

May 19, 2026

Ms. Stacy Manning, Sr. CDA Technician
Nevada County
950 Maidu Ave,
Nevada City, CA 95959
submitted via email: Stacy.Manning@nevadacountyca.gov

Mr. Zac Quentmeyer, Deputy Public Works Director
City of Grass Valley
125 E. Main Street
Grass Valley, CA 95945
zacq@grassvalleyca.gov

SUBJECT: Compost Facility Feasibility Study and Local Buyback – R3 Proposal

Dear Ms. Manning and Mr. Quentmeyer,

R3 Consulting Group, Inc. (R3) is pleased to submit the attached proposal to Nevada County and the City of Grass Valley (collectively, the Jurisdictions) for a Compost Facility Feasibility and Local Buyback Study (Study).

Introduction

The objective of the Study is to provide the Jurisdictions with an analysis relative to the feasibility of developing a facility for the processing of compostable materials, including cannabis waste, and drop-off of CRV beverage containers and other source separated recyclable materials. This study is intended to provide the Jurisdictions with strategic direction and guidance on potential approaches for advancing an innovative infrastructure project focused on waste diversion and resource recovery.

Project Team

Katelyn Scholz, Sr. Managing Consultant, will serve as Project Lead and primary point of contact for this engagement. Kate will be supported **Jordan Lane**, Managing Consultant, who will serve as Lead Analyst for this scope of work. The team will receive guidance and leadership from by **Nate Forst**, Principal. Our team is also able to draw upon additional staff members on an as-needed basis.

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Thank you for this opportunity to be of service to the Jurisdictions. If you have any questions regarding our proposal or need additional information, please contact me.

Sincerely,



Katelyn Scholz | Sr. Managing Consultant
R3 Consulting Group, Inc.
650.799.3213 | kscholz@r3cgi.com

Please note our new office address:
1504 Eureka Rd, Ste 220
Roseville, CA 95661

1. SCOPE OF WORK

Background

WM is the operator of Nevada County-owned McCourtney Road Transfer Station (MRTS), located at 14741 Wolf Mountain Rd., Grass Valley. From the MRTS, WM transports green waste and other organics to composting facilities that are, at a minimum, 36 miles away. WM also operates a buy-back center for CRV on County-owned land adjacent to MRTS.

For the following reasons, the Jurisdictions are considering the development of alternative facilities for various waste streams:

- » The Jurisdictions have a preference for keeping organic waste within the community for processing and use of the finished organic waste product.
- » The Jurisdictions seek cost-effective solutions that benefit economic benefits to the local ratepayers.
- » The region generates a notable amount of cannabis waste, and the Jurisdictions believe capturing this material could be a revenue stream that can help support localized efforts.
- » The local community has created grassroots processes for managing film plastic, food waste and other waste products, and the jurisdictions would like to support the community effort.

This proposed scope is intended to support a cooperative planning effort between the Jurisdictions, both of which are interested in understanding what services can be localized to their communities. Should the project move forward, it is anticipated that contracting will be administered under the existing agreement with Nevada County.

Scope of Work

The study will evaluate whether existing programs, facilities, and systems are sufficient to handle SB 1383 implementation or if additional capacity or programs may be needed. R3 is proposing to conduct an initial assessment of the opportunities for the Jurisdictions to develop a local site for management of discreet material types. This feasibility analysis will be high-level such that it will help guide the jurisdictions on a potential course. This analysis will not result in final costs or an implementable technical protocol, but rather is intended to be an initial viability check towards aligning on a proper course forward to manage local waste.

Task 1 Policy and Regulation Framework

1. Research general permitting requirements for compost handling facilities, with a particular focus on cannabis handling, and associated regulatory requirements.
2. Research California Redemption Value (CRV) and the Bottle Bill through examination of information about the current state of CRV and statewide status of buyback centers.
3. Research other agencies (JPAs, Cities, and Counties) that operate, or contract to operate, buyback centers and/or small to medium scale composting facilities throughout the State by conducting online research and phone calls.
4. Establish communication with CalRecycle staff as well as local LEA staff to gather information and identify solutions.

Task 2 Market Analysis

1. Assess composting facilities and localized recycling facilities, including CRV, within a 60-mile radius of the McCourtney Road Transfer Station.

2. Conduct outreach with existing grassroots composting and recycling groups, including the film plastic group, to understand their processes, the material they collect, and their niche in the market.
3. Research the generation of cannabis waste in the region and local handling procedures currently in place.
4. Document local buyback centers that have closed in the last ten years and gather data on gaps created by their absence.
5. Document tonnage trends of covered waste streams over the past few years to understand potential throughput.

Task 3 Financial Analysis

1. Research grant funding and other financial resources available for the development of composting facilities and buyback centers.
2. Understand costs associated with existing processing of material per collection and processing agreements with WM.
3. Develop preliminary pro forma establishing planning level estimated expenses and revenues and project an approximate ROI.

Task 4 General Siting Parameters

1. Develop guardrails for requirements for facility relative to zoning, space requirements, and accessibility based on anticipated volume and user type(s).

Task 5 Benefit Analysis, Recommendations and Deliverable

1. Based on gathered information and analysis, determine benefits and drawbacks associated with this type of project.
2. Depending on the outcomes of the research, suggest alternatives (if viable) to the initial concept of the project.
3. Develop a framework for next steps to further develop an implementable project, with greater emphasis on technical analysis and more detailed financial forecasting.
4. Provide a succinct draft memo, provide one round of edits according to staff direction, and deliver one final memo including options and a recommendation, as applicable.

Project Deliverables

- Electronic Draft and Final Memo Reports, including preliminary pro forma.

2. PROJECT BUDGET

R3 proposes to complete the project for a total fee of **\$25,000**. For cost-effective service delivery, R3's pricing is fixed and **Table 1**, below, show the payment schedule. Any additional consulting services beyond those proposed will be charged at the standard rates shown in **Table 2**, below. Fees for the additional work will be billed monthly at the first of each month, for the preceding month, and are due within 30 days of the invoice date.

Table 1: Payment Schedule

| INSTALLMENT | FEE TYPE | DUE DATE | COST |
|-------------|-----------------------|---|-----------|
| 1 | Engagement Fee | Upon Contract Execution | \$ 5,000 |
| 2 | Analysis Fee | Within 30 Days of Receiving Draft Results and/or Report | \$ 10,000 |
| 3 | Completion Fee | Within 30 Days of Study Completion | \$ 10,000 |

Table 2: Standard Rates Fiscal Year 2025-26

| CLASSIFICATION | RATE |
|--|-------------------------|
| Principal / Sr. Director | \$ 340 per hour |
| Director | \$ 305 per hour |
| Sr. Managing Consultant | \$ 265 per hour |
| Managing Consultant | \$ 240 per hour |
| Sr. Consultant | \$ 220 per hour |
| Consultant | \$ 200 per hour |
| Associate Consultant | \$ 185 per hour |
| Expert Witness | 1.5x Rates Listed Above |
| REIMBURSABLE COSTS | |
| Consultants/Subcontractors | Cost plus 10% |
| Lodging and meals | Direct cost |
| Travel - Private or company car | At Current Federal Rate |
| Travel - Other | Direct cost |
| Delivery and other expenses | Direct cost |