

**COUNTY OF SONOMA  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC WORKS  
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**Phillip M. Demery, Director**



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December 22, 2008

AB 939 Local Task Force  
c/o Sonoma County Waste Management Agency  
2300 County Center Drive, Suite B100  
Santa Rosa, CA 95403

Subject: Letter to the AB 939 Local Task Force from Ernie Carpenter, dated December 9, 2008 regarding County Landfill Divestiture

The County feels obligated to respond to the subject letter(attached) given that this letter contains numerous inaccurate assertions about Sonoma County actions, the possible motivations behind those actions, and what we have planned for the future.

Mr. Carpenter is correct that the way solid waste is handled in Sonoma County is critically important to the citizens of Sonoma County and to the environment. However, his "...story of how the County Administrator's Office has handled the Central Landfill....." is just that, a story.

In 2004, in response to concerns about a potentially leaking liner at the Central Landfill the State's Regional Water Quality Control Board issued revised Waste Discharge Requirements that prohibited further expansion of the landfill. Their immediate concerns have been addressed, however, a new liner expansion proposal must be submitted and approved before the Central Landfill can re-open.

Also in 2004, due to concerns with rising tipping fees at the County disposal sites caused by the expansion prohibition, the City of Petaluma stopped using the County disposal system and began hauling their waste to the Redwood Landfill in Novato. The instant loss of 10% of the revenue supporting the County regional disposal system, further increased tipping fees, causing other cities in Sonoma County to voice concerns. In addition, by leaving the disposal system, the City of Petaluma is no longer contributing to the environmental compliance costs associated with the maintenance of the system, which the County and the rest of the cities are. The County in response indicated to the City of Petaluma that a complaint might be filed. However, the County and the cities are in discussions over this issue and, to date, no lawsuit has been filed.

In response to these two events the County Board of Supervisors was understandably concerned about continuing to invest public monies into expansion of the landfill, in the face of potential further declining revenues. The cities all expressed concerns about the rising tip fee under County ownership. Therefore, the Board commissioned a study to evaluate long-term solid waste disposal alternatives for the County. This study was completed in 2006, with input from the AB939 Local Task Force (LTF), the public, stakeholders and the cities. The conclusion of this study report was that long-term out-haul, with maximized waste diversion was the most reliable and cost effective long-term solid waste disposal solution for Sonoma County and the cities within the County. However, given the extensive public infrastructure investment associated with the Central Landfill, and the benefit of having an in-county disposal option, the consultant recommended that the County consider divestiture to a private company

expert in the field of landfill maintenance and operation. The cities concurred with looking at this option. This idea of possibly re-opening and/or expanding the landfill was becoming even more interesting with the added focus on climate change and greenhouse gas emissions associated with the outhaul model.

Mr. Carpenter asks, in his letter, why would the County believe that a private corporation would want to buy the Central Landfill, get a new permit, re-open and operate it? The answer is simple, we will never know unless we ask the marketplace... some of the most experienced firms in the country... if they are interested and under what terms. As a result, and at the direction of the Board of Supervisors, the County released a request for information and interest, asking if the leaders in the waste industry were interested. The industry indicated that there was significant interest.

Armed with the proven interest of the leaders in the waste industry the County Board of Supervisors has continued to move the divestiture project forward. The Board, with input from staff and experts, developed a number of goals to achieve through the divestiture and a procurement process. Specific to the procurement process, staff never tells the Board of Supervisors what they can or cannot do, we simply advise. Second, we proposed a competitive process that was designed to create a fair and level "playing field" for all proposers, and the Board concurred with that recommendation.

This "potential" divestiture process has the following goals: providing an on-going location for solid waste disposal at a reasonable price, assuring that facilities are operated in an environmentally responsible manner, consistent with diversion (AB 939) and climate protection initiatives, reducing liability exposure<sup>1</sup>, and maximizing return on public investment. The Board and our experts agree that these goals may best be accomplished if the County and the cities stay banded together to use economies of scale i.e. combining our flow, to have a cost effective system.

The divestiture process was designed to include a request for qualifications (RFQ) phase, a stakeholder input phase and a request for proposals (RFP) phase. The goals, process, RFQ and RFP were presented at several public meetings, and regular Board meetings and comments and input were received. Both the RFQ and the RFP were made available to the public and stakeholders on the County's website.

A successful divestiture is considered by the Board of Supervisors to be Sonoma County's best option to achieve an in-county disposal site. While all of us would prefer to reduce, re-use and recycle all of our waste, and the County has a current diversion rate of 64%, we still landfill upwards of 300,000 tons of waste annually. This waste is currently hauled to landfills scattered throughout the north and east bay area. This waste is hauled by diesel trucks, which contribute greenhouse gas emissions to the environment. Per the analysis of environmental experts, in-county landfill disposal is the superior alternative over truck hauling, due to a net reduction of total greenhouse gas emissions in Sonoma County. The fundamental ethic of our citizens and our cities as indicated in the Countywide Integrated Waste Management Plan (CoIWMP) has always been to be responsible stewards of the environment and take care of our own trash in our own County. A successfully re-opened Central Landfill will meet this goal and help us to meet our climate protection goals.

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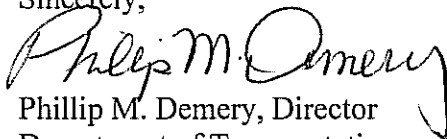
<sup>1</sup> These liabilities include costs for closure and post-closure maintenance of the Central Landfill which had been estimated at up \$100 M., and are now estimated to be approximately \$50M. The \$100M estimates were based on full build-out of the Central Landfill. The revised estimates as requested by our regulatory agencies are based on the existing configuration of the Central Landfill including the installation of a leachate pipeline to the SRRWTP. These estimates are subject to change based on their covering a 30 year horizon.

Divestiture proposals have now been received, and County staff has been directed to enter into negotiations with a preferred vendor. Negotiations for a real estate transaction are kept confidential until such time as a draft agreement is reached. This is not a Brown Act violation, and as you know is common practice with most governmental jurisdictions. When County staff has a draft agreement that best meets the Board's goals, it will be brought to the Board in open public session, to receive comments and input from the Board, the Local Task Force, the public, and the cities. Should the Board of Supervisors ultimately choose to execute an agreement for the divestiture, it will not become effective, unless the cities agree that it is also in their best interest and commit their residual waste to the facilities. A commitment on the part of a city to continue to direct their waste to the regional system does not prevent the continuation of existing recycling activities at the facilities nor does it prevent additional recycling and diversion programs to be implemented at the facilities post divestiture. In fact additional diversion and AB 32 programs were specifically encouraged and requested in the RFP and proposers have responded affirmatively.

In summary, the Board of Supervisors has undertaken this process to ensure that the citizens of Sonoma County have a safe, reliable, environmentally responsible, and cost effective waste disposal system in the future. The process used was established to be fair and without favoritism, and allow for as much public and stakeholder input as is possible. The comments in Mr. Carpenter's letter are what one might expect from someone who has a vested competing financial interest in seeing this process fail. It is also coming from a person that has not participated in any of the meetings that he refers to in his letter. Finally, it is important to note that Sonoma County staff does not threaten people as suggested in his letter.

As always, the County is available to answer any questions you might have, and the Board of Supervisors welcomes your continued input into this very important project.

Sincerely,



Phillip M. Demery, Director  
Department of Transportation and Public Works

Cc: Board of Supervisors  
Bob Deis, County Administrator