver all Committed City Waste to the Contractor and County Facilities for the Term of this Agreement, any extension hereof and any other City waste delivery commitment to Contractor, excluding only those categories of Waste listed in Section 2.2 and Exhibit B.

2.5 Contractor's Scope of Services and Fees for Accepting Committed City Waste

In exchange for accepting the delivery of Committed City Waste at any of the County Facilities pursuant to this Agreement and the County Operations Agreement, Contractor shall perform the scope of services and obligations for the Committed Cities as more fully set forth in the County Operations Agreement, which is attached hereto as Exhibit D and incorporated herein by reference. Such obligations include, but are not limited to, the Transport of Committed City Waste from the Transfer Stations to the Central Landfill.

The Contractor's Service Fees for performing the services described in this Agreement and in the County Operations Agreement, and the Gate Rates to be charged Committed City Waste at the County Facilities, shall be determined in accordance with the provisions of Article 11 and other Sections of the County Operations Agreement; provided, however, that:

(a) notwithstanding any contrary provision in the County Operations Agreement, commencing upon the expiration of the twentieth year of the Term, the Contractor's Service Fees to City shall be reduced by five percent (5%) of the Service Fees (which are net of any County Concession Fees, Waste Management Agency Fees or any other governmental taxes, fees, surcharges or assessments) in effect immediately prior to the end of the twentieth year of the Term. Thereafter, Contractor's Service Fee shall be adjusted in accordance with the Rate Adjustment Provisions in the County Operations Agreement; and

(b) as a condition precedent to the effectiveness of this Agreement, Contractor and County shall have agreed that the Base Concession Fee described in Article 10 and Exhibit R of the County Operations Agreement shall no longer be charged to Contractor or City during the last five years of the 25 year Initial Term.

(c) Contractor further agrees to include as part of the Gate Rate the Committed City Contingent Liability Fee on all waste from the Committed Cities and transfer said fees to the County to hold in trust for the Cities in accordance with the Settlement Agreement between the Committed Cities and the County and as provided for in the Amendment to the County Operations Agreement.

2.6 No Guaranty of Payment by City; Franchised Hauler's Failure To Pay Gate Rate; Delinquency and Remedies

(a) Notwithstanding the City's commitment to deliver Committed City Waste as

described herein, such commitment is not a guaranty of payment from the City's general fund. Contractor shall be solely responsible for invoicing the Franchised Haulers delivering Committed City Waste and shall be responsible for obtaining Gate Rate payments from such Franchised Hauler through normal, commercial means. The City shall not have any direct responsibility or liability for unpaid amounts unless the City is itself directly hauling its Committed City Waste to the County Facilities; provided, however, the City agrees to the following process to cure any delinquencies of the Franchised Hauler:

(i) If the Franchised Hauler is delinquent in paying any invoices from Contractor for the Gate Rates applicable to its prior deliveries of Committed City Waste, then Contractor shall immediately provide City written notice of such delinquency. For purposes of this subsection, a Franchised Hauler shall be deemed delinquent if it has not paid the full amount of any invoice of Contractor within thirty (30) days of the date of the invoice, unless there is a pending good faith dispute as to the invoice.

(ii) Upon receiving written notice of the Franchised Hauler's delinquency, City shall have ninety (90) days to take reasonable internal actions to ensure payment of all undisputed invoices by the Franchised Hauler. If, after ninety (90) days, the City is unable to obtain payment by the Franchised Hauler, and there is no pending good faith dispute as to the invoice, then the Contractor may declare the City to be in breach of this Agreement and serve City with notice of breach.

(iii) The City shall be allowed a reasonable opportunity to cure the breach after receipt of written notice of breach. During the cure period, the City shall, in its sole discretion, develop an agreeable plan for curing the Franchised Hauler's delinquency. City actions to cure may include, but not be limited to, terminating the Franchised Hauler's contract, filing for receivership, obtaining financial assurances adequate to Contractor, or selecting a new primary hauler and entering into a new franchise agreement with terms guaranteeing repayment to Contractor of all outstanding balances over a period of time through a supplemental rate structure. During the cure period, interest at the rate of one percent (1.0%) per month shall also begin to accrue on any liquidated amounts of delinquent Gate Rates. As long as City takes any of the actions described in this subsection (iii) to secure payment of all delinquent amounts, then in no event shall City be required to pay any outstanding invoices.

(iv) Nothing in this Section is intended to limit or inhibit Contractor from asserting any legal rights it may have against City's Franchised Hauler in order to secure payment of delinquent invoices. For example, Contractor at its sole discretion may place any Franchised Hauler or other entity on a Cash on Delivery (COD) payment basis if the Franchised Hauler is deemed delinquent as well as any other legal remedies as may be available to it subject to the terms of this Agreement.

2.7 Flow Control Enforcement.

(a) The City shall not enter into any new contract, franchise, permit, authorization or license, or grant any assignment or transfer of an existing contract, franchise, permit, authorization or license, or grant any other approval or take any other action that is inconsistent with the requirements of this Agreement, including the City's commitment to deliver Committed City Waste

to the Contractor and County Facilities as required herein except as may be agreed to by Contractor.

(b) The City agrees that the Contractor shall be a third party beneficiary of the obligation of all City Franchised Haulers over which the City has exercised flow control to deliver Committed City Waste to the Contractor and County Facilities, and that Contractor may directly enforce such obligation through any legal means available. The City shall notify in writing each Franchised Hauler of the Contractor's third party beneficiary rights. Delivery of a fully executed copy of this Agreement to the Franchised Hauler shall constitute such notification.

(c) The City, in cooperation with the Contractor, shall establish, implement, carry out and enforce a waste flow enforcement program that is sufficient to reasonably assure the delivery of all Committed City Waste to the Contractor and County Facilities consistent with this Agreement. The waste flow enforcement program shall consist of amending City contracts, franchises, permits, authorizations or licenses with Franchised Haulers, to the extent required by this Agreement, and shall include in addition, to the extent necessary and appropriate in the circumstances to assure compliance with this Agreement, but shall not be limited to: (1) granting or issuing contracts, franchises, permits, authorizations or licenses to Franchised Haulers, upon the condition of compliance with this Agreement, and (2) providing for and taking appropriate reasonable enforcement action under any such contract, franchise, permit, authorization or license, such as, but not limited to, the suspension, revocation and termination of collection rights and privileges, the imposition of fines or collection of damages, and the exercise of injunctive relief against non-complying Franchised Haulers as determined appropriate by the City in its sole discretion.

(d) Contractor may initiate enforcement action as a third party beneficiary of this Agreement at its sole cost and expense, if the City's Franchised Hauler fails to honor its commitments to deliver Committed City Waste to Contractor ten (10) days after providing written notification to the City. The City shall reasonably cooperate with Contractor if Contractor initiates such action.

(e) The City shall use its good faith efforts to preserve, protect and defend its rights to exercise and comply with this Agreement against any challenge thereto, legal or otherwise (including any lawsuits involving the City as Party, whether as plaintiff or defendant), by any Franchised Hauler or any other person, based upon breach of contract, violation of law or any other legal theory. At the request of the Contractor and at the option of the City, the City may assign its rights and obligations pursuant to this paragraph to the Contractor, and the Contractor shall, at Contractor's election, accept such assignment and the Contractor shall defend the City at the Contractor's sole cost and expense or indemnify the City for the payment of any costs incurred by the City in defense of any such challenge. The City and Contractor shall cooperate and coordinate in any such defense.

(f) The City shall immediately notify the Contractor of any changes in the contract, franchise, permit, authorization or license of its Franchised Hauler that may affect the Franchised Hauler's obligation or ability to comply with the City's commitment to deliver Committed City Waste to Contractor and the County Facilities. Notwithstanding the foregoing this clause shall not relieve the City of its obligations under Sections 2.1, 2.4 and 2.7 of this Agreement.

(g) The City shall cooperate with the Contractor in collecting information and otherwise monitoring the City's Franchised Hauler in order to assure compliance with this Agreement. Such

information may include, to the extent practicable, data pertaining to Committed City Waste collected, Ted, stored, processed and disposed of, and all other information which is reasonably available to the City and may be required by the Contractor in connection with this Agreement.

(h) A breach or default by the City as to its commitment of Committed City Waste under this Section shall not be considered a breach or default by the County or any other Committed City. A breach or default by the County as to its commitment of Committed County Waste under this Section shall not be considered a breach or default by any Committed City. In no event shall the City have any obligation for any other Committed City or any Committed City have any obligation for the County and no joint or several liability shall apply under any circumstance.

(i) In the event Contractor, by reason of a Force Majeure Event, is unable to accept delivery of the City's Committed City Waste at the Central Landfill, then Contractor shall ensure that the Committed City Waste is transferred to and disposed of at another permitted facility, at no additional cost to the City, until the Force Majeure Event is lifted.

(j) It is the intention of the Parties that this Agreement and the obligations and rights of the City hereunder, including particularly the commitment of delivery of Committed City Waste to Contractor and the County Facilities, shall to the extent permitted by Applicable Law extend to any territory annexed by the City and shall bind any successor or restructured Governmental Authority which shall assume or succeed to the rights of the City under Applicable Law.

ARTICLE 3. TERM OF AGREEMENT

3.1 Initial Twenty Five-Year Term

The initial Term of this Agreement shall commence on the Effective Date and continue until the twenty-fifth (25th) anniversary of the Effective Date. As used herein, the "Effective Date" of this Agreement is and shall be the same as the Effective Date of the County Operations Agreement.

3.2 Option to Extend Agreement

Under Section 12.5 of the County Operations Agreement, the County and each Committed City shall independently have six (6) successive options to continue to commit its Committed City Waste to Contractor for an additional five (5) years per option. The County and/or each City seeking an extension must provide written notice of its decision to exercise each option no later than twelve (12) months prior to the expiration of the then-prior period under which the City's Waste has been committed (e.g., the initial option must be exercised by the twenty fourth (24th) year anniversary of the Effective Date). The exercise of the options shall be within the sole respective discretion of the County or City and the exercise of one option does not guaranty or mean that the succeeding option or options will be exercised; provided, however, that the subsequent options may not be exercised unless the immediately preceding option has been exercised. The terms of the County's and each City's six (6) successive options, assuming a Commencement Date in 2014, follow below:

Option #1: Years 2039-2044

Option #2: Years 2044-2048

Option #3: Years 2049-2054

Option #4: Years 2054-2059

Option #5: Years 2059-2064

Option #6: Years 2064-2069

(a) Notwithstanding the foregoing, Contractor shall not be obligated to accept deliveries of any Waste from the County or any Committed City at any point in time after the initial Term of this Agreement unless both of the following conditions are met:

- (1) The Central Landfill shall have sufficient Permitted Disposal Capacity to Dispose of all Waste to be delivered by the County and Committed Cities extending their Waste delivery commitments to Contractor; and
- (2) Jurisdictions timely exercising their options to extend their Waste delivery commitments shall have contributed through their Franchised Haulers at least sixty percent (60%) of the total Committed Waste deliveries of all jurisdictions delivering material to the County Facilities for the two year period immediately preceding the date by which these jurisdictions must have exercised their options to extend their commitment.

3.3 Right To Use County Transfer Stations At Market Rates.

Provided that Contractor remains under contract with the County to operate any or all of the County Transfer Stations following the expiration of the City's Waste Delivery Agreement, Contractor agrees to and shall provide transfer station and Transportation services for the City's Committed Waste at Market Rates for as long as the Contractor has the right to operate any such Transfer Station. Any disputes regarding whether Contractor is offering to provide such services at Market Rates may be submitted by either party to Dispute Resolution, but the dispute must be submitted to Dispute Resolution no later than 45 days following the expiration of the Initial Term.

ARTICLE 4. CONDITIONS PRECEDENT

4.1 This Agreement shall not become effective, and the Parties shall have no obligations to each other by reason of this Agreement, until the following conditions precedent have been met, or unless otherwise agreed to in writing between Contractor and City.

(a) Waste Flow Commitments.

All of the Cities listed below shall have entered into Waste Delivery Agreements with Contractor whereby each City has agreed to deliver and/or shall cause all of their Franchised Haulers to deliver all Committed City Waste to the Contractor and County Facilities for a minimum period of twenty-five (25) years, commencing on the Effective Date. The Cities that must enter into such Waste Delivery Agreement to satisfy this condition are: Cloverdale, Cotati, Healdsburg, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and the Town of Windsor. (b)

Water Treatment Plant Discharge Agreement and Permits.

Contractor shall receive as the operator of the Landfill a valid permit for leachate disposal with the Subregional Wastewater Treatment and Reclamation System Laguna Plant allowing acceptance of leachate generated from the Landfill for a fee not to exceed one percent (1%) over the current fees for such disposal. The County has entered into an Agreement for Sewer Transmission Services with the City of Cotati wherein Cotati agrees

to allow the County to use its sewer line to transfer leachate from the Landfill to the Subregional Wastewater Treatment and Reclamation System Laguna Plant.

(c) Landfill and Landfill Expansion Permits.

This condition precedent has already been met. On March 14, 2013, Contractor received as the operator of the Landfill a valid Solid Waste Facilities Permit, Waste Discharge Requirements, NSPS permit and all other Permits required for the operation of the Landfill and the construction and operation of an additional 8.5 million cubic yards of new Disposal capacity adjacent to the existing Landfill and on the Landfill Land, which Permits shall be in a form satisfactory to Contractor in its sole discretion.

(d) Validity of City or Town Council Approval of this Agreement.

The City/Town Council of City shall have duly authorized the City's signing and performance of this Agreement, and of all of the City's obligations in this Agreement shall be legally enforceable and binding obligations of the City.

(e) Franchised Hauler's Execution of Exhibit C.

To the extent (i) the City exercises Flow Control over its Committed City Waste, and (ii) the Committed City Waste does not include Construction and Demolition Wastes, then the City's Franchised Hauler(s) shall have duly approved and executed the Franchised Hauler's Agreement to be bound by the City's Waste Delivery Agreement in the form attached hereto as Exhibit C. It is expressly understood that this specific provision is limited to a commitment of Construction and Demolition Debris by Franchised Haulers only.

(f) Settlement Agreements With Cities.

The County and the Committed Cities shall each have entered into written Settlement Agreements pertaining to the Cities' alleged liabilities arising out of or relating to the County Facilities.

(g) Corporate Guaranty.

Contractor shall have delivered to City a duly approved and executed parent company guaranty in the form attached hereto as Exhibit F.

(h) Accuracy of Contractor's Representations.

The Contractor's representations in Article 7 and throughout this Agreement shall be true, correct and not misleading due to a material omission as of the Execution Date and as of the Effective Date.

ARTICLE 5. ASSUMED AND EXCLUDED LIABILITIES

5.1 Assumed Liabilities

Subject to the terms and conditions set forth herein and upon the Effective Date of the County Operations Agreement, Contractor shall assume and retain, at its sole cost and expense, all obligations and liabilities of any kind or nature whatsoever related to, arising from or associated with any of the following items set forth in this Section (collectively, "Assumed Liabilities"); provided, however, that the Assumed Liabilities shall not include any of the Excluded Liabilities described below and the Assumed Liabilities shall not apply to any obligations or liabilities, including Third Party Environmental Claims, associated with the Household Hazardous Waste Facility or the Compost Facility, Future Compost Facility or any other composting operation on the Landfill Land, unless and until the Contractor assumes operation of the Household Hazardous Waste Facility and/or the Compost Facility or Future Compost Facility consistent with the terms of the County Operations Agreement. The Assumed Liabilities are the obligations and liabilities of the County and the alleged liabilities of Committed Cities and are assumed and retained by Contractor irrespective of the cause thereof or any alleged fault by the County, a Committed City, a third party or any other entity related thereto. The Assumed Liabilities are as follows:

(a) Indemnification Obligations. Payment and performance of all of Contractor's defense and indemnity obligations under Article 6.

(b) Landfill Liabilities. Although County will be retaining ownership of the Landfill, Contractor shall assume all liabilities related to the ownership or possession of the Landfill arising on or after the Effective Date including liability arising out of: (i) any Remediation determined necessary or desirable by Contractor or required by the Permits, Applicable Law or any Governmental Authority; (ii) any Environmental Conditions; (iii) the ownership or possession of any equipment, structures, fixtures, surface impoundments or any other facility used for the treatment, storage, handling or disposal of Hazardous Substances, leachate and/or landfill gas; (iv) liabilities concerning the Landfill and other solid waste handling operations on the Landfill Land conducted by Contractor or its subcontractors after the Effective Date and arising pursuant to Applicable Law, Permits and Governmental Authorities; (v) Closure and Post-Closure Obligations and (vi) taxes (including property, business and income taxes) incurred and assessed after the Effective Date. Notwithstanding the foregoing, Assumed Liabilities shall not include liabilities under this Section to the extent arising out of or caused by the HHW Facility, Compost Facility or any future compost facility, to the extent such facilities continue to be operated by a third party over whom Contractor has no control, or any Closed County Landfill, including but not limited to any leachate or landfill gas migrating from any Closed County Landfill. The foregoing Assumed Liability and the indemnity associated therewith in Section 6.1(a) (iii) is intended to operate as an agreement pursuant to section 107(e) of CERCLA, 42 U.S.C. §9607(e), and California Health & Safety Code §25364, to defend, protect, hold harmless and indemnify the City from all losses and liabilities described in this subsection 5.1 (b).

(c) Transfer Station and Materials Recovery Facility Liabilities. Although County will be retaining ownership of the Transfer Stations and Materials Recovery Facility, Contractor shall assume all Liabilities and Losses related to ownership, possession, use and operation of the

Transfer Stations and Materials Recovery Facility during the Committed Waste Period and any County Facilities Operations Period during which Contractor operates the Transfer Stations including for any (i) Environmental Conditions; (ii) Transportation of Waste and other materials as provided for in this Agreement; (iii) work (including work to address Environmental Conditions) determined necessary or desirable by Contractor or as the result of a Third Party Environmental Claim; (iv) the ownership, operation, use or possession of any equipment, structures, fixtures, surface impoundments or any other facility used for operation of the Transfer Facilities or Materials Recovery Facility, including the treatment, storage, handling or Disposal of Hazardous Substances, leachate and/or landfill gas; (v) all operations conducted at or associated with the Transfer Facilities or Materials Recovery Facility or the business conducted at the Transfer Facilities or Materials Recovery Facility; and (vi) compliance with the Permits and Applicable Law. Notwithstanding the foregoing, Assumed Liabilities shall not include (1) Liabilities under this Subsection to the extent arising out of or caused by any Closed County Landfill, including any leachate, landfill gas or Hazardous Substances at or released or migrating from any Closed County Landfill, or (2), unless otherwise agreed in a writing subsequently signed by both parties hereto, Liabilities relating to the Compost Facility, Future Compost Facility, any other composting operation on the Landfill Land or the Household Hazardous Waste Facility.

(d) Compliance Liabilities. Any and all liabilities and obligations arising out of or related to compliance after the Effective Date with (i) the Permits; (ii) Governmental Authority mandates, directives, orders, agreements, claims rights, actions, causes of actions, investigations, proceedings, suits and obligations of any kind related to the solid waste operations on the Landfill Land and/or the Facilities; and (iii) Applicable Law. Notwithstanding the foregoing, Assumed Liabilities shall not include Losses or Liabilities to the extent arising out of or caused by (1) any Closed County Landfill, including any leachate, landfill gas or Hazardous Substances at or released or migrating from any Closed County Landfill or (2), unless otherwise agreed in a writing subsequently signed by both parties hereto, Losses or Liabilities relating to the Compost Facility, Future Compost Facility, any other composting operation on the Landfill Land or Household Hazardous Waste Facility.

(e) Pending Permit Applications. Obligations to process, obtain approval of and satisfy any applicable conditions relating to any pending Permit applications, new Permits or any amendments, modifications, extensions or renewals of any existing Permits, variances, certificates, licenses, consents, authorizations and approvals, in each case relating to the Landfill or other County facilities and arising or accruing from and after the Effective Date.

(f) Contractual Liabilities. Obligations and liabilities of Contractor under the Waste Delivery Agreements and the Assigned Contracts arising or accruing from and after the Effective Date; provided, however, Contractor shall assume all obligations and liabilities under the Assigned Contracts relating to Environmental Conditions and Remediation of the Central Landfill irrespective of the date on which such obligations or liabilities arise or accrue. Notwithstanding the foregoing, Assumed Liabilities shall not include liabilities under this subsection to the extent arising out of or caused by any Closed County Landfill, including any leachate, landfill gas or Hazardous Substances at or released or migrating from any Closed County Landfill.

(g) Changes in Assumed Liabilities. Any modification, increase, alteration or change in the Assumed Liabilities after the Effective Date for any reason, including modifications, increases, alterations or changes arising out of, related to or caused by any Change in Law, a Force Majeure Event or a change in Permit requirements or obligations; provided, however, that the foregoing shall not diminish any rights that Contractor has under this Agreement in the event of a Change in Law or a Force Majeure Event.

(h) Other Specified Liabilities. All other liabilities, obligations or responsibilities expressly allocated to Contractor, and not excluded as an Excluded Liability, in the County Operations Agreement.

5.2 Excluded Liabilities

Except as explicitly and expressly set forth in this Agreement, Contractor shall not, by the execution and performance of this Agreement or otherwise (including under theories of successor liability), assume, become responsible for or incur any liability or obligation of any nature of County or of the Committed Cities whatsoever arising, or relating to events occurring, on or prior to the Effective Date, whether legal or equitable or matured or contingent including but not limited to: (i) any obligation to reimburse the County or City for expenditures made by the County, City or other Entity or expenditures which accrued and were payable under contract (or would have been payable if billed) but were unpaid prior to the Effective Date on account of any of the Assumed Liabilities; and (ii) any Excluded Liabilities as set forth in this Section "Excluded Liabilities" means:

(a) any Liability under (A) any employment, severance, retention or termination agreement with any employee of County, or (B) any collective bargaining agreement covering any employee of County, or (C) under any employee benefit plans maintained by, or contributed to, by County, or (D) relating to payroll, vacation, sick leave, workers' compensation, unemployment benefits, pension benefits, retirement benefits, health care plans or benefits or any other employee plans, programs or benefits of any kind for employees or former employees of County;

(b) any Liability arising out of or relating to any employee grievance, whether or not the affected employees are hired by Contractor, relating to events occurring on or prior to the Effective Date.

(c) any Liability resulting from County's failure to comply with any applicable plant-closing Laws.

(d) Loses and Claims for contract damages (including quantum meruit), indemnity or equitable relief based on the breach or default by the County or City prior to the Effective Date under a contract (including an Assigned Contract) related to the Landfill Land or the Facilities.

(e) a Third Party Claim for tort damages, personal injury and/or property damage which is caused by the County or City and directly arising out of the County Facilities (other than the Landfill) prior to the Effective Date.

(f) any amounts owing to Third Parties under contract from the County or City that have

accrued as of the Effective Date.

(g) Losses and Claims arising out of disposal by the County, City or Third Parties of the County's Hazardous Substances, Household Hazardous Waste and unpermitted Waste prior to the Effective Date to facilities other than the Landfill, Vasco Road Landfill, Potrero Landfill or Keller Landfill (including the Transportation and conveyance to such other facilities).

(h) The nonpayment by the County of permit fees to the Board of Equalization, LEA RWQCB and applicable Air Quality Management Districts relating to the County Facilities for the period prior to Effective Date.

(i) In the event the County does not exercise its option in Article 7 of the County Operations Agreement to have Contractor control the Compost Facility or Future Compost Facility and/or any composting operations on the Landfill Land and/or the Household Hazardous Facility on the Landfill Land, and Contractor does not agree in writing to assume responsibility for such operations, then Excluded Liabilities shall include any Liabilities, Losses or Claims arising from or relating to: (a) the presence or operation of the Compost Facility, Future Compost Facility and any other composting operation on the Landfill Land and the Household Hazardous Waste Facility, and (b) any agreements between the County, the Waste Management Agency and/or the operators of the Compost Facility, relating to any composting operation on the Landfill Land, and/or the Household Hazardous Waste Facility.

(j) In the event the County does not exercise its option in Article 7 of the County Operations Agreement to have Contractor control the Compost Facility or Future Compost Facility and/or any composting operations on the Landfill Land and/or the Household Hazardous Facility on the Landfill Land, and Contractor does not agree in writing to assume responsibility for such operations, then Excluded Liabilities shall also include any Liabilities, Losses or Claims arising from or relating to: the Compost Facility, Future Compost Facility, any composting operations on the Landfill Land, and/or the Household Hazardous Waste Facility, and including without limiting the generality of the foregoing, any groundwater contamination, surface water contamination, subsurface migration, odors, disease vectors, nuisance vectors, trespass and/or nuisance claims, notice of permit violation, notice to comply, or violations of Applicable Law relating to any of the foregoing facilities or operations.

(k) Any Liabilities or Losses arising after the termination of Contractor's operation of the Transfer Stations and Materials Recovery Facility in accordance with the terms of the County Operations Agreement and relating to the presence of these Facilities or the operation of these Facilities by a Third Party, but excluding any work required to address Environmental Conditions arising from Contractor's operations;

(l) Any Liabilities or Losses arising from, relating to or connected with any of the Closed County Landfills or any Hazardous Substances, landfill gas or leachate in or from such Closed County Landfills;

(m) Any Liabilities or Losses arising from, relating to or connected with the matters described in the Notice of Violations And Intent to File Suit under the Federal Water Pollution Control Act from the law firm of Lozeau Drury LLP to the County dated November 9, 2012, and any litigation arising therefrom, except to the extent specifically agreed to by Contractor in writing

prior to the Effective Date;

(n) Any Liabilities or Losses arising from, relating to or connected with any abandoned, removed or leaking underground fuel storage tanks at the Guerneville, Annapolis, Healdsburg and Sonoma Transfer Stations arising before the Effective Date;

(o) Any Liabilities or Losses arising from, relating to or connected with the operations by the County or by Third Parties of the Guerneville Maintenance Site and the Reuse and Recycling Operations at Sonoma Transfer Station;

(p) All other Liabilities or Losses expressly allocated to County, the City and/or the Committed Cities in this Agreement.

ARTICLE 6. INDEMNIFICATION , RELEASE AND COVENANT NOT TO SUE

6.1 Indemnification by Contractor

(a) Contractor shall indemnify, defend and hold the City harmless from and against all losses which arise out of, result from or relate to any of the following (“Indemnified Claims”):

(i) Any material breach or material default under the County Operations Agreement, and/or this Agreement by Contractor;

(ii) Any material breach of any of the representations or warranties made in the County Operations Agreement and/or this Agreement;

(iii) Any and all Assumed Liabilities (but excluding Excluded Liabilities), including the failure of Contractor to pay, perform, satisfy or otherwise discharge in full when due the Assumed Liabilities;

(iv) The use, exploration, production, recovery, sale, transfer and/or distribution of landfill gas from the Landfill (and any byproducts or end products thereof, including electricity) from and after the Effective Date and during the Term;

(v) Any claim challenging this Agreement or the County Operations Agreement, including any counterclaim or cross-claim arising therefrom, by a partner, officer, shareholder, director or other entity deriving its rights by or through the Contractor and challenging the Agreement;

(vi) The past, present and future acceptance, disposal, treatment, processing or sorting by Contractor of Waste and other materials in or at any County Facility from and after the Effective Date and during the Term;

(vii) The screening by Contractor or any affiliate of any Waste and other materials in or at any County Facility;

(viii) The past, present and future acceptance, disposal, treatment, processing or sorting by Contractor or any affiliate of any Waste and other materials at or in any facility other than the County Facilities;

(ix) The screening by Contractor or any affiliate of any Waste and other materials at or in any facility other than the Facilities (including facilities located outside of the County of Sonoma) during the Term;

(x) Any Claim (a) asserted by a Third Party arising out of, related to or resulting from the Land or the County Facilities (other than Excluded Liabilities and those Claims expressly covered by the County's indemnities), and (b) where such Third Party Claim is a result of, related to or arises from Contractor's actions to pursue an Entity for: (i) any Indemnified Claim; or (ii) any Assigned Environmental Claim;

(xi) Any claim, counterclaim or right to contribution by a third party arising out of, related to or resulting from the Landfill or the County Facilities (other than those claims, counterclaims or rights to contribution expressly covered by the County's indemnities under Section 15.6 of the County Operations Agreement or related to or arising from any Excluded Liability); and

(xii) Any claim, counterclaim, or right of contribution against the City as a result of or arising from Contractor's actions to pursue an entity for any Indemnified Claim.

(b) Contractor's duty to indemnify and defend shall survive the expiration or earlier termination of this Agreement.

(c) Notwithstanding the foregoing or any other provision of this Agreement, Contractor shall retain and have the right and ability (but not the obligation) to pursue any or all third parties for any Indemnified Claims. Contractor shall indemnify City if such third party files a claim against City for any Indemnified Claims.

(d) Furthermore, nothing in this Section or this Agreement shall be construed to impose any defense or indemnity obligation or any other form of liability on Contractor, its subcontractors or any member of the Contractor Parties or their successors and assigns in any way whatsoever relating to, arising from or connected with the Closed County Landfills.

(e) Nothing in this indemnity shall be construed to create any duty or include any obligation of Contractor to defend, hold harmless or indemnify the County, any Committed City or any other Entity from any Liabilities, Losses or Claims arising from or relating to: the Compost Facility, Future Compost Facility, any composting operations on Landfill Land, and/or the Household Hazardous Waste Facility, and including without limiting the generality of the foregoing, any groundwater contamination, surface water contamination, subsurface migration, odors, disease vectors, nuisance vectors, trespass and/or nuisance claims, notice of permit violation, notice to comply, or violations of Applicable Law relating to any of these facilities or operations.

6.2 Contractor's Release Of County Group And Committed Cities

CONTRACTOR, FOR ITSELF AND ON BEHALF OF EACH OF ITS MEMBERS, SHAREHOLDERS, SUBSIDIARIES, AFFILIATES, AND EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, DOES HEREBY RELEASE, HOLD HARMLESS AND FOREVER DISCHARGE THE COUNTY, EACH MEMBER OF THE COUNTY GROUP AND THE COMMITTED CITIES 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 CONTRACTOR, ITS SUCCESSORS AND ASSIGNS, RESULTING FROM OR ARISING OUT OF (1) ANY LOSSES COVERED BY CONTRACTOR'S INDEMNITIES, SET FORTH IN SECTION 6.1; (2) THE PAST, PRESENT, CONTINUED AND FUTURE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING BY THE CONTRACTOR GROUP OF WASTE OR OTHER MATERIAL (INCLUDING COMMITTED COUNTY WASTE, COMMITTED CITY WASTE AND SELF-HAUL WASTE) AT OR IN THE LANDFILL, EXCEPT FOR SCREENING, TREATMENT OR PROCESSING THAT OCCURRED AT RECYCLETOWN ON THE LANDFILL PRIOR TO THE EFFECTIVE DATE; (3) THE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING OF WASTE OR OTHER MATERIAL (INCLUDING COMMITTED COUNTY WASTE, COMMITTED CITY WASTE AND SELF-HAUL WASTE) AT THE TRANSFER STATIONS OCCURRING DURING THE COMMITTED WASTE PERIOD AND ANY COUNTY FACILITIES OPERATING PERIOD; (4) THE DISPOSAL OF WASTE BY CONTRACTOR AFTER THE EFFECTIVE DATE COMING FROM THE COUNTY AT FACILITIES OTHER THAN THE COUNTY FACILITIES (INCLUDING FACILITIES LOCATED OUTSIDE OF THE COUNTY BUT EXCLUDING FACILITIES NOT OWNED OR OPERATED BY CONTRACTOR OR ITS PRIME SUBCONTRACTOR); (5) ANY REMEDIATION, CLOSURE AND POST-CLOSURE OBLIGATIONS OF CONTRACTOR SET FORTH IN THIS AGREEMENT; (6) ANY MATTER OR ITEM INCLUDED WITHIN THE ASSUMED LIABILITIES (BUT EXCLUDING ANY EXCLUDED LIABILITIES); (7) ANY ENVIRONMENTAL CONDITION AT THE TRANSFER STATIONS OCCURRING DURING THE COMMITTED WASTE PERIOD OR COUNTY FACILITIES OPERATIONS PERIOD; AND (8) ANY ENVIRONMENTAL CONDITION AT THE MATERIALS RECOVERY FACILITY OCCURRING DURING THE COMMITTED WASTE PERIOD OR THE COUNTY FACILITIES OPERATING PERIOD.

CONTRACTOR 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 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, CONTRACTOR 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 COUNTY, THE OTHER MEMBERS OF THE COUNTY GROUP AND THE COMMITTED CITIES FROM THE LOSSES AND MATTERS DESCRIBED IN THIS SECTION.

NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THIS RELEASE SHALL NOT RELEASE THE COUNTY OR ANY MEMBER OF THE COUNTY GROUP OR THE COMMITTED CITIES FROM ANY OBLIGATIONS EACH OF THEM MAY HAVE UNDER THIS AGREEMENT OR ANY OTHER CONTRACT DOCUMENT, INCLUDING THE COUNTY'S INDEMNITY OBLIGATIONS UNDER SECTION 15.6 OF THE COUNTY OPERATIONS AGREEMENT. THIS RELEASE SHALL ALSO NOT RELEASE THE COMMITTED CITIES FROM THEIR RESPECTIVE OBLIGATIONS UNDER THEIR RESPECTIVE WASTE DELIVERY AGREEMENTS.

Contractor's Initials _____

Notwithstanding the foregoing, the release set forth herein shall not preclude Contractor from, and Contractor 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.

6.3 Covenant Not to Sue

(a) Neither Contractor, nor any entity claiming through Contractor, shall have any rights, claims, remedies or actions against the City for any matter with respect to which Contractor has provided indemnification under this Agreement or a release under this Agreement. Notwithstanding the foregoing, Contractor is not assuming any liabilities or obligations for any matter covered by the Contractor's exceptions to indemnity under Section 6.4 of this Agreement

(b) Contractor, for itself, does hereby covenant forever and unconditionally not to sue, make any claim or take any action against the City for any loss arising out of, relating to (i) any Assumed Liabilities (but excluding Excluded Liabilities); (ii) any other matter with respect to which Contractor has provided indemnification or a release under the County Operations Agreement; and (iii) facilities other than the County Facilities at which Contractor disposes of or processes Waste from the County of Sonoma. The foregoing covenant not to sue shall not apply to any matter covered by the Contractor's exceptions to indemnity under Section 6.4 of this Agreement.

6.4 Exceptions to Scope of Contractor's Indemnity, Release and Covenant Not To Sue.

A. Compost Facility and HHW Facility at Landfill Land.

(i) Unless Contractor agrees to assume operation of the Compost Facility or future Compost Facility pursuant to Article 7 of the County Operations Agreement, Contractor shall have no obligation to defend, hold harmless or indemnify the City for any liabilities, losses, claims or Environmental Conditions that Contractor proves by a preponderance of evidence were or are caused by the presence or operation of any Compost Facility, the future Compost Facility, or other composting operation on the Landfill Land that may occur from and after the Effective Date, and Contractor's release and covenant not to sue shall not apply to any such claims or Environmental Conditions. Without limiting the foregoing and by way of example only, such post-Effective Date Environmental Conditions may include vehicle fuel or lubricant spills, contamination of or failure to control surface water run-off from composting operations, air emissions from composting operations,

composting odors, nuisance claims, and aspergillum or other biological contamination of water or air caused by the composting of organic materials such as Food Waste, permit violations, notices to comply, or violations of Applicable law; provided, however, that under all circumstances Contractor's indemnity, release and covenant not to sue shall apply to any leachate or landfill gas generated by the Central Landfill or Landfill operations.

(ii) Unless Contractor assumes operation of the Household Hazardous Waste Facility pursuant to Article 7 of the County Operations Agreement, Contractor shall have no obligation to defend, hold harmless or indemnify the City for any liabilities, losses, claims or Environmental Conditions that Contractor proves by a preponderance of evidence were or are caused by the presence or operation of the Household Hazardous Waste Facility at the Landfill Land, and Contractor's release and covenant not to sue shall not apply to any such claims or Environmental Conditions.

ARTICLE 7: REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Contractor.

Contractor, by acceptance of this Agreement, hereby makes the following representations and warranties for the benefit of the City as of the Execution Date, each of which shall be deemed remade as of the Effective Date, unless Contractor specifies in writing otherwise.

(a) Corporate Status.

Contractor is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Contractor is qualified to transact businesses in the State of California and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

(b) Corporate Authorization and Binding Obligation.

Contractor has the authority to enter into and perform its obligations under this Agreement. The officers of Contractor have taken all actions required by law, its articles of incorporation, bylaws, or otherwise, to authorize the execution of this Agreement. The person signing this Agreement on behalf of Contractor has the authority to do so. This Agreement constitutes the legal, valid and binding obligation of Contractor to comply with each of the provisions of this Agreement, except as such enforceability may be limited by Applicable Laws of general application affecting the rights of contracting parties, bankruptcy, insolvency or other similar Applicable Laws of general application relating to or affecting the enforcement of creditors' rights and by general equitable principles.

(c) Agreement Will Not Cause Breach.

Neither the execution and delivery by Contractor of this Agreement, nor the performance of Contractor of its obligations hereunder:

1. Conflicts with, violates or will result in a violation of any existing applicable law; or
2. Conflicts with, violates or will result in a breach or default under any term or condition of any existing judgment, order or decree of any court, administrative agency or other governmental authority, or of any existing contract or instrument to which Contractor is a party, or by which Contractor or any of Contractor's properties or assets is bound; or
3. Will result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the properties or assets of Contractor which will interfere materially with Contractor's performance hereunder.

(d) No Litigation.

To the best of Contractor's knowledge, after reasonable investigation, and except as disclosed to the City, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or Governmental Authority, commission, board, agency or instrumentality decided, pending or threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by Contractor of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of Contractor or any surety guaranteeing Contractor's performance under this Agreement, which has not been waived by the City in writing.

(e) No Adverse Judicial Decisions.

To the best of Contractor's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement or subjects this Agreement to legal challenge.

(f) Ability to Perform.

Contractor possesses the business, professional, and technical capabilities to operate the Landfill, accept and dispose of Waste at the Landfill and operate the Transfer Stations and Material Recovery Facility; Contractor possesses or knows of no impediment to its obtaining the Permits to perform this Agreement; and Contractor possesses the equipment, facility, and employee resources required to perform this Agreement.

(g) Contractor's Investigation.

Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed hereunder and has taken these matters into consideration in its agreement to provide these services in exchange for the compensation provided for under the terms of this Agreement.

(h) Conflict of Interest.

Contractor warrants and represents that no elected official, officer, agent or employee of the

City has a financial interest, directly or indirectly, in this Agreement, the compensation to be paid under it and, further, that no City employee who acts in the City as a "purchasing agent" as defined in the appropriate Section of California Statutes, nor any elected or appointed officer of the City, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director, or proprietor of the Contractor and, further, that no such City employee, purchasing agent, City elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in the Contractor. Material interest means direct or indirect ownership of more than five percent (5%) of the total assets or capital stock of the Contractor.

(i) Representatives of the Parties.

Contractor has designated and submitted to the City, in writing, the name, title and contact information of a responsible officer who shall serve as the representative of Contractor and who shall have authority in all daily operational matters related to the Agreement. The City may rely upon action taken by such designated representative as action of Contractor unless for actions not taken within the scope of the Agreement. Unless otherwise specified in this Agreement, any action authorized or required to be taken by the City may be taken by the City Council or by an official or agent designated by the City Council.

(j) Financial Ability, Disclosures, No Material Changes.

Contractor has sufficient financial resources to perform all aspects of its obligations hereunder. Contractor has provided the County with audited financial statements which present fairly, in accordance with generally accepted accounting principles, the financial resources of Contractor. There has been no material adverse change in Contractor's or Contractor's parent company's financial circumstances since the date of the most recent financial statements.

(k) Contractor's Statements.

Contractor's proposal and any other supplementary information submitted to the City that the City has relied on in negotiations and entering into this Agreement, do not: (i) contain any untrue statement of a material fact, or (ii) omit to state a material fact that is necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

(l) Landfill Disposal Capacity

Contractor has determined that the Central Landfill has sufficient Permitted Disposal Capacity to accept and dispose of all Committed City Waste delivered during the first twenty (20) years of this Agreement.

7.2 City Representations and Warranties.

The City, by acceptance of this Agreement, hereby makes the following representations and warranties for the benefit of the Contractor as of the Execution Date, each of which shall be deemed remade as of the Effective Date, unless the City specifies in writing otherwise:

(a) Organization and Existence.

The City is a municipal corporation of the State.

(b) Execution, Delivery and Enforceability.

The City has full power to enter into, and to carry out its obligations under, this Agreement. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all necessary action required on the part of the City. This Agreement constitutes the valid and legally binding obligations of the City, enforceable against the City in accordance with its and their terms, except as such enforceability may be limited by Applicable Laws of general application affecting the rights of contracting parties (including those applying to enforcement against public entities), bankruptcy, insolvency or other similar Applicable Laws of general application relating to or affecting the enforcement of creditors' rights and by general equitable principles.

(c) No Litigation.

To the best of the City's knowledge, after reasonable investigation, there is no claim, at law or in equity, before or by any court or Governmental Authority, third party, commission, board, agency or instrumentality decided, pending or threatened against the City wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would materially adversely affect the performance by the City of its obligations hereunder or which, in any way, would adversely affect the validity or enforceability of this Agreement or which would have a material adverse effect on the financial condition of the City.

(d) No Adverse Judicial Decisions.

To the best of the City's knowledge, after reasonable investigation, there is no judicial decision that affects the validity of this Agreement or subject this Agreement to legal challenge.

(e) No Consents.

No consent or approval of, filing with or notice to any entity is required to be obtained or made by the City in connection with the City's execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, which, if not obtained or made, would prevent the City from performing its obligations hereunder or thereunder.

ARTICLE 8: EVENTS OF BREACH AND DEFAULT

8.1 Events of Breach

All provisions of this Agreement are considered material and City or Contractor's failure to perform any one of its obligations or services set forth in this Agreement shall constitute an event of breach. In addition, each of the following shall also constitute an event of breach:

(a) **Failure to Perform Obligations.** Contractor ceases to perform its services and obligations for the Committed Cities set forth in Exhibit D, for a minimum of either two (2) consecutive business days or three (3) non-consecutive business days within one (1) week for any reason within its control, but excluding a Force Majeure Event.

(b) **Failure to Maintain Coverage.** Contractor fails to provide or maintain in full force and effect insurance, liability, or indemnification coverage as required by this Agreement and Section 14.2 of the County Operations Agreement.

(c) **Violations of Applicable Law.** City or Contractor violates Applicable Law relative to this Agreement, including any orders or filings of any regulatory body having authority over the Party relative to this Agreement, provided that the Party may contest any such orders or filings in good faith, in which case no breach or default of this Agreement shall be deemed to have occurred upon final resolution of the contest or appeal in favor of the Party.

(d) **Seizure or Attachment.** There is a seizure or attachment of, or levy on, some or all of Contractor's operating equipment, including, without limitation, its maintenance or office facilities, or any part thereof.

(e) **City's Failure to Perform Obligations.** The City ceases to perform its obligations as required under Article 2 of this Agreement, unless due to a Force Majeure Event. With respect to its requirement to cure delinquent payments by Franchised Hauler, as more fully set forth above in Section 2.7, the City is unable to obtain payment from the Franchised Hauler for delinquent invoices due to Contractor.

(f) **Insolvency or Bankruptcy.** Contractor becomes insolvent, unable, or unwilling to pay its debts, a receiver is appointed or Contractor's assets are involuntarily transferred or assigned, or upon listing of an order for relief in favor of Contractor in a bankruptcy proceeding.

8.2 Rights to Remedy Breach

The Party in breach shall promptly, or as soon as practicable, provide the other Party written notice of the breach. Upon written notice, the Party shall have a reasonable time to cure, but such cure period shall not exceed ninety (90) days, except as otherwise provided for the City in Section 2.7.

8.3 Events of Default

Each of the following shall constitute an event of default:

(a) **Failure to Cure Breach.** Failure to cure an event of breach as provided above in Section 8.2.

(b) **Repeated Pattern of Breach.** A pattern of breaches of this Agreement over time such that the combination of breaches constitutes a material failure by the Party to perform its obligations, even if each individual breach is later cured.

(c) **Fraud or Deceit.** Contractor practices, or attempts to practice, any fraud or deceit upon the City.

(d) **False or Misleading Statements.** Any representation or disclosure made to the City by Contractor in connection with or as an inducement to entering into this Agreement, or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation or disclosure appears as part of this Agreement. In addition, any Contractor-provided report containing a misstatement, misrepresentation, data manipulation, or an omission of fact or content explicitly defined by the Agreement, excepting typographical and grammatical errors.

(e) **Criminal Activity.** Either Party, its officer, managers, or employees are found guilty of criminal activity related directly or indirectly to performance of this Agreement.

(f) **Assignment Without Approval.** Contractor transfers or assigns this Agreement without express written approval of the City.

8.4 Event of Default Not Curable Neither Party shall have the right to cure an event of Default as set forth in Section 8.3. However, either Party may waive a default as provided below in Section 9.2.

ARTICLE 9: REMEDIES AND RESOLUTION OF DISPUTES

In addition to the flow control enforcement remedies provided above in Section 2.7, City and Contractor shall each have the following remedies, upon a determination that the other party has committed an event of default:

9.1 Right to Terminate

City or Contractor may terminate this Agreement. The Party seeking termination shall (a) first, provide written notice to the other Party that it intends to terminate; and (b) second, obtain a court order from a court of competent jurisdiction in Sonoma County in order to effectuate termination. Termination shall be effective on the date specified in the court order.

9.2 Waiver of Default

City or Contractor may waive any default of the other Party if, in the Party's sole discretion, such a waiver would be in the best interests of both parties. A Party's waiver of default is not a waiver of future events that may have the same or similar conditions.

9.3 Other Available Remedies

A Party's election of one or more remedies described herein shall not limit that Party from any and all other remedies at law and in equity.

9.4 Dispute Resolution

(a) **Informal Resolution.** Should any dispute arise with respect to the performance and obligations of the Parties hereunder, at any time during the term of this Agreement, the provisions of this Section shall apply. Either Party shall give the other written notice of such dispute. Such

notice shall specify a date and location for the Parties to meet and confer in good faith to resolve any dispute that may arise in a cooperative and mutually satisfactory manner. City and Contractor shall attempt to resolve their disputes informally to the maximum extent possible. In the event the Parties cannot resolve such dispute within thirty (30) days of such notice, either Party may propose to enter mediation or non-binding arbitration, as set forth below.

(b) **Mediation.** Either Party may propose the appointment of a mediator for advice and non-binding mediation, and the Parties shall cooperate in promptly scheduling the mediation.

(i) The mediation shall be conducted by the Judicial Mediation and Arbitration Service (JAMS) or such other service the parties agree on. The neutral shall be selected by the parties, but if they are unable to agree on a mediator, JAMS or the substitute service shall select the mediator in accordance with its rules.

(ii) If the mediator is unable, within thirty (30) days thereafter, to reach a determination as to the matter in dispute in a manner acceptable to the Parties hereto, then either Party may refer the matter to non-binding arbitration or a Court of competent jurisdiction.

(c) **Non-Binding Arbitration.** Either Party may propose to enter non-binding arbitration, and the other Party shall attend such arbitration proceedings. Arbitration proceedings shall be in accordance with California Code of Civil Procedure Section 1280 et. seq., the then-current JAMS Streamlined Arbitration Rules, and the terms of this Section. The arbitration shall be administered by JAMS and conducted in the County of Sonoma.

(i) If the Parties are unable to select an arbitrator, JAMS shall select a qualified arbitrator from its panel. If JAMS is unwilling or unable to (1) serve as the provider of arbitration or (2) enforce any provision of this arbitration clause, the Parties may mutually designate another arbitration organization with similar procedures to serve as the provider of arbitration. If the parties cannot agree on the arbitration organization, the Presiding Judge of the Sonoma County Superior Court shall designate such an organization upon the petition of either Party. The arbitrator shall be independent of, and unaffiliated with, each Party and shall not ever have been an employee of either Party, under contract with either Party in the past five (5) years or acted as an arbitrator for such Party within the past five (5) years.

(ii) The arbitrator shall have the authority and power to award costs, including attorneys' fees and costs to the prevailing Party. Unless otherwise awarded by the arbitrator, the Parties shall evenly split the cost of any arbitration under this Section.

(d) **Pendency of Dispute.** During the pendency of any dispute under this Section, all applicable time periods directly related to the dispute shall be tolled until its resolution; provided, however, that no tolling shall apply to any matters other than those directly related to the dispute and such tolling shall not entitle a Party to breach, default, or fail to perform its obligations under this Agreement. In addition, the pendency of any dispute shall not stay or affect either Party's remedies under this Agreement, including but not limited to its rights to terminate.

ARTICLE 10: GENERAL PROVISIONS

10.1 Further Instruments

Each party will, whenever and as often as it shall be reasonably requested so to do by the

other, cause to be executed, acknowledged or delivered, any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and, purpose of this Agreement.

10.2 Corporate Guaranty

As a condition precedent to the effectiveness of this Agreement, Contractor's parent company, Republic Services, Inc., shall duly authorize, execute and deliver to the City the Corporate Guaranty attached hereto as Exhibit F.

10.3 Entire Agreement; Amendments

This Agreement contains the entire agreement between the Parties respecting the matters herein set forth and supersedes all prior or contemporaneous agreements or understandings, verbal or written, between the Parties hereto respecting such matters. This Agreement may be amended by written agreement of amendment executed by both Parties hereto, but not otherwise.

10.4 Governing Law and Venue

This Agreement shall be construed and enforced in accordance with the laws of the State of California. Any action that is commenced by either party to enforce or interpret any of the terms and conditions of this Agreement shall be brought in a court of competent jurisdiction for Sonoma County.

10.5 Successors and Assigns.

(a) Contractor shall not assign or transfer its rights or obligations under this Agreement without the express written consent of the City, which consent shall not be unreasonably withheld (in which event such transferee shall assume in writing all of the transferor's obligations hereunder, but such transferor shall not be released from its obligations hereunder). No consent given by the City to any transfer or assignment of the Contractor's rights or obligations hereunder shall be construed as consent to any other transfer or assignment of Contractor's rights or obligations hereunder. No transfer or assignment in violation of the provisions hereof shall be valid or enforceable. Any assignment of this Agreement without the express written consent of the City shall be null and void and shall be grounds for the City to declare a default of this Agreement and immediately exercise all rights and remedies hereunder. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the Parties. If Contractor obtains express written consent of City to assign or transfer its rights and obligations, then Contractor shall follow the provisions for assignment and transfer in accordance with Section 19.2 of the County Operations Agreement. The transfer or assignment of this Agreement, along with the assets of Contractor, to another wholly owned subsidiary of Republic Services, Inc. or its successor shall not be deemed an assignment.

(b) City may assign its rights and responsibilities under this Agreement to any other entity as long as any such proposed assignee under this Section shall: (1) have the legal authority and financial capacity sufficient to assume and perform all of City's obligations hereunder; and (b) shall agree in writing to do so.

10.6 Notices.

Any notice which a Party is required or may desire to give the other shall be in writing and shall be

sent by personal delivery or by either (i) United States registered or certified mail, return receipt requested, postage prepaid, or (ii) Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows:

To City: City of Sonoma
Attn: City Manager
No. 1 The Plaza
Sonoma, California 95476
Phone: (707) 938-3681
Fax: (707) 938-8775

To Contractor: Operations Manager
Republic Services of Sonoma County
500 Meacham Road
Petaluma, California 94952
Phone: (510) 453-8501
Fax: (707) 795-4635

and to:

Area President
Republic Services
3260 Blume Dr., Suite 200
Richmond, CA 94806
Phone: (510) 262-7566
Fax: (510) 262-7565

Any notice so given by mail shall be deemed to have been given as of the date of delivery established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be, whether accepted or refused. Any such notice not so given shall be deemed given upon receipt of the same by the Party to whom the same is to be given. Any Party hereto may designate a different address for itself by notice to the other Party in accordance with this Section. Delivery to each Party's designated representative listed above shall be deemed personal delivery to that Party.

10.7 Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

10.8 Severability

If any provision of this Agreement, or the application of such provision to any person or circumstances, shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid by

such court, shall not be affected thereby.

10.9 Interpretation

To the extent there are any inconsistencies between this Agreement and the County Operations Agreement, the intent is for these two agreements to be read together in a manner to provide for consistency between them; provided, however, that under all circumstances the provisions in the County Operations Agreement shall control for the purposes of setting Gate Rates at the County facilities.

CONTRACTOR

CITY OF SONOMA

REPUBLIC SERVICES OF SONOMA COUNTY, INC
A DELAWARE CORPORATION

BY: _____

BY: _____

CITY MANAGER

APPROVED AS TO FORM:

EXHIBIT A
DESCRIPTION OF LANDFILL LAND

Exhibit A

LEGAL DESCRIPTION OF LAND: CENTRAL LANDFILL

The land referred to herein is situated in the State of California, County of Sonoma, Unincorporated Area, and is described as follows:

TRACT ONE:

PARCEL ONE:

BEING A PORTION OF THE-LANDS OF LUI STEFENONI, ET UX, AS RECORDED IN BOOK 570, OFFICIAL RECORDS, PAGE 28, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT CERTAIN PROPERTY SHOWN AS PARCEL 1 ON THE RECORD OF SURVEY OF THE LANDS OF LUI STEFENONI, ET UX, AS RECORDED IN BOOK 146, MAPS, PAGE 10.

EXCEPTING THEREFROM THAT PORTION LYING EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PARCEL I AS SHOWN ON THE RECORD OF SURVEY OF THE LANDS OF LUI STEFENONI, ET. UX., AS RECORDED IN BOOK 146 OF MAPS, PAGE 10 FROM WHICH ENGINEER'S STATION 68+51.58 P.O.C. AS SHOWN ON A MAP ENTITLED "MECHAM ROAD" DATED JUNE 1971 AND ON A MAP ENTITLED :LANDS TO BE DEEDED TO L. AND E. STEFENONI AT CENTRAL AREA DISPOSAL SITE" DATED FEBRUARY 1972 ON FILE IN THE OFFICE OF THE SONOMA COUNTY DEPARTMENT OF PUBLIC WORKS BEARS SOUTH 82°26'42" EAST, 41.38 FEET, ALSO FROM SAID POINT OF BEGINNING A ½ INCH IRON PIPE MONUMENT FOUND AND TAGGED L.S. 2798 IN SAID NORTHERLY LINE BEARS SOUTH 82°26'42" EAST, 30.49 FEET, THENCE FROM SAID POINT OF BEGINNING AND ALONG THE EASTERLY LINE OF THE LANDS OF STEVEFNONI AS DESCRIBED IN AN ORDER CONFIRMING SALE AND EXCHANGE OF ESTATE REAL PROPERTY RECORDED IN BOOK 2617 OF OFFICIAL RECORDS AT PAGE 392, SONOMA COUNTY RECORDS, THENCE ALONG SAID EASTERLY LINE SOUTHERLY ALONG A CURVE TO THE RIGHT OF RADIUS 962.00 FEET, WHOSE TANGENT BEARS SOUTH 31° 21' 59" WEST, THROUGH A CENTRAL ANGLE OF 0° 34' 12", FOR A DISTANCE OF 9.57 FEET; THENCE ALONG THE SOUTHERLY LINE OF SAID ORDER SOUTH 83° 17' 53" WEST, 12.85 FEET, TO A POINT THAT BEARS 48 FEET LEFT OF ENGINEERS CENTERLINE STATION 68+16.50, AS SAID CENTERLINE SHOWS ON A MAP TITLED MECHAM ROAD, DATED JUNE 1971, ON FILE IN THE SONOMA COUNTY DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS AS MICROFILM #2649; THENCE SOUTHERLY ALONG A CURVE TO THE RIGHT OF RADIUS 952.00 FEET, WHOSE TANGENT BEARS SOUTH 32° 25' 09" WEST, THROUGH A CENTRAL ANGLE OF 4° 56' 09", FOR A DISTANCE OF 82.01 FEET TO A POINT THAT BEARS 48 FEET LEFT OF ENGINEERS CENTERLINE STATION 67+30.35; THENCE SOUTH 37° 21' 18" WEST, 492.36 FEET, TO A POINT THAT BEARS 48.00 FEET LEFT OF ENGINEERS CENTERLINE

STATION 62+00 AS SAID CENTERLINE SHOWS ON A MAP TITLED MECHAM ROAD, DATED SEPTEMBER 1976; THENCE SOUTH 36° 05' 36" WEST, 476.53 FEET TO A POINT WHICH BEARS 60 FEET LEFT OF ENGINEERS STATION 57+34.41; THENCE SOUTH 25° 31' 51" WEST, 116.03 FEET, TO A POINT THAT BEARS 60.00 FEET LEFT OF ENGINEERS STATION 56+18.38; THENCE SOUTH 31° 36' 56" WEST, 269.42 FEET TO A POINT THAT BEARS 50.00 FEET LEFT OF ENGINEERS CENTERLINE STATION 53+32.50; THENCE SOUTH 40° 49' 46" WEST, 529.85 FEET TO A POINT THAT BEARS 40.00 FEET LEFT OF ENGINEERS CENTERLINE STATION 48+02.74 AND THE BEGINNING OF A CURVE TO THE LEFT WITH A RADIUS OF 1040.00 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24° 17' 00", FOR A DISTANCE OF 150.00 FEET TO THE SOUTHERLY LINE OF SAID PARCEL I.

EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED BY THE COUNTY OF SONOMA, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, TO LOUIS STEFENONI, ET AL, BY DEED RECORDED MAY 8, 1972 IN BOOK 2625 OF OFFICIAL RECORDS, PAGE 674, UNDER RECORDER'S SERIAL NO. M 68961, SONOMA COUNTY RECORDS.

PARCEL TWO:

A STRIP OF LAND THIRTY-SIX (36) FEET IN WIDTH MEASURED AT RIGHT ANGLES, AND PARALLEL AND ADJACENT TO, THE EASTERLY LINE OF PARCEL 2 AS SHOWN ON THE RECORD OF SURVEY OF THE LANDS OF LUI STEFENONI, ET UX, AS RECORDED IN BOOK 146, MAPS, PAGE. 10, AND RUNNING FROM THE NORTHERLY BOUNDARY OF SAID PARCEL 2 TO THE SOUTHERLY BOUNDARY OF SAID PARCEL 2.

ACQUIRED FOR ROAD AND WATER-LINE PURPOSES

PARCEL THREE:

BEING A PORTION OF THE LANDS OF LUI STEFENONI, ET UX, AS DESCRIBED IN BOOK 592, OFFICIAL RECORDS, PAGE 394, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A STRIP OF LAND SIXTEEN (16) FEET IN WIDTH, MEASURED AT RIGHT ANGLES, AND PARALLEL AND ADJACENT TO THE MOST EASTERLY LINE OF THE SAID LANDS OF LUI STEFENONI, ET UX, SAID EASTERLY LINE ALSO BEING THE MOST WESTERLY LINE OF MEACHAM ROAD AS DESCRIBED IN BOOK 184, DEEDS, PAGE 33; AND RUNNING FROM THE NORTHERLY BOUNDARY OF THE LANDS OF STEFENONI, SAID BOUNDARY BEING THE SOUTHERLY BOUNDARY OF THE RIGHT OF WAY OF THE PETALUMA AND SANTA ROSA RAILROAD, TO THE SOUTHERLY BOUNDARY OF, STEFENONI, SAID BOUNDARY BEING THE NORTHEASTERLY BOUNDARY OF THE LANDS OF LUI STEFENONI, ET UX, AS DESCRIBED IN BOOK 570, OFFICIAL RECORDS, PAGE 28.

ACQUIRED FOR ROAD AND WATER LINE PURPOSES.

PARCEL FOUR:

COMMENCING AT A 3/4 INCH IRON PIPE MARKING THE SOUTHEASTERLY CORNER OF THE LANDS OF LUI STEFENONI AS DESCRIBED IN BOOK 592, OFFICIAL RECORDS, PAGE 394; THENCE S. 74° 41' 35" E., 11.95 FEET; THENCE N. 12° 42' 35" E., 1386.71 FEET; THENCE N. 20° 48' 45" E., 1138.39 FEET; THENCE N. 21° 02' 55" E., 536.24 FEET; THENCE N. 56° 23' 05" W., 20.36 FEET TO A POINT ON THE EASTERLY LINE OF THE LANDS OF STEFENONI, SAID POINT BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL; THENCE CONTINUING N. 56° 23' 05" W. PARALLEL TO AND 15.00 FEET MEASURED AT RIGHT ANGLES FROM THE SOUTHWESTERLY-RIGHT-OF-WAY LINE OF THE PETALUMA AND SANTA ROSA RAILROAD, 168.76 FEET; THENCE N. 67°29' 25" W. PARALLEL AND 15.00 FEET MEASURED AT RIGHT

ANGLES FROM SAID SOUTHWESTERLY LINE OF SAID RAILROAD 147.23 FEET; THENCE S. 14° 56' 35" W., 35.00 FEET; THENCE N. 64° 08' 25" W., 50.00 FEET; THENCE N. 14° 56' 35" E., 50.00 FEET TO THE SOUTHWESTERLY LINE OF THE PETALUMA AND SANTA ROSA RAILROAD, THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE TO A POINT FROM WHICH THE POINT OF BEGINNING BEARS S. 21° 10' W., 15.47 FEET; THENCE S. 21° 10' W., 15.47 FEET TO THE POINT OF BEGINNING

ACQUIRED FOR WELL SITE, ACCESS, AND UTILITY PURPOSES. BASIS OF BEARINGS: HAPPY ACRES RECORD OF SURVEY.

APN: 024-080-019

TRACT TWO:

COMMENCING AT THE MOST NORTHERLY POINT OF THE PROPERTY OF THE HENRY HAMMELL COMPANY, A CORPORATION, AT PETALUMA, SONOMA COUNTY, CALIFORNIA, SAID POINT BEING IN THE MIDDLE OF A ROAD LEADING EASTERLY TO THE STONY POINT-BLOOMFIELD COUNTY ROAD; THENCE FOLLOWING ALONG THE MIDDLE OF SAID ROAD AS FOLLOWS, TO WIT; SOUTH 37 DEGREES 30 MINUTES EAST, 475.2 FEET; SOUTH 55 DEGREES EAST, 66 FEET; SOUTH 65 DEGREES 15 MINUTES EAST, 66 FEET; SOUTH 79 DEGREES EAST, 66 FEET; SOUTH 85 DEGREES 15 MINUTES EAST, 66 FEET; NORTH 87 DEGREES 30 MINUTES EAST, 66 FEET; NORTH 84 DEGREES 45 MINUTES EAST, 66 FEET AND NORTH 80 DEGREES 30 MINUTES EAST, 258.2 FEET; THENCE LEAVING SAID ROAD SOUTH 7 DEGREES 45 MINUTES EAST, 933.3 FEET; THENCE NORTH 89 DEGREES 30 MINUTES WEST, 1467 FEET TO AN IRON PIPE; THENCE NORTH 9 DEGREES 30 MINUTES WEST 1062 FEET TO AN IRON PIPE; THENCE NORTH 67 DEGREES 15 MINUTES EAST, 660 FEET TO THE POINT OF COMMENCEMENT. BEARINGS TRUE.

BEING A PORTION OF THE "RANCHO ROBLAR DE LA MISERIA".

A.P. NO. 022-020-003

TRACT THREE:

LYING WITHIN THE RANCHO ROBLAR DE LA MISERIA AND BEING A PORTION OF THE LANDS OF EUGENE CAMOZZI AND LYDIA CAMOZZI, HUSBAND AND WIFE AS COMMUNITY PROPERTY, AS TO AN UNDIVIDED 1 /2 INTEREST; AND ROBERT CAMOZZI AND GLORIA CAMOZZI, HUSBAND AND WIFE AS JOINT TENANTS, AS TO AN UNDIVIDED 1 /2 INTEREST AS DESCRIBED IN DEEDS RECORDED AS DOCUMENT NUMBER 1991 0038893 AND DOCUMENT NUMBER 1994 0102345 OF OFFICIAL RECORDS, SONOMA COUNTY RECORDS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

PARCEL A:

COMMENCING AT A POINT IN THE NORTHERLY LINE OF PARCEL 1 AS SHOWN ON THE RECORD OF SURVEY OF LANDS OF LUT STEFENONI, ET UX, AS RECORDED IN BOOK 146, OF MAPS, PAGE 10 FROM WHICH ENGINEER'S STATION 68 + 51.58 P.O.C. AS SHOWN ON A MAP ENTITLED "MECHAM ROAD" DATED JUNE 1971 AND ON A MAP ENTITLED "LANDS TO BE DEEDED TO L. AND E. STEFENONI AT CENTRAL AREA DISPOSAL SITE DATED FEBRUARY 1972 OF FILE IN THE OFFICE OF THE SONOMA COUNTY DEPARTMENT OF PUBLIC WORKS BEARS 82° 26' 42" EAST, 41.38 FEET; ALSO FROM SAID POINT OF COMMENCEMENT AT A 1 /2 INCH IRON PIPE MONUMENT FOUND AND TAGGED L.S. 2798 IN SAID NORTHERLY LINE BEARS SOUTH 82° 26' 42" EAST, 30.49 FEET; THENCE FROM SAID POINT OF COMMENCEMENT AND ALONG SAID NORTHERLY LINE NORTH 82° 26' 42" WEST, 1056.75 FEET TO ANOTHER 1/2 INCH IRON PIPE MONUMENT FOUND AND TAGGED L.S. 2798 MARKING AN ANGLE POINT IN SAID NORTHERLY LINE; SAID 1/2 INCH IRON PIPE MONUMENT FOUND BEING DESIGNATED AS POINT "A"; THENCE NORTH 44° 47' 18" WEST, 15.21 FEET, TO A #5 REBAR MONUMENT WITH A 2 INCH CAP STAMPED SONOMA COUNTY DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS AND THE POINT OF BEGINNING; THENCE -NORTH 44° 47' 18" WEST, 1107.23 FEET, TO A #5 REBAR MONUMENT WITH A 2 INCH CAO STAMPED SONOMA COUNTY DEPARTMENT OF TRANSPORTATION OF PUBLIC WORKS; THENCE NORTH 04° 52' 58" WEST 588.72 FEET TO THE POINT OF BEGINNING.

PARCEL B:

COMMENCING AT POINT "A" AS DESIGNATED IN PARCEL "A"; THENCE FROM SAID POINT OF COMMENCEMENT AND ALONG ABOVE SAID NORTHERLY LINE NORTH 44° 47' 18" WEST, 494.47 FEET TO A 3/4 INCH IRON PIPE MONUMENT SET AND MARKED "CSSC"; SAID 3/4 INCH IRON PIPE SET BEING THE TRUE POINT OF BEGINNING OF THE HEREINAFTER DESCRIBED PARCEL; THENCE FROM SAID POINT OF BEGINNING AND CONTINUING ALONG SAID NORTHERLY LINE NORTH 44° 47' 18" WEST, 406.40 FEET TO ANOTHER 3/4 INCH IRON PIPE MONUMENT SET AND MARKED "CSSC"; THENCE LEAVING SAID NORTHERLY LINE SOUTH 7° 19' 55" WEST, 219.24 FEET TO ANOTHER 3/4 INCH IRON PIPE MONUMENT SET AND MARKED "CSSC"; THENCE SOUTH 77° 16' 24" EAST, 322.20 FEET TO THE POINT OF BEGINNING.

A.P. NO.: 024-080-030

EXHIBIT B
EXCLUSIONS FROM COMMITTED CITY WASTE
(City of Sonoma Only)

The following categories of Waste are excluded from the City's waste delivery commitment in Section 2.1:

- (a) Source Separated Generic Recyclable Material;
- (b) Construction and Demolition Wastes, except to the extent the City currently or in the future exercises Flow Control over Construction and Demolition Wastes or the City's Franchised Hauler has agreed to deliver Construction and Demolition Wastes to the County Facilities;
- (c) Self-Haul Waste; and
- (d) Source Separated Green Waste, Wood Waste, and Food Waste.

EXHIBIT C

FRANCHISED HAULER'S AGREEMENT TO BE BOUND BY CITY'S WASTE DELIVERY COMMITMENT

This agreement is entered into between Sonoma Garbage Collectors, Inc., a California corporation ("Franchised Hauler"), the City of Sonoma ("City") and Republic Waste Services of Sonoma County, Inc. ("Contractor"). All words and phrases in this agreement with initial capital letters are defined in the attached Waste Delivery Agreement.

Franchised Hauler acknowledges that it has read and understood the foregoing Waste Delivery Agreement ("Waste Delivery Agreement") between the City and Contractor. Franchised Hauler agrees to fully honor and comply with the City's Waste delivery obligations to Contractor in the Waste Delivery Agreement, and as the Waste Delivery Agreement may hereafter be modified or extended by the City and Contractor at their sole discretion. Franchised Hauler shall deliver all such Waste to Contractor and the County facilities as required by and in accordance with the Waste Delivery Agreement. The Term of Franchised Hauler's obligations hereunder shall be coterminous with the Term of the City's Waste Delivery Agreement with Contractor, and therefore will not expire until (a) the Term of the Waste Delivery Agreement, as it may be extended by City and Contractor, expires or (b) the City terminates Franchised Hauler's franchise agreement with the City, whichever occurs first.

Without limiting the generality of the foregoing, Franchised Hauler agrees that:

1. Notwithstanding any other term, condition or provision in Franchised Hauler's franchise agreement with the City, Franchised Hauler will deliver all Committed City Waste that is collected, transported or otherwise handled by Franchised Hauler to the Contractor and County Facilities (a) for the Term of the Waste Delivery Agreement, as it now exists or may hereafter be modified or extended, or (b) until the City terminates the Franchised Hauler's franchise agreement with the City, whichever occurs first, except for Waste that is excluded from the City's Waste delivery obligation to Contractor as described in Section 2.2 of the Waste Delivery Agreement. Franchised Hauler shall do all things necessary and execute any further agreements or instruments required to effectuate Franchised Hauler's obligation this agreement.
2. This agreement by Franchised Hauler amends, supersedes and controls over any contrary or inconsistent provision in any agreement that Franchised Hauler has, or may hereafter enter into, with the City.
3. Franchised Hauler shall pay Contractor's invoices for delivery of Waste collected by Franchised Hauler in the City within thirty (30) of the date of the invoice. Any unpaid invoiced amounts not paid within said thirty (30) days shall bear interest at the rate

of one and one half percent (1.5%) per month until paid. Contractor shall be entitled to recover its attorneys' fees, expert witness fess and all other costs of litigation incurred in collecting delinquent invoices from Franchised Hauler.

4. The Franchised Hauler has implemented a commercial food waste collection program authorized by the City and the cost of this program is included in existing collection rates. Therefore, no compensation for this program is needed from Contractor's Gate Rate, and the Gate Rate charged to the Franchised Hauler shall be reduced by \$3.60/ton or the same amount of compensation that is included in the Gate Rate for the implementation of the food waste collection program by other Sonoma County franchised haulers. Said rate reduction shall become effective upon the effective date of the Waste Delivery Agreement.

5. Franchised Hauler shall commence the City-wide collection of dry commercial Mixed Waste from commercial Premises in the City when directed to do so by the City. The Franchised Hauler's costs of this program are included in existing collection fees and no compensation is necessary from the Contractor's Gate Rates.

6. This agreement shall bind Franchised Hauler and its subcontractors and affiliates and each of their respective successors and assigns.

SONOMA GARBAGE COLLECTORS, INC.

By: _____ Dated: _____
John Curotto, President

By: _____ Dated: _____
Name: _____
Chief Financial Officer

REPUBLIC WASTE SERVICES OF SONOMA COUNTY, INC.

By: _____ Dated: _____
Name: _____
Title: _____

By: _____ Dated: _____
Name: _____
Title: _____

CITY OF SONOMA

By: _____ Dated: _____
Carol Giovanatto, City Manager

EXHIBIT D

Initial Gate Rate and Contractor Service Fee

Initial Gate Rate:	\$126.10
Initial Contractor Service Fee:	\$104.35
Initial Governmental Fee Component:	\$7.50
Waste Management Agency Fee:	\$4.50
AB 1220 Fee (State Board of Equalization):	\$1.40
Sonoma Local Enforcement Agency (LEA) Fee*:	\$0.91
Regional Water Board Fees*:	\$0.57
Bay Air Quality Air Districts*:	\$0.12
County Concession Payment:	\$9.25
Committed Cities Contingent Liability Fee	\$5.00

*Note:

These costs are not assessed on a per ton basis but rather are lump sum annual estimated costs of each of these governmental agency fees. The initial lump sum estimates are \$200,000 for the LEA Fee, \$126,000 for the Water Board Fees and \$26,000 for the Air District Fees. All fees are divided by an estimated 220,000 annual tons for the first Operating Year of the Agreement.

Contractor shall be responsible for the payment of all Government Fees.

The Initial Contractor Service Fee paid by the County or a Committed City, shall be reduced by \$3.60 per ton (as such amount is annually increased by Section 11.4) in the event the Prime Subcontractor (or its Affiliate) is not the County's or a Committed City's designated Franchise Hauler during any portion of the Committed Waste Period, but only with respect to that franchised Solid Waste from a given Committed City or the County which is delivered to the County Facilities by such successor hauler.

EXHIBIT E

SCOPE OF SERVICES

In addition to the services described herein, a detailed scope of services provided by Republic is set forth in the Agreement for Operations of the Central Landfill and County Transfer Stations between County of Sonoma and Republic Services of Sonoma County, Inc. dated April 23, 2013.

EXHIBIT F

FORM OF GUARANTY

THIS GUARANTY, INDEMNIFICATION AND RELEASE AGREEMENT (this "**Guaranty**") is made as of _____, 2014, by **REPUBLIC SERVICES, INC.**, a Delaware corporation ("**Guarantor**"), in favor of **THE CITY OF SONOMA**, a political subdivision of the State of California ("**City**").

RECITALS

A. Republic Services of Sonoma City, Inc. a Delaware corporation, as contractor ("**Contractor**"), and City are parties to that certain Waste Delivery Agreement dated as of _____, 2014 (the "**Agreement**"). Contractor is also a party to the County Operations Agreement with the County of Sonoma. Initially capitalized terms used herein without definition will have the meaning given such term in the Agreement are hereby incorporated herein.

B. To induce City to enter into the Agreement and consummate the transactions contemplated thereby, Guarantor has agreed to enter into this Guaranty.

C. Guarantor is the ultimate parent of Contractor.

D. Without this Guaranty, City would not have entered into the Agreement. Therefore, in consideration of City's execution of the Agreement, Guarantor has agreed to execute this Guaranty.

NOW, THEREFORE, in consideration of the foregoing Recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. **Guaranty.** Guarantor guarantees to City and its successors and assigns, the full and prompt payment and performance when due of all of the obligations of Contractor arising out of, in connection with, under or related to the Waste Delivery Agreement and the Master Operations Agreement, as such terms are defined in the Agreement and each and every other document and agreement executed by Contractor in connection with the consummation of the transactions contemplated by the Agreement, including all City Waste Delivery Agreements (which shall collectively be referred to herein as the "**Project Documents**"). The obligations guaranteed pursuant to this Guaranty are collectively referred to herein as the "**Guaranteed Obligations.**"

2. **Unconditional Obligations.** This Guaranty is a guaranty of payment and performance and not of collection and is an absolute, unconditional and irrevocable guarantee of the full and prompt payment and performance when due of all of the Guaranteed Obligations, whether or not from time to time reduced or extinguished or hereafter increased or incurred; whether or not recovery may be, or hereafter may become, barred by any statute of limitations or otherwise; provided, however, that this Guaranty shall not be enforceable against Guarantor to the extent (and only to the extent) it is determined or has been determined not to be enforceable either by an arbitrator pursuant to the Dispute Resolution Provision in the Agreement (the "**Dispute Resolution Provision**") or by a court of competent jurisdiction that the Guaranteed Obligations are not enforceable against Contractor. If any payment made by Contractor or any

EXHIBIT F

other Person and applied to the Guaranteed Obligations is at any time annulled, set aside, rescinded, invalidated, declared to be fraudulent or preferential or otherwise required to be repaid or refunded, then, to the extent of such payment or repayment, the liability of Guarantor will be and remain in full force and effect as fully as if such payment had never been made. Guarantor covenants that this Guaranty will not be fulfilled or discharged, except by the complete payment and performance of the Guaranteed Obligations, whether by the primary obligor or Guarantor under this Guaranty. Without limiting the generality of the foregoing, Guarantor's obligations hereunder will not be released, discharged or otherwise affected by (a) any change in the Project Documents or the obligations thereunder, or any insolvency, bankruptcy or similar proceeding affecting Contractor, Guarantor or their respective assets; and (b) the existence of any claim or set-off which Contractor has or Guarantor may have against City, whether in connection with this Guaranty or any unrelated transaction, except and only to the extent any claim or set-off is actually allowed either by an arbitrator pursuant to the Dispute Resolution Provision or by a court of competent jurisdiction, provided that nothing in this Guaranty will be deemed a waiver by Guarantor of any claim or prevent the assertion of any claim by separate suit. This Guaranty will in all respects be a continuing, absolute, and unconditional guaranty irrespective of the genuineness, validity, regularity or enforceability of the Guaranteed Obligations or any part thereof or any instrument or agreement evidencing any of the Guaranteed Obligations or relating thereto, or the existence, validity, enforceability, perfection, or extent of any collateral therefor or any other circumstances relating to the Guaranteed Obligations which might otherwise constitute a defense to the Guaranteed Obligations or this Guaranty, except and only to the extent such defenses are adjudicated or have been adjudicated either by an arbitrator pursuant to the Dispute Resolution Provision or by a court of competent jurisdiction.

3. **Independent Obligations.** Guarantor agrees that the Guaranteed Obligations are independent of the obligations of Contractor and if any default occurs hereunder, a separate action or actions may be brought and prosecuted against Guarantor whether or not Contractor is joined therein. City may maintain successive actions for other defaults of Guarantor. City's rights hereunder will not be exhausted by the exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless all Guaranteed Obligations have been paid and fully performed.

a. Guarantor agrees that City may enforce this Guaranty, at any time and from time to time, without the necessity of resorting to or exhausting any security or collateral and without the necessity of proceeding against Contractor. Guarantor hereby waives the right to require City to proceed against Contractor, to exercise any right or remedy under any of the Project Documents or to pursue any other remedy or to enforce any other right.

b. Guarantor will continue to be subject to this Guaranty notwithstanding: (i) any modification, agreement or stipulation between or among Contractor or City or their respective successors and assigns, with respect to any of the Project Documents or the Guaranteed Obligations; (ii) any waiver of or failure to enforce any of the terms, covenants or conditions contained in any of the Project Documents or any modification thereof; (iii) any release of Contractor from any liability with respect to any of the Project Documents; or (iv) any release or subordination of any collateral then held by City as security for the performance by Contractor of the Guaranteed Obligations.

EXHIBIT F

c. The Guaranteed Obligations are not conditional or contingent upon the pursuit by City of any remedies which City either now has or may hereafter have with respect thereto under any of the Project Documents.

4. Liability of Guarantor.

a. City may enforce this Guaranty upon the occurrence of a breach by Contractor of any of the Guaranteed Obligations (following the expiration of any notice and cure period set forth in the applicable Contract Document and applicable to such breach), notwithstanding the existence of any dispute between or among City, Contractor with respect to the existence of such a breach.

b. Guarantor's performance of some, but not all, of the Guaranteed Obligations will in no way limit, affect, modify or abridge Guarantor's liability for those Guaranteed Obligations that have not been performed.

c. City, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability of this Guaranty or giving rise to any reduction, limitation, impairment, discharge or termination of Guarantor's liability hereunder, from time to time may (i) with respect to the financial obligations of Contractor, renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of financial obligations that are Guaranteed Obligations, and/or subordinate the payment of the same to the payment of any other obligations, (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto, (iii) request and accept other guarantees of the Guaranteed Obligations and take and hold security for the payment of this Guaranty or the Guaranteed Obligations, (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for performance of the Guaranteed Obligations, any other guarantees of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations, (v) enforce and apply any security hereafter held by or for the benefit of City in respect of this Guaranty or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that City may have against any such security, as City in its discretion may determine, and (vi) exercise any other rights available to it under the Project Documents.

d. This Guaranty and the obligations of Guarantor hereunder will be valid and enforceable and will not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than infeasible performance in full of the Guaranteed Obligations), including without limitation the occurrence of any of the following, whether or not Guarantor will have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Project Documents, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement or instrument relating thereto; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including without limitation provisions relating to events of

EXHIBIT F

default) of the Project Documents or any agreement or instrument executed pursuant thereto; (iii) City's consent to the change, reorganization or termination of the corporate structure or existence of Contractor; (iv) any defenses, set-offs or counterclaims Contractor may allege or assert against City in respect of the Guaranteed Obligations, including but not limited to failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, except and only to the extent any defenses, set-offs, or counterclaims are actually allowed either by the arbitrator pursuant to the Dispute Resolution Provision or by a court of competent jurisdiction; and (v) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Guarantor as an obligor in respect of the Guaranteed Obligations.

e. The parties hereto specifically agree that, in addition to any and all remedies at law available to the City, the City shall be entitled to the remedy of specific performance of any and all Guaranteed Obligations, and Guarantor specifically agrees that the City shall be entitled to any other remedies incidental to enforcing such specific performance, including, without limitation, the granting of appropriate injunctive relief.

f. It is the intent of the parties that the Guarantor's liability for the Guaranteed Obligations shall be limited to that of Contractor, and that this instrument shall not impose greater obligations upon the Guarantor than would be owed to the City by Contractor. Any final determination either by an arbitrator pursuant to the Dispute Resolution Provision or by a court of competent jurisdiction with respect to any of the Guaranteed Obligations shall establish the limits of this Guaranty with respect thereto. Nothing in this Section shall affect the enforceability of the Guarantor's waiver of defenses, subrogation rights, and reimbursement rights set forth in Sections 5 and 6.

5. **Waivers.** To the fullest extent permitted by law, Guarantor hereby waives and agrees not to assert or take advantage of: **(a)** any right to require City to proceed against Contractor or any other Person or to proceed against or exhaust any security held by City at any time or to pursue any right or remedy under any of the Project Documents or any other remedy in City's power before proceeding against Guarantor; **(b)** any defense that may arise by reason of the incapacity, lack of authority, death or disability of, or revocation hereby by Guarantor, Contractor or any other Person or the failure of City to file or enforce a claim against the estate (either in administration, bankruptcy or any other proceeding) of any such Person; **(c)** any defense that may arise by reason of any presentment, demand for payment or performance or otherwise, protest or notice of any other kind or lack thereof; **(d)** any right or defense arising out of an election of remedies by City even though the election of remedies, such as nonjudicial foreclosure with respect to any security for the Guaranteed Obligations, has destroyed the Guarantor's rights of subrogation and reimbursement against Contractor by the operation of Section 580d of the Code of Civil Procedure or otherwise; **(e)** all notices to Guarantor, to Contractor or to any other Person, including, but not limited to, notices of the acceptance of this Guaranty or the creation, renewal, extension, modification, accrual of any of the obligations of Contractor under any of the Project Documents, or of default in the payment or performance of any such obligations, enforcement of any right or remedy with respect thereto or notice of any other matters relating thereto; **(f)** any requirements of diligence or promptness on the part of City; **(g)** except as specifically provided elsewhere in this Guaranty, any defense arising out of

EXHIBIT F

the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Contractor or any other Person from any cause other than indefeasible performance in full of the Guaranteed Obligations; **(h)** any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, including, without limitation, all rights and benefits under Section 2809 of the California Civil Code purporting to reduce a guarantor's obligation in proportion to the obligation of the principal; **(i)** any defense based upon any act or omission of City which directly or indirectly results in or aids the discharge or release of Contractor, Guarantor or any security given or held by City in connection with the Guaranteed Obligations; **(j)** any and all suretyship defenses under applicable law including, but not limited to, any defense under Sections 2787 through 2855, inclusive, of the California Civil Code; and **(k)** any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof.

6. **Waiver of Subrogation and Rights of Reimbursement.** Until the Guaranteed Obligations have been indefeasibly paid in full, Guarantor waives any claim, right or remedy which it may now have or may hereafter acquire against Contractor that arises from the performance of Guarantor hereunder, including, without limitation, any claim, right or remedy of subrogation, reimbursement, exoneration, contribution, or indemnification, or participation in any claim, right or remedy of City against Contractor, or any other security or collateral that City now has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

7. **Waivers by Guarantor if Real Property Security.** If the Guaranteed Obligations are or become secured by real property or an estate for years, Guarantor waives all rights and defenses that Guarantor may have because the Guaranteed Obligations are secured by real property. This means, among other things:

a. City may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Contractor.

b. If City forecloses on any real property collateral pledged by Contractor:

(1) The amount of the Guaranteed Obligation may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

(2) City may collect from Guarantor even if City, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Contractor.

This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Guaranteed Obligations secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

EXHIBIT F

8. **Default; Cumulative Rights.** The City may declare Guarantor in default under this Guaranty for any failure to fully perform and discharge its obligations and liabilities under this Guaranty. Guarantor and the City specifically agree that, in addition to any and all remedies at law or in equity that the City may have, the City shall be entitled to the remedy of specific performance of any of the provisions and obligations to be performed by Guarantor under this Guaranty and that the City shall be entitled to any other provisional remedies incidental to enforcing such specific performance, including, without limitation, the granting of appropriate injunctive relief. All rights, powers and remedies of City hereunder will be in addition to and not in lieu of all other rights, powers and remedies given to City, whether at law, in equity or otherwise.

9. **GUARANTOR'S RELEASE OF THE CITY AND COMMITTED CITIES.** GUARANTOR, FOR ITSELF AND ON BEHALF OF EACH OF ITS SHAREHOLDERS, SUBSIDIARIES, AFFILIATES, AND EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, DOES HEREBY RELEASE, HOLD HARMLESS AND FOREVER DISCHARGE THE CITY, EACH MEMBER OF THE CITY GROUP, AND THE COMMITTED CITIES FROM ANY AND ALL LOSSES AND LIABILITIES, IN EACH CASE, OF ANY KIND OR CHARACTER, WHETHER KNOWN OR UNKNOWN, HIDDEN OR CONCEALED, TO THE PERSON OR PROPERTY OF GUARANTOR, ITS SUCCESSORS AND ASSIGNS, RESULTING FROM OR ARISING OUT OF (1) ANY LOSSES TO GUARANTOR ARISING OUT OF THIS GUARANTY; (2) THE PAST, PRESENT, CONTINUED AND FUTURE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING BY THE CONTRACTOR GROUP OF WASTE OR OTHER MATERIAL (INCLUDING COMMITTED COUNTY WASTE, COMMITTED CITY WASTE AND SELF-HAUL WASTE) AT OR IN THE LANDFILL OR ANY OTHER OF THE FACILITIES, EXCEPT FOR SCREENING, TREATMENT, OR PROCESSING THAT OCCURRED AT RECYCLETOWN ON THE LANDFILL PRIOR TO THE EFFECTIVE DATE; (3) THE SCREENING, ACCEPTANCE, DISPOSAL, TREATMENT, SORTING, HANDLING AND PROCESSING OF WASTE OR OTHER MATERIAL (INCLUDING COMMITTED COUNTY WASTE, COMMITTED CITY WASTE AND SELF-HAUL WASTE) AT THE TRANSFER STATIONS OCCURRING DURING THE COMMITTED WASTE PERIOD AND ANY CITY FACILITIES OPERATING PERIOD; (4) THE DISPOSAL OF WASTE BY CONTRACTOR COMING FROM THE COUNTY OF SONOMA AT FACILITIES OTHER THAN THE CITY FACILITIES (INCLUDING FACILITIES LOCATED OUTSIDE OF THE COUNTY OF SONOMA BUT EXCLUDING FACILITIES NOT OWNED OR OPERATED BY CONTRACTOR OR ITS PRIME SUBCONTRACTOR); (5) ANY REMEDIATION, CLOSURE AND POST-CLOSURE OBLIGATIONS SET FORTH IN THE AGREEMENT; (6) ANY MATTER OR ITEM INCLUDED WITHIN THE ASSUMED LIABILITIES (BUT EXCLUDING ANY EXCLUDED LIABILITIES); (7) ANY ENVIRONMENTAL CONDITION OR REMEDIATION AT THE TRANSFER STATIONS OCCURRING DURING THE COMMITTED WASTE PERIOD OR COUNTY FACILITIES OPERATIONS PERIOD; (8) ANY ENVIRONMENTAL CONDITION AT THE MATERIALS RECOVERY FACILITY OCCURRING DURING THE COMMITTED WASTE PERIOD OR THE

EXHIBIT F

COUNTY FACILITIES OPERATING PERIOD; OR (9) CONTRACTOR'S INDEMNITIES SET FORTH IN THE MASTER OPERATIONS AGREEMENT.

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

IN THIS CONNECTION, GUARANTOR 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 CITY AND THE COMMITTED CITIES FROM THE LOSSES DESCRIBED IN THIS SECTION 9. THIS RELEASE OF THE CITY AND THE COMMITTED CITIES BY GUARANTOR WILL BE DEEMED TO BE REMADE BY GUARANTOR AS OF THE CLOSING AND SHALL SURVIVE THE CLOSING.

Guarantor's Initials _____

Notwithstanding the foregoing, the release set forth herein shall not preclude Guarantor from, and Guarantor 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 9.

10. Covenant Not to Sue

(a) It is expressly intended that neither Guarantor, nor any Entity claiming through Contractor, shall have any rights, claims, remedies or actions against the City and/or the Committed Cities for any matter with respect to which Contractor has provided indemnification under the Agreement, including Section 15.1 thereof, or Contractor or Guarantor has provided a release under the Agreement, including Section 9 of this Guaranty. Notwithstanding the foregoing, Contractor is not assuming any Excluded Liabilities or any liabilities or obligations for any matter covered by the City's indemnities under Article 15 of the Agreement.

(b) Guarantor, for itself and on behalf of each of its members, shareholders, subsidiaries, affiliates, and each of their respective successors and assigns, does hereby covenant forever and unconditionally not to sue, make any claim or take any action against the City and

EXHIBIT F

any of the Committed Cities for any Loss arising out of, relating to (i) any Assumed Liabilities; (ii) any matter with respect to which Contractor has provided indemnification under the Agreement, including Article 15 thereof, or Contractor or Guarantor has provided a release under the Agreement, including Section 9 of this Guaranty; and (iii) facilities other than the Facilities at which Contractor disposes of Waste from the City of Sonoma.

11. **Representations and Warranties.** Guarantor represents and warrants that:

a. it is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and qualified to do business and is in good standing under the laws of the State of California;

b. it has all requisite corporate power and authority to execute, deliver and perform this Guaranty;

c. the execution, delivery, and performance by Guarantor of this Guaranty have been duly authorized by all necessary corporate action on the part of Guarantor;

d. this Guaranty has been duly executed and delivered and constitutes the legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms;

e. neither the execution nor delivery of this Guaranty nor compliance with or fulfillment of the terms, conditions, and provisions hereof, will conflict with, result in a material breach or violation of the terms, conditions, or provisions of, or constitute a material default, an event of default, or an event creating rights of acceleration, termination, or cancellation, or a loss of rights under (1) the certificate of incorporation or by-laws of Guarantor, (2) any judgment, decree, order, contract, agreement, indenture, instrument, note, mortgage, lease, governmental permit, or other authorization, right restriction, or obligation to which Guarantor is a party or any of its property is subject or by which Guarantor is bound, or (3) any federal, state, or local law, statute, ordinance, rule or regulation applicable to Guarantor;

f. it now has and will continue to have full and complete access to any and all information concerning the transactions contemplated by the Project Documents or referred to therein, and the financial status of Contractor and its ability to perform the Guaranteed Obligations;

g. it has reviewed and approved copies of the Project Documents and is fully informed of the remedies City may pursue, with or without notice to Contractor or any other Person, in the event of default of any of the Guaranteed Obligations;

h. it has made and so long as the Guaranteed Obligations (or any portion thereof) remain unsatisfied, it will make its own credit analysis of Contractor and will keep itself fully informed as to all aspects of the financial condition of Contractor, the performance of the Guaranteed Obligations of all circumstances bearing upon the risk of nonpayment or nonperformance of the Guaranteed Obligations. Guarantor hereby waives and relinquishes any duty on the part of City to disclose any matter, fact or thing relating to the business, operations or conditions of Contractor now known or hereafter known by City;

EXHIBIT F

i. no consent, authorization, approval, order, license, certificate, or permit or act of or from, or declaration or filing with, any governmental authority or any party to any contract, agreement, instrument, lease, or license to which Guarantor is a party or by which Guarantor is bound, is required for the execution, delivery, or compliance with the terms hereof by Guarantor, except as have been obtained prior to the date hereof; and

j. there is no pending or, to the best of its knowledge, threatened action, suit, proceeding, arbitration, litigation, or investigation of or before any Governmental Authority which challenges the validity or enforceability of this Guaranty.

12. **Governing Law.** The validity, interpretation and effect of this Guaranty are governed by and will be construed in accordance with the laws of the State of California applicable to contracts made and performed in such State and without regard to conflicts of law doctrines.

13. **Entire Document.** This Guaranty contains the entire agreement of Guarantor with respect to the transactions contemplated hereby, and supersede all negotiations, representations, warranties, commitments, offers, contracts and writings prior to the date hereof, written or oral, with respect to the subject matter hereof. No waiver, modification or amendment of any provision of this Guaranty is effective unless made in writing and duly signed by City referring specifically to this Guaranty, and then only to the specific purpose, extent and interest so provided.

14. **Severability.** If any provision of this Guaranty is determined to be unenforceable for any reason by a court of competent jurisdiction, it will be adjusted rather than voided, to achieve the intent of the parties and all of the provisions not deemed unenforceable will be deemed valid and enforceable to the greatest extent possible.

15. **Notices.** Any communication, notice or demand of any kind whatsoever under this Guaranty shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by telex, telegram or telecopying (if confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to City:

City of Sonoma
Attn: City Manager
No. 1 The Plaza
Sonoma, California 95476
Phone: (707) 938-3681
Fax: (707) 938-8775

EXHIBIT F

If to Guarantor:

Republic Services, Inc.
18500 North Allied Way
Phoenix, Arizona 85054
Attn: Mr. Tim Benter, Vice President and Deputy General Counsel
Phone: 480-627-7153
Fax: 480-718-4274

Either Guarantor or City may from time to time change its address for the purpose of notices by a similar notice specifying a new address, but no such change is effective until it is actually received by the party sought to be charged with its contents.

All notices and other communications required or permitted under this Guaranty which are addressed as provided in this Section 15 are effective upon delivery, if delivered personally or by overnight mail, and, are effective five (5) days following deposit in the United States mail, postage prepaid if delivered by mail.

16. **Captions.** The captions of the various Sections of this Guaranty have been inserted only for convenience of reference and do not modify, explain, enlarge or restrict any of the provisions of this Guaranty.

17. **Assignability.** This Guaranty is binding upon and inures to the benefit of the successors and assigns of Guarantor and City, but is not assignable by Guarantor without the prior written consent of City, which consent may be granted or withheld in City's sole discretion. City has the right to assign this Guaranty to an Affiliate of City without obtaining any further consent from Guarantor. Any assignment by Guarantor effected in accordance with this Section 17 will not relieve Guarantor of its obligations and liabilities under this Guaranty. The sale or other disposition of a majority in interest of the shares of Guarantor or the sale, transfer, or disposition (including by merger) of substantially all of the assets of Guarantor shall be deemed an assignment of this Guaranty subject to consent as required herein.

18. **Construction of Agreement.** Ambiguities or uncertainties in the wording of this Guaranty will not be construed for or against any party, but will be construed in the manner that most accurately reflects the parties' intent as of the date hereof.

19. **No Waiver.** Any forbearance or failure to exercise, and any delay by City in exercising, any right, power or remedy hereunder will not impair any such right, power or remedy or be construed to be a waiver thereof, nor will it preclude the further exercise of any such right, power or remedy.

20. **Bankruptcy; Post-Petition Interest; Reinstatement of Guaranty.**

(a) The obligations of Guarantor under this Guaranty will not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Contractor or by any defense which Contractor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding. City

EXHIBIT F

is not obligated to file any claim relating to the Guaranteed Obligations if Contractor becomes subject to a bankruptcy, reorganization, or similar proceeding, and the failure of City so to file will not affect Guarantor's obligations under this Guaranty.

(b) Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if said proceedings had not been commenced) will be included in the Guaranteed Obligations because it is the intention of Guarantor and City that the Guaranteed Obligations should be determined without regard to any rule of law or order which may relieve Contractor of any portion of such Guaranteed Obligations. Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or any similar person to pay City, or allow the claim of City in respect of, any such interest accruing after the date on which such proceeding is commenced.

21. **Attorneys' Fees.** Should any litigation be commenced under this Guaranty, the successful party in such litigation shall be entitled to recover, in addition to such other relief as the court may award, its reasonable attorneys' fees, expert witness fees, litigation related expenses, and court or other costs incurred in such litigation. For purposes of this clause, the term "successful party" means the net winner of the dispute, taking into account the claims pursued, the claims on which the pursuing party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other party. If a written settlement offer is rejected and the judgment or award finally obtained is equal to or more favorable to the offeror than an offer made in writing to settle, the offeror is deemed to be the successful party from the date of the offer forward.

22. **CONSENT TO JURISDICTION.** GUARANTOR AND THE CITY AGREE THAT ANY ACTION OR PROCEEDING TO RESOLVE A DISPUTE BETWEEN GUARANTOR AND CITY CONCERNING THE INTERPRETATION, APPLICATION OR ENFORCEMENT OF THE TERMS OF THIS GUARANTY MAY ONLY BE BROUGHT IN SUPERIOR COURT FOR THE CITY OF SONOMA OR U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA. EACH OF GUARANTOR AND CITY ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS. IF NOT A RESIDENT OF THE STATE OF CALIFORNIA, GUARANTOR MUST APPOINT AND MAINTAIN AN AGENT FOR SERVICE OF PROCESS IN THE STATE OF CALIFORNIA.

23. **Committed Cities.** Each Committed City shall be an express third party beneficiary under this Guaranty as to the Guaranteed Obligations relating to their respective City Disposal Agreements and shall be individually entitled to enforce the terms hereof against Guarantor.

EXHIBIT F

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first written above.

GUARANTOR: REPUBLIC SERVICES, INC.
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT G

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 its 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

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. 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 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.

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.

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.

City of Cloverdale

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Cotati

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Healdsburg

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Rohnert Park

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Santa Rosa

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Sebastopol

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Sonoma

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

Town of Windsor

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

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 its 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

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. 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 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.

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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.

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.

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.

City of Cloverdale

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Cotati

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Healdsburg

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Rohnert Park

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Santa Rosa

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Sebastopol

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

City of Sonoma

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

Town of Windsor

Dated: _____ By: _____
Name: _____
Title: _____
Address: _____

Telephone: _____
E-mail: _____

EXHIBIT D

FRANCHISED HAULER'S AGREEMENT TO BE BOUND BY CITY'S WASTE DELIVERY COMMITMENT

This agreement is entered into between Sonoma Garbage Collectors, Inc., a California corporation ("Franchised Hauler"), the City of Sonoma ("City") and Republic Waste Services of Sonoma County, Inc. ("Contractor"). All words and phrases in this agreement with initial capital letters are defined in the attached Waste Delivery Agreement.

Franchised Hauler acknowledges that it has read and understood the foregoing Waste Delivery Agreement ("Waste Delivery Agreement") between the City and Contractor. Franchised Hauler agrees to fully honor and comply with the City's Waste delivery obligations to Contractor in the Waste Delivery Agreement, and as the Waste Delivery Agreement may hereafter be modified or extended by the City and Contractor at their sole discretion. Franchised Hauler shall deliver all such Waste to Contractor and the County facilities as required by and in accordance with the Waste Delivery Agreement. The Term of Franchised Hauler's obligations hereunder shall be coterminous with the Term of the City's Waste Delivery Agreement with Contractor, and therefore will not expire until (a) the Term of the Waste Delivery Agreement, as it may be extended by City and Contractor, expires or (b) the City terminates Franchised Hauler's franchise agreement with the City, whichever occurs first.

Without limiting the generality of the foregoing, Franchised Hauler agrees that:

1. Notwithstanding any other term, condition or provision in Franchised Hauler's franchise agreement with the City, Franchised Hauler will deliver all Committed City Waste that is collected, transported or otherwise handled by Franchised Hauler to the Contractor and County Facilities (a) for the Term of the Waste Delivery Agreement, as it now exists or may hereafter be modified or extended, or (b) until the City terminates the Franchised Hauler's franchise agreement with the City, whichever occurs first, except for Waste that is excluded from the City's Waste delivery obligation to Contractor as described in Section 2.2 of the Waste Delivery Agreement. Franchised Hauler shall do all things necessary and execute any further agreements or instruments required to effectuate Franchised Hauler's obligation this agreement.
2. This agreement by Franchised Hauler amends, supersedes and controls over any contrary or inconsistent provision in any agreement that Franchised Hauler has, or may hereafter enter into, with the City.
3. Franchised Hauler shall pay Contractor's invoices for delivery of Waste collected by Franchised Hauler in the City within thirty (30) of the date of the invoice. Any unpaid invoiced amounts not paid within said thirty (30) days shall bear interest at the rate

of one and one half percent (1.5%) per month until paid. Contractor shall be entitled to recover its attorneys' fees, expert witness fess and all other costs of litigation incurred in collecting delinquent invoices from Franchised Hauler.

4. The Franchised Hauler has implemented a commercial food waste collection program authorized by the City and the cost of this program is included in existing collection rates. Therefore, no compensation for this program is needed from Contractor's Gate Rate, and the Gate Rate charged to the Franchised Hauler shall be reduced by \$3.60/ton or the same amount of compensation that is included in the Gate Rate for the implementation of the food waste collection program by other Sonoma County franchised haulers. Said rate reduction shall become effective upon the effective date of the Waste Delivery Agreement.

5. Franchised Hauler shall commence the City-wide collection of dry commercial Mixed Waste from commercial Premises in the City when directed to do so by the City. The Franchised Hauler's costs of this program are included in existing collection fees and no compensation is necessary from the Contractor's Gate Rates.

6. This agreement shall bind Franchised Hauler and its subcontractors and affiliates and each of their respective successors and assigns.

SONOMA GARBAGE COLLECTORS, INC.

By: _____ Dated: _____
John Curotto, President

By: _____ Dated: _____
Name: _____
Chief Financial Officer

REPUBLIC WASTE SERVICES OF SONOMA COUNTY, INC.

By: _____ Dated: _____
Name: _____
Title: _____

By: _____ Dated: _____
Name: _____
Title: _____

CITY OF SONOMA

By: _____ Dated: _____
Carol Giovanatto, City Manager



CITY OF SONOMA
 City Council
 Agenda Item Summary

Agenda Item: 9
Meeting Date: 08/18/2014

Department Administration	Staff Contact Gay Johann, Assistant City Manager/City Clerk
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Agenda Item Title

Councilmembers' Reports on Committee Activities.

Summary

Council members will report on activities, if any, of the various committees to which they are assigned.

MAYOR ROUSE	MPT COOK	CLM. BARBOSE	CLM. BROWN	CLM. GALLIAN
ABAG Alternate	AB939 Local Task Force	Cittaslow Sonoma Valley Advisory Council, Alt.	Oversight Board to the Dissolved CDA	ABAG Delegate
City Audit Committee	City Facilities Committee	North Bay Watershed Association	Sonoma County Health Action	Cittaslow Sonoma Valley Advisory Council
City Facilities Committee	LOCC North Bay Division Liaison	Sonoma Clean Power	S. V. Citizens Advisory Commission	City Audit Committee
Sonoma County Mayors & Clm. Assoc. BOD	Oversight Board to the Dissolved CDA, Alt.	Sonoma County Transportation Authority & Regional Climate Protection Authority, Alternate	S.V. Economic Development Steering Committee	LOCC North Bay Division Liaison, Alternate
Sonoma County M & C Assoc. Legislative Committee, Alt.	Sonoma Clean Power Alt.	Sonoma County Waste Management Agency	S. V. Library Advisory Committee, Alternate	Sonoma County Transportation Authority & Regional Climate Protection Authority
Sonoma Disaster Council	Sonoma County Mayors & Clm. Assoc. BOD	VOM Water District Ad Hoc Committee, Alternate	Substance Abuse Prevention Coalition	LOCC North Bay Division, LOCC E-Board (M & C Appointment)
Sonoma Housing Corporation	Sonoma County M & C Assoc. Legislative Committee	Water Advisory Committee, Alternate	Mobilehome Park Rent Control Ad Hoc Committee (1/8/14)	Sonoma County Ag Preservation and Open Space Advisory Committee (M & C Appointment)
Sonoma Valley Citizens Advisory Comm. Alt.	Sonoma Disaster Council, Alternate			VOM Water District Ad Hoc Committee
S.V.C. Sanitation District BOD	Sonoma Housing Corporation			Water Advisory Committee
S.V. Fire & Rescue Authority Oversight Committee	S.V.C. Sanitation District BOD, Alt.			Mobilehome Park Rent Control Ad Hoc Committee (1/8/14)
	S.V. Economic Development Steering Committee, Alt.			
	S. V. Library Advisory Committee			
	S.V. Fire & Rescue Authority Oversight Committee			

Recommended Council Action – Receive Reports

Attachments: None