

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SANTA ROSA AND ZERO WASTE SONOMA REGARDING
APPLICATION FOR AND IMPLEMENTATION OF CALRECYCLE CRV PILOT PROJECT
GRANT

This Memorandum of Understanding (“MOU”) is made this __ day of _____, 2020 by and between the CITY OF SANTA ROSA, a municipal corporation of the State of California (“City”) and the ZERO WASTE SONOMA, a California joint powers authority (“Agency”) (collectively the “parties”).

RECITALS

WHEREAS, the Agency is a joint powers authority established pursuant to the California Joint Exercise of Powers Act (Gov’t Code sections 6500 *et seq.*), and one of the Agency’s core programs is to provide education regarding recycling, composting and other methods of waste diversion to the Agency’s members and the public; and

WHEREAS, the City is a member of the Agency, and Agency provides such educational services to the City and its residents; and

WHEREAS, the State passed SB 458 in 2017 authorizing the Department of Resources Recycling and Recovery (CalRecycle) to approve up to five California Redemption Value (CRV) pilot projects to provide convenient beverage container redemption opportunities in both urban and rural areas; and

WHEREAS, the State passed AB 54 in 2019 authorizing the expenditure of up to \$5,000,000 to support the CRV pilot projects; and

WHEREAS, The CRV pilot projects are intended to provide opportunities for California local government and recycling center operators to improve redemption opportunities for eligible beverage containers and increase recycling rates in convenience zones statewide that are not served by a recycling center that redeems all California Redemption Value (CRV) containers (“unserved convenience zones”); and

WHEREAS, CalRecycle administers grant funding for the CRV pilot programs and is offering grant funding of up to \$1,000,000 per jurisdiction in furtherance of such programs (the “CalRecycle Grant” or “Grant”); and

WHEREAS, the Agency desires to apply for funding under the CalRecycle Grant for a program with United Cerebral Palsy of the North Bay (UCPNB) to design, fabricate, install, maintain and service stationary; self-operated CRV recycling kiosks to be operated in unserved convenience zones in the City and other member cities of the Agency (the “Pilot Program”), as more particularly described in EXHIBIT A, attached hereto and incorporated herein by this reference; and

WHEREAS, the Agency needs City authorization in order to apply for the CalRecycle Grant on the City's behalf, and to administer the grant and implement the Pilot Program within the City's jurisdiction if such grant funding is received;

NOW, THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

AGREEMENT

1. **AUTHORIZATION TO SUBMIT GRANT APPLICATION ON BEHALF OF CITY.** The City hereby authorizes the Agency to submit an application for the CalRecycle Grant on the City's behalf, along with other member jurisdictions of Agency, to be used for the implementation of the Pilot Program as defined below and as more specifically described in this MOU. The City agrees and acknowledges that if the CalRecycle Grant is received, the Agency will be the grant recipient, and will implement the Pilot Program within the City.

2. **RESPONSIBILITIES OF AGENCY.** Agency will undertake the following actions in furtherance of application for and implementation of the CalRecycle Grant and the Pilot Program:

A. Agency will prepare an application on behalf of the City and certain other members of the Agency that have unserved convenience zones within their jurisdiction for funding through the CalRecycle Grant to be used for the Pilot Program.

B. Following submittal of the application for the CalRecycle Grant, Agency will serve as the primary contact with the CalRecycle grant manager; will coordinate and direct Grant activities as outlined in the Grant application; will monitor and adhere to the Grant schedule, budget, and timeline; will prepare required documentation for the Grant, when necessary; will obtain approval from CalRecycle grant manager for expenditures; will complete the required reporting to CalRecycle on behalf of the City; will develop a database to track monthly results; and will review monthly to determine consistency of beverage container recycling numbers, and to identify any anomalies in order to address any issues promptly.

C. Agency is additionally responsible for implementation of the Pilot Program and coordination with stakeholders in the City if the grant funding is received, including meeting with grocery store management in the applicable unserved convenience zones to gather data and assess best placement of container for the pilot; working with UCPNB and the Petaluma Recycling Center to implement the Pilot Program; responding to public questions, comments and concerns, fielded through phone calls and email; developing messaging related to the pilot program for social media and the Agency's website; and creating and distributing outreach materials to notify public of new recycling facilities.

3. **COMPENSATION AND EXPENSES.** The Agency is applying for and will be the recipient of the CalRecycle Grant, should it be approved by CalRecycle. Expenses incurred by

Agency in connection with the administration and implementation of the CalRecycle grant may be paid from grant proceeds to the extent permitted under the terms of the CalRecycle Grant, but in no event will the City be responsible to pay compensation, payment or expenses to City for the Agency's activities as described in this MOU.

4. **AGREEMENTS IN FURTHERANCE OF CALRECYCLE GRANT.** In the event City and Agency need to enter into additional agreements in furtherance of the CalRecycle Grant, including but not limited to agreements to allow the location of self-operated recycling kiosks on City property, or agreements for the purchase and ownership of such kiosks, the parties will work together to negotiate reasonable terms for such agreements.

5. **INDEMNIFICATION/HOLD HARMLESS.** Agency shall indemnify, defend, and hold harmless the City, its City Council, officials, consultants, agents, and employees from and against any and all loss, damages, liability, claims, suits, costs and expenses, including reasonable attorney's fees, arising from Agency's performance of this MOU, with the exception of matters that are based upon the negligent or intentional acts or omissions of the City, its City Council, officials, consultants, agents and employees.

6. **TERM.** The term of this MOU shall begin on _____, 2020 and shall remain in effect for the term of the CalRecycle Grant.

7. **TERMINATION OF MOU.** This MOU may be terminated by either party at any time for convenience by giving the other party ninety (90) calendar days advance written notice, provided however, that once the CalRecycle Grant has been received, the City cannot rescind its authorization for the Agency to implement the Pilot Program within City's jurisdiction.

8. **NOTICE.** During the term of this MOU, all notices shall be made in writing and either served personally, sent by first class mail, or sent by facsimile provided confirmation of delivery is obtained at the time of facsimile transmission, addressed as follows:

To: Agency

Zero Waste Sonoma
Attention: Executive Director
2300 County Center Drive, Ste. B-100
Santa Rosa, CA 95403
Telephone Number: 707-565-3668

To City:

City of Santa Rosa
Attention: City Manager
100 Santa Rosa Ave, Rm. 10
Santa Rosa, CA 95404
Telephone Number: 707-543-3010

Any party may change the address to which notice is to be given by providing the other party with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change.

Service of notices shall be deemed complete on the date of receipt if personally served or if served using facsimile machines provided confirmation of delivery is obtained at the time of facsimile transmission. Service of notices sent by first class mail shall be deemed complete on the fifth (5th) day following deposit in the United States mail.

9. **GOVERNING LAW.** This MOU shall be deemed to be executed within the State of California and construed in accordance with and governed by laws of the State of California.

10. **AMENDMENT.** Except as otherwise expressly provided in Section 1, above, this MOU and the exhibits hereto may only be amended in writing signed by both parties, and any purported amendment shall be of no force or effect. This MOU may be amended to both extend the term and conditions, as well as to add tasks. Agency will not begin new tasks without express written permission of the City.

11. **ENTIRE AGREEMENT.** This MOU and its exhibits constitute the entire agreement between the City and Agency and supersedes all prior negotiations, representations, or agreements, whether written or oral.

[Signatures on following page]

SIGNATURE PAGE FOR MEMORANDUM OF UNDERSTANDING
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APPLICATION FOR AND IMPLEMENTATION OF CRV PILOT PROJECT GRANT

IN WITNESS WHEREOF, the parties hereto have executed this agreement in
duplicate on the day and year first above written.

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

By: _____
Assistant City Manager, Jason Nutt

APPROVED AS TO FORM:

City Attorney

SONOMA COUNTY WASTE MANAGEMENT
AGENCY, A California
Joint Powers Authority

By: _____
Leslie Lukacs, Executive Director

APPROVED AS TO FORM:

Agency Counsel

EXHIBIT A

Sonoma County CRV Pilot

Background

In 1986, the California Beverage Container Recycling and Litter Reduction Act, also known as the Bottle Bill, was enacted to encourage recycling and reduce litter, and set a program goal of achieving an 80% recycling rate. This act enabled the creation of CRV facilities to reclaim bottles from Californians in exchange for payout of returned bottle deposits, and established convenience zones, designated by a supermarket at the center of a half-mile radius within which a state-certified recycling center must exist.

For years, recyclers relied on the State's handling fees and processing payments made when the cost of recycling exceeded the value of material, per ton redeemed. In 2016, RePlanet, California's largest operator of recycling redemption centers, closed 191 facilities, and then, in August 2019, they closed their remaining 284 locations. This trend mirrored closures of 40% of all California redemption centers since 2015. This was driven in large part by increased business costs, falling prices of glass, aluminum and plastic materials, and the state's payment structure.

In 2016, Sonoma County had 25 CRV facilities (one center for every 20,000 residents). That number has dropped to just four remaining facilities in 2020 (one for every 125,000 residents) located in Petaluma, Santa Rosa, and Windsor. These closures have led to a drop in customer's redemption payouts (\$.025 per nickel, and \$.05 per dime), increase in customer wait time at existing four facilities, potential loss for the local economy, and an increase in bottles and cans landfilled.

SB 458 (Wiener) was passed in 2017, authorizing CalRecycle to approve up to five pilot projects proposed by cities and/or counties working in combination with private businesses to provide convenient beverage container redemption opportunities in both urban and rural areas. AB 54 (Ting 2019) was passed to allow for the expenditure of up to \$5,000,000 to support the pilot projects. AB 54 also extends the deadline for CalRecycle to approve pilot project applications until January 1, 2022.

ZWS is interested in partnering with the Petaluma Recycling Center (PRC) to implement a pilot that would bring ten new CRV collection facilities to currently unserved areas in Cloverdale, Healdsburg, Sebastopol, Santa Rosa, Sonoma, and Petaluma.

ZWS Partnership with the United Cerebral Palsy of the North Bay

The Petaluma Recycling Center (PRC), an employment program and job training site for employees with disabilities, and division of the 501(c) (3) United Cerebral Palsy of the North Bay (UDPNB), emerged as an ideal partner for the CalRecycle Grant. The PRC is a certified CRV recycler center and CalRecycle requires the certification to apply.

UCPNB plans to design, fabricate, install, maintain and service stationary, self-operated CRV recycling kiosks for the program. Their staff will service the kiosks weekly or more frequently

as needed, based on routes that are set up to maximize service intervals and keep operating costs to a minimum. Staff providing the collection service will be in uniform and their vehicle will information decals identifying the collaborative program.

The outdoor, self-service kiosks will be built into new steel shipping containers (20 foot) similar to the units seen in Oregon. Because of the delays and costs involved in getting these units permitted and wired for electricity outside of a grocery store, each structure will have solar powered, battery backup operation. The power will operate the kiosk touch screen, bar code reader, sensors, security cameras, cellular router, door latch, and a safety light.

Customers will be able to use a mobile-friendly web site to sign up and access their accounts and receive support and communications via email. At the drop off site, customers will be informed of the process by a Windows application running on the self-service kiosk. Customers will provide basic account information that includes the customer's name, address, email, phone contact and desired method of receiving their recycling payments. PRC will link new accounts to existing CZ store membership programs like the Safeway program. This process would give customers a way to purchase items from the Convenience Zone (CZ) store with credits received from the CRV.

Each new customer will be sent a box of 25-labeled bags, each bag containing a unique bar code. Boxes of bags will be available to purchase in the CZ store, to order online or at the kiosk itself. If the customer gets a box of bags from the CZ store, they would have to pass by the kiosk to have the box bar code scanned to register / link the bar codes in that box to their account.

As the customer brings a full bag of CRVs within four feet of the kiosk display, a universal bar code reader will identify the bag's owner and display their name on the screen. After the customer verifies their identity, the display will ask them to enter the number of bags to be deposited into the container. Once the customer indicates how many bags will be placed inside, the door will open, and the bar code reader will count and track the number of bags inserted. When finished, the screen will ask them to shut the door and to check online for the transaction amount with a disclaimer that the anticipated amount may vary based on downstream processing. When the customer logs into the portal, they can see the results of our inspection / sorting process and see how much the balance in their account will be adjusted.

There is a tie in potential either to receive cash through their account, donate to local nonprofits, or to use the amount of the CRV credit as a voucher in the CZ store (s) plus some added percentage that the stores may support. This feature is similar to the BottleDrop program found in the Oregon Redemption Centers. PRC will also add a button to allow the customer to donate the amount to a group of Sonoma County not for profit organizations and another button for the customer to request that we contact them by phone or e-mail.

Because each kiosk has a cellular router built in, each kiosk will update our central database at the end of each transaction (as the door closes), with the number of bags inserted since the last service interval and allow us to tie video images to that transaction. Each kiosk will also check in hourly to update our internal database with real time information on the operational status of the system. There could be locations that need more than one kiosk due to extremely high

volumes. If this occurs, a second kiosk will be installed, or service intervals may be increased depending on the layout of the parking lot spaces. The kiosk will operate on the Microsoft Kiosk platform.

CRV material from the kiosks will be collected on a schedule. The collected CRV will be transported back to the PRC to be inspected, sorted, weighed and recorded into our database enabling us to reimburse each customer via the software platform we have established. Each bar-coded bag will link that transaction to the customer's account and each sorting / inspection process will be filmed on our CCTV system and saved for a minimum of 90 days in order to resolve any complaints. The video footage of the sorting / inspection process will include a screen shot from the security camera video showing the person at the kiosk processing the CRV as a method to double verify the transaction to the correct person / account.

PRC has extensive training in all phases of CRV processing as required by CalRecycle and will handle any ineligible materials, odd-sized containers, previously baled, or out of state materials as required by law. All processing and payment posting will be done within two working days from the date of pick up. Customer complaints or questions will be handled by PRC on their 1-800 service line and on-line questions and account balance verification will be available on our website.