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## Bigger haul

**Family-owned North Bay expanding Santa Rosa operation, taking over from trash giant Waste Management Inc.**



Jim Salyers is vice president of North Bay Corp., gearing up to take over Waste Management Inc.'s waste-hauling business in Sonoma and Marin counties. Here he's seen in the recycling area of his Santa Rosa plant. JEFF KAN LEE / The Press Democrat

By STEVE HART

THE PRESS DEMOCRAT

North Bay Corp. will strengthen its grip on Sonoma County's garbage business this fall when it takes over the local routes of Waste Management Inc., the nation's largest trash hauler.

Family-owned North Bay is expanding its Santa Rosa operation to serve 42,000 new customers -- acquiring land, buildings, trucks, containers and other equipment.

It's getting help from a state agency that recently approved \$42.6 million in tax-exempt financing for North Bay's growth.

The company is seeking formal permission from four cities -- Healdsburg, Sebastopol, Cotati and Cloverdale, to assume Waste Management's franchises there.

North Bay must also get approval from Sonoma County to take over Waste Management's contracts for a large swath of unincorporated territory.

"When we get everything approved, we'll be ready to hit the ground running," said North Bay Vice President Jim Salyers.

The changeover is targeted for Nov. 1, he said.

Meanwhile, the company is moving ahead with plans to develop a massive landfill on an Indian reservation in Colusa County, about 140 miles from Santa Rosa.

North Bay, controlled by waste industry veteran James Ratto, has been on a growth track since winning Windsor's trash hauling and recycling franchise in 1997.

Windsor was the first Sonoma County city to require competitive bidding for garbage service, a move aimed at reducing rates for residential and commercial customers. North Bay beat out Waste Management for Windsor's contract and went on to win franchises in Santa Rosa and Rohnert Park.

By 2006, Houston-based Waste Management had lost its exclusive contracts in the county's four largest cities.

In May, Waste Management announced it would sell the rest of its Sonoma County franchises to North Bay because they weren't

generating enough revenue. The value of the deal wasn't disclosed.

Waste Management is working with North Bay, the four cities and the county to get the transfers approved, said Dean Kattler, WMI's Bay Area marketing manager.

When the deal is complete, North Bay will serve about 114,000 commercial and residential customers in all of Sonoma County's cities except Petaluma and Sonoma, along with most of its unincorporated areas. The deal also includes three small communities in coastal Marin County.

Rates and contract terms for the new customers won't change, according to North Bay and Waste Management. North Bay plans to use Waste Management drivers and some of its equipment, Salyers said.

"People won't even notice there has been a transition," he said.

North Bay is part of The Ratto Group, 18 businesses that provide trash collection, recycling and related services in Sonoma, Marin, Mendocino, Lake and Mariposa counties.

James Ratto, an Italian immigrant who began hauling trash in San Francisco in 1956, founded Redwood Empire Disposal in Santa Rosa in 1969.

The business began acquiring other companies and became part of Empire Waste Management, which was sold to publicly-traded Waste Management Inc. in 1986.

Ratto retired before the sale, but he later decided to get back in the business, buying an interest in a Novato-based hauler. The Ratto Group grew steadily and now has about 350 employees.

When the deal with Waste Management is complete, North Bay will change its name to Redwood Empire Disposal.

Earlier this year, the California Pollution Control Financing Authority approved the sale of \$42.6 million in tax-exempt bonds to pay for North Bay's expansion.

The money will be repaid from company revenues. About \$5 million would buy two pieces of land near North Bay's Standish Avenue hub in southwest Santa Rosa for truck maintenance, container storage and offices.

The parcels, each about 2.4 acres, are currently owned by Predawn Investments, a Ratto company controlled by James Ratto's sons Steve and Louis. The bonds also will pay for buildings, structural improvements, trucks and containers.

About \$23 million will buy new vehicles, including low-emission, split-body trucks that collect garbage and recyclables in the same run.

The bond package helps the company keep rates down while reducing impact on the environment, according to the financing authority.

Earlier this year, North Bay partnered with a Canadian firm to develop a new landfill on the Cortina Indian reservation in Colusa County. The landfill, which would hold 12 to 15 million tons of solid waste, isn't related to North Bay's expansion in Sonoma County, Salyers said.

"It's a standalone investment," he said. "We haven't begun looking for a waste stream for that landfill."

Meanwhile, Colusa County leaders and a local citizens group are asking federal authorities to withhold final approval for the project until there's more study of the impacts on water, air quality and traffic.

"We'd like the Environmental Protection Agency to look at all the impacts of this project," said Colleen Ferrini, a local rancher and spokeswoman for Colusa County Citizens for Safe Water.

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