

**MEMORANDUM OF UNDERSTANDING BY AND BETWEEN  
THE CITY OF RICHMOND AND THE COUNTY OF CONTRA COSTA  
REGARDING SOLID WASTE TRANSFER FACILITY HOST COMMUNITY  
MITIGATION FEES**

**1. PARTIES.** Effective on the date this agreement is approved by both parties, the City of Richmond, a municipal corporation (City), and the County of Contra Costa, a political subdivision of the State of California (County), mutually promise and agree as follows.

**2. BACKGROUND.** West Contra Costa Sanitary Landfill (WCCSL), Inc. (Applicant or Republic) is requesting amendments to County Land Use Permit (LUP) No. 2054-92, as amended by LUP 2043-94, and City Conditional Use Permit (CUP) 92-53 as well as a new City Conditional Use Permit (collectively, "the Project"), which includes authorization to construct and operate a Waste Recycling Center (WRC), a solid waste transfer facility, as well as new and expanded processing and resource recovery operations, as set forth in its applications, and explained in the Draft Environmental Impact Report dated November 2003 for the WCCSL Bulk Materials Processing Center (BMPC) and Related Actions, State Clearinghouse No. 2002102057 (DEIR), prepared by the County's Community Development Department. The Applicant originally proposed constructing the WRC in the unincorporated area of the County. However, subject to the certification of the Final EIR for the Project, constructing the WRC in the incorporated area of the Applicant's property may be the environmentally preferred alternative.

Whether the WRC is constructed in the incorporated or unincorporated area of the Applicant's property, the impacts on both the incorporated and unincorporated host community surrounding the property will be the same. Furthermore, the new and expanded processing and resource recovery operations are proposed to be located on both the incorporated and unincorporated area of the Applicant's property, which will impact the host community. Impact 4-5, identified in the DEIR is:

Implementation of expanded operations at the BMPC and Central IRRF, and continued landfill operations at WCCSL through January 2006 present the potential for continued or increased illegal dumping activity in the North Richmond area. This impact is considered potentially significant.

Mitigation Measure 4-5 includes a Mitigation Fee to benefit the host community, described as follows:

**Mitigation Fee.** The facility operator shall pay a Mitigation Fee of an amount to be determined by the applicable permitting authority(ies) to defray annual costs associated with collection and disposal of illegally dumped waste and associated impacts in North Richmond and adjacent areas. The mitigation fee should be subject to the joint-control of the City and County and should be collected on all solid waste and processible materials received at the facility consistent with the existing mitigation fee collected at the Central IRRF.

The mitigation fee currently collected at the Central IRRF is \$2.76/ton, as adjusted pursuant to the Consumer Price Index (“CPI”), for the San Francisco-Oakland-San Jose Area, All Urban Consumers index (hereinafter “the Solid Waste Mitigation Fee”).

**3. PURPOSE.** The purpose of this Memorandum of Understanding (MOU) is to implement Mitigation Measure 4.5, to provide for the joint imposition of the Mitigation Fee irrespective of the final location of the WRC and other BMPC operations, and the joint administration of the mitigation funds for the benefit of the host community as identified in the DEIR. Mitigation funds shall be used, as described in the DEIR, for the benefit of the host community.

**4. IMPOSITION OF FEE.** Inasmuch as the Applicant is seeking multiple entitlements from both City and County in furtherance of the Applicant’s Project as a whole, the Mitigation Fee for the benefit of the host community identified in the DEIR can, and the parties intend, will, be jointly imposed as contemplated in the DEIR. Therefore, the parties hereby agree to jointly impose the Mitigation Fee to be collected on all solid waste and processible materials received at the facility (all BMPC operations including the WRC except those materials which are disposed of in the WCCSL). The amount of the Mitigation Fee for all solid waste transferred to other Republic landfills shall be the same as the Solid Waste Mitigation Fee described in Section 2, subject to CPI adjustment at the beginning of each calendar year. The amount of the Mitigation Fee for all other materials processed at the BMPC (except those materials which are disposed of in the WCCSL) shall be known as “the Processibles Mitigation Fee” and shall be \$0.75 per ton (as adjusted annually pursuant to the CPI described in Section 2) if the rate charged by Republic and/or its Contractor(s) is more than \$10.00 per ton (as adjusted annually pursuant to the CPI described in Section 2) or 7% of the gross revenue received by Republic and/or its BMPC Contractor(s) if the rate charged is less than or equal to \$10.00 per ton (as adjusted annually pursuant to the CPI described in Section 2). If the CPI index described in Section 2 is discontinued, a comparable index shall be selected by the Richmond City Council and the Contra Costa County Board of Supervisors. Republic is not, and shall not, be authorized to offer to Republic customers pricing for combined or “bundled” services with services to process materials at the BMPC such that Republic’s pricing of said services could be designed to circumvent the imposition of the Processibles Mitigation Fee on processible materials as provided for herein. The parties agree that the Mitigation Fee will be implemented through conditions in permits for the WRC and BMPC to be issued by the City and/or County, as appropriate.

**5. JOINT ADMINISTRATION.** City and County agree that the Mitigation Fee monies collected from the Applicant will be paid to the County, held in a dedicated separate account and jointly administered for the benefit of the incorporated and unincorporated North Richmond area. Recommendation for expenditures of the Mitigation Fee shall be made by a committee composed of three members of the Richmond City Council, one member of the Contra Costa County Board of Supervisors, two members of the North Richmond Municipal Advisory Committee appointed by the Contra Costa County Board of Supervisors (both of whom must be residents from the unincorporated North Richmond area), and one resident from the incorporated portion of North Richmond appointed by the Richmond City Council. Final approval of a two year expenditure plan shall be made by the Richmond City Council and the Contra Costa County Board of Supervisors. In the event that a two year expenditure plan is not adopted by the Richmond City Council and the Contra Costa County Board of Supervisors, the Mitigation Fee monies shall be divided equally between the City of

Richmond and Contra Costa County and shall be spent to mitigate the impacts of the Project on the host community.

**6. AMENDMENT.** This MOU may only be modified or amended by a written document approved by the City’s Council and County’s Board of Supervisors.

**7. TERM.** This MOU shall be coterminous with the operation of the BMPC, except that upon operation ceasing at the BMPC, this MOU shall continue until all of the funds collected are expended for the benefit of the host community.

**CITY OF RICHMOND, CALIFORNIA**, a municipal corporation

**COUNTY OF CONTRA COSTA**, a political subdivision of the State of California

By: \_\_\_\_\_

By: \_\_\_\_\_

Attest: CITY CLERK

Attest: John Sweeten, CLERK OF THE BOARD

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date of Council Approval: \_\_\_\_\_

Date of Board Approval: \_\_\_\_\_