



**SOLID WASTE AGENCY OF LAKE COUNTY, IL**

**MEMORANDUM**

To: Michael Talbett, Chairman, Executive Committee  
From: Walter S. Willis, Executive Director *WSW*  
Subject: July 2020 Meeting Notice Information  
Date: July 9, 2020

Attached you will find the agenda for our next meeting at 12 pm on July 16th, the minutes from the May 14, 2020 meeting, and the referenced consent and action items.

This meeting will be a Zoom meeting and Amy will send you a link for the meeting. Please let Amy Bartemio know if you will be attending or not.

**SOLID WASTE AGENCY OF LAKE COUNTY, IL**  
**EXECUTIVE COMMITTEE**  
**Thursday, July 16, 2020 12:00 pm**  
**VIA ZOOM Platform (COVID-19 Executive Order No. 2020-44)**

1. CALL TO ORDER.....Chairman Talbett
2. ROLL CALL .....Secretary
3. APPROVAL OF MINUTES  
    *May 14, 2020*
4. NEW AGENDA ITEMS
5. PUBLIC COMMENT ON AGENDA ITEMS
6. EXECUTIVE COMMITTEE ITEMS .....Chairman Talbett

**Consent Item**

1. Expenditure Report (April 2020)

**Action Items**

1. Annual D&O Insurance Renewal
2. Proposed Agreement with Rheaply, Inc.

**Information Items - None**

7. EXECUTIVE SESSION – *Executive Director Annual Review*  
    \* (Visitors will be moved in/out of virtual platform to ensure the perimeters of OMA are established)
8. ADJOURNMENT

Start: 12:03  
 Agenda: 1:02pm

# Virtual Mtg via Zoom

	A	B	C	D	E	F	G	H	I	J
1			SWALCO EXECUTIVE BOARD VOTING RECORD - May 14, 2020							
2			Jan & Feb 2020 expenses - consent		Post Closed Session		EC Authorizes Swalco move towards legal action regarding LF operator Payments & to meet w/ Zion			
3	Attendance		A	N	A	N	A	N	A	N
4	MIKE ELLIS									
5	MIKE HEWITT									
6	PATRICK MUETZ	✓	✓				✓			
7	JOHN NORRIS	✓	✓				✓			
8	BUD ROTHING	✓	✓				✓			
9	MICHAEL TALBETT	✓	✓				✓			
10	JOHN WAGENER									
11	NIMROD WARDA	✓	✓				✓			
12	JULIE SIMPSON	✓	✓				✓			

(6)

(6)

(6)

Larry C. - not in attendance

Meeting ID	Topic	Start Time	End Time	User Email	Duration (Minutes)	Participants
84473557627	SWALCO's Executive Committee Meeting,	5/14/2020 11:41	5/14/2020 13:01	abartemio@swalco	81	18
Name (Original Name)	User Email	Total Duration (Minutes)				
Amy Bartemio	abartemio@swalco.org	81				
PETER ADRIAN	PADRIAN@SWALCO.ORG	72				
Walter Willis	wwillis@swalco.org	70				
Michael Talbett	mtalbett@villageofkildeer.com	68				
Ivy Klee	IKlee@swalco.org	68				
18475997500	(Gurnee)	66				
Pat Muetz	patm@village.gurnee.il.us	67				
Steve Nelson (18473774953)		66				
Frank Rothing	frankrothing@comcast.net	66				
Glenn Ryback	gryback@villageofwadsworth.org	64				
Julie Simpson	jsimpson@lakecountyil.gov	64				
Nimrod Warda (12627483784)		61				
John Norris	jnorris@villageofriverwoods.com	63				
Merlanne Rampale	rrampale@sbcglobal.net	55				
Nimrod Warda	nimwar@northchicago.org	47				

\* No Public in Attendance or registered for Mtg.

## MINUTES

**SOLID WASTE AGENCY OF LAKE COUNTY, IL**  
**EXECUTIVE COMMITTEE**  
Thursday, May 14, 2020 12:00 pm  
**VIRTUAL – Per IL Executive Order No. 05/COVID**

### **CALL TO ORDER**

Chairman Talbett called the meeting to order at 12:03 pm with 6 members in virtual attendance.  
Larry Clark, legal representative, not in attendance.

### **APPROVAL OF MINUTES**

Motion by *John Norris* seconded by *Julie Simpson* to approve the *Executive* meeting minutes of 03.19.20  
*Motion was unanimously approved.*

### **NEW AGENDA ITEMS – None**

### **PUBLIC COMMENT - None**

### **EXECUTIVE COMMITTEE ITEMS – None**

### **CONSENT ITEM**

Expenditure Reports (January & February 2020).  
Motion by *John Norris*, seconded by *Pat Muetz*.  
*Motion was approved.*

### **ACTION ITEMS - NONE**

### **INFORMATION ITEMS**

#### **1. Project and Program Updates – Brief Updates Given by Walter Willis**

Walter Willis provided summaries and updates regarding several projects and programs we are currently working on:

- Staff continues to rotate into the office, 1 person in the office each day. We are holding weekly staff calls and recently migrated our files to the cloud so we all have full access to our files and can work more effectively at home.
- A notice was sent out to the invitees to the Circular Economy (CE) Workshop that is has been postponed until a later date. In the meantime after discussions with staff and our consultant RRS we have decided to move the workshop to a virtual format, most likely later this summer. Walter did have a call with Susan Graff (RRS) and Mark Fisher (Council of the Great Lakes Region) about the work Mark's group is doing on the CE and how our micro level effort can plug into the larger effort of the Great Lakes Region. Susan and RRS have offered to work on a webinar that will feature speakers from SWALCO, RRS and Great Lakes as a prelude to our CE workshop later this year. Finally, Ivy and Amy have worked hard to develop a dedicated webpage on our CE efforts that was shared with the workshop invitees.
- Work continues on the Zion LF host agreement with staff and its consultant preparing comments to the odormanagement plan prepared by Advanced Disposal, which is considered an essential component of the negotiations. Staff continues to monitor the violation notices sent out to 23 landfills in IL for alleged violations related to paying fees under State law.
- Staff continues to work on education programs associated with Earth Day and International Compost Awareness Week, and issued press release prepared by Merleanne for both events.
- Staff continues to monitor the electronics and textile collection sites. The textile program has been put on hold along with the HCW program, but CTR is able to help us with sites that have full bins. Staff is discussing the possibility of starting up the HCW program again in this June at the Gurnee site

only and will take proper precautions to protect all involved. Our vendor, Veolia, has indicated it will have employees available to us when we want to start up the program.

- The primary update on the DOJ review of the WMI/Advanced Disposal proposed acquisition is that it appears to still be on, but not likely to close until June of this year. Our attorney has a call into the DOJ and is awaiting any updates.

### **EXECUTIVE SESSION: Probable or Imminent Litigation**

Motion by *Bud Rothing* seconded by *John Norris* to go into Executive Session citing 5 ILCS 120/2(c)(11) to discuss Probable or Imminent Litigation (12:17 pm). ***Motion was approved on a roll call of 6 to 0.*** (Members of the SWALCO staff were moved to virtual waiting room via ZOOM application during closed session.)

Motion by *John Norris*, seconded by *Bud Rothing* to return to open session (12:42 pm). ***Motion was unanimously approved.*** (Members of the SWALCO staff were moved back into meeting via ZOOM application.)

Motion by *John Norris*, seconded by *Nimrod Warda* to authorize SWALCO to proceed with steps towards potential litigation relating to the landfill operators' payment of local surcharge fees under the State law. In addition, authorizing SWALCO to meet with the City of Zion to discuss this potential litigation.

***Motion was approved on a roll call of 6 to 0.***

***NEXT EXECUTIVE COMMITTEE MEETING:*** Thursday, July 16, 2020 - 12:00 p.m.

***NEXT BOARD MEETING:*** Thursday, June 11, 2020 - 6:00 p.m. Hainesville Village Hall,  
100 N. Hainesville Road, Hainesville, IL 60030

***ADJOURNMENT (12:48 p.m.):*** Motion by *John Norris* seconded by *Bud Rothing* to adjourn. ***Motion was approved.***

**Consent - 1. Expenditure Approval**

**ISSUE:** Approve Expenditures

**RECOMMENDATION:** We recommend approval

**TIMING:** Routine

**BACKGROUND:** The Board of Directors authorized the Executive Director to pay expenditures under \$20,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration \$118,773.51; Education \$ 96.00 Household Chemical Waste \$ 3,446.38; Recycling \$1,913.50 ***Total expenditures for April 2020 - \$124,229.39***

**ENCLOSED DOCUMENTS:** Account Analysis Reports

**STAFF:** Walter Willis, Executive Director  
Amy Bartemio, Executive Office Manager



## SWALCO - April 2020 EXPENDITURE REPORT

SWALCO \- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wages----			
Budget Amount:	403,839.96	Funds Available:	249,951.50
		Beginning Balance for Period	122,969.66
		<b>Total Expenditures</b>	<b>30,918.80</b>
		Ending Balance for Period	153,888.46

SWALCO \- Solid Waste Prog-SWALCO Administration-Part Time Salaries And Wages----			
Budget Amount:	56,213.04	Funds Available:	32,874.52
		Beginning Balance for Period	17,513.83
		<b>Total Expenditures</b>	<b>5,824.69</b>
		Ending Balance for Period	23,338.52

SWALCO \- Solid Waste Prog-SWALCO Administration-Overtime Salaries And Wages----			
Budget Amount:	0.00	Funds Available:	-347.18
		Beginning Balance for Period	57.87
		<b>Total Expenditures</b>	<b>289.31</b>
		Ending Balance for Period	347.18

SWALCO \- Solid Waste Prog-SWALCO Administration-Special Pay----			
Budget Amount:	17,100.00	Funds Available:	10,846.20
		Beginning Balance for Period	5,003.04
		<b>Total Expenditures</b>	<b>1,250.76</b>
		Ending Balance for Period	6,253.80

SWALCO \- Solid Waste Prog-SWALCO Administration-Office Supplies----			
Budget Amount:	1,000.00	Funds Available:	441.60
		Beginning Balance for Period	359.46
		<b>Total Expenditures</b>	<b>198.90</b>
		Ending Balance for Period	558.36

SWALCO \- Solid Waste Prog-SWALCO Administration-Food and Provisions----			
Budget Amount:	1,500.00	Funds Available:	930.23
		Beginning Balance for Period	502.52
		<b>Total Expenditures</b>	<b>67.25</b>
		Ending Balance for Period	569.77

SWALCO \- Solid Waste Prog-SWALCO Administration-Legal Services----			
Budget Amount:	7,000.00	Funds Available:	1,497.46
		Beginning Balance for Period	3,875.00
		<b>Total Expenditures</b>	<b>1,627.50</b>
		Ending Balance for Period	5,502.50

SWALCO \- Solid Waste Prog-SWALCO Administration-Consultants----			
Budget Amount:	97,820.04	Funds Available:	39,879.12
		Beginning Balance for Period	39,310.91
		<b>Total Expenditures</b>	<b>790.01</b>
		Ending Balance for Period	40,100.92

SWALCO \- Solid Waste Prog-SWALCO Administration-Gas for Heating----			
Budget Amount:	15,000.00	Funds Available:	7,239.09
		Beginning Balance for Period	5,026.41
		<b>Total Expenditures</b>	<b>2,734.50</b>
		Ending Balance for Period	7,760.91

SWALCO \- Solid Waste Prog-SWALCO Administration-Electricity----			
Budget Amount:	13,000.00	Funds Available:	8,425.06
		Beginning Balance for Period	3,758.17
		<b>Total Expenditures</b>	<b>816.73</b>
		Ending Balance for Period	4,574.90



SWALCO \- Solid Waste Prog-SWALCO Administration-Water and Sewer----			
Budget Amount:	350.00	Funds Available:	282.21
		Beginning Balance for Period	48.62
		<b>Total Expenditures</b>	<b>19.21</b>
		Ending Balance for Period	67.83

SWALCO \- Solid Waste Prog-SWALCO Administration-Telephone----			
Budget Amount:	5,750.04	Funds Available:	4,292.01
		Beginning Balance for Period	1,154.67
		<b>Total Expenditures</b>	<b>303.36</b>
		Ending Balance for Period	1,458.03

SWALCO \- Solid Waste Prog-SWALCO Administration-Cell Phone Allowance----			
Budget Amount:	660.00	Funds Available:	385.00
		Beginning Balance for Period	220.00
		<b>Total Expenditures</b>	<b>55.00</b>
		Ending Balance for Period	275.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Liability Insurance----			
Budget Amount:	45,788.04	Funds Available:	-17,755.96
		Beginning Balance for Period	13.00
		<b>Total Expenditures</b>	<b>63,531.00</b>
		Ending Balance for Period	63,544.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Equipment Rental----			
Budget Amount:	1,750.00	Funds Available:	249.96
		Beginning Balance for Period	254.55
		<b>Total Expenditures</b>	<b>81.10</b>
		Ending Balance for Period	335.65

SWALCO \- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----			
Budget Amount:	83,372.04	Funds Available:	49,147.76
		Beginning Balance for Period	27,333.16
		<b>Total Expenditures</b>	<b>6,891.12</b>
		Ending Balance for Period	34,224.28

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----			
Budget Amount:	35,193.99	Funds Available:	22,544.26
		Beginning Balance for Period	9,845.96
		<b>Total Expenditures</b>	<b>2,803.77</b>
		Ending Balance for Period	12,649.73

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----			
Budget Amount:	3,818.04	Funds Available:	2,398.53
		Beginning Balance for Period	1,123.63
		<b>Total Expenditures</b>	<b>295.88</b>
		Ending Balance for Period	1,419.51

SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Services----			
Budget Amount:	13,000.00	Funds Available:	10,600.00
		Beginning Balance for Period	4,250.00
		<b>Total Expenditures</b>	<b>274.62</b>
		Ending Balance for Period	4,524.62

SWALCO \- Solid Waste Prog-SWALCO Education-Miscellaneous Commodities----			
Budget Amount:	4,000.00	Funds Available:	3,903.96
		Beginning Balance for Period	0.00
		<b>Total Expenditures</b>	<b>96.00</b>
		Ending Balance for Period	96.00



SWALCO \- Solid Waste Prog-Household Hazard Waste-Operational Supplies----			
Budget Amount:	16,000.00	Funds Available:	7,771.69
		Beginning Balance for Period	1,327.25
		<b>Total Expenditures</b>	<b>1,950.00</b>
		Ending Balance for Period	3,277.25

SWALCO \- Solid Waste Prog-Household Hazard Waste-Miscellaneous Commodities----			
Budget Amount:	500.00	Funds Available:	326.72
		Beginning Balance for Period	20.50
		<b>Total Expenditures</b>	<b>152.82</b>
		Ending Balance for Period	173.32

SWALCO \- Solid Waste Prog-Household Hazard Waste-Consultants----			
Budget Amount:	149,900.04	Funds Available:	114,472.97
		Beginning Balance for Period	17,883.31
		<b>Total Expenditures</b>	<b>38.76</b>
		Ending Balance for Period	17,922.07

SWALCO \- Solid Waste Prog-Household Hazard Waste-Garbage Disposal----			
Budget Amount:	5,100.00	Funds Available:	4,037.20
		Beginning Balance for Period	1,236.70
		<b>Total Expenditures</b>	<b>173.90</b>
		Ending Balance for Period	1,410.60

SWALCO \- Solid Waste Prog-Household Hazard Waste-All Other Maintenance----			
Budget Amount:	28,000.00	Funds Available:	9,514.59
		Beginning Balance for Period	5,315.37
		<b>Total Expenditures</b>	<b>800.00</b>
		Ending Balance for Period	6,115.37

SWALCO \- Solid Waste Prog-Household Hazard Waste-Furniture And Office Equipment----			
Budget Amount:	10,000.00	Funds Available:	604.10
		Beginning Balance for Period	9,065.00
		<b>Total Expenditures</b>	<b>330.90</b>
		Ending Balance for Period	9,395.90

SWALCO \- Solid Waste Prog-Recycling-Misc. Contractual Services----			
Budget Amount:	5,000.00	Funds Available:	1,173.04
		Beginning Balance for Period	1,913.50
		<b>Total Expenditures</b>	<b>1,913.50</b>
		Ending Balance for Period	3,827.00

**TOTAL EXPENDITURES \$ 124,229.39**

**A – 1. Public Officials Liability Insurance Renewal**

**ISSUE:** Secure Public Officials Liability Insurance

**RECOMMENDATION:** Recommend approval

**TIMING:** Important

**BACKGROUND:** Public Officials Liability coverage is secured to protect SWALCO, its directors and employees against any wrongful acts, errors or omissions that may arise while conducting business. SWALCO has maintained this coverage since our inception. This policy is an annual policy with a coverage limit of \$1,000,000 with a \$10,000 deductible. The current policy is due to expire July 24, 2020.

Arthur Gallagher Risk Management Services, our insurance broker, solicited quotes for this policy. RSUI Indemnity Company (RSUI), our current carrier, was the low bid and most comprehensive. RSUI is an A+ XIV (superior) rated carrier. Their policy also includes a Public Officials Extension endorsement (a significant coverage enhancement) which covers third party entities such as volunteer groups (i.e. our CAC committee). The premium for this year's policy is \$8,460 (\$8,010 plus \$200 broker fee plus \$250 AJG service fee), this represents a \$1,010 increase from last year.

Based on AJ Gallagher's recommendation, and our review, we request your approval to secure RSUI as our Public Officials Liability insurance provider for the period July 24, 2020 - July 24, 2021.

**FISCAL IMPACT:** Administration 9200010 object code 72110 Liability Insurance \$8,460

**ENCLOSED DOCUMENTS:** RSUI Insurance Policy dated June 1, 2020.

**STAFF:** Steve Nelson, HCW Engineer, Amy Bartemio, Executive Office Manager and Walter Willis, Executive Director



RSUI Group, Inc.  
945 East Paces Ferry Road  
Suite 1800  
Atlanta, GA 30326-1160  
(404) 231-2366

June 01, 2020

Risk Placement Services  
Michael Kokonas  
525 W. Van Buren Street  
Suite 1325  
Chicago, IL 60607

Attention: TIM FOODY

**RE: Directors and Officers Liability Indication**

**Submission Number:** 419525  
**Renewal of:** NPP682678  
**Company:** RSUI Indemnity Company - Admitted  
(A.M. Best rating: A+ XIV and S&P rating: A+)  
**Insured:** Solid Waste Agency of Lake County, IL (SWALCO)  
Gurnee, IL  
**Policy Dates:** July 24, 2020 - July 24, 2021  
**Form:** Non-Profit Organization Management Liability Policy

**COVERAGE SECTIONS:**

	<b>Purchased</b>	<b>Shared Limit</b>	<b>Separate Limit</b>
Directors and Officers Liability Insurance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Employment Practices Liability Insurance	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1) Third Party Liability Coverage	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Fiduciary Liability Insurance	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/>	<input type="checkbox"/>

**AGGREGATE LIMIT OF LIABILITY**

Aggregate Limit of Liability for All Coverage Sections \$ 1,000,000

**PREMIUM:**

Total Premium for All Coverage Sections \$ 8,010.00



**DIRECTORS AND OFFICERS LIABILITY COVERAGE:**

Directors and Officers Limit of Liability	\$ 1,000,000
1) Additional Side-A Limit of Liability	\$ Not Applicable
Retentions	
1) Insuring Agreement A	\$ 0
2) Insuring Agreement B	\$ 7,500
3) Insuring Agreement C	\$ 10,000
Prior and/or Pending Litigation Date	07/24/2007

**EMPLOYMENT PRACTICES LIABILITY COVERAGE:**

Employment Practices Limit of Liability	\$ 1,000,000
1) Workplace Violence Sublimit	\$ Not Applicable
Retentions	
1) Employment Practices Liability	\$ 10,000
2) Third Party Liability Coverage	\$ 10,000
Prior and/or Pending Litigation Date	07/24/2007

**FIDUCIARY LIABILITY COVERAGE:**

NOT INCLUDED

**Policy Attachments****COVERAGE FORMS**

- RSG 211003 0118 Common Policy Terms and Conditions Coverage Section-Non-Profit
- RSG 211009 0118 Directors and Officers Liability Coverage Section-Non-Profit
- RSG 211010 0118 Employment Practices Liability Coverage Section-Non-Profit

**OTHER FORMS**

- RSG 204198 0118 Cap on Losses From Certified Acts of Terrorism
- RSG 214038 0118 Coverage Extension-Public Officials
- RSG 204123 0116 Disclosure Pursuance to Terrorism Risk Insurance Act
- Exclusion - Biometric Privacy Claims
- RSG 204154 0716 HR Loss Prevention Services Notice
- RSG 202262 0118 Illinois - Priority of Payments
- RSG 212085 0118 Illinois Changes
- RSG 202263 0118 Illinois Changes - Representations



- RSG 203012 0118 Illinois Changes-Cancellation and Nonrenewal
- RSG 202264 0118 Illinois Changes-Marital Status
- RSG 202220 0118 Illinois Changes-Pollution Exclusion
- RSG 99043 0604 Illinois Important Information to Policyholders Right to File a Complaint
- RSG 202051 0118 Illinois-Three (3) Year Bilateral Extended Reporting Period - 75%, 125%, 150%
- RSG 204153 0118 Sublimit-Defense Expenses-Wage and Hour Claims - \$100K/\$10K SIR
- RSG 204113 0118 Sublimit-Defense of Non-Monetary Damages - \$25K/\$50K Agg, \$25K SIR

**Premium Amount**

<b>Gross Premium:</b>	<b>\$8,010.00</b>	
<b>Commission:</b>	<b>\$1,602.00</b>	<b>Comm%20.00</b>
<b>Net Due:</b>	<b>\$6,408.00</b>	

**Comments:**

This quotation for coverage is strictly conditioned upon no material change in the risk occurring between the date of this proposal and the inception date of the proposed policy. It is subject to modification or withdrawal by the Company if any new, corrected or updated information becomes known which relates to any proposed Insured's claims history or risk exposure or which could otherwise change the underwriting evaluation of any proposed Insured, and the Company, in its sole discretion, determines that the terms of this quotation are no longer appropriate.

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

This Indication is valid until 07/24/2020.

We greatly appreciate your business.

**A – 2. Proposed Memorandum of Understanding and Sales Referral Agreement with Rheaply, Inc.**

**ISSUE:** Whether to approve the MOU, Sales Referral Agreement and Confidential Information Agreement with Rheaply, Inc.

**RECOMMENDATION:** Staff recommends approval of the MOU and agreements pending final review and approval of the Agency's attorney.

**BACKGROUND:** As part of the circular economy initiative and the recent 2019 Plan Update SWALCO has committed to working on more reuse initiatives for both businesses and residents. We know that reuse of materials leads to reduced greenhouse gases which is another key goal of the 2019 Plan Update.

SWALCO staff has held several conference call meetings with Rheaply's CEO Garry Cooper and his associate Garr Punnett. Rheaply is a Chicago based company that works primarily with schools and businesses to help them buy, sell or share existing assets both within an organization and externally. They have created an asset management tool call Asset Exchange Manager that enables them to create an online marketplace for reuse. With our interest in promoting reuse and their business model based on reuse it became apparent a strategic partnership may make sense.

Included with this item is a PowerPoint that provides an overview of Rheaply and its services. Also enclosed are a draft Memorandum of Understanding, a Sales Referral Agreement and a Confidential Information Agreement that Larry Clark has and is reviewing. We envision an initial one-year term for these agreements with the intent to renew annually depending on the growth of reuse in Lake County. The Sales Referral Agreement includes compensation for SWALCO if it brings new customers to Rheaply which we hope to do through the Circular Economy Partners program and our existing relationships with companies throughout the County. Rheaply will be introduced at the Circular Economy Partners Workshop this fall as SWALCO's strategic reuse partner and that will begin the joint recruiting and marketing effort of SWALCO and Rheaply to recruit businesses to sign up with Rheaply and its reuse services.

We plan to dedicate a portion of our website to the Circular Economy Partners program and Rheaply's reuse program will be part of the website. We will track and report on the reuse efforts (by company and total volume and value of material reused) in Lake County and use this as a key reporting metric moving forward.

**ENCLOSED DOCUMENTS:** 1) Memorandum of Understanding, 2) Sales Referral Agreement, and 3) Confidential Information Agreement

**STAFF:** Walter S. Willis, Executive Director



## **Memorandum of Understanding SWALCO & Rheaply**

This memorandum of understanding is made and entered into by and between **Solid Waste Agency of Lake County** (hereafter "SWALCO") based in Gurnee, IL and **Rheaply, Inc.**, (hereafter "Rheaply") based in Chicago, IL.

### **1. Objective**

The objective of this MOU is to express the willingness of both parties to engage in a collaborative and transparent effort that promotes advancement of each party's business development goals within the circular movement of resources. This includes but is not limited to engaging in market research, the potential development of technology and go to market strategies.

**Note:** This document is a statement of intent only and not intended to operate as a binding legal document on the parties or to create legal relationships between them.

### **2. General Terms of MOU**

- a. **Duration of MOU:** This MOU shall be operational upon signing and will have an initial duration of one year. All activities conducted before this date within the vision of the joint collaboration will be deemed to fall under this MOU.
- b. **Expectations and Benefits:** Under the terms of this MOU, Rheaply and SWALCO seek, within the scope of this agreement, to:
  - i. Create mutual understanding of the strategy and business needs of both organizations to enable broader understanding of a future potential partnership, opportunities and benefits between Rheaply and SWALCO.
  - ii. Identify synergies between Rheaply and SWALCO business capabilities where they relate to each party's business interests / goals and the development of technology that may enhance the collection, data, sale and processing of various material / recycled commodity streams across markets.
- c. **Working Relationship:** Specific activities developed through this working relationship will be detailed in addendums and appended to this MOU as and when Rheaply and SWALCO agree to initiate joint activities. Activities may include, but are not limited to:
  - i. Introductions from Rheaply and SWALCO to third party stakeholders interested in collaborative opportunities.
  - ii. Market research opportunities.
  - iii. Mapping and connecting relevant organizational stakeholders.
  - iv. Sharing in the development of joint go-to market strategies.





- d. **Intellectual Property and Data:** As part of any collaboration, intellectual property will be handled on a case-by-case basis, with the following basic governing principle:
  - i. Background IP will remain the property of the organization which owns it, though licensing arrangements may be entered into as part of any project or program outlined in subsequent addendums
- e. **Coordination:** In order to carry out and fulfill the aims of this agreement, each party will appoint the parties outlined below to represent its organization and to coordinate the implementation of activities. Rheaply and SWALCO staff will meet regularly (preferably with two days' notice) to discuss progress and plan activities. Points of contact:
  - i. SWALCO  
Point of Contact: Walter Willis  
Title: Executive Director  
Telephone: 630/621-0736  
Email: WWillis@swalco.org
  - ii. Rheaply  
Point of Contact: Garr Punnett  
Title: Chief of Staff & Sustainability  
Telephone: 612-961-3959  
Email: garr.punnett@rheaply.com
- f. **Technical and Financial Support:** Addendums to this MOU will be developed for specific technical and financial support activities. These Addendums will provide a detailed description of the role, responsibility, and financial contribution of each party. Work plans and reporting requirements will be clearly outlined in the Addendums.
- g. **Confidentiality:** All non-public, confidential, or proprietary information of either party (Rheaply or SWALCO), including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, software, code, business operations, customer lists, pricing, discounts or rebates, disclose, whether orally or disclosed or accessed in written, electronic, or other form or media, and whether or not marked, designated, or otherwise identified as "confidential," in connection with this Agreement is confidential, shall be solely for the use of performing this Agreement and may not be disclosed or copied or used for any other purpose unless authorized by party in writing (e-mail recognized). Upon either party's request, the other party shall promptly return all documents and other materials received from the requesting party. Requesting party shall be entitled to injunctive relief for any actual or threatened violation of this (section 2.g) without the necessity of proving damages or posting bond or other security.
- h. **Termination of MOU:** The agreement covered by this MOU shall terminate upon completion of the agreed upon period. The agreement may also be terminated with a written two week notice from either side. In the event of non-compliance or breach by one of the parties of the obligations binding upon it, the other party may terminate the agreement with immediate effect.
- i. **Extension of Agreement:** The terms of this agreement will extend onto another operational year upon reaching the end of the first operational year, indefinitely, provided that both parties can provide the necessary resources and neither party has expressed a desire to terminate the agreement.
- j. **Communications:** All notice, demands and other communication under this agreement in connection herewith shall be written in English language and shall be sent to the last known



address, e-mail, or fax of the concerned party. Any notice shall be effective from the date on which it reaches the other party.

- k. **Addendum:** Any Addendum to this MOU shall be in writing and signed by both parties.

### 3. Other Provisions

- a. Unless explicitly agreed upon in writing (e-mail recognized) and signed by Rheaply and SWALCO, the terms outlined in this MOU and any subsequent Addendums are applicable and extend, as stated, onto participation from a third party so long as that third party has a current contractual relationship with either Rheaply or SWALCO.
- b. SWALCO shall immediately inform Rheaply of any event, which could have a negative influence on or endanger the successful accomplishment of the tasks described in the agreement. Rheaply shall immediately inform SWALCO of any event, which could have a negative influence on or endanger the successful accomplishment of the tasks described in this agreement.
- c. Rheaply may use the name/logo of SWALCO, so long as doing so does not disrupt, impede, or otherwise hamper SWALCO's competitive profile. SWALCO can use the name/logo of Rheaply, in promotional literature/information/discussions so long as doing so does not disrupt, impede, or otherwise hamper Rheaply's competitive profile. Subsequent conditions/criteria provided in writing (e-mail recognized) by either party, about their treatment of either's respective brand IP, will be recognized forthwith and thereupon.

### 4. Signatures

In witness whereof, the parties to this MOU through their duly authorized representatives have executed this MOU on the days and dates set below, and certify that they have read, understood, and agreed to the terms and conditions of this MOU set forth herein.

The effective date of this MOU is the date of the signature last affixed to this page.

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

Name: Walter Willis  
Title: Executive Director  
Telephone: 630/621-0736  
Email: WWillis@swalco.org

\_\_\_\_\_

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

Garr Punnett  
Chief of Staff & Sustainability  
Rheaply, Inc.

\_\_\_\_\_

This Sales Referral Agreement (this "Agreement"), dated as of September 1, 2019, is entered into by and between Rheaply, Inc. (the "Company"), and \_\_\_\_\_. ("Contractor," and together with Company, the "Parties," and each, a "Party").

1) Engagement.

- a) The Company hereby engages Contractor, and Contractor hereby accepts such engagement, to act as a non-exclusive sales referral agent for the Company with respect to the Rheaply AxM Platform and related applications ("Products").
- b) Contractor shall introduce the Company to relevant contacts at universities and commercial businesses potentially interested in purchasing the Products, and with whom the Company does not already have an existing relationship or has not otherwise already actively solicited (such potential customers, the "Customers"), and perform such other related services as reasonably requested by Company.
- c) Contractor shall not have authority to offer or sell the Products to any Customer. The prices, terms and conditions under which Company shall offer or sell any Products shall be determined by Company in its sole discretion. Company shall have the authority to control all discussions and negotiations regarding any proposed or actual offering or sale of Products. Nothing in this Agreement shall obligate Company to actually offer or sell any Products or consummate any transaction with any Customer. Company may terminate any negotiations or discussions at any time and has the right not to proceed with any sale of Products without any liability or obligation to pay compensation to Contractor under Section 2 or otherwise.

2) Compensation. In consideration for the services rendered by Contractor hereunder, Company shall pay to Contractor a sales referral fee ("Fee") with respect to the first sale to each new Customer directly and primarily facilitated by Contractor, with any such Fee so payable by the Company to be calculated as 10% of the net sales price (exclusive of sales tax and after applying any discounts, credits, rebates, adjustments) received by the Company from such Customer during the first contract year following such sale. Any such Fee shall be payable by the Company to the Contractor as and when the related sales revenues are received in cash by the Company from such Customer (but no more frequently than quarterly).

3) Existing Customers. If applicable, "Customers" shall also include the universities and/or commercial businesses set forth on Schedule A (if any) notwithstanding that a prior established Rheaply relationship may exist. If applicable, the percentage of the Fee with respect to such existing Customers will be modified as set forth on Schedule A.

4) Independent Contractor. Contractor is an independent contractor of Company, and this Agreement shall not be construed to create any association, partnership, joint venture, employee or agency relationship between Contractor and Company for any purpose. Contractor has no authority (and shall not hold itself out as having authority)

to bind Company and Contractor shall not make any agreements or representations on Company's behalf without Company's prior written consent. Without limiting the above,

Contractor will not be eligible to participate in any vacation, group medical or life insurance, disability, profit sharing or retirement benefits, or any other fringe benefits or benefit plans offered by Company to its employees, and Company will not be responsible for withholding or paying any income, payroll, Social Security or other federal, state or local taxes, making any insurance contributions, including unemployment or disability, or obtaining worker's compensation insurance on Contractor's behalf. Contractor shall be responsible for, and shall indemnify Company against, all such taxes or contributions, including penalties and interest.

- 5) Confidentiality. All non-public, confidential, or proprietary information of Company, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, software, code, business operations, customer lists, pricing, discounts or rebates, disclosed by Company to Contractor, whether disclosed orally or disclosed or accessed in written, electronic, or other form or media, and whether or not marked, designated, or otherwise identified as "confidential," in connection with this Agreement is confidential, shall be solely for the use of performing this Agreement and may not be disclosed or copied or used for any other purpose unless authorized by Company in writing. Upon Company's request, Contractor shall promptly return all documents and other materials received from Company. Company shall be entitled to injunctive relief for any actual or threatened violation of this Section 5 without the necessity of proving damages or posting bond or other security.
- 6) Term and Termination. Either Party may terminate this Agreement at any time upon written notice to the other Party; provided that any such termination hereof shall not release the Company's obligation to pay any Fee earned but not yet paid prior to any termination hereof by the Company. The provisions of Sections 4-7 shall survive any termination hereof.
- 7) Miscellaneous.
  - a) All notices, requests, consents, claims, demands, waivers, summons and other legal process, and other similar types of communications hereunder (each, a "Notice") must be in writing and addressed to the relevant Party at the email address set forth on the signature page of this Agreement (or to such other address that may be designated by the receiving Party from time to time in accordance with this Section). Notice will be effective upon receipt.
  - b) This Agreement and all matters arising out of or relating to this Agreement are governed by, and construed in accordance with, the laws of the State of Illinois without regard to the conflict of laws provisions of such State. Any legal suit, action or proceeding arising out of or relating to this Agreement must be instituted in the federal courts of the United States of America or the courts of the State of Illinois, in each case located in the City of Chicago, and each Party irrevocably submits to  
  
the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Service of process, summons, notice or other document by certified mail in accordance with Section 7(a) will be effective service of process for any suit, action, or other proceeding brought in any such court.
  - c) This Agreement, and each of the terms and provisions hereof, may only be amended,



modified, waived, or supplemented by an Agreement in writing signed by each Party.

- d) Contractor shall not assign, transfer, delegate, or subcontract any of its rights or obligations under this Agreement without the prior written consent of Company. Any purported assignment or delegation in violation of this Section shall be null and void. Company may at any time assign, transfer, or subcontract any or all of its rights or obligations under this Agreement without Contractor's prior written consent. This Agreement will inure to the benefit of and be binding upon each of the Parties and each of their respective permitted successors and permitted assigns.
- e) This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together constitutes one and the same Agreement. Delivery of an executed counterpart of this Agreement electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Agreement.
- f) If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
- g) This Agreement constitutes the sole and entire Agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, Agreements, representations, and warranties, both written and oral, with respect to such subject matter.
- h) The Parties do not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns.

\* \* \* \* \*

IN WITNESS WHEREOF, the Parties have executed this Contractor Agreement as of the date first written above.

**Rheaply, Inc.**

By \_\_\_\_\_

Name: Garry Cooper, PhD, CEO/Co-founder

Email Address: garry@rheaply.com

**CONTRACTOR**

By \_\_\_\_\_

Name:

Email Address:

July 7, 2020

Dear Walter Willis,

In connection with your discussions with or examination of materials furnished by or on behalf of Rheaply, Inc. ("Rheaply"), you recognize that certain non-public, confidential or proprietary information (the "Confidential Information", as further defined herein) may be provided to or learned by you.

Confidential Information will mean all information disclosed by or on behalf of Rheaply, including, without limitation, Rheaply's financial information and analyses, fee structure and other pricing information, information related to software, software documentation, code, manuals, trade secrets, security procedures, information concerning business plans or business strategy, presentations, proposals, and any and all other material information about Rheaply's business, whether written or in machine-readable form, or disclosed orally or visually to Receiving Party, as well as all analyses, compilations, studies or other documents prepared by or at the direction of Receiving Party which contain or otherwise reflect such information. Information will be deemed not to be Confidential Information if it (a) is already in your possession, (b) becomes generally available in the public domain other than as a result of a disclosure by you, or (c) is acquired on a non-confidential basis from a third party other than Rheaply or persons known to you (after reasonable inquiry) to be in breach of an obligation of confidentiality to Rheaply.

You agree (a) to use the Confidential Information only in connection with consulting for and/or advising Rheaply (the "Purpose") and not in any way directly or indirectly detrimental to Rheaply (including using the Confidential Information for any competitive purpose), and (b) not to disclose any Confidential Information to any person or entity except (i) to those of your agents who need to know such information in connection with the Purpose (it being understood that such persons will be informed of the confidential nature of the Confidential Information and will agree to be bound by the terms of this letter agreement as if a party hereto), or (ii) with the written consent of Rheaply. You will be responsible for any failure to comply with the terms of this letter agreement by any person or entity to whom you disclose Confidential Information and you will take commercially reasonable measures to

restrain all parties to whom you have disclosed Confidential Information from unauthorized disclosure or use of any Confidential Information.

In the event that you or any person to whom you have disclosed Confidential Information become legally compelled to disclose any of the Confidential Information, you will provide Rheaply with prompt prior written notice of such requirement so that Rheaply may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this letter agreement and, upon Rheaply's request (and expense), you will cooperate to take reasonable steps to assist Rheaply in contesting such requests for disclosure. In the event that such protective order or other remedy is not obtained, or that Rheaply waives compliance with the provisions hereof, you agree to furnish only that portion of the Confidential Information which you are advised by counsel is legally required and to exercise commercially reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

All Confidential Information, and any Derivatives (defined below) thereof, whether created by Rheaply or Receiving Party, will be the property of Rheaply and no license or other rights to Confidential Information or Derivatives is granted or implied hereby. For purposes of this letter agreement, "Derivatives" will mean: (a) for copyrightable or copyrighted material, any translation, abridgment, revision or other form in which existing Confidential Information may be recast, transformed or adapted; (b) for patentable or patented Confidential Information, any improvement thereon; and (c) for Confidential Information protected by trade secret, any new material derived from such existing trade secret Confidential Information. Receiving Party hereby does and will assign to Rheaply all of Receiving Party's rights, title in interest and interest in and to the Derivatives.

You agree that Rheaply, in addition to any other remedies available to Rheaply, will be entitled to equitable relief, including injunction, in the event of your breach (either actual or threatened) of this letter agreement (without necessity of posting any bond or other security or proving special damages) and that you will not oppose the granting of such relief.

Receiving Party may only make such copies of written, recorded, or machine-readable Confidential Information as are reasonable in light of the Purpose. All such Confidential Information, and all copies thereof, will be held under the terms and provisions of this letter agreement. Receiving Party agrees that, upon Rheaply's written request, Receiving Party will promptly (and in no event later than 14 days



thereafter) destroy or return to Rheaply all Confidential Information; provided, that Receiving Party may retain, in a secure location, a copy of such documents and records for purposes of defending any legal proceeding or as is required to be maintained in order to satisfy any law, rule, or regulation to which Receiving Party is subject. Any destruction of materials will be confirmed by the Receiving Party to Rheaply in writing. Notwithstanding the return of any Confidential Information, Receiving Party will continue to hold in confidence all Confidential Information not returned or destroyed, including, without limitation, any oral Confidential Information.

No failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. This letter agreement may be enforced directly by Rheaply, and will be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

\* \* \*

NDA – Rheaply, Inc.

Very truly yours,

Rheaply, Inc.

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

Name: Garr Punnett

Title: Chief of Staff & Sustainability

Agreed and Accepted:

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

Name:

Title:

NDA – Rheaply,  
Inc.