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

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

RECITALS

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

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

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

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

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

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

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

AGREEMENT

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

1. DEFINITIONS

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

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

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

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

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

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

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

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

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

I. "Hazardous Waste" shall mean waste as defined in Section 40141 of the Public Resources Code and Section 25117 Health and Safety Code that is, waste or combination of wastes, which because of its quantity, concentration, or physical, chemical, or infectious characteristics may do either of the following: (i) Cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible, or incapacitating reversible, illness; (ii) Pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.

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

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

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

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

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

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

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

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

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

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

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2. PURPOSE

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

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

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

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

3. POWERS

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

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

limited to the following:

i. To make and enter into contracts;

ii. To employ agents and employees;

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

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

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

vi. To incur debts, liabilities, and obligations;

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

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

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

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

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

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

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

xiv. To carry out any power necessary or incidental to the foregoing powers in

the manner and according to the procedures provided for under the law applicable to the Members to this Agreement and to perform all other acts necessary or proper to fully carry out the purposes of this Agreement.

C. Restriction on Exercise of Powers. Pursuant to the JPA Act, all common powers exercised by the Agency shall be exercised in a manner consistent with, and subject to, the restrictions and limitations upon the exercise of such powers as are applicable to the County of Sonoma.

4. CORE PROGRAMS

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

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

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

ii. *Withdrawal from Current Program*. Any of the Members may withdraw from the Current Composting Program upon ninety (90) days written notice to the Agency. Upon withdrawal from the Current Program, the withdrawing Member shall no longer be permitted to deliver Yard Waste, Residential Food Waste and Wood Waste to the Central Landfill or Transfer Stations for processing. A Member that has withdrawn from the Current Composting Program or is not participating as of the Effective Date, may rejoin the Current Composting Program if such request to rejoin is approved by the Agency Board. Even if all Members withdraw from the Current Program, the Agency shall retain the authority set forth in subsection iii below, even if that authority is not exercised. The withdrawal of all Members from the Current Program shall not constitute an elimination of the Organic Materials Program requiring an amendment to this Agreement.

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

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

D. Reporting Program.

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

ii. *Civil Penalties*. In the event any civil penalties are levied against the Agency pursuant to the Integrated Waste Management Act, the Agency shall research the

cause for which civil penalties are being levied. Research may include, but is not limited to, any of the following: Review of landfill disposal origin data, review of hauler origin data, performance of a solid waste disposal study, performance of a solid waste characterization study and/or performance of a solid waste diversion study. Agency shall cooperate with Members, the responsible Member(s) and regulators to identify corrective steps that might be taken prior to assessment of penalties, if any. The Agency shall assign responsibility for payment of any civil penalties as follows: (a) The Agency shall pay the entire penalty, or (b) an individual Member is responsible for the assessment of the civil penalty and the entire penalty shall therefore be imposed upon that member for payment of the penalty; or (c) multiple Members, but not all Members, are responsible for the assessment of the penalty and the penalty therefore shall be allocated equally upon those responsible Members, or (d) the Agency and the individual Members which are also responsible for the penalty shall pay the penalty in amounts proportionate to their responsibility for the penalty. Before apportioning a penalty to one or more Members pursuant to this Section, the Agency shall provide written notice to such Members that explains the basis for apportionment of responsibility for the penalty, and shall provide an opportunity for a hearing before the Agency Board prior to assessment of any such penalty.

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

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

5. ADDITIONAL PROGRAMS

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

B. Approval by Members Prior to Implementation in Specific Jurisdictions. The implementation of any Additional Programs developed pursuant to this Section 5 in individual jurisdictions, including but not limited to ordinances, regulations or similar legislative actions,

shall be subject to the approval of such Member prior to implementation of such program in the Member's jurisdiction. The Agency additionally may enter into agreements with individual Members to implement and/or participate in the enforcement of such programs.

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

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

6. EFFECTIVE DATE AND TERM

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

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

7. AGENCY BOARD

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

B. Directors and Alternates. Each Member shall appoint one Director and at least one Alternate Director to the Board. One of the Alternate Directors, as directed by the Member,

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

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

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

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

8. BOARD MEETINGS AND VOTING

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

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

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

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

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

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

i. Approval or amendment of the Agency Budget;

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

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

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

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

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

9. OPERATIONS AND MANAGEMENT.

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

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

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

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

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

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

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

10. RELATIONSHIP OF AGENCY AND ITS MEMBERS

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

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

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

D. Indemnity. Funds of the Agency may be used to defend, indemnify, and hold harmless the Agency, each Member, each Director, and any officers, agents and employees of the Agency for their actions taken within the course and scope of their duties while acting on behalf of the Agency. To the fullest extent permitted by law, the Agency agrees to save, indemnify, defend and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are attributable in whole or in part to the Agency's programs. Notwithstanding the foregoing, the sole negligence, gross negligence, or intentional acts of any Member is exempted from the indemnification provided by this Section 10.D.

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

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

G. Dissolution. The Agency may be dissolved at any time upon the unanimous approval of the Members' governing boards. However, the Agency shall not be dissolved until all debts and liabilities of the Agency have been eliminated. Upon dissolution of the Agency, each Member shall receive its proportionate share of any remaining assets after all Agency liabilities and obligations have been paid in full. Each Member's proportionate share of such remaining assets shall be determined by the Agency Treasurer based upon the estimated total population of each Member in proportion to the total estimated population of all Members at the time of dissolution. The estimated population of the Members shall be determined based on the estimated

population report published by the California State Department of Finance, or if such report is no longer published, by such other method of determining population as agreed upon by the Members. The distribution of remaining assets may be made "in kind" or assets may be sold and the proceeds thereof distributed to the Members. This distribution shall occur within a reasonable time after dissolution. No former Member that previously withdrew shall be entitled to a distribution upon dissolution.

11. AUTHORITY RETAINED BY MEMBERS

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

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

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

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

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

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

12. FINANCIAL PROVISIONS

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

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

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

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

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

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

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

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

13. MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

COUNTY OF SONOMA

_____
Chair
Board of Supervisors

ATTEST:

_____
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

_____
Assistant County Counsel

CITY OF SANTA ROSA

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

CITY OF ROHNERT PARK

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF SEBASTOPOL

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF SONOMA

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

CITY OF CLOVERDALE

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF PETALUMA

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF COTATI

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

SIGNATURES CONTINUED ON FOLLOWING PAGE

CITY OF HEALDSBURG

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

TOWN OF WINDSOR

_____
Mayor

ATTEST:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

EXHIBIT A

NOTICE INFORMATION FOR MEMBERS

COUNTY OF SONOMA:

County of Sonoma
Attn: County Administrator
575 Administration Drive
Suite 104A
Santa Rosa, CA 95403

CITY OF SANTA ROSA

City of Santa Rosa
Attn: City Manager
100 Santa Rosa Avenue
Room 10
Santa Rosa, CA 95404

CITY OF ROHNERT PARK

City of Rohnert Park
Attn: City Manager
130 Avram Avenue
Rohnert Park, CA 94928

CITY OF SEBASTOPOL

City of Sebastopol
Attn: City Manager
7120 Bodega Avenue
P.O. Box 1776
Sebastopol, CA 95473

CITY OF SONOMA

City of Sonoma
Attn: City Manager
No. 1, the Plaza
Sonoma, CA 95476

[CONTINUED ON NEXT PAGE]

CITY OF CLOVERDALE

City of Cloverdale
Attn: City Manager
124 North Cloverdale Blvd.
Cloverdale, CA 95425

CITY OF PETALUMA

City of Petaluma
Attn: City Manager
11 English Street
Petaluma, CA 94952

CITY OF COTATI

City of Cotati
Attn: City Manager
201 West Sierra Avenue
Cotati, CA 94932-4217

CITY OF HEALDSBURG

City of Healdsburg
401 Grove Street
Healdsburg, CA 95448

TOWN OF WINDSOR

Town of Windsor
Attn: Town Manager
9291 Old Redwood Highway
P.O. Box 100
Windsor, CA 95492-0100