



PROPOSAL

EVALUATION OF
CENTRAL COAST
TRANSFER STATION
PROJECT

PREPARED FOR:





July 8, 2019

City of Fort Bragg
Attention: June Lemos, CMC, City Clerk
416 North Franklin Street
Fort Bragg, CA 95437
jlemos@fortbragg.com

Re: Proposal, Assistance to City and County for evaluation of Central Coast
Transfer Station Project

Dear Ms. Lemos,

Diversion Strategies is pleased to present this proposal for assistance to the City of Fort Bragg and County of Mendocino in evaluating the financial viability of a Central Coast Transfer Station project.

The Diversion Strategies team brings unique value through experience working on the industry side of solid waste and recycling throughout the west coast. Our broad range of experience includes policy and rulemaking, market assessment and business development, multi-agency permitting, construction oversight and operation of landfills, material recovery facilities, recycling centers, transfer stations, composting facilities and diversion technologies. Because of this industry foundation, Diversion Strategies focuses on delivering projects timely while prioritizing cost effectiveness through operational efficiencies. Diversion Strategies' prides themselves on the "boots on the ground" experience and expertise they bring to the table.

We appreciate the opportunity to propose on this project. If you have any questions or comments, please do not hesitate to contact us at (916) 396-3907 or erin@diversionstrategies.com.

Sincerely,

Erin Merrill

Rachel Oster

Firm Description

Diversion Strategies is a small, women-owned consulting business based in Sacramento, California. Focusing on the development of solid waste, recycling and organics infrastructure starting from the regulatory level, to market assessment, facility planning and permitting, project management, to operations, the Diversion Strategies team brings unique experience, insight and perspective to their clients.

Erin Merrill and Rachel Oster are the two principals that make up Diversion Strategies. Between the two, they have over 25 combined years of experience in the solid waste and recycling industry.

The Diversion Strategies team has extensive regulatory, planning, permitting and development experience for solid waste facilities throughout the west coast. Diversion Strategies' two principals have designed, permitted, developed and operated all types of waste and recycling facilities including: MRF's, transfer stations, landfills, compost facilities, anaerobic digestion, chip and grinds and hauling facilities. Erin has over 13 years of experience in planning and permitting waste and recycling facilities throughout California and the western US. Through her career, she project-managed countless projects, many of which were complex, controversial and typically included several technical consultants (including biological, engineering, architectural, geologists, air specialists, etc.).

Diversion Strategies also has extensive experience with the regulatory community at the local, regional, state and federal level. In addition to working with the regulatory community through various rulemaking processes, the team also works closely with the regulators in the development, permitting and implementation of projects. Erin and Rachel have developed strong relationships and take pride in their positive reputations.

Additionally, the team brings experience in the operations and oversight of solid waste facilities. Prior to Diversion Strategies, Rachel gained operational oversight experience as Vice President of Operations for Recology's Central California region. Her operations included oversight of two large commercial compost facilities, a landfill, and three hauling companies in addition to evaluation of new and future business opportunities for her region. This experience developing budgets and managing P&Ls for existing facilities and developing proformas and capital budgets for greenfield facilities allow Diversion Strategies to offer a different perspective in the marketplace.

Since forming Diversion Strategies in 2017, the team has gained experience in a wide range of waste and recycling projects, including:

- Evaluation and advocacy for impacts of SB 1383 on a food waste to animal feed operation, an edible food recovery technology, and container camera technology



- Market assessment, business development and permit feasibility evaluations for compost operations and anaerobic digestion throughout California
- Permitting assistance for new and existing composting infrastructure
- Project Managers for an air district grant project that evaluates the use of camera technology in commercial organics bins as a means for reduction of contamination in the municipal organics stream
- Evaluation of the organics stream for a city evaluating organics management options and overview of finished compost quality characteristics and market assessment for the finished compost product
- Assessment, evaluation and recreation of the regulatory/legislative program for a solid waste haulers association
- Due diligence and analysis for facility development including feedstock procurement and commodity markets.

Recently, along with HF&H Consultants, Diversion Strategies has been selected as a contractor to CalRecycle to develop a model ordinance intended to be used as a tool for jurisdictions implementing the new SB 1383 regulations requiring jurisdictions to adopt organics recycling programs. Diversion Strategies' industry perspective is a key element for the process of developing the model ordinance.

In addition to Diversion Strategies, Rachel and Erin are the co-founders of Women in Solid Waste & Recycling (WISR). WISR is a growing organization with a domestic and international audience offering professional development tools, leadership opportunities, and a ready-made network to women from all throughout the facets that make up the waste and recycling industry.



Key Personnel Qualifications

Diversions Strategies consists of two principals and one administrative assistant. Both principals will work on the project, with administrative assistance.

Rachel Oster, Principal and Project Lead on Pro-Forma Development

Rachel is forward thinking, well rounded and an experienced professional in the solid waste and recycling industry. She specializes in designing and advancing her client's market growth strategies through market assessment, policy development, relationship building, and project management. She began her career in the industry as a Government and external affairs professional. In this capacity, she developed authentic and time-tested relationships with elected officials and bureaucrats alike at the State and local levels. Ensuring "win, win" results has secured Rachel's reputation as someone who communicates effectively and delivers on promises. Rachel's experience includes overseeing the profitable operation of several post collection facilities including composting, chip and grind, landscape supply, and landfill operations. Several collection contracts in Central California were also included in her territory. Rachel has her Bachelor of Science in Geology from Syracuse University.

Erin Merrill, Principal and Project Lead on Permitting and Development

Erin Merrill is Principal and Owner at Diversions Strategies. Erin brings over 13 years of experience in planning and permitting for controversial and complex projects. During her time at Recology, she oversaw the development and permitting of solid waste and recycling infrastructure and operations throughout the west coast as the Manager of Environmental Planning and Permitting. Erin lead a team of environmental professionals and planners that were responsible for securing and maintaining all necessary permits for both the development and operation of Recology's assets. Erin has her Bachelor of Arts in Humanities from San Francisco State University, and her Juris Doctor from University of Pacific, McGeorge School of Law. She is an active member of the bar in both California and Nevada.

Sue Youngquist, Administrative Assistant and Project Administrator

Before joining Diversions Strategies Sue spent over 16 years as the Legal Practice Assistant/Secretary for the Northern California mass tort and consumer litigation group at Perkins Coie Law Firm in San Francisco. She assisted two associates who handled civil litigation cases for two mass class/toxic tort corporate clients, one associate who handled civil litigation cases for a national mortgage lender, and one partner who handled land use, CEQA and business matters for various wine producers in Sonoma and Napa Counties. Her responsibilities also included trial preparation and basic paralegal support. Sue brings her excellent administrative skills and strong attention to detail to the team. Sue has a Bachelor of Arts in Liberal Studies from San Francisco State University.



References

1. Harvest Power/Harvest Energy (HQ: Waltham, Massachusetts)

Project: Organics Market Assessment and Infrastructure Development Assistance (2017-Present)

Contact: Gary Aguinaga, Executive Vice President, Harvest Energy, (321) 307-5844, gaguinaga@harvestpower.com

Both Principals of Diversion Strategies are part of the consultant team.

Harvest Power/Harvest Energy (“Harvest”) was evaluating the California market for the development of organics infrastructure in the state. Diversion Strategies was retained by Harvest to compile data to evaluate and make recommendations on the statewide California organics market.

This work led to the identification of targeted development areas. Within those targeted areas, the team then looked at qualitative input from relevant public and private stakeholders through a series of direct outreach and interviews, evaluated opportunities for development, made introductions between Harvest and relevant public (state and local) and private stakeholders, tracked regulatory activity at the state level (including the SB 1383 rulemaking process), evaluated permitting feasibility of specific potential projects, and provided ongoing updates of relevant changing market conditions as the project has evolved.

Implementation Status: Harvest is using the data, evaluation and ongoing support from Diversion Strategies as they move forward on executing a focused development plan of Anaerobic Digestion infrastructure for food and green organics throughout the State of California. Diversion Strategies continues to provide support for Harvest’s development in the California organics market.


2. California Refuse Recycling Council (CRR) Northern District (Sacramento, California)

Project: Strategic Evaluation, Design and Implementation of Government Relations Program (December 2018 - Present)

Contact: Trish Roath, Executive Director: California Refuse Recycling Council, (916) 806-3172, Trish@crrcnorth.org

Both Principals of Diversion Strategies are part of the consultant team.





Diversion Strategies is working with the California Refuse Recycling Council to assess their current government affairs strategy, re-design the program based on member and stakeholder input, and implement a pro-active government affairs strategy that is proactive and meets the needs of their members. This is being accomplished through targeted research, interviews, surveys, and analysis of existing programs.

Implementation Status: Diversion Strategies is currently implementing multiple strategies to achieve the goals the CRRC has set out which is a proactive legislative and regulatory agenda that meets the needs of their members. Building key relationships with regulatory agencies interfacing with the waste and recycling industry on a daily basis is an important component of this project.

3. Denali Water Solutions (HQ: Russellville, Arkansas)

Project: Review of Draft Environmental Impact Report for proposed composting facility (February 2019 to present)

Contact: Jeff Thurber, General Manager Western Region, (949) 678-3153, jeff.thurber@denaliwater.com

Both Principals of Diversion Strategies are part of the consultant team.

Diversion Strategies was retained by Denali Water Solutions (“Denali”) to review a draft Environmental Impact Report (“DEIR”) for a proposed composting facility in California and provide comments. Using their regulatory, land use, CEQA, and industry knowledge/experience, the team reviewed the initial draft of the DEIR and provided comments for the lead agency.

Implementation Status: Review by the lead agency is underway, with comments back expected from the lead agency in July 2019.



Scope of Work

To assist the City of Fort Bragg and County of Mendocino, Diversion Strategies proposes the following tasks:

Task 1: Kick off meeting with City and County staff

Under this task, the Diversion Strategies principals will meet in person with city and county staff to kick off the project. The kick off meeting will include establishing key project objectives and goals, discussing and finalizing the project scope, finalizing the project schedule and establishing best communication practices between the City and County, and Diversion Strategies. A final project schedule in the form of a gantt chart will be prepared following the kick off meeting.

This task will be billed on a flat rate for participation by both principals, plus reimbursement of reasonable travel expenses.

Task 2: Evaluation of the Current Status of the Central Coast Transfer Station Project


Under Task 2, Diversion Strategies will evaluate and summarize the history and current status of the Central Coast Transfer Station Project. This task includes both a review of the written records as well as interviews of key stakeholders involved with the project.

In consultation with the City and the County, Diversion Strategies will compile a list of key stakeholders with past and present knowledge of the project to interview. Once this list has been finalized, Diversion Strategies will reach out and schedule interviews with the key individuals. Each interview will be documented and summarized upon completion. The project scope and budget anticipates up to 10 stakeholders will be interviewed.

Concurrently, Diversion Strategies will also perform a review of the written record for the Central Coast Transfer Station Project. A list of key documentation will be finalized with the City and the County during Task 1, but it is anticipated that document review will include:

- Permit applications
- Public meeting minutes and/or transcripts
- Technical reports
- CEQA evaluations





Following the interviews and written record review, Diversion Strategies will prepare a summary of the history of the project, and identify gaps and challenges to the project in its current state.

The Diversion Strategies team will then identify and summarize key regulations and analyze their impact on the project.

Finally, under Task 2, Diversion Strategies will assess the project feasibility in light of the interviews, written records, project gap and challenges assessment, and regulatory climate.

The budget for this task includes one site visit to existing and proposed project locations.

This task is estimated to take approximately 4-6 weeks following Task 1, and will be billed on an hourly fee except for the site visit. The site visit will be billed on a flat rate.

Task 3: Evaluation and Recommendations for Transfer Station Options and Opportunities

Under Task 3, Diversion Strategies will evaluate various options for the Transfer Station project. This task has been further delineated into subtasks.

Task 3 is estimated to take approximately 12-16 weeks following Task 1, and will run concurrently with Task 2.

Subtask 3A: Caspar Transfer Station

Diversion Strategies will evaluate the continued use of the Caspar Transfer Station. This includes looking at the existing facility for environmental and reporting compliance, operational adequacy, financial feasibility and permitting feasibility. To do so, Diversion Strategies proposes to:

- Obtain all relevant rate/financial documentation
- Evaluate operations and infrastructure to identify any needed improvements and permits for operations and compliance
- Develop a pro forma for continued use of the Transfer Station in light of the regulatory climate and facility/operational upgrades
- Summarize findings, pros and cons, and provide recommendations based on the permitting, financial and operational feasibility



Subtask 3B: Proposed Transfer Station at Highway 20 Location

Under Subtask 3B, Diversion Strategies will evaluate opportunities for a design, build and operate (DBO) structure for a transfer station at the proposed Highway 20 site. To do so, Diversion Strategies proposes to:

- Evaluate and identify any potential land swap/land acquisition partners
- Evaluate and Identify private company potential partners for a Design Build Operate contract for the Transfer Station
- Identify and review relevant regulations for an updated and compliant transfer station design (for example, solid waste, air, stormwater, land use, etc.) and compare to current proposed design
- Develop pro forma for the proposed transfer station, including obtaining relevant quotes for design/build of compliant Transfer Station, and consideration of recyclables market
- Review of the project EIR and identify areas for necessary updates, including updates to today's regulatory and economic market
- Summarize findings, pros and cons, and provide recommendations based on permitting, financial and operations feasibility

Subtask 3C: Other alternatives

Under Subtask 3C, Diversion Strategies will identify any additional alternatives for or to a new transfer station for the City and the County. This subtask includes identification of any possible opportunities, infrastructure and market in appropriate proximity to the City and the County.

An optional task is available under Subtask 3C to do further evaluation of the financial, operational and permitting feasibility for the “other” alternatives and would be scoped upon identification.

Subtask 3D: Public Acceptance and Support

Under Subtask 3D, Diversion Strategies will investigate and evaluate public acceptance and support for each option/opportunity. This subtask includes identifying and interviewing relevant stakeholders in the community, a review of stakeholder input and comment in recent public processes. Diversion Strategies will then prepare a summary with recommendations.



Task 4: Final Report and Presentations

Diversion Strategies will prepare a final report summarizing the task, outlining the findings and presenting recommendations. This task includes the preparation of a draft report, and finalization of the report after one round of City and County review.

This task will also include participation at up to two public meetings in front of the City Council and Board of Supervisors.

Task 4 will begin following completion of Task 3. The task is expected to take approximately 4 weeks to prepare the draft report, plus an additional 2 weeks following receipt of City and County comments to finalize the report.

Task 4 will be billed on a combination of both hourly fee and flat fee. This task also accounts for attendance to two public meetings, which will be billed on a flat rate plus reimbursement of reasonable travel expenses.



Project Budget

The project budget is based on a combination of hourly billing as well as flat rate.

Task	Billing Type	Rate	Hours	Total, Not to Exceed
Task 1	Flat Rate	Site Visit Flat Rate (2 Principals): \$2,500	Flat Rate	\$2,500
Task 2	Hybrid - Hourly fee plus flat rate for site visit	Principals: \$260/hour	50 hours (Principal)	\$13,000
		Administrative: \$125/hour	10 hours (Admin)	\$1,250
		Site Visit Flat Rate (2 Principals): \$2,500	Flat Rate	\$2,500
Task 3	Hourly fee	Principals: \$260/hour	86 hours (Principal)	\$22,360
		Administrative: \$125/hour	22 hours (Admin)	\$2,750
Task 4	Hybrid - Hourly fee plus flat rate for public meetings	Principals: \$260/hour	24 hours (Principal)	\$6,240
		Administrative: \$125/hour	6 hours (Admin)	\$750
		Site Visit Flat Rate (2 Principals): \$2,500	Flat Rate (2 meetings)	\$5,000
Expense		Reimbursed Travel Expenses (mileage to/from Sacramento, lodging)	4 trips to Fort Bragg	\$1500

TOTAL: \$57,850.00 (Not to Exceed)

Hourly and flat rate includes personnel rates and any equipment charges.



Project Schedule

Following the kick off meeting, the project schedule is estimated as follows:

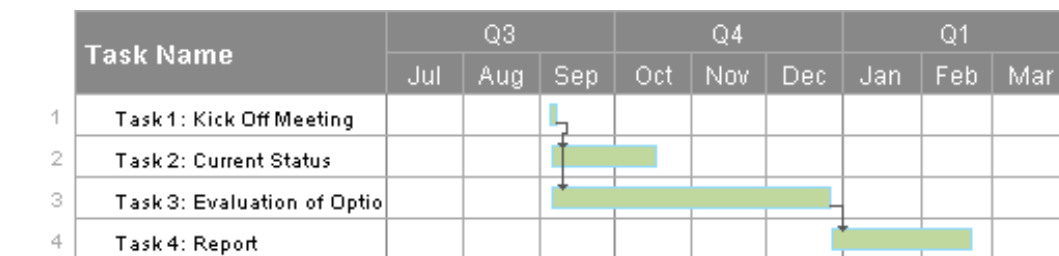
Task 1: 1 day

Task 2: 4-6 weeks, following Task 1

Task 3: 12-16 weeks, concurrent with Task 2

Task 4: 4 weeks to prepare draft report, 2 weeks to finalize report. Public meetings TBD.

Assuming a kick off meeting date of September 5, 2019 and a 2-week review period of the draft report by the City and the County, the final report would be submitted on or before February 20, 2020.



Insurance

Diversion Strategies maintains insurance, with coverage in conformance with the City's requirements

Consulting Agreement

Diversion Strategies has reviewed the consulting agreement and does not propose any changes or amendments.





RACHEL OSTER

OWNER & PRINCIPAL
DIVERSION STRATEGIES

PERSONAL PROFILE

Rachel Oster is an enthusiastic & well rounded professional in the solid waste and recycling industry. She specializes in the development and operation of solid waste infrastructure including compost facilities, landfill operations, and material recovery facilities.

CONTACT

2110 K Street
Sacramento, CA 95816

rachel@diversionstrategies.com

(916) 261-0952



EDUCATION

Syracuse University, Bachelor of
Science in Geology and
Environmental
Science awarded May 2006

SKILLS

- Safely, compliantly and profitably operating solid waste facilities and contracts.
- Developing authentic, time-tested relationships with a variety of stakeholders throughout the solid waste and recycling industry.
- The ability to work under pressure and multi-task.
- Leading and inspiring large teams of people with varying skill sets and backgrounds.

PREVIOUS EXPERIENCE

Recology, Vice President of Central CA Operations

JAN 2015 - OCT 2016

- Oversaw the operation of Recology's Central California collection and post-collection operations which included over 300 employees and \$100M in annual revenue.

Recology, Director of External Affairs

NOV 2008 - JUN 2013

- Designed and delivered the company's government relations strategy. Built and maintained strategic relationships in State and local Government. Identified opportunities to improve external impact.

for more information visit www.diversionstrategies.com



ERIN MERRILL

OWNER & PRINCIPAL
DIVERSION STRATEGIES

PERSONAL PROFILE

Erin brings creativity, strategy & thoroughness to the table with an excellent record in permitting complicated projects. Erin specializes in overseeing and managing the many moving parts of infrastructure projects with an unparalleled attention to detail.

CONTACT

2110 K Street
Sacramento, CA 95816
erin@diversionstrategies.com
(916) 396-3907



EDUCATION

University of the Pacific,
McGeorge School of Law, Juris
Doctor, awarded May 2004

SKILLS

- Building excellent teams that specialize in project management.
- Public speaking and facilitating large meetings and workshops designed to achieve consensus between stakeholders and team members.
- The ability to work under pressure and multi-task.
- Designing, planning, and executing large scale projects.

PREVIOUS EXPERIENCE

Recology, Environmental Planning Manager

MAY 2007- JAN 2017

- Project management, representation of Recology, and oversight of Environmental Planning team throughout the entitlement processes for new construction of company infrastructure and modifications to existing facilities in California, Nevada, Oregon and Washington. Projects include due diligence and feasibility on new business; regulatory review of new and existing regulations; permits for land use, solid waste, air and water board for landfills, recycling centers, transfer stations, material recovery facilities, truck yards and compost facilities; environmental review (CEQA, NEPA, SEPA).

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