

## SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (hereinafter "Agreement") is entered into between the STATE OF CALIFORNIA AIR RESOURCES BOARD (hereinafter "ARB") 1001 I Street, Sacramento, California 95814, and REWARD LEASING, INC.; SUNRISE GARBAGE SERVICE, INC.; TIMBER COVE RECYCLING, INC.; TIMBERLINE DISPOSAL, INC.; TOTAL WASTE SYSTEMS, INC.; MARIPOSA COUNTY TOTAL WASTE SYSTEMS, INC.; WEST SONOMA COUNTY DISPOSAL SERVICE, INC.; WEST SONOMA COUNTY TRANSFER, INC.; WINDSOR REFUSE & RECYCLING, INC.; WINE COUNTRY PORTABLES, INC.; REDWOOD EMPIRE DISPOSAL, INC.; UKIAH VALLEY TRANSFER, INC.; MENDOCINO PACIFIC CORPORATION; NOVATO DISPOSAL SERVICE, INC.; ROHNERT PARK DISPOSAL, INC.; THE RATTO GROUP OF COMPANIES, INC.; SANTA ROSA RECYCLING & COLLECTION, INC.; UNICYCLER LLC; NORTH BAY CORPORATION; PACIFIC COAST DISPOSAL (hereinafter "REWARD LEASING" or "REWARD"), P.O. Box 1916, Santa Rosa, California 95402.

### I. RECITALS

- (1) California Health and Safety Code Section 44011.6 established the Heavy Duty Vehicle Inspection Program (HDVIP). It authorizes ARB to inspect on-road heavy-duty vehicles for excessive smoke emissions and engine tampering and to issue citations, accordingly. The program also requires the vehicle owner to repair its engines that exceed the prescribed ARB smoke opacity standards, perform a post-repair opacity test, and submit proof of repairs and any assessed penalties under the Regulations of the Heavy-Duty Smoke Inspection Program, Chapter 3.5, Sections 2180-2188, Title 13, California Code of Regulations (CCR).
- (2) Health and Safety Code Section 43701 provides that ARB shall adopt regulations that require owners or operators of heavy-duty diesel motor vehicles to perform regular inspections of their vehicles for excess smoke emissions.
- (3) Title 13, California Code of Regulations (CCR) sections 2190 et seq. was adopted under the authority of Health and Safety Code section 43701 and, with limited exceptions which are not applicable here, applies to all heavy-duty diesel powered vehicles with gross vehicle weight ratings greater than 6,000 pounds which operate on the streets or highways within the State of California.
- (4) Title 13, CCR sections 2190 et seq. authorize the Periodic Smoke Inspection Program (PSIP or PSIP rule) which requires the owners and operators of California based vehicle fleets of two or more heavy duty diesel motor vehicles with gross vehicle weight ratings greater than 6,000 pounds which operate on the streets or highways within the State of California to conduct annual smoke opacity inspections of their vehicles that are four years older than the model year of the vehicle's engine.

- (5) Title 13, CCR section 2192(a) of the PSIP rule requires inter alia that the owner of the vehicle "[t]est the vehicle for excessive smoke emissions periodically according to the inspection intervals specified in section 2193(a), (b), and (c)", "[m]easure the smoke emissions for each test...", "[r]ecord the smoke test opacity levels and other required test information as specified in section 2194..." and "[k]eep the records specified in section 2194 for two years after the date of inspection."
- (6) Health and Safety Code section 43016 states, "Any person who violates any provision of this part [5], or any order, rule, or regulation of the state board adopted pursuant to this part, and for which violation there is not provided in this part any other specific civil penalty or fine, shall be subject to a civil penalty of not to exceed five hundred dollars (\$500.00) per vehicle." The PSIP rule was adopted pursuant to authority in Part 5 of Division 26 of the Health and Safety Code, and there is no other specific penalty or fine provided for violations of the PSIP rule, so Health and Safety Code section 43016 applies to PSIP violations.
- (7) Testing, measuring, recording, and recordkeeping to be critical components in reducing excessive smoke emissions from heavy-duty vehicles.
- (8) Reward Leasing failed to test, measure, record, and maintain records of smoke emissions from its fleet of heavy duty diesel vehicles for years 2007, 2008, and 2009 in violation of the PSIP rule, Title 13, CCR Sections 2190 et seq, for 17 vehicles (PSIP Violations).
- (9) In August 1998, the ARB identified particulate matter (PM) exhaust from diesel-fueled engines as a toxic air contaminant at Title 17 CCR section 93000. The ARB adopted a diesel risk reduction plan in September of 2000 which, among other control measures, included a proposal to regulate Solid Waste Collection Vehicles (SWCVs). In September 2003, under authority of Health and Safety Code section 39600, et seq. the ARB adopted the Diesel Particulate Matter Control Measure for On-road Heavy-duty Diesel-fueled Residential and Commercial Solid Waste Collection Vehicles (the SWCV rule), codified in Title 13 of the California Code of Regulation (CCR), section 2020 et seq. Among other things, the SWCV rule requires a phased-in installation of Best Available Control Technology (BACT) on vehicles covered by the rule and that such vehicles be labeled.
- (10) The ARB Enforcement Division staff with the cooperation of REWARD LEASING, has documented that REWARD LEASING failed to use best available control technology on 59 vehicles as required by the Solid Waste Collection Vehicle rule, Title 13, CCR, section 2020 et seq. on vehicles at the REWARD LEASING

SETTLEMENT AGREEMENT AND RELEASE

ARB and Reward Leasing, Inc.

Page 3 of 11

terminals located in Ukiah, Petaluma, Mariposa, Cotati, and Santa Rosa, during the years of 2004, 2005, 2006, 2007, 2008, and 2009 (SWCV Violations). This occurred over an unspecified number of days. The ARB Enforcement Division staff with the cooperation of REWARD LEASING has also documented that REWARD LEASING failed to label 48 of its vehicles as required by the SWCV rule (Labeling Violations).

- (11) Health and Safety Code, Section 39674 authorizes civil penalties for violations of the regulations, like the SWCV rule, for the control of toxic air contaminants of not to exceed ten thousand dollars (\$10,000), for each day in which the violation occurs.
- (12) In order to resolve these violations, REWARD LEASING has taken, or agreed to take, the actions enumerated below under "RELEASE". Further, the ARB accepts this Agreement in termination and settlement of this matter.

## II. TERMS AND RELEASE

In consideration of ARB not filing a legal action against REWARD LEASING, for the violations alleged above, ARB and REWARD LEASING, agree as follows:

- (1) Upon execution of this agreement, REWARD LEASING shall pay a civil penalty of five hundred and thirty four thousand dollars (\$534,000). Payment shall be made in check form as described below and the full amount shall be submitted **no later than thirty (30) days following execution of this Settlement Agreement and Release.**

- \$400,500 payable to the **California Air Pollution Control Fund sent to the attention of :**

Stephen Binning  
California Air Resources Board, Enforcement Division  
P.O. Box 2815  
Sacramento, CA 95812

- \$133,500 payable to the **Climate Protection Campaign** to fund a Supplemental Environmental Project according to the Scope of Work attached hereto as Exhibit A , also sent to the attention of:

Stephen Binning  
California Air Resources Board, Enforcement Division  
P.O. Box 2815  
Sacramento, CA 95812

SETTLEMENT AGREEMENT AND RELEASE

ARB and Reward Leasing, Inc.

Page 4 of 11

- (2) REWARD LEASING shall not violate, Title 13, California Code of Regulations, Sections 2020 et seq., 2180 et seq., 2190 et seq., and 2485 et seq. ARB has reviewed the compliance materials and information submitted by REWARD LEASING for the period ending December 31, 2010. After this review, ARB has determined that REWARD LEASING is in compliance with the Solid Waste Collection Vehicle (SWCV) Rule for the calendar year 2010 in that Reward Leasing has retrofitted with BACT or retired 100% of group three solid waste collection vehicles (engine model year 2003-2006) by January 1, 2011.
- (3) REWARD LEASING shall comply with one or both of the following options to attend the California Council on Diesel Education and Technology I (CCDET) class, as described on the ARB's webpage at <http://www.arb.ca.gov/enf/hdvip/hdvip.htm>. This class is conducted by various California Community Colleges and instructs attendees on compliance with the PSIP and the HDVIP.
- (a) REWARD shall have at least one staff member responsible for compliance with the PSIP and the HDVIP attend the CCDET I class. Proof of CCDET I completion shall be provided to ARB within one year of the date of this Agreement and shall be maintained in each applicable employee's file for the term of his or her employment, or as provided by REWARD'S rules, regulations, codes, or ordinances, whichever is longer.
- (b) If REWARD uses a contractor to perform the annual smoke opacity testing required under the PSIP, REWARD shall obtain proof that the contractor's staff conducting the smoke opacity tests completed the CCDET I course within the past four years. This proof of CCDET I completion shall be provided to ARB with PSIP records as required by this Settlement Agreement and shall be maintained with the annual PSIP records.
- (4) Reward shall comply with one or both of the following options to attend the CCDET II class (Diesel Exhaust After Treatment and Maintenance), as described on the ARB's webpage at <http://www.arb.ca.gov/enf/hdvip/hdvip.htm>. This class is conducted by various California Community Colleges and instructs attendees on compliance California emission regulations and the proper care and maintenance of Verified Diesel Emission Control Strategies (VDECS).
- (a) Reward shall have at least one staff member responsible for maintenance of VDECS attend the CCDET II class. Proof of CCDET II completion shall be provided to ARB within one year of the date of this Agreement and shall also be maintained in each applicable employee's file for the term of his or her employment, or as provided by Reward, rules, regulations, codes, or ordinances, whichever is longer.
- (b) In case Reward uses a contractor for the maintenance of VDECS, Reward shall obtain proof that the contractor's staff maintaining the VDECS completed the CCDET II course within the last four years. This proof of the CCDET II

SETTLEMENT AGREEMENT AND RELEASE

ARB and Reward Leasing, Inc.

Page 5 of 11

completion shall be provided by Reward to the ARB within one year of the date of this settlement and shall also be maintained with VDECS maintenance records.

- (5) REWARD LEASING shall continue to submit copies of all PSIP compliance records for 2011 and 2012 to the ARB by January 31 of the following year. Copies will be addressed to the attention of Stephen Binning at the California Air Resources Board, Enforcement Division, P.O. Box 2815, Sacramento, CA 95812.
- (6) REWARD LEASING, shall complete Low NOx Software Upgrades (reflash) on all applicable heavy duty diesel engines operating in California no later than 45 days after an engine requiring reflash to comply with ARB emission standards is identified or included in its fleet.
- (7) Each heavy-duty commercial vehicle in REWARD LEASING fleet shall have proof that its engine meets emissions standards at least as stringent as U. S. federal standards for its model-year by having a manufacturer's emission control label (ECL) properly affixed to the engine within 45 days of this agreement.
- (8) REWARD LEASING shall instruct all employees who operate diesel-fueled commercial vehicles to comply with the idling regulations set forth in CCR, Title 13, Section 2485, within 45 days of this Agreement.
- (9) REWARD LEASING shall affix to each Solid Waste Collection Vehicle it owns or operates a legible and durable label with complete, accurate information filled in. This label shall be affixed to the driver's side doorjamb, or any other readily accessible location known to the driver. The ARB reserves the right to visit any REWARD LEASING fleet location at any time to conduct compliance audits for the HDVIP (the Heavy-Duty Smoke Inspection Program, Chapter 3.5, Sections 2180-2188, Title 13, California Code of Regulations (CCR)., PSIP, SWCV, or any other applicable ARB program.
- (10) This Agreement shall apply to and be binding upon REWARD LEASING, and its officers, directors, receivers, trustees, employees, successors and assignees, subsidiary and parent corporations and upon ARB and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Agreement.
- (11) Now, therefore, in consideration of the payment by REWARD LEASING, in the amount of five hundred and thirty four thousand dollars (\$534,000), pursuant to this Agreement, ARB hereby releases REWARD LEASING, and its principals, officers, directors, agents, subsidiaries, predecessors, and successors from any and all claims that ARB may have based on the facts and allegations described in recital paragraphs (1) through (11) above through and including December 31, 2010. The undersigned represent that they have the authority to enter into this Agreement.

SETTLEMENT AGREEMENT AND RELEASE

ARB and Reward Leasing, Inc.

Page 6 of 11

- (12) This Agreement constitutes the entire agreement and understanding between ARB and REWARD LEASING, concerning the subject matter hereof, and supersedes and replaces all prior negotiations and agreements between ARB and REWARD LEASING, concerning the subject matter hereof.
- (13) No agreement to modify, amend, extend, supersede, terminate, or discharge this Agreement, or any portion thereof, is valid or enforceable unless it is in writing and signed by all parties to this Agreement.
- (14) Severability. Each provision of this Agreement is severable, and in the event that any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement remains in full force and effect.
- (15) This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without regard to California's choice-of-law rules.
- (16) **SB 1402 Statement**

Senate Bill 1402 (Dutton, Chapter 413, statutes of 2010) requires the ARB to provide information on the basis for the penalties it seeks (see Health and Safety Code section 39619.7). This information, which is provided throughout this settlement agreement, is summarized here.

**The manner in which the penalty amount was determined, including a per unit or per vehicle penalty.**

Penalties must be set at levels sufficient to discourage violations. The penalties in this matter were determined in consideration of all relevant circumstances, including the eight factors specified in Health and Safety Code sections 42403 and 43024.

SWCV Violations

The per vehicle penalty for the SWCV violations involved in this case is a maximum of \$1,000 per vehicle per day for strict liability violations or \$10,000 per vehicle per day for negligent or intentional violations. The penalty obtained for the SWCV violations involved in this case is \$501,500 or \$8,500 per vehicle for 59 trucks for an unspecified number of days. The penalty was discounted based on the fact that the violator made unusually diligent efforts to comply and to cooperate with the investigation.

SWCV Labeling Violations

The per vehicle penalty for the labeling violations involved in this case is a \$500 per vehicle per violation. The penalty obtained for the labeling violations involved in this case is \$24,000 for 48 vehicles.

PSIP Violations

The per vehicle penalty for the PSIP violations involved in this case is a maximum of \$500 per vehicle per violation. The penalty obtained for the PSIP violations involved in this case is \$8,500 for 17 vehicles.

**The provision of law the penalty is being assessed under and why that provision is most appropriate for that violation.**

SWCV Violations

The penalty provision being applied for the Solid Waste Collection Vehicle Regulation (Title 13, CCR, section 2020 et seq.) violations is Health and Safety Code section 39674 because the SWCV rule is a Toxic Air Contaminant Control Measure adopted pursuant to authority contained in Health and Safety Code Section 39660, et seq. and because REWARD LEASING failed to use best available control technology on 59 vehicles and failed to label 48 vehicles as required by the Solid Waste Collection Vehicle rule, on vehicles at the Reward Leasing terminals located in Ukiah, Petaluma, Mariposa, Cotati, and Santa Rosa, during the years of 2004, 2005, 2006, 2007, 2008, and 2009, over an unspecified number of days.

PSIP Violations

The penalty provision being applied to the PSIP violations is Health and Safety Code section 43016 because Reward Leasing failed to test, measure, record, and maintain records of smoke emissions from its fleet of heavy duty diesel vehicles for years 2007, 2008, and 2009 in violation of the PSIP regulation in Title 13, CCR Sections 2190 et seq, for 17 vehicles. Since the PSIP regulation was adopted pursuant to authority granted in Part 5 of Division 26 of the Health and Safety Code and since there is no specific penalty or fine provided for PSIP violations in Part 5, Health and Safety Code section 43016 is the applicable penalty provision.

**Is the penalty being assessed under a provision of law that prohibits the emission of pollution at a specified level, and, if so a quantification of excess emissions, if it is practicable to do so.**

The provisions cited above do prohibit emissions above a specified opacity or level of g/hp-hr. However, since the hours of operation of the non-compliant trucks involved and their individual emission rates are not known, it is not practicable to quantify the excess emissions.

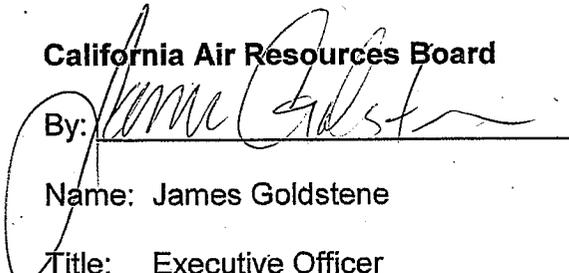
SETTLEMENT AGREEMENT AND RELEASE

ARB and Reward Leasing, Inc.

Page 8 of 11

- (17) REWARD LEASING acknowledges that ARB has complied with SB 1402 in prosecuting and settling this case. Specifically, ARB has considered all relevant facts, including those listed at HSC section 43024, has explained the manner in which the penalty amount was calculated, has identified the provision of law under which the penalty is being assessed and has considered and determined that this penalty is being assessed under a provision of law that prohibits the emission of pollutants at a specified level.
- (18) Penalties were determined based on the unique circumstances of this matter, considered together with the need to remove any economic benefit from noncompliance, the goal of deterring future violations and obtaining swift compliance, the consideration of past penalties in similar cases, and the potential costs and risk associated with litigating these particular violations. The penalty was discounted based on the fact that the SWCV violations were first time violations and the violator made unusually diligent efforts to comply and to cooperate with the investigation. Penalties in future cases might be smaller or larger on a per unit basis.
- (19) The penalty was based on confidential settlement communications between ARB and REWARD LEASING that ARB does not retain in the ordinary course of business either. The penalty is the product of an arms length negotiation between ARB and REWARD LEASING and reflects ARB's assessment of the relative strength of its case against REWARD LEASING, the desire to avoid the uncertainty, burden and expense of litigation, obtain swift compliance with the law and remove any unfair advantage that REWARD LEASING may have secured from its actions.

California Air Resources Board

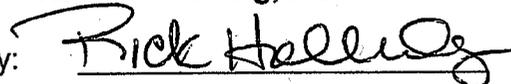
By: 

Name: James Goldstene

Title: Executive Officer

Date: 5-31-2011

Reward Leasing, Inc.

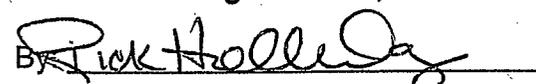
By: 

Name: RICK HOLLIDAY

Title: MANAGER

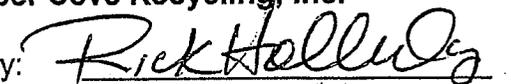
Date: 5-11-2011

Sunrise Garbage Service, Inc.

By: 

Name: RICK HOLLIDAY

Timber Cove Recycling, Inc.

By: 

Name: RICK HOLLIDAY

Title: MANAGER  
Date: 5-11-2011

Title: MANAGER  
Date: 5-11-2011

**Timberline Disposal, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**Total Waste Systems, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**Mariposa County Total Waste Systems, Inc**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**West Sonoma County Disposal Service, Inc**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**West Sonoma County Transfer, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**Windser Refuse & Recycling, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**Wine Country Portables, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY

**Redwood Empire Disposal, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY

Title: MANAGER  
Date: 5-11-2011

**Ukiah Valley Transfer, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**Novato Disposal Service, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**The Ratto Group of Companies, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**Unicycler LLC**

By: Rick Holliday  
Name: RICK HOLLIDAY

Title: MANAGER  
Date: 5-11-2011

**Mendocino Pacific Corporation**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**Rohnert Park Disposal, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**Santa Rosa Recycling & Collection, Inc.**

By: Rick Holliday  
Name: RICK HOLLIDAY  
Title: MANAGER  
Date: 5-11-2011

**North Bay Corporation**

By: Rick Holliday  
Name: RICK HOLLIDAY

SETTLEMENT AGREEMENT AND RELEASE

ARB and Reward Leasing, Inc.

Page 11 of 11

Title: MANAGER

Date: 5-11-2011

Title: MANAGER

Date: 5-11-2011

**Pacific Coast Disposal**

By: Rick Holliday

Name: RICK HOLLIDAY

Title: MANAGER

Date: 5-11-2011

## Exhibit A

### Scope of Work

#### Climate Protection Campaign: Reducing Emissions while Building the New Economy

**Background:** The Climate Protection Campaign, a non-profit organization founded in 2001, helped Sonoma County set nine national precedents including the boldest greenhouse gas target in the country - 25% below 1990 levels by 2015. Although its focus is mostly local, the Climate Protection Campaign also engages selectively in regional, state, and national work. We have six staff members; our 2011 budget is about \$700,000.

**Mission:** To inspire, align, and mobilize action in response to the climate crisis. We work with business, government, youth and the broader community to advance practical, science-based solutions for significant greenhouse gas emission reductions.

In 2008 with government, business, and community backing, the Campaign released the Community Climate Action Plan ([www.coolplan.org](http://www.coolplan.org)) that outlines a cost-effective package of solutions to meet Sonoma County's ambitious target. The Plan's solutions focus on four key categories: Solid Waste, Transportation/Land Use, Energy Efficiency, and Renewable Energy. Implementing solutions in these key areas is the driving force behind the Climate Protection Campaign's work. Progress in these areas will significantly reduce greenhouse gas emissions, diesel particulate matter and criteria air pollutants.

If funded by CARB through a Supplemental Environmental Project (SEP), the Climate Protection Campaign proposes to expend **\$133,500** during 2011 to enhance current efforts to reduce greenhouse gas emissions, diesel particulate matter and criteria air pollutants, as described below. Where possible we have provided emission reduction estimates. (Please note that budget and emission figures below are approximate.)

#### Reducing Emissions in Solid Waste - \$74,500

- Helping develop and implement countywide sustainable solid waste system - \$40,000
- Developing plan for organics - \$20,000
- Studies, e.g., hauling by rail vs. trucks - \$15,000

#### Estimated emission reductions:

- Reduction in fugitive methane from landfill from diverting organics: 2000-5000 tons eCO<sub>2</sub>/yr reduction. Currently at about 70,000 tons eCO<sub>2</sub>/yr, declines more rapidly at first.
- Reduction in GHG due to reduced transport: 3000-4000 tons total eCO<sub>2</sub>/yr
- Reduction in GHG from electricity and natural gas, or in transportation sector by using OFMSW (Organic Fraction of Municipal Solid Waste) as a source of renewable fuel: 20,000 to 50,000 tons per year depending on use.
- Total energy content of OFMSW on an annual basis (100,000 tons of organics/year): 40 MW of energy demand or 350 MWh of energy (electricity, thermal or transportation).

Background: In 2009 the Climate Protection Campaign helped prevent the sale of Sonoma County's solid waste system. Based on our analysis, privatization would have impeded climate protection

efforts. In the aftermath of this decision, we are leading an initiative with local government representatives, businesses, key community leaders and solid waste experts to develop a sustainable system for managing Sonoma County's solid waste. Our goal is to reduce up to 90% of the solid waste now being landfilled, and convert organic waste into renewable energy. CARB funding will support studies to determine best approaches for diverting waste and reducing emissions. Possible studies include comparing different methane digesting technologies by quantifying the amount of biogas that can be produced from the Sonoma County waste stream, and comparing the emissions of hauling solid waste by rail vs. by trucks.

#### **Reducing Emissions in Transportation/Land Use - \$20,000**

CARB SEP funds will enable us to recruit more participants from local employers for our innovative dynamic ridesharing pilot program, thereby reducing car trips and emissions.

Background: The Campaign will manage a 3-county, \$1.5 million innovative dynamic ridesharing program scheduled to launch mid-2011. The lead agency is the Sonoma County Transportation Authority and funding is from the Metropolitan Transportation Commission. Using smart phone technology and financial incentives, this project will make it easier and safer to carpool. Commuters will be able to check their smart phones in real time to see what rides are available to their destinations, and then select the drivers in the system with whom they want to ride. The transaction is tracked and recorded seamlessly online. This project is projected to reduce an estimated 632 tons in its early stages, and dramatically increase over time. If it achieves even a 1% adoption in Sonoma County, reductions will be about 8490 tons per year.

#### **Reducing Emissions from Energy - \$20,000**

CARB SEP funding will enhance the work currently underway to design the local transition from fossil fuels to renewable energy. Estimates done for the Community Action Plan indicate that using the approach outlined in RESCO (see below) we could generate 67% of our power from renewable sources by 2015 and deliver a 250,000-ton emission reduction.

Background: In 2009 the Climate Protection Campaign along with our partners Los Alamos National Labs, Sonoma County Water Agency and Local Power were awarded a \$1 million grant from the California Energy Commission as part of their Renewable Energy Secure Communities (RESCO) program. Once this three-year project is complete, we will have a detailed analysis of the load, a refined map of the existing transmission infrastructure and the best locations for local scale renewable energy facilities.

#### **Reducing Emissions through Energy/Water Efficiency - \$14,000**

CARB SEP funding will enhance marketing and technology transfer for a statewide pilot energy/water on-bill financing program. According to estimates in the Community Climate Action Plan, maximizing end-user water efficiency through this program will reduce annual emissions by 14,000 tons by 2015.

Background: The Campaign was instrumental in bringing in \$2.6 million dollars of federal grant money for a countywide, comprehensive energy efficiency retrofit initiative. Energy consumption in the building sector accounts for about 40% of our emissions. Improving building energy efficiency through interventions is the most cost-effective place to quickly reduce emissions. The Campaign is the guiding force and implementation manager for this initiative in Sonoma County, which calls for retrofitting 13,000 buildings over the next two years.

### **Tracking Emissions in Sonoma County - \$5,000**

CARB SEP funds will support the development, production and presentation of Sonoma County's annual greenhouse gas status report. Every year for the last five years the Campaign has presented this report on emissions by sector at the annual local climate conference, "Climate Protection: Everybody Profits." The report plays a critical role in monitoring progress toward the countywide 25% emissions reduction target as well as in inspiring action. This year the Sonoma County Water Agency has not funded this report as it has previously.

### **Deadlines, Reporting and Accounting, Contact Person**

The Climate Protection Campaign will complete all of its activities related to the use of the CARB SEP funds under this Scope of Work by December 31, 2011.

By January 31, 2012, the Climate Protection Campaign will provide to CARB: 1. A report summarizing all activities conducted pursuant to this Scope of Work and a full accounting of all CARB SEP funds expended; and, 2. Copies of all of the reports referred to in this Scope of Work. The Climate Protection Campaign will provide these reports to CARB by mail to:

Stephen Binning  
California Air Resources Board, Enforcement Division  
P.O. Box 2815  
Sacramento, CA 95812  
916-324-0724  
[sbinning@arb.ca.gov](mailto:sbinning@arb.ca.gov)

The Climate Protection Campaign's contact person for this Scope of Work is: