



August 25, 2010

Board of Directors
Ventura Regional Sanitation District
Ventura, California

**VRSD CONTRACT NO. 10-030 – RICHARD BALDWIN
REQUEST FOR AUTHORIZATION TO APPROVE A CONTRACT FOR CONSULTING
SERVICES**

On April 3, 2008, your Board adopted goals and objectives pertaining to the future of solid waste disposal and directed staff to evaluate alternatives to land filling municipal solid waste (MSW). In May 2008, the District retained Richard Baldwin, the prior Ventura County Air Pollution Control District (APCD) Executive Officer, to assess the various solid waste thermal conversion alternatives and to help us determine if any of them have the potential to be permitted by the APCD.

As Mr. Baldwin reported to your Board in September 2008, there appeared to be two technologies that have the greatest potential to meet the requirements for obtaining a permit from APCD. Since then, Mr. Baldwin has been seeking emissions and modeling data from the developers of the two most viable technologies. We currently believe that with proper and available air pollution control technology, each of these MSW processing technologies has the potential to meet the requisite emissions and modeling standards.

Whichever MSW process might be pursued in the future, the emissions associated with a project would have to be offset by emissions reductions from VRSD or elsewhere. The most common method for offsetting emissions increases for permit modifications and new permits is to either reduce emissions from existing equipment onsite or to obtain the reductions from APCD's Emission Reduction Credits (ERCs) bank.

A provision of APCD's banking rules, Rule 26.5, allows essential public services to obtain offsets which exist in the bank for these sources. Unfortunately, even though collecting and processing MSW is clearly an essential public service, this activity is not one of those specifically listed in Rule 26.5. When the biosolids project was being developed, APCD amended Rule 26.5 to include emissions from biosolids processing because it too is an essential public service. We believe the same rule change is legal and necessary to offset emissions associated with processing MSW.

An APCD rule change typically takes six months to a year to develop and present to the APCD Board. Their process is to draft a rule and a staff report that supports the need for the rule, and the effects of the proposed change. Once this is done, a public workshop is held on the draft rule and staff report. Revisions to the draft rule and responses to all comments on the proposed rule and staff report are taken before the APCD Advisory Committee. If the Committee recommends approval of the rule, a public hearing is scheduled. All of these activities require public notices in advance of the meetings and public hearings. VRSD requires a consultant to be involved in all steps of the process as the rule amendment

develops over time. Mr. Baldwin has demonstrated his ability to provide the expertise needed for this work.

If you have any questions, please me at 658-4600.

RECOMMENDATION:

It is recommended the Board authorize the Chairman to sign VRSD Contract No. 10-030 in the amount of \$25,000 to expire on June 30, 2011 with Richard Baldwin to:

1. Continue working on changing the APCD rule for Essential Public Services,
2. Continue working, as needed, on analyses of the pyrolysis and plasma units and other developing technologies, and
3. Assist VRSD staff, if needed, to evaluate potential sites for a thermal conversion process.

Enc.



MARK LAWLER – GENERAL MANAGER

SEPTEMBER 2, 2010 AGENDA

CONTRACT NO. 10-030
AGREEMENT FOR CONSULTING SERVICES
BETWEEN
VENTURA REGIONAL SANITATION DISTRICT
AND
RICHARD BALDWIN

THIS AGREEMENT is made and entered into this 2nd day of September 2010 by and between the VENTURA REGIONAL SANITATION DISTRICT, a public agency formed pursuant to California Health & Safety Code Section 4700 et seq., ("DISTRICT") and RICHARD BALDWIN ("CONSULTANT.")

RECITALS

A. DISTRICT has a need to engage the specialized services of a CONSULTANT to provide air emissions evaluation and mitigation analyses relating to thermal conversion and power generation alternatives.

B. DISTRICT has selected CONSULTANT in conformance with the negotiated procurement provisions of Section 403 of the DISTRICT Purchasing Resolution No. 89-13.

AGREEMENT

ARTICLE 1: WORK STATEMENT

A. CONSULTANT shall provide the consulting services described in the Work Plan which is attached as Exhibit "A" to this Agreement and incorporated herein.

B. CONSULTANT shall use his best efforts in providing services to DISTRICT and shall cooperate with DISTRICT and provide DISTRICT with all available information and assistance in relation to the Work Plan.

ARTICLE 2: TERM OF CONTRACT

Unless otherwise earlier terminated, this Agreement shall continue in force until the services specified herein have been fully performed. Upon execution of this Agreement by both parties, CONSULTANT shall diligently pursue work to assure completion on a timely basis. Unless otherwise extended in writing by both parties, this contract shall automatically terminate on June 30, 2011.

ARTICLE 3: INDEPENDENT CONTRACTOR RELATIONSHIP

A. It is expressly understood between the parties that no employee/employer relationship is intended, the relationship of CONSULTANT to DISTRICT being that of an independent contractor. DISTRICT shall not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to CONSULTANT.

B. CONSULTANT is solely responsible for selecting the means, methods and procedures for performing its services hereunder as assigned by DISTRICT and for coordinating all portions of the work so the result will be satisfactory to the DISTRICT. CONSULTANT will supply all tools and instrumentalities required to perform its services under this Agreement.

C. CONSULTANT pursuant to this Agreement is rendering professional services only and any payments made to it are compensation solely for such services as it may render and recommendations it may make in the performance of services.

ARTICLE 4: CONFIDENTIAL RELATIONSHIP/TITLE TO DOCUMENTS

CONSULTANT agrees that all dealings of the parties under this Agreement shall be confidential and no report, data, information or communication developed, prepared or assembled by CONSULTANT under this Agreement, or any information made available to CONSULTANT by DISTRICT, shall be revealed, disseminated or made available by CONSULTANT to any person or entity other than DISTRICT without the prior written consent of DISTRICT. All data, calculations, drawings and other documents developed, prepared, completed or acquired by CONSULTANT during the performance of its services hereunder shall be turned over to DISTRICT upon termination of this Agreement.

CONSULTANT shall provide copies of original source electronic files (i.e. - Microsoft Word or Excel files, Autocad DWG files, etc.) of all work completed as part of this CONTRACT. Such files shall not be protected or otherwise restrict access.

ARTICLE 5: PAYMENT TO CONSULTANT

A. In consideration of CONSULTANT's performance of services as described herein, DISTRICT shall pay CONSULTANT fees for its services at the rate of \$135 per hour plus any expenses which are pre-approved by DISTRICT. On or prior to the tenth day of each calendar month after actual work is started, CONSULTANT shall submit an invoice in sufficient detail to show the total amount of work done to the last day of the month preceding the one in which the invoice is submitted. DISTRICT shall review and approve CONSULTANT's invoice for accuracy and agree with CONSULTANT on any adjustments that may be appropriate. Such approvals shall not be unreasonably withheld. DISTRICT shall pay CONSULTANT for all approved work and materials within 30 days of agreement on the amount of the invoice. In the event of disagreement with CONSULTANT on adjustments or disallowances, said amounts and disputes shall be withheld until resolved. Upon resolution of the disagreements, payment of the approved amount shall be made within 30 days after deducting therefrom all previous payments and all sums to be retained under the terms of the agreement.

B. Total fees to be paid by DISTRICT to CONSULTANT for CONSULTANT's services described herein shall not exceed \$25,000 without written amendment hereto.

ARTICLE 6: TERMINATION OF CONTRACT

All work shall be done in a diligent and professional manner to DISTRICT's satisfaction. CONSULTANT specifically acknowledges and agrees that DISTRICT may terminate CONSULTANT's services at any time with or without cause, regardless of whether CONSULTANT's services or the Project are completed. Any termination or any special instructions hereunder from DISTRICT shall be made in writing. In the event of such termination, CONSULTANT shall have the right to expend additional time (not to exceed 10% of the total fees payable under this Agreement) to assemble the work in progress for the purpose of proper filing and closing the job. Such additional time shall not increase CONSULTANT's total compensation beyond the maximum stated in Article 5.

ARTICLE 7: INDEMNIFICATION AND HOLD HARMLESS

CONSULTANT agrees to defend, indemnify and hold harmless DISTRICT, and its officers, agents and employees, from and against any and all liability, damages, costs, losses, claims and expenses, however caused, resulting directly or indirectly from or connected with CONSULTANT's negligent performance of this Agreement (including, but not limited to such liability, cost, damage, loss, claim or expense arising from the death of or injury to, or damage to property of CONSULTANT, DISTRICT, or their respective employees or agents), except to the extent that such liability, damages, costs, losses, claims or expenses are caused by the negligent or

wrongful acts or omissions of DISTRICT or any of its agents or employees.

ARTICLE 8: INSURANCE

CONSULTANT shall provide and keep in effect during the term of this Agreement Comprehensive Automobile Liability insurance policies with combined single limit coverage of at least \$300,000 for personal injury, death, or property damage. CONSULTANT shall also supply the DISTRICT with \$1,000,000 in Business Liability and Medical Expenses insurance certificates. CONSULTANT shall provide certificates of such insurance to DISTRICT prior to the start of work.

ARTICLE 9: SUBCONSULTANTS

This Agreement is a personal service contract and the consulting work hereunder shall not be delegated or assigned by CONSULTANT to any person or entity without the consent of DISTRICT. Breach of this provision shall be grounds for immediate termination of this Agreement.

ARTICLE 10: NOTICES

All notices or other official correspondence relating to contractual matters between the parties shall be made by depositing the same as first-class, postage paid mail addressed as follows:

To CONSULTANT: RICHARD BALDWIN
5551 Kamet Court
Ventura, California 93003

To DISTRICT: Finance & Administration
VENTURA REGIONAL SANITATION DISTRICT
1001 Partridge Drive, Suite 150
Ventura, California 93003-0704

or to such other address as either party may designate hereinafter in writing delivered to the other party. All notices shall be deemed to have been received three (3) days after mailing.

ARTICLE 11: NO WAIVER

No failure or delay by DISTRICT in asserting any of DISTRICT's rights and remedies as to any default of CONSULTANT shall operate as a waiver of the default, of any subsequent or other default by CONSULTANT, or of any of DISTRICT's rights or remedies. No such delay shall deprive DISTRICT of its right to institute and maintain any action or proceeding which may be necessary to protect, assert or enforce any rights or remedies arising out of this Agreement or the performance of this Agreement.

ARTICLE 12: PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

ARTICLE 13: TERMS

No alteration or amendment of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated herein shall be binding on any of the parties.

ARTICLE 14: CALIFORNIA LAW

This Agreement shall be interpreted and construed pursuant to the laws of the State of California. The parties agree that should litigation arising from this Agreement be commenced within California, such litigation shall occur within a court of competent jurisdiction within the County of Ventura.

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

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

APPROVED AS TO FORM: ARNOLD, BLEUEL,
LaROCHELLE, MATHEWS, & ZIRBEL, LLP

VENTURA REGIONAL SANITATION DISTRICT

By _____
MARK A. ZIRBEL
Legal Counsel for DISTRICT

By _____
CHARLOTTE CRAVEN, Chairman Board of
Directors

ATTEST:

By _____
JOSIE GUZMAN, Clerk of the Board

By _____
RICHARD BALDWIN

INTERNAL USE ONLY

Principal Analyst *[Signature]*

Finance Manager *[Signature]* 8/26/10

Director of Finance *[Signature]*

Fiscal Technician _____

EXHIBIT "A"

WORK PLAN

VRSD Waste to Energy Thermal Conversion and Power Generation Project
Air Emissions Evaluation and Mitigation
Richard Baldwin
Air Quality Consultant

BACKGROUND

The VRSD desires to consider a thermal conversion waste-to-energy facility as a practical application of solid waste disposal within Ventura County. An alternative to the Toland Road landfill is needed to address long range planning to replace Toland landfill because it will close in approximately 2027. VRSD believes at this time that a thermal conversion waste-to-energy process would be the leading alternative to other solid waste disposal techniques such as hauling municipal solid waste to distant landfills by truck or rail.

To better understand the air permitting issues for such a project, Richard Baldwin, a consultant with expertise in this area, was hired in May 2008. During that period there were four amendments to contract 08-025. Amendment No. 4 authorized Mr. Baldwin to work with APCD to attempt to change Rule 26.5, essential public services, to include MSW thermal conversion processes as one of the listed sources. Mr. Baldwin drafted a proposed rule change for APCD to consider and staff has submitted it to APCD. The contract to do this work expired on June 30, 2010.

Staff is recommending the consultant continue to work on the proposed changes to the essential public service rule, follow the work of IES's tests on their 8 TPD unit as well as the 50 TPD unit, and if needed, assist staff in any research it may conduct for possible siting of a waste conversion facility. Staff might also want to analyze emissions from a hybrid incinerator which we have just become aware of, and for which the consultant will be needed.

MILESTONES

1. Work with APCD staff to complete the draft proposed changes to the essential public service rule.
2. Attend all workshops, APCD Advisory Committee meetings and APCD Board meetings related to the proposed changes to the EPS rule.
3. As appropriate, assist staff in meetings with various city councils and APCD Board members to seek their support for the proposed rule change.
4. Follow the work IES is performing on its 8 TPD experimental unit in Sacramento, and the 50 TPD commercial unit to be located in Southern California, and compare the emissions test data to applicable emissions limits that would apply to each unit in Ventura County.
5. Continue following the progress of the Plasco plasma gasification waste conversion unit.
6. If needed, support VRSD staff in their research for potential sites for a possible waste conversion facility.
7. If needed, analyze the permitting potential of the Green Conversion Systems hybrid incinerator.