



COUNTY OF MENDOCINO

DEPARTMENT OF SOLID WASTE

3200 Taylor Drive
Ukiah, California 95482

January 10, 2017

Jerry Ward, President
Solid Wastes of Willits (SWOW)
P.O. Box 1425, Willits, CA 95490

Sent via email to swow@pacific.net

Re: Performance Bonding Requirements, Mendocino County Solid Waste Contracts

Dear Mr. Ward,

In light of your recent representations of SWOW's financial insolvency, made to the Mendocino County Board of Supervisors on December 20, 2016, the Board has decided to rescind the performance bond waiver for the following contracts:

- *Franchise Agreement between County of Mendocino and Solid Wastes of Willits, Inc. for Solid Waste Refuse Collection Area No. One(1), dated September 1, 2010;*
- *Franchise Agreement between County of Mendocino and Solid Wastes of Willits, Inc. for Solid Waste Refuse Collection Area No. Three (3), dated September 1, 2010;*
- *Franchise Agreement between County of Mendocino and Solid Wastes of Willits, Inc. for Solid Waste Refuse Collection Area No. Four (4), dated September 1, 2010;*
- *Transfer Station Operations Agreement and Lease between County of Mendocino and Solid Wastes of Willits, Inc., dated effective September 1, 2010; and*
- *Caspar Transfer Station Operations Agreement & Lease between County of Mendocino and Solid Wastes of Willits, Inc., dated January 31, 2011 (herein, the "Solid Waste Agreements").*

The amount of each performance bond shall be 25% of the estimated annual revenue generated (not to exceed \$1,000,000), for each distinct and separate Solid Waste Agreement listed above. The cost to SWOW of the performance bond may be recovered as a pass-through rate adjustment as described in Section 17 (or 18, for the Caspar Transfer Station) of the contracts listed above.

Please obtain these performance bonds at your earliest convenience, but no later than Friday, January 27, 2017.

Sincerely,

Louisa K. Morris
County of Mendocino, Solid Waste Director
cc: Mendocino County Board of Supervisors