

**SOLID WASTE COLLECTION FRANCHISE AGREEMENT  
FOR AREAS OF HUMBOLDT COUNTY (GARBERVILLE)**

This Solid Waste Collection Franchise Agreement for Areas of Humboldt County (Garberville) (this "Agreement") is made and entered into as of April 20, 2011, by and between the County of Humboldt ("COUNTY"), and Recology Humboldt County, a California corporation ("CONTRACTOR").

**Section 1. Grant of Agreement.**

- A. Area Covered.** This Agreement shall pertain to that area of the unincorporated territory of the County of Humboldt which is more specifically described as follows (the "Franchise Area"):

The territory bounded on the south by the County lines of Humboldt and Mendocino Counties, on the North by the township line between Township 2 South, Range 3 East, and Township 3 South, Range 3 East, Humboldt Base and Meridian, on the East by a line one mile East of and parallel to the old U.S. Highway 101 and U.S. Highway 254, and on the West by a line two miles West of and parallel to old Highway 101 and U.S. Highway 254. Also, the remaining portions of Section 34, Township 4 South, Range 3 East, and the South half of the Southwest quarter of Section 35, Township 2 South, Range 3 East.

- 1. Exceptions.** The franchise granted to CONTRACTOR by this Agreement shall not apply to any of the following:
- a. Any State or Federal lands, State or Federally owned or operated facilities and any areas within an incorporated city, or within Indian Tribal lands;
  - b. School districts, or special districts having the power to regulate solid waste collection;

Upon mutual agreement of the parties, territory can be added to the Franchise Area or this Franchise may be merged with other another adjoining franchise.

**B. Services Covered.**

- 1. Exclusive Franchise for Franchise Solid Waste.** Subject to Section A(1), there shall be granted to CONTRACTOR, upon the terms and conditions hereinafter specified, an exclusive franchise for the collection and transportation, and removal to solid waste processing and/or disposal facilities, of all Franchise Solid Waste generated at all residential and commercial premises or otherwise in the Franchise Area.

- a. **Enforcement.** COUNTY shall have no obligation to monitor compliance with the exclusivity provision of this Agreement by third parties. If CONTRACTOR provides evidence to COUNTY that a third party is violating the exclusivity provision of this Agreement or the provisions of the Humboldt County Code relating to solid waste or recycling (including without limitation Section 521-5(c)(3), prohibiting unauthorized removal of source-separated materials from designated collection locations), then COUNTY shall use its best efforts to take appropriate enforcement action against such third party, and shall cooperate in good faith with any legal action brought by CONTRACTOR relating to such violations.
2. **Non-exclusive Franchise for Recycling.** There shall be additionally granted to CONTRACTOR, upon the terms and conditions hereinafter specified, a nonexclusive franchise for the collection and transportation, and removal to processing facilities, of all Recyclables generated at all residential and commercial premises or otherwise in the Franchise Area.

As used in this Agreement, "residential" premises includes all single family dwellings, multi-family dwellings (four (4) units or less) and mobile home parks, and "commercial" premises includes all commercial, industrial and COUNTY premises or facilities, as well as multi-family dwellings with five (5) or more units.

## **Section 2. Term of Franchise.**

Unless earlier terminated pursuant to this Agreement, the term of this Agreement shall begin on July 1, 2011 (the "Commencement Date") and terminate on December 31, 2020. The term may be further extended until December 31, 2025, by mutual agreement, provided that COUNTY determines that CONTRACTOR is providing service consistent with all requirements of this Agreement and all amendments hereto.

## **Section 3. Definitions.**

The definition of "solid waste" and all other definitions not otherwise defined in this document shall be as defined in Section 521-3, Chapter I of Division 2 of Title V of the Humboldt County Code, in Article 4 of Chapter 3 of Division 7 of Title 14 of the California Code of Regulations, or in the Public Resources Code. As used herein, the following terms shall have the following meanings:

- A. "Base Cost" means the sum of the dollar values of the labor, fuel, Other, N.O.S and Disposal Fee components as set forth on Exhibit A (attached hereto and incorporated by reference herein), as adjusted from time to time.

- B. "Disposal Fee" means the fee payable by CONTRACTOR for disposal of solid waste at the Designated Disposal Facility.
- C. "Franchise Solid Waste" means: All putrescible and non-putrescible solid, semisolid and liquid waste, including, without limitation: (1) garbage, trash, refuse, paper, rubbish and ashes; (2) industrial wastes and demolition and construction wastes; (3) discarded home and industrial appliances; (4) dewatered, treated or chemically fixed sewage sludge which is not hazardous waste; (5) kitchen and table food waste, and animal, vegetable, fruit, grain, dairy, and fish waste that attends or results from the storage, preparation, cooking or handling of foodstuffs (collectively, "Food Waste"); (6) Green Waste (as defined below); and (7) discarded materials that if source-separated would be Recyclables; and excluding: (i) hazardous, low-level radioactive, electronic or medical waste; (ii) abandoned vehicles and parts thereof; (iii) manure, vegetable or animal solid and semisolid wastes (other than Food Waste or Green Waste); and (iv) household hazardous waste and other materials that by their nature cannot be legally transported to and disposed of in a Class III landfill. The foregoing notwithstanding, Franchise Solid Waste will also include incidental amounts of residential customer-generated demolition and construction wastes, pet waste and non-hazardous vehicle maintenance items, to the extent that they can be placed into the customer's collection can.
- D. "Green Waste" means tree trimmings, grass cuttings, dead plants, leaves, branches and dead trees (not more than 12 inches in diameter).
- E. "Gross Receipts" with respect to a particular period means the amount actually received by CONTRACTOR from residential, commercial and debris box customers during such period from billings for services provided under this Agreement.
- F. "Rate Year" means the period from July 1 of each year to June 30 of the following year.
- G. "Recyclables" means materials (a) which can be reused or composted or which can be processed into a form suitable for reuse through reprocessing or re-manufacture consistent with the requirements of the California Integrated Waste Management Act; and (b) which are separated by a customer from its Franchise Solid Waste or solid waste for recycling, reuse or composting.
- H. "Reference Date" means the date CONTRACTOR signed this Agreement as set forth on the signature page hereof.
- I. "Targeted Recyclables" means newspaper, aluminum cans, steel cans, glass containers, PET plastic, HDPE plastic, corrugated cardboard, magazines, and other/mixed paper and any other materials mutually agreed to be

Targeted Recyclables by Franchise Contract Administrator and CONTRACTOR.

- J. "Transition Date" means August 1, 2011, or, if later, the date 90 days after the date this Agreement is executed and delivered by both parties.

#### **Section 4. Records/ Reporting.**

##### **A. Record Keeping.**

1. **General.** In order to administer this Agreement, it is necessary for CONTRACTOR to maintain materially accurate and detailed financial and operational information in a consistent format and to make such information available to COUNTY in a timely fashion. CONTRACTOR shall maintain records reasonably required to conduct its operations, to support requests it may make to COUNTY, and to respond to requests from COUNTY in the conduct of COUNTY's business as may be relevant to the parties rights and duties under this Agreement. Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as fire, theft and earthquake. Electronically maintained data/records shall be protected and backed up. All records required to be maintained under the Agreement shall be maintained for five (5) years after the expiration of this Agreement.
2. **Inspection of Records.** COUNTY, and/or agents selected by COUNTY, shall upon three business days notice to CONTRACTOR, have the right, during regular business hours, to conduct on-site inspections of the records of CONTRACTOR required expressly or by inference pursuant to this Agreement, or any other similar records or reports of CONTRACTOR or any subcontractors providing service under this Agreement, and to make copies of any documents, all as may be relevant to this Agreement.
3. **Solid Waste Records.** CONTRACTOR shall keep records relating to the following information as it pertains to CONTRACTOR's activities under this Agreement:
  - a. Information required to be reported quarterly by CONTRACTOR pursuant to Section 4.B(2);
  - b. Complaint log required to be maintained by CONTRACTOR pursuant to Section 5.B(ii)(d);
  - c. CERCLA defense records required to be maintained by CONTRACTOR pursuant to Section 4.A(4);

- d. Accounting records required to be maintained by CONTRACTOR pursuant to Section 4.A(5);
  - e. Subscriber names, addresses and type of service subscribed for;
  - f. Routes for collection under this Agreement;
  - g. CONTRACTOR's facilities, equipment (including maintenance and repair) and personnel used in performing services under this Agreement;
  - h. Processing and disposal of solid waste, if performed by CONTRACTOR;
  - i. Types and quantities of hazardous waste inadvertently collected but diverted from landfilling, if performed by CONTRACTOR.
4. **CERCLA Defense Records.** COUNTY views the ability to defend against Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and related litigation as a matter of great importance. For this reason, COUNTY regards the ability to prove where solid waste collected in the Franchise Area was taken for transfer or disposal, as well as where it was not taken, to be matters of concern. CONTRACTOR shall maintain data retention and preservation systems which can establish where solid waste collected in the Franchise Area was disposed of, if other than the Designated Disposal Facility (and therefore establish where it was not landfilled). This provision shall survive the expiration of the period during which collection services are to be provided under this Agreement. At the termination of this Agreement, CONTRACTOR shall turn copies of these records over to COUNTY. CONTRACTOR shall provide these records to COUNTY in all organized and indexed manner rather than destroying or disposing of them.
5. **Accounting Records.** CONTRACTOR shall maintain materially accurate and complete accounting records containing the underlying financial and operating data relating to, and showing the basis for allocation and computation of, all costs associated with the services provided for under this Agreement. The accounting records shall be maintained using Generally Accepted Accounting Principles (GAAP) consistently applied.
6. **Confidential or Proprietary Information.** COUNTY agrees to protect the confidentiality of any and all information which is either (i) contained in any report or communication by CONTRACTOR to COUNTY that is marked or otherwise designated as confidential and/or proprietary in nature, or (ii) obtained by COUNTY or its agents pursuant to Sections 4.A(2), 4.B(2)(g) or 14.D, unless in each case disclosure is authorized

by CONTRACTOR or required by law. If COUNTY receives a request for disclosure of such information under applicable public records disclosure laws, COUNTY shall promptly notify CONTRACTOR in writing of such request prior to any disclosure of such information by COUNTY, and CONTRACTOR shall respond within 5 days of receiving COUNTY's notice whether the requested information should be disclosed or defended as exempt from disclosure under such laws. CONTRACTOR shall have the right to mount such defense at its own cost, and if it does so, COUNTY shall not disclose such information until the matter has been decided by a court of competent jurisdiction. COUNTY shall have no obligation to defend any suit seeking disclosure, but COUNTY agrees to cooperate with CONTRACTOR if the latter seeks to mount a defense at its own cost; and in such case, COUNTY agrees not to disclose such information except in accord with a judgment or order of the court or an agreement of the parties. Any reasonable costs incurred by COUNTY in connection with such suit shall be borne by CONTRACTOR, unless COUNTY chooses to mount its own defense, independent of CONTRACTOR.

**B. Reporting.**

1. **General.** Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. The reports provided for in Section 4.B(2) below are intended to compile recorded data into useful forms of information that can be used to, among other things:
  - a. Determine the number of subscribers to each service by service level, and the total revenues generated.
  - b. Determine the total quantity of material collected, transferred, recycled, processed and/or disposed through each program and service, by material type.
  - c. Evaluate past and expected progress towards achieving the COUNTY's diversion goals and objectives.
  - d. Determine needs for adjustment to programs; and, evaluate service recipient service and complaints.
  - e. Prepare AB 939 Annual Reports and any and all other State required solid waste reports.

CONTRACTOR may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by the Franchise Contract Administrator. CONTRACTOR will provide a certification statement, under penalty of perjury, by the responsible CONTRACTOR official, that the report being

submitted is true and correct to the best knowledge of such official after their reasonable inquiry.

**2. Quarterly and Annual Reports.** CONTRACTOR shall submit to the Franchise Contract Administrator quarterly written reports, which contain the information set forth below. Debris box reported tonnage shall be the actual tonnage rather than estimated tonnage. CONTRACTOR shall likewise submit an Annual Report which compiles the information set forth below on a monthly or quarterly basis (as requested by COUNTY before the end of the applicable reporting period). CONTRACTOR shall submit the Annual Report to the Franchise Contract Administrator by February 15 for the prior calendar year. Reports are to include the following information as to CONTRACTOR's operations in the Franchise Area, at a minimum:

- a. Number of subscribers by type of service (i.e., residential, commercial, or debris box), frequency of service, and container size, as of the last day of the preceding quarter;
- b. Gross Receipts during the preceding quarter by type of service (i.e., residential, commercial, or debris box);
- c. With respect to material collected by CONTRACTOR in COUNTY in the preceding quarter (under this Agreement and under any other agreement between CONTRACTOR and COUNTY, combined), (i) the total number of tons of non-debris box Franchise Solid Waste collected and delivered to the Designated Disposal Facility for disposal, (ii) the total number of tons of debris box Franchise Solid Waste collected and delivered to the Designated Disposal Facility for disposal, and (iii) the total number of tons of Targeted Recyclables collected and delivered to the Designated Recycling Facility for processing.
- d. Number of non-collection tags issued to customers in accordance with Section 5.B(ii)(c) or Section 12.C(2), summarized by reason for issuance);
- e. Summary of service complaints received during the preceding quarter based on the complaint log required to be kept in accordance with Section 5.B(ii)(d).
- f. Dates during the preceding quarter (if any) on which CONTRACTOR provided hazardous waste training to employees pursuant to Section 12.C(1).
- g. Two copies (one to the Franchise Contract Administrator, one to COUNTY's Risk Management Division, 825 5th Street, Room 131,

Eureka, California 95501 of all reports, pleadings, applications, notifications, notices of violation, communications or other material, materially relating specifically to CONTRACTOR's performance of services pursuant to this Agreement and adverse to CONTRACTOR, submitted by CONTRACTOR to, or received by CONTRACTOR from, the United States or California Environmental Protection Agency, the California Integrated Waste Management Board (now CalRecycle) the Securities and Exchange Commission or any other federal, state or local agencies, including any federal or state court. Copies shall be submitted to COUNTY simultaneously with CONTRACTOR's filing or submission of such matters with said agencies. CONTRACTOR's routine correspondence with said agencies need not be routinely submitted to COUNTY, but shall be made available to COUNTY promptly upon COUNTY's written request.

- h. Certification by a responsible official of CONTRACTOR, under penalty of perjury, that the information contained in the report being submitted is true and correct to the best knowledge of such official after his or her reasonable inquiry.
- i. For each quarterly report for the quarter ended March 31, a declaration by a responsible official of CONTRACTOR, under penalty of perjury, stating the amount of Gross Receipts during the preceding calendar year.
- j. Narrative summary of problems encountered (including scavenging) and actions taken with recommendations for COUNTY, as CONTRACTOR deems appropriate.
- k. The address of each terminal within the County of Humboldt that houses collection vehicles.

Quarterly reports are due May 15 for the quarter ended March 31; August 15 for the quarter ended June 30; November 15 for the quarter ended September 30; and February 15 for the quarter ended December 31.

At COUNTY's request, CONTRACTOR agrees to submit quarterly reports in electronic format (e.g., Word and Excel files) using the computer software then in use by CONTRACTOR.

In addition to the information listed above, CONTRACTOR shall submit such additional information as may be required by COUNTY's forms of annual and quarterly report attached hereto as Exhibit B (except that (a) in reporting receipts on such reports, CONTRACTOR shall not be required to report any information not required by Section 4.B(2)(b), and

(b) in reporting tonnages collected on such reports, CONTRACTOR may combine tonnages collected under this Agreement and under any other agreement between CONTRACTOR and COUNTY, as provided in Section 4.B(2)(c)).

3. **Additional Information.** Upon written request by the Franchise Contract Administrator, CONTRACTOR shall provide COUNTY with such additional information relating to CONTRACTOR's operations under this Agreement as COUNTY may reasonably request in order to comply with COUNTY's reporting obligations under the California Integrated Waste Management Act and similar laws relating to solid waste collection, provided that such information can be collected by CONTRACTOR at no additional cost and without modification to CONTRACTOR's routes or other aspects of CONTRACTOR's operations.

## **Section 5. Service Obligations of Contractor.**

### **A. Description of Services.**

#### **1. Franchise Solid Waste.**

- a. **Frequency.** CONTRACTOR shall offer curbside collection of Franchise Solid Waste to all residential customers on a weekly basis. CONTRACTOR shall offer collection of Franchise Solid Waste from commercial customers at the frequency agreed with each such customer. The range of possible service frequencies for commercial customers is set forth on Exhibit A.
- b. **Containers.** CONTRACTOR shall not be required to provide customers with containers for Franchise Solid Waste, except that CONTRACTOR will provide 96-gallon carts to residential customers receiving semi-automated service.

#### **2. Targeted Recyclables.**

- a. **Frequency.** Effective as of the Transition Date, CONTRACTOR shall offer curbside collection of Targeted Recyclables to all residential customers who subscribe for solid waste service. Such collection shall occur every week, or on an alternative regular schedule mutually agreed by the Franchise Contract Administrator and CONTRACTOR.
- b. **Containers.** Effective as of the Transition Date, CONTRACTOR shall provide residential customers who subscribe for recycling service with a container or containers into which such customers may place single-stream Targeted Recyclables.

All Franchise Solid Waste and Targeted Recyclables collection services provided by CONTRACTOR shall be by subscription at rates established by CONTRACTOR not exceeding the applicable Maximum Service Rates set forth on Exhibit A.

3. **County Bin Service.** CONTRACTOR shall provide COUNTY at no additional cost with up to four (4) rentals per Rate Year of 20-cubic-yard bins, to be used in the Franchise Area. This service shall include the rental cost of each bin for a period of two (2) days, delivery and pickup of the bins, and disposal of the waste placed in the bins (which shall also be at no additional cost to COUNTY). COUNTY shall provide at least one week's notice to CONTRACTOR regarding the need for, and delivery location of, such bins. Unused rentals may not be carried forward to a subsequent Rate Year.

**B. Standards.**

1. **General.** CONTRACTOR is responsible for making its own examination, investigation, and research regarding the proper method of doing the work and all conditions affecting the work to be done and the labor, equipment and the materials needed for the work before entering into this Agreement. CONTRACTOR acknowledges that the Franchise Contract Administrator may wish to conduct Franchise Solid Waste and Recyclables generation and disposal characterization studies periodically, consistent with past practice, at COUNTY's cost. CONTRACTOR agrees to participate and fully cooperate with the Franchise Contract Administrator and its agents in such studies.
2. **Customer Relations.**
  - a. **Providing Information to Customers.** CONTRACTOR shall provide to each new customer, within 30 days after such customer subscribes for service, an information packet which contains the rates charged for different size containers, and contact information for entities which provide source reduction, recycling and hazardous waste disposal opportunities available to the customer. This information shall also be provided to all CONTRACTOR's existing customers within 30 days after the effective date of each annual Maximum Service Rate adjustment (but not more than once per calendar year). Such information shall ordinarily be provided as part of the regular billing cycle to customers. Upon request by COUNTY, CONTRACTOR shall provide a copy of the information packet to the Franchise Contract Administrator within 30 days of such request.
  - b. **Delinquent Accounts.** CONTRACTOR shall not ordinarily require a deposit in order to establish a new customer account. However,

in the event of a delinquency in customer payment to CONTRACTOR which exceeds sixty (60) days, CONTRACTOR shall be entitled to discontinue service to such customer, to take possession of any containers in such customer's possession, and to satisfy any amounts due from such customer from any deposit previously made by such customer. If a previously delinquent customer wishes to restore service or subscribe for new service, CONTRACTOR shall be entitled to require a deposit in advance equal to three months of service, and repayment of any amounts due, as a condition of providing services to such customer. For occasional services, such as debris box rental, a deposit may be required in any amount deemed appropriate by CONTRACTOR, up to a maximum of full payment in advance. After a customer's first delinquency, CONTRACTOR may also add a reinstatement fee in the amount set forth on Exhibit A to cover the cost of restoring service to such customer.

- c. **Non-Collection.** CONTRACTOR shall have the right not to collect Solid Waste or Recyclables from any container set out by a customer for any of the following reasons: (i) setout not in compliance with the Humboldt County Code or Section 6 (i.e., overweight container, container lid not shut, container not placed at curb); (ii) CONTRACTOR reasonably believes that the container contains hazardous materials; (iii) CONTRACTOR reasonably believes that a solid waste container contains 10% or more of materials not comprising Franchise Solid Waste; (iv) CONTRACTOR reasonably believes that a recyclables container contains 5% or more of materials not comprising Targeted Recyclables; or (v) non-payment by the customer. When Solid Waste or Recyclables are not collected from any customer, CONTRACTOR shall notify the customer by attaching tags approved by the Franchise Contract Administrator to the waste or container not collected which clearly identify the reasons for such non-collection and the additional charge payable by the customer for CONTRACTOR to return within 24 hours and pick up a properly set-out, uncontaminated load. The preceding sentence shall not apply when CONTRACTOR is unable to locate or have truck access to the customer's container or service has been discontinued due to non-payment. If Solid Waste or Recyclables are not collected from a customer because CONTRACTOR reasonably believes that the container contains hazardous materials, then, in addition to the tag referred to above, CONTRACTOR shall provide the customer with the information required by Section 12.C(2).
- d. **Complaint Log.** All customer complaints shall be directed to CONTRACTOR. CONTRACTOR shall record all complaints

received by mail, by telephone, electronically, or in person (including date, name, address of complainant and nature of complaint). CONTRACTOR agrees to use its best efforts to resolve all complaints by the close of business of the second business day following the date on which such complaint is received. Unless the matter is resolved to the satisfaction of the complainant, CONTRACTOR shall refer the complaint to COUNTY for review by the Franchise Contract Administrator. COUNTY shall determine if the customer's complaint is justified, and if so, what remedy, if any, shall be imposed. The remedy available to the customer under this section shall be limited to a rebate of customer charges related to the period of breach of any of the terms of this Agreement. A "complaint" shall not be deemed to have occurred if CONTRACTOR does not collect Solid Waste or Recyclables for any reason set forth in the preceding subsection (c) and leaves any non-collection notice required by such subsection.

3. **Bag Service.** CONTRACTOR shall also offer to customers who require waste collection services only occasionally the option of purchasing trash bags from CONTRACTOR at a rate not exceeding the "Occasional 30 Gal." Maximum Service Rate set forth on Exhibit A (which rate includes prepayment of the cost of collecting such bags). Subject to Section 5.B(ii)(c), CONTRACTOR shall collect such bags from the curbside on regular collection days, provided that the customer notifies CONTRACTOR at least 72 hours in advance that the bag will be setout. The service will be permitted as long as health and safety requirements are satisfied, or until collection services become fully automated.
4. **Hours of Operation/Noise.** CONTRACTOR agrees that, in order to protect the peace and quiet of residents, it shall not begin collection in residential areas before 5:00 a.m. or continue after 7:00 p.m., except as such collection activities are approved in advance by the Franchise Contract Administrator or in case of emergency. In addition, CONTRACTOR shall exercise care while loading, unloading, or operating its equipment, such that the noise level will not exceed 75 dBA at 50 feet. If COUNTY determines that traffic or noise conditions are creating a nuisance, COUNTY may direct CONTRACTOR to make reasonable adjustments to its hours of operation in order to reduce such nuisance.
  - a. **Hazardous Road Conditions.** When hazardous road conditions are present due to snow, ice, slides, or other reasons, CONTRACTOR may, with approval of the Franchise Contract Administrator (which approval shall not be unreasonably withheld), suspend collection in those areas affected.

- b. **Clean-Up of Spills.** CONTRACTOR shall be responsible for the cleaning of all earth, solid waste, or other materials spilled or tracked on any road, street, alley or public place by its personnel or equipment. If CONTRACTOR fails to clean the same within four hours of being notified by the Franchise Contract Administrator, the Franchise Contract Administrator may cause such roads, streets, alleys or public places to be cleaned and bill CONTRACTOR for the reasonable cost of such cleanup. With respect to spillage or tracking of hydraulic fluid, motor oil, or similar fluids, "cleaning" as used in this paragraph means application of absorbents to mitigate the effects of the spill, and does not include removing any stain that may remain after such absorbents have been applied.

#### **Section 6. Obligations of Customers.**

- A. **Compliance with Code; Container Location.** CONTRACTOR shall not be required to collect containers that have been set out in violation of the Humboldt County Code. CONTRACTOR shall not be required to collect containers that have not been placed by customers in a convenient, accessible location for removal within five feet (5') of, and visible from, the public roadway. In rural areas, CONTRACTOR shall not be required to travel upon private driveways to collect Franchise Solid Waste or Targeted Recyclables.
- B. **Shut Containers; Weight Limits.** CONTRACTOR shall not be required to collect Franchise Solid Waste or Targeted Recyclables that have not been placed in properly shut containers (i.e. with the container lid fully closed). CONTRACTOR shall not be required to collect containers that have been improperly locked, such that they cannot be opened by CONTRACTOR. CONTRACTOR shall not be required to collect customer-provided containers which exceed a laden weight (i.e. cart and contents combined) of fifty (50) pounds.

#### **Section 7. Insurance/Bonds.**

- A. **Insurance Requirement.** Without limiting CONTRACTOR's indemnification provided herein, CONTRACTOR shall and shall require any of its subcontractors to take out and maintain, throughout the period of this Agreement, the following policies of insurance placed with insurers with a current A.M. Best rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of CONTRACTOR, its agents, employees or subcontractors:
  - 1. **Liability.** Comprehensive or Commercial General Liability insurance at least as broad as Insurance Services Office Commercial General

Liability coverage (occurrence form CG 0001), in all amount of \$3,000,000 per occurrence. If a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate shall be \$5,000,000. Said policy shall contain, or be endorsed with, the following provisions:

- a. COUNTY, its officers, employees and agents, are covered as additional insured for liability arising out of the operations performed by or on behalf of CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its officers, agents, and employees.
  - b. The policy shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of the premium) to COUNTY.
  - c. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
  - d. For claims related to this Agreement, CONTRACTOR's insurance is primary coverage to COUNTY, and any insurance or self-insurance programs maintained by COUNTY are excess to CONTRACTOR's insurance and will not be called upon to contribute with it, except in the case of negligence or willful misconduct on the part of COUNTY, its officers, employees and agents.
  - e. Any failure to comply with reporting or other provisions of the parties, including breach of warranties, shall not affect coverage provided to COUNTY, its officers, employees, and agents.
2. **Automobile Insurance.** Automobile liability insurance with coverage at least as broad as Insurance Services Office, form CA 0001 06092, Code 1 (any auto) for vehicles used in the performance of this Agreement with minimum coverage of not less than \$1,000,000 per accident combined single limit (ACSL). Such policy shall contain or be endorsed with the provision that coverage shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of premium) to COUNTY.
  3. **Worker's Compensation.** Workers' Compensation insurance meeting statutory limits of the California Labor Code which policy shall contain or be endorsed to contain a waiver of subrogation against COUNTY, its

officers, agents, and employees (except in the case of negligence or willful misconduct on the part of COUNTY, its officers, employees and agents) and provide for thirty (30) days prior written notice in the event of cancellation.

- 4. Environmental Liability.** Environmental Impairment Liability coverage appropriate for the hazardous materials/waste activity contemplated in the Agreement; specifically, Sudden and Accidental Upset Pollution Liability. One million dollars (\$1,000,000) per claim; and two million dollars (\$2,000,000) annual aggregate. The effective date is to be no later than the Commencement Date. Such policy shall contain or be endorsed with the provision that coverage shall not be canceled or materially reduced in coverage without thirty (30) days prior written notice (10 days for non-payment of premium) to COUNTY.
- B. Endorsements.** CONTRACTOR shall furnish COUNTY with certificates and original endorsements affecting the required coverage prior to execution of this Agreement by COUNTY. CONTRACTOR's self-insured retentions for auto liability, general liability, and worker's compensation shall be disclosed to COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and CONTRACTOR agrees to pay the cost of said insurance.
- C. Condition of Execution of Document.** THIS AGREEMENT SHALL NOT BE EXECUTED BY COUNTY, and CONTRACTOR is not entitled to any rights, unless certificates of insurances, or other sufficient proof that the preceding provisions have been complied with, has been filed with the Clerk of the Humboldt County Board of Supervisors.
- D. Performance Bond.** CONTRACTOR shall post a fifty thousand dollar (\$50,000.00) bond or cash deposit to secure and guarantee the faithful performance of all the terms and conditions of this agreement by CONTRACTOR. Evidence of such bond shall be provided to COUNTY as of the Commencement Date.

## **Section 8. Indemnification.**

- A. General Indemnification.** CONTRACTOR shall indemnify, defend and hold harmless, at CONTRACTOR's sole cost, COUNTY, its officers, employees and agents (collectively, "Indemnitees"), from and against any and all loss, liability, penalty, forfeiture, claim, demand, action, proceeding or suit, of any and every kind and description, whether judicial, quasi-judicial or administrative in nature, including, but not limited to, claims relating to the injury to or death of any person and/or damage to property or for contribution or indemnity claimed by third parties (collectively, "Claims"), in each case to the extent such Claims arise from or are attributable to CONTRACTOR's

failure to perform its obligations under this Agreement, CONTRACTOR's failure to comply with applicable laws in the performance of this Agreement, CONTRACTOR's breach of its representations and warranties in this Agreement, or CONTRACTOR's negligence or willful misconduct. The foregoing shall also apply if the Claim is caused by the joint negligence of Indemnitees and CONTRACTOR, but only to the extent of CONTRACTOR's negligence. This indemnification will not extend to Claims to the extent they are caused by the sole negligence or intentional misconduct or omission of Indemnitees.

**B. Hazardous Substance Indemnification.** CONTRACTOR shall indemnify, defend with counsel approved by COUNTY, protect and hold harmless Indemnitees from and against all claims, damages (including but not limited to special, consequential, natural resources and punitive damages), injuries, costs (including without limit any and all response, remediation and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including without limit attorneys' expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, Indemnitees (collectively, "Damages") arising from or attributable to 1) any Hazardous Substance or Hazardous Waste released or spilled by CONTRACTOR or its agents (or caused by CONTRACTOR or its agents to be released or spilled) into the environment in connection with CONTRACTOR's performance of this Agreement or 2) attributable to any repair, clean-up or detoxification or preparation and implementation of the removal, remediation, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Substance or Hazardous Waste released or spilled by CONTRACTOR into the environment in connection with CONTRACTOR's performance of this Agreement. This indemnity afforded Indemnitees shall only be limited to exclude Damages arising from or attributable to the intentional wrongful acts or negligence of Indemnitees and Damages arising from or attributable to inadvertent collection by CONTRACTOR of materials which do not conform to the descriptions of Franchise Solid Waste or Targeted Recyclables under this Agreement, and as provided below. The foregoing indemnity is intended to operate as an agreement in recognition of Section 107(e) of the Comprehensive Environmental Response, Compensation and Liability Act, CERCLA, 42 USC 9607(e) and California Health and Safety Code 25364, to defend, protect, hold harmless, and indemnify COUNTY from liability. This provision is in addition to all other provisions in this Agreement and is intended to survive the end of the Term of this Agreement. Nothing in this paragraph shall prevent CONTRACTOR from seeking indemnification or contribution from persons or entities other than Indemnitees.

## **Section 9. Penalties/ Remedies for Breach.**

In addition to any other remedies available pursuant to this Agreement or at law or equity, the CONTRACTOR shall be subject to the following penalties, as liquidated damages for violation of the terms and conditions of this Agreement, provided, however, that if CONTRACTOR pays a fine under the Humboldt County Code with respect to a particular violation, then CONTRACTOR shall not be liable for liquidated damages under this Section 9 with respect to the same violation.

### **A. Reporting and Record Keeping Violations.**

1. For each failure to provide reports or documentation, as required by Section 4.B(2) of this Agreement, by the date due, CONTRACTOR shall pay to COUNTY the sum of fifty dollars (\$50.00) per day for each day's delay in reporting, beginning on the fifteenth (15th) day following the due date, and one hundred dollars (\$100.00) per day for each day's delay beginning on the 30th day following the due date, provided, however, that the COUNTY may not impose a fine in excess of one thousand dollars (\$1,000) without having given notice of a failure to provide reports or documentation.
2. For each failure to provide COUNTY access to records, in accordance with Section 4.A.2 of this Agreement, within three business days of the COUNTY's request, CONTRACTOR shall pay to COUNTY the sum of fifty dollars (\$50.00) per day for each day's delay in providing access, beginning on the fourth day following the COUNTY's request, and one hundred dollars (\$100.00) per day for each day's delay beginning on the 15th day following the request.

### **B. Services and Operations Violations.**

1. For each account collected outside the collection hours specified in Section 5.B(4), CONTRACTOR shall pay to COUNTY the sum of fifty dollars (\$50.00) per incident, beginning with the third incident reported to COUNTY within a calendar year. COUNTY shall not assess such penalty without having given prior notice to CONTRACTOR of the first two such incidents during such calendar year, reasonably promptly after such incidents occur.
2. For each occurrence of excessive noise in violation of Section 5.B(4), CONTRACTOR shall pay to COUNTY the sum of one hundred dollars (\$100.00) per incident, beginning with the third incident reported to COUNTY within a calendar year. COUNTY shall not assess such penalty without having given prior notice to CONTRACTOR of the first two such incidents during such calendar year, reasonably promptly after such incidents occur.

**C. Customer Relations Violations.**

1. For each failure to provide a customer information packet to a new customer within 30 days after such customer subscribes for service, as required by Section 5.B(2)(a), CONTRACTOR shall pay to COUNTY the sum of twenty-five dollars (\$25.00) per incident, beginning with the third incident reported to COUNTY within a calendar year. COUNTY shall not assess such penalty without having given prior notice to CONTRACTOR of the first two such incidents during such calendar year, reasonably promptly after such incidents occur.
2. For each failure to provide a copy of the customer information packet to the Franchise Contract Administrator within 30 days after COUNTY's request, as required by Section 5.B(2)(a), CONTRACTOR shall pay to COUNTY the sum of one hundred fifty dollars (\$150.00) per day beginning on the 31st day following such request.
3. For each failure to attach non-collection tags to waste not collected as required by Section 5.B(2)(c) or Section 12.C(2), CONTRACTOR shall pay to COUNTY the sum of fifty dollars (\$50.00) per incident, beginning with the third incident reported to COUNTY within a calendar year. COUNTY shall not assess such penalty without having given prior notice to CONTRACTOR of the first two such incidents during such calendar year, reasonably promptly after such incidents occur.

- D. Disposal Facility Violations.** For each documented failure of CONTRACTOR to dispose of non-hazardous waste collected pursuant to this Agreement at the Disposal Facility designated by COUNTY under Section 11, CONTRACTOR shall pay to COUNTY the sum of five hundred dollars (\$500.00) per incident.

In the event that CONTRACTOR believes that any of the above penalties have been assessed in violation of the terms herein, CONTRACTOR may request a review of the alleged violation by the County Administrative Officer, and shall have the right to an appeal to the County Board of Supervisors.

**Section 10. Franchise Fee.**

- A. Establishment of Franchise Fee.** The parties acknowledge that certain solid waste management, recycling and associated services are provided by COUNTY in connection with this Agreement, which are part of a comprehensive program of activities designed to effectuate the purpose of this Agreement and the California Integrated Waste Management Act. To reimburse COUNTY for the costs of such services, including COUNTY's costs incurred in administering this Agreement, and in consideration of the exclusive franchise granted to CONTRACTOR by this Agreement, CONTRACTOR shall pay to COUNTY a Franchise Fee equal to a

percentage of Adjusted Gross Receipts, which percentage is currently nine percent (9%). "Adjusted Gross Receipts" with respect to a particular period means Gross Receipts for such period multiplied by one minus the Recycling Percentage (e.g., if the Recycling Percentage is 8%, Gross Receipts would be multiplied by  $1.00 - 0.08 = 0.92$ ). The "Recycling Percentage" shall initially be seventeen percent (17.0%). COUNTY may unilaterally, at any time, change the Franchise Fee percentage, so long as, before any such change takes effect, the Maximum Service Rates applicable to CONTRACTOR are adjusted to reflect the change. COUNTY shall give CONTRACTOR at least 90 days written notice of its intent to increase the Franchise Fee percentage. Unless otherwise agreed by CONTRACTOR, no change in the Franchise Fee percentage shall take effect until the effective date of the Maximum Service Rate adjustment with respect to such change.

- B. Adjustment of Recycling Percentage.** The initial Recycling Percentage is based on the fact that, as of the Reference Date, CONTRACTOR estimates that the total cost of introducing Recyclables collection services as contemplated by this Agreement will result in a seventeen percent (17.0%) increase in CONTRACTOR's total cost of providing services under this Agreement, compared to the total cost without Recyclables collection services. The parties' intent in adjusting Gross Receipts by the Recycling Percentage pursuant to Section 10(A) is that no Franchise Fee be paid on a percentage of Gross Receipts equal to such percentage increase. The Recycling Percentage shall be adjusted to reflect the actual percentage increase in CONTRACTOR's costs attributable to Recyclables collection services (as compared to the total cost without Recyclables collection services), as soon as practicable after CONTRACTOR's request for such an adjustment. Without limiting the preceding sentence, because the Recycling Percentage has at COUNTY's request been calculated on the assumption that no fee will be payable by or to CONTRACTOR for processing of Recyclables, if any such fee is introduced (or, after having been introduced, is changed), CONTRACTOR may request an adjustment of the Recycling Percentage to reflect the then-applicable percentage. The parties shall negotiate in good faith to reach agreement on an adjusted Recycling Percentage that gives effect to the foregoing intent. If the parties cannot reach agreement within sixty (60) days, the matter may be submitted to dispute resolution under Section 19 of this Agreement. If the Recycling Percentage is adjusted for any reason, a corresponding adjustment shall be made to the Recycling Costs component of each Maximum Service Rate.
- C. Payment of Franchise Fee.** The Franchise Fee shall be due and payable monthly, with payment for each calendar month due on the 15th day of the following month. Payments made later than the 25th day shall be subject to a ten percent (10%) penalty on the amount overdue. Failure to remit the delinquent amount, on or before a thirty (30) day period following the date the first amount due becomes delinquent, will result in a second penalty equal to

ten percent (10%) of the amount overdue in addition to any other amounts due, including the penalty first imposed.

- D. Verification of Gross Receipts.** CONTRACTOR shall keep records of the Gross Receipts obtained in the exercise of the franchise. COUNTY shall have the right to inspect such records pursuant to COUNTY's inspection right set forth Section 4.A(2). COUNTY shall also have the right to hire, at COUNTY's expense (except as set forth below), an independent Certified Public Accountant to conduct an audit of such records using an agreed upon procedure conforming to audit standards. If such audit concludes that underpayment by CONTRACTOR to COUNTY of two percent (2%) or more has occurred, CONTRACTOR shall, in addition to paying the delinquent amount and the penalty provided in subsection C above, reimburse COUNTY for its reasonable costs incurred in performing the audit.

### **Section 11. Designated Disposal and Recycling Facilities.**

- A. Designated Disposal Facility.** All Franchise Solid Waste collected by CONTRACTOR pursuant to this Agreement shall be disposed of at the disposal facility designated by COUNTY (the "Designated Disposal Facility"), as may be changed from time to time in accordance with subsection C below. As of the Commencement Date, the Designated Disposal Facility is the Humboldt Waste Management Authority Eureka Transfer Station located at 1059 West Hawthorne Street, Eureka, California.
- B. Designated Recycling Facility.** All Targeted Recyclables collected by CONTRACTOR pursuant to this Agreement shall be transported for processing to a facility designated by COUNTY (the "Designated Recycling Facility"), as may be changed from time to time in accordance with subsection C below. As of the Commencement Date, the Designated Recycling Facility is the transfer station operated by Solid Waste of Willits, Inc. d/b/a Renewable Waste Systems, located at 4700 West End Road, Arcata, California.
- C. Change of Designated Facilities.** If COUNTY changes the Designated Disposal Facility or Designated Recycling Facility, COUNTY shall give CONTRACTOR 90 days prior written notice of such change, and CONTRACTOR shall be entitled to a reasonable increase in Maximum Service Rates to enable CONTRACTOR to cover the increased costs incurred by CONTRACTOR as a result of such change (and if such change results in a decrease in CONTRACTOR's costs, Maximum Service Rates shall be subject to a reasonable decrease). Such increase or decrease shall be effected pursuant to Section 14.D. Accordingly, COUNTY may not change the Designated Disposal Facility or Designated Recycling Facility within 18 months of the end of the term of this Agreement (including any extension term). Notwithstanding the preceding sentence, if the Designated Disposal Facility or Designated Recycling Facility closes or for any reason becomes



unavailable for use by CONTRACTOR as contemplated by this Agreement, COUNTY shall designate a new facility pursuant to this subsection C.

## **Section 12. Compliance with Laws.**

- A. General.** Each party agrees that, in the performance of its obligations under this Agreement, it will comply with all applicable federal, state and local laws and regulations in effect during the term of this Agreement, as they may, from time to time, be amended, specifically including, but not limited to the Comprehensive Environment Response, Compensation and Liability Act (CERCLA), 42 U.S.C. 9601, et seq., the California Integrated Waste Management Act of 1989 (AB 939), and all other applicable laws of the State of California. Each party shall also comply with all final and binding judgments and administrative orders entered against it in connection with performance under this Agreement.
- B. Air Quality.** CONTRACTOR shall, in the performance of its obligations under this Agreement, be and remain in compliance with all applicable air pollution control laws and regulations.
- C. Hazardous Waste.**
  - 1. Prohibition of Hazardous Waste.** CONTRACTOR shall not knowingly allow hazardous waste to enter the solid waste system. COUNTY recognizes that it is impossible for CONTRACTOR to inspect every container and plastic bag. However, CONTRACTOR shall use reasonable efforts and due diligence in keeping hazardous waste from entering the solid waste system. Such efforts shall include, but not be limited to, a program of annual training of CONTRACTOR's drivers on hazardous waste identification.
  - 2. Non-Collection.** CONTRACTOR shall cooperate with the Disposal Facility and COUNTY in efforts to prevent the improper disposal of hazardous waste. In the event that CONTRACTOR reasonably believes that cans, bins, or other containers set out for collection contain hazardous materials, such containers shall not be collected, but shall be left at the collection location with a tag as required by Section 5.B(2)(c). Such tag (or a subsequent letter promptly mailed to the customer) shall include information regarding the proper handling and disposal of hazardous materials, as well as the procedure for customers to follow for ensuring the collection of the container, once the hazardous materials have been removed. COUNTY shall assist CONTRACTOR, upon request from CONTRACTOR, in preparing such informational materials.

## **Section 13. Changes to Services.**

### **A. Modification of Existing Services; Addition of New Services.**

1. In the COUNTY's discretion, it can direct CONTRACTOR to change existing services or add new services under this Agreement. In such event, the parties shall first meet and confer on the new or changed services and attempt to arrive at an agreement regarding a special Maximum Service Rate adjustment that would enable CONTRACTOR to recover a reasonable additional amount for such new or changed services. If the parties cannot arrive at such an agreement within sixty (60) days, the matter may be submitted to dispute resolution under Section 19 of this Agreement. Except as provided in Section 13.A.2 below, CONTRACTOR shall not be required to begin providing such new or changed services until the Board of Supervisors has adopted new Maximum Service Rates that provide CONTRACTOR with a reasonable additional amount for such new or changed services (as agreed by the parties or as determined by the arbitrator), and such Maximum Service Rates have taken effect.
2. In the event that the COUNTY is required by law or regulation, or by order of a court or regulatory agency, to begin providing new or changed services by a specified date, and the corresponding special Maximum Service Rate adjustment is submitted to dispute resolution pursuant to Section 13.A.1, and such dispute resolution cannot be completed before such date, then the Board of Supervisors may adopt new Maximum Service Rates under the procedures required by law that are intended in good faith to enable CONTRACTOR to recover a reasonable additional amount for such new or changed services, and upon such Maximum Service Rates taking effect, CONTRACTOR shall immediately begin providing the new or changed services. If the arbitrator determines that different Maximum Service Rates would be required to enable CONTRACTOR to recover a reasonable additional amount for such new or changed services, then the County shall adjust the Maximum Service Rates to conform to the arbitrator's decision and to reimburse CONTRACTOR for any shortfall.

- B. Right of First Refusal for Green Waste Program.** If COUNTY determines in its sole discretion to implement a Green Waste collection program, COUNTY shall notify CONTRACTOR of its intention in writing and the specifications of such program, and CONTRACTOR shall have the right to submit to COUNTY within 30 days of such notice a proposal to provide such services according to such specifications, the costs of doing so, and the change in the Maximum Service Rate structure required to cover such costs. CONTRACTOR and COUNTY shall negotiate CONTRACTOR's provision of such Green Waste program in good faith for a period of 60 days from the submission of CONTRACTOR's proposal. If the parties fail to reach

agreement, then after such 60-day period has expired, COUNTY shall have the right to either (i) enter into an exclusive contract with a third party for the provision of such Green Waste program in the Franchise Area according to the same specifications presented to CONTRACTOR, or (ii) grant one or more non-exclusive licenses to third parties to provide Green Waste collection services in the Franchise Area (in which event CONTRACTOR shall be entitled to such a license on the terms and conditions no less favorable than any license granted to a third party). COUNTY shall not enter into discussions with or consider proposals from third parties regarding any Green Waste program unless COUNTY has complied with the foregoing obligations.

#### **Section 14. Rates.**

- A. Approval of Rates.** In consideration of CONTRACTOR's performance of services pursuant to this Agreement, CONTRACTOR shall have the right to charge customers for services rendered, at rates not exceeding the Maximum Service Rates set forth on Exhibit A (as adjusted from time to time in accordance with the provisions of this Agreement). CONTRACTOR may set its rates at any level so long as the rate for a particular service does not exceed the then-applicable Maximum Service Rate for such service set forth on Exhibit A. If CONTRACTOR's actual costs, including the Franchise Fee due to the COUNTY pursuant to Section 10, exceed CONTRACTOR's Gross Receipts, CONTRACTOR shall not be compensated for the difference (except to the extent of any Maximum Service Rate adjustments expressly provided for in this Agreement). CONTRACTOR shall be solely responsible for billing customers and collecting payments from customers.

Maximum Service Rates shall be adjusted in accordance with the provisions of this Section 14, and Exhibit A shall be adjusted accordingly from time to time. Changes in Maximum Service Rates which occur pursuant to the terms of subsection B below (annual index-based adjustments), Section 10.A or 10.B (changes in Franchise Fees and/or the Recycling Percentage) and/or subsection C below (changes in disposal costs) may be implemented without action of the Board of Supervisors, if the total annual Maximum Service Rate increase does not exceed eight percent (8%), or such other amount set by the Board of Supervisors. Such Maximum Service Rate increases may be implemented by amendment to this Agreement executed by the Franchise Contract Administrator. All other Maximum Service Rate changes shall be approved by the Board of Supervisors, and shall require the holding of a public hearing, if required by the Humboldt County Code.

The Maximum Service Rates for the initial Rate Year are those shown in Exhibit A, provided, however, that such Maximum Service Rates shall be adjusted as provided herein for events occurring or circumstances arising on or after the Reference Date.

## B. Annual Rate Adjustments.

1. **Procedure.** Beginning in 2012, on or before February 28 of each year, CONTRACTOR shall submit to the Franchise Contract Administrator CONTRACTOR's reasonable good faith calculation of the annual Maximum Service Rate adjustment pursuant to subsection (2) below. The Franchise Contract Administrator shall check such calculation and notify CONTRACTOR on or before March 31 of any errors in such calculation. If any such errors have occurred, CONTRACTOR shall submit a revised calculation on or before April 30. Without limiting CONTRACTOR's rights under Section 14.D, CONTRACTOR may also submit a revised calculation to reflect any adjustments that CONTRACTOR has become aware of since its original submission (e.g., changes in disposal fees at the Humboldt Waste Management Authority Eureka Transfer Station, which are typically announced in May and take effect on July 1 of each year). The Franchise Contract Administrator shall check such revised calculation and notify CONTRACTOR on or before May 31 of any errors in such calculation. The Maximum Service Rates so calculated shall become effective on July 1.
2. **Methodology.** Certain Maximum Service Rates set forth on Exhibit A are comprised of the following components: (i) labor, (ii) fuel, (iii) other, not otherwise specified ("Other, N.O.S."), (iv) Disposal Fees, and (v) Recycling Costs. The labor, fuel, Other, N.O.S. and Recycling Costs components of such Maximum Service Rates shall be adjusted as follows:
  - a. **Labor:** The labor component of each Maximum Service Rate shall be adjusted by the year-over-year percentage change in the U.S. Department of Labor, Bureau of Labor Statistics' Employment Cost Index, Total Compensation, Private Industry, Union, Service-Providing Industries, Series ID: CIU201S000000510I (B, H).
  - b. **Fuel:** The fuel component of each Maximum Service Rate shall be adjusted by the year-over-year percentage change in the U.S. Department of Energy, Energy Information Administration, California On-Highway #2 Diesel Price.
  - c. **Other, N.O.S.:** The Other, N.O.S. component of each Maximum Service Rate shall be adjusted by the year-over-year percentage change in the United States Department of Labor, Bureau of Labor Statistics Producer Price Index Industry Data, Waste Collection, Series ID: PCU5621--621-- (the "Producer Price Index").

- d. **Recycling Costs.** The Recycling Costs component of each Maximum Service Rate shall be adjusted by the percentage change in the Base Cost after giving effect to any changes in its constituent components.

With respect to the Maximum Service Rates set forth in Exhibit A that are not comprised of separate components, such Maximum Service Rates shall be adjusted by the year-over-year percentage change in the Producer Price Index.

As used above, "year over year percentage change" in an indicator means the change in the average value of the indicator over the 12-month period ending on the December 31 preceding the date when the calculation is made, as compared to the average value of the same indicator over the prior 12-month period.

- C. **Adjustment of Disposal Fees.** The parties intend that Maximum Service Rates shall be adjusted in accordance with Section 521-8 of the County Code to reflect changes in Disposal Fees. Such Maximum Service Rate adjustments shall ordinarily occur at the same time as the annual Maximum Service Rate adjustments provided for in Section 14.B, provided, however, that if CONTRACTOR submits a request for a special Maximum Service Rate adjustment under Section 14.D, CONTRACTOR may concurrently submit a request for a Maximum Service Rate adjustment under this Section 14.C.

The initial Disposal Fee component of each Maximum Service Rate shown on Exhibit A is based on the per-ton Disposal Fee shown on Exhibit A. The per-ton Disposal Fee shown on Exhibit A is the fee currently payable by CONTRACTOR at the Designated Disposal Facility. In the event of a change in the Disposal Fee, (a) the Disposal Fee component of each Maximum Service Rate which has such a component shall be increased or decreased, as the case may be, by the percentage increase or decrease in such Disposal Fee, and (b) the Recycling Costs component shall be increased or decreased, as the case may be, by the percentage increase or decrease in the Base Cost resulting from such increase or decrease in the Disposal Fee. All such adjustments shall take effect as of the effective date of the underlying change to the Disposal Fee. If a change to the Disposal Fee occurs before Maximum Service Rates can be adjusted under this Section 14.C to account for such change, and CONTRACTOR incurs increased costs as a result of such change that would not be otherwise reimbursed under this Agreement, CONTRACTOR shall be entitled to factor such costs into the Maximum Service Rate adjustment made pursuant to this Section 14.C.

**D. Special Rate Adjustments.**

- 1. Procedure.** Any request by CONTRACTOR for a Maximum Service Rate increase not included in Section 14.B, 14.C or 10.A shall require reasonable justification by CONTRACTOR. CONTRACTOR's request for a special Maximum Service Rate adjustment shall be submitted to Franchise Contract Administrator and shall specify the event or circumstance giving rise to the request, CONTRACTOR's reasonable additional costs arising from or related to such event or circumstance, and the change in the Maximum Service Rate structure that CONTRACTOR proposes to cover such additional costs. For purposes of this Agreement, CONTRACTOR's reasonable additional costs (or reasonable additional amounts for new or changed services) shall include a reasonable profit margin on all costs other than disposal and processing fees payable by CONTRACTOR, which shall be a pass-through. Franchise Contract Administrator shall review CONTRACTOR's request and shall notify CONTRACTOR, within 30 days of CONTRACTOR's submission, of COUNTY's assessment of CONTRACTOR's request and of any questions COUNTY may have regarding such request. COUNTY shall use reasonable best efforts to cause CONTRACTOR's request to be heard by the Board of Supervisors within 90 days of CONTRACTOR's submission. In addition to any other relevant information reasonably requested by COUNTY in connection with CONTRACTOR's request for a special Maximum Service Rate increase, COUNTY may require CONTRACTOR to submit accounting records and financial information reasonably related to CONTRACTOR's request, along with supporting documents. CONTRACTOR shall reimburse COUNTY for COUNTY's reasonable costs of reviewing the submission, but shall be entitled to recover such costs, in addition to CONTRACTOR's own costs associated with the submission, through an adjustment in Maximum Service Rates (either as part of the special Maximum Service Rate adjustment or, if none is approved, at the time of the next annual Maximum Service Rate adjustment), whether or not COUNTY approves a Maximum Service Rate increase in response to CONTRACTOR's request.
- 2. Permitted Adjustments.** Upon providing reasonable justification to COUNTY, CONTRACTOR shall be entitled to a special Maximum Service Rate increase in an amount sufficient to cover CONTRACTOR's reasonable additional costs (or reductions in revenue) arising out of or relating to the following:

  - a.** Any change in law (including without limitation case law, statutes, rules and regulations and the interpretation or application thereof by any court or governmental body) occurring after the Reference Date;

- b. Any increase or decrease of ten percent (10%) or more in the number of CONTRACTOR's residential customers in the Franchise Area from the number as of January 1, 2011;
- c. Any change in the Designated Disposal Facility or the Designated Recycling Facility directed by COUNTY pursuant to Section 11.C;
- d. The number of CONTRACTOR's residential recycling customers in the Franchise Area exceeds two hundred (200) and CONTRACTOR is reasonably required to establish a new route in order to provide services to residential recycling customers in accordance with this Agreement;
- e. Any new service or change in service directed by COUNTY pursuant to Section 13.A or pursuant to the exercise of emergency powers by COUNTY or any other governmental authority;
- f. Any fee payable by or to CONTRACTOR for processing of Recyclables is introduced (or, after having been introduced, is changed).

3. **Delay in Rate Adjustment.** If CONTRACTOR is entitled to a special Maximum Service Rate adjustment with respect to a particular event or circumstance, such Maximum Service Rate adjustment shall be established in such a manner as to allow CONTRACTOR to recover all reasonable additional costs incurred by CONTRACTOR with respect to such event or circumstance, including without limitation costs incurred before the effective date of such special Maximum Service Rate adjustment. If COUNTY does not adopt a Maximum Service Rate adjustment to which CONTRACTOR is entitled under this Agreement within ninety (90) days after the date CONTRACTOR submits its application for such adjustment or is otherwise entitled to such adjustment, then in addition to any other available remedies under this Agreement or at law, CONTRACTOR shall be entitled to interest on the shortfall in revenues resulting from such delay at the Wall Street Journal Prime Rate plus 2%, adjusted annually.

E. **Waste Density.** The Maximum Service Rates in Exhibit A are based on an average density of solid waste equal to one pound per gallon of container size (e.g., 30 pounds for a 30-gallon container) and 202 pounds per cubic yard. CONTRACTOR agrees that this average density determination shall be used to compute adjustments to the Maximum Service Rates in Exhibit A unless COUNTY and CONTRACTOR agree that a different average density should be used. COUNTY agrees to adjust the Maximum Service Rates accordingly if such a determination is made.

## Section 15. Termination.

**A. By County.** COUNTY may terminate this Agreement upon 30 days prior written notice to CONTRACTOR following the occurrence of any of the following events of default:

1. If any term or condition of this Agreement is violated by CONTRACTOR, and COUNTY gives to CONTRACTOR written notice to remedy such violation(s) within a thirty (30) day period, and such violation(s) is material and is not remedied within said period of time (except that, if the nature of a violation is such that it will reasonably require more than thirty (30) days to cure, CONTRACTOR shall not be in default so long as it promptly commences the cure and diligently proceeds to completion of the cure) and except that, if CONTRACTOR becomes insolvent, is adjudged bankrupt, or makes an assignment for the benefit of creditors, or the Humboldt County Public Health Office declares a public health emergency due to CONTRACTOR's material breach of this Agreement (other than an Interruption in Service, as defined below), termination may be immediate if CONTRACTOR ceases to provide collection services to all or a material portion of CONTRACTOR's customers in the Franchise Area for a period of five (5) consecutive business days or more, and COUNTY reasonably believes that as a result of such non-collection the public health, welfare or safety will be endangered (an "Interruption in Service");
2. Any representation or warranty by CONTRACTOR in any report submitted by CONTRACTOR to COUNTY hereunder is false or misleading in any material respect as of the date such representation or warranty is made (except that CONTRACTOR shall not be responsible for the accuracy of any information supplied to it by third parties).

Upon any termination by COUNTY pursuant to this Section 15.A, CONTRACTOR shall supply a complete list of its customers under this Agreement to COUNTY.

**B. By CONTRACTOR.** CONTRACTOR may terminate this Agreement upon 90 days prior written notice to COUNTY if any term or condition of this Agreement is violated by COUNTY, and CONTRACTOR gives to COUNTY written notice to remedy such violation(s) within a thirty (30) day period, and such violation(s) is material and is not remedied within said period of time (except that, if the nature of a violation is such that it will reasonably require more than thirty (30) days to cure, COUNTY shall not be in default so long as it promptly commences the cure and diligently proceeds to completion of the cure).

## **Section 16. Temporary Inability of Contractor to Perform.**

If (1) an Interruption in Service occurs by reason of a Force Majeure Event (as defined below) or otherwise, or (2) this Agreement is terminated by COUNTY pursuant to Section 15 (a "Termination Event"), then COUNTY shall have the right to temporarily perform the collection services provided for by this Agreement, either directly or by contracting therefore, and be reimbursed by CONTRACTOR as provided in this Section 16. CONTRACTOR shall reimburse COUNTY for all reasonable and necessary costs incurred by COUNTY in performing or contracting for such substitute services for the following periods: (i) in the case of an Interruption in Service, thirty (30) days or, if less, until CONTRACTOR is able to resume service, and (ii) in the case of a Termination Event, ninety (90) days, or, if less, such period as is reasonably required for COUNTY to award the exclusive Solid Waste franchise represented by this Agreement to a third party. To the extent COUNTY collects fees from customers attributable to the period during which COUNTY is performing or contracting for substitute services, such revenue shall be deemed reimbursement by CONTRACTOR hereunder.

## **Section 17. Use of Contractor's Equipment.**

In connection with the provision of substitute services pursuant to Section 16, COUNTY may, upon twenty-four (24) hours prior written notice to CONTRACTOR, take possession of and use the equipment and facilities owned or leased by CONTRACTOR and used by CONTRACTOR in the performance of this Agreement, for a period not exceeding the period for which CONTRACTOR is obligated to reimburse COUNTY's costs under Section 16. In such event, COUNTY shall pay CONTRACTOR the reasonable rental value of such equipment and facilities, which CONTRACTOR shall be entitled to deduct from any reimbursements under Section 16. COUNTY shall exercise reasonable care in the use of such equipment and facilities, but shall not be responsible for ordinary wear and tear. COUNTY shall indemnify and hold harmless CONTRACTOR and CONTRACTOR's employees, officers, directors and affiliates from and against any and all Claims arising out of or attributable to COUNTY's negligence or willful misconduct in the use of CONTRACTOR's equipment and facilities.

## **Section 18. Force Majeure.**

Neither party shall be in default of its obligations under this Agreement in the event, and for so long as, it is impossible or extremely impracticable for such party to perform its obligations due to a Force Majeure Event or the effect thereof. "Force Majeure Event" means (i) an act of God, epidemic, landslide, earthquake, fire, storm, flood or similar occurrence, (ii) an act of war, insurrection, terrorism, riot, civil disobedience, sabotage or similar occurrence, (iii) a strike, labor dispute, work slowdown, or similar industrial or labor action, or (iv) another cause not the fault of, and beyond the reasonable control of, the party claiming excuse. A party claiming excuse under this Section 18 shall promptly give notice thereof to the other party together with a description of the Force Majeure Event, and shall use reasonable best efforts to remedy its inability to perform as quickly as possible.

## **Section 19. Dispute Resolution.**

Any issues under this Agreement which are the subject of a dispute between COUNTY and CONTRACTOR may be submitted by either party to binding arbitration in accordance with the rules of the American Arbitration Association (AAA), provided that COUNTY and CONTRACTOR may agree to have the arbitration hearing heard by a single arbitrator acceptable to both COUNTY and CONTRACTOR, but otherwise in accordance with the rules of the AAA. Such Arbitration shall take place in Eureka, California.

## **Section 20. Assignment and Transfer of Control.**

Except as provided in this Section 20, CONTRACTOR shall neither assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other person or entity, or undergo a Change in Control (as defined below), without the prior written consent of COUNTY. Any such assignment or Change in Control without the consent of COUNTY shall be void and the attempted assignment or Change in Control shall constitute a material breach of this Agreement.

At the time of signing this Agreement, all of the stock of CONTRACTOR is owned by Recology, Inc., a California corporation ("Recology"). "Change in Control" means a transfer of more than one half of CONTRACTOR's outstanding stock to a party other than Recology or an affiliate of Recology. For the avoidance of doubt, no stock sale by, sale of a controlling interest in, sale of all or substantially all of the assets of, or merger, consolidation or acquisition of or by Recology shall be deemed a Change in Control.

CONTRACTOR shall notify COUNTY, in writing, at least 90 days prior to any proposed assignment or Change in Control, and shall not consummate any assignment or Change in Control without approval of COUNTY. CONTRACTOR must also reimburse COUNTY for its reasonable expenses, for attorney's fees and investigation costs to investigate the suitability of the proposed assignee or transferee and to review and finalize any documentation required for such assignment or transfer.

If COUNTY does not respond within 90 days of CONTRACTOR's notice, COUNTY approval shall be considered granted, provided, however, that said period may be extended by the COUNTY for such additional time as it may need to review and consider the matter. COUNTY shall not unreasonably delay or withhold its consent.

## **Section 21. Nuclear Free Ordinance Compliance.**

CONTRACTOR certifies by its signature below that CONTRACTOR is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor, as defined above. COUNTY may

immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR becomes a Nuclear Weapons Contractor.

## **Section 22. Notices.**

All notices required or permitted hereunder shall be in writing. A letter addressed and sent by certified U.S. Mail, overnight courier, fax or email by either party to the other at its business address, fax number or email address shown herein, with written confirmation of receipt, shall be sufficient notice whenever required for any purpose of this agreement.

County of Humboldt  
Contract Administrator  
1106 Second Street  
Eureka, California, 95501  
Fax: 707.445.7409  
Email: jgilbaugh@co.humboldt.ca.us

Recology Humboldt County  
Attn: General Manager  
949 West Hawthorne  
Eureka, California, 95501  
Fax: 707.442.7485  
Email: mleggins@recology.com

## **Section 23. Interpretation of Agreement.**

- A. Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the transactions contemplated hereby. This Agreement shall completely and fully supersede all prior understandings and agreements between the parties with respect to such transactions, including those contained in all prior amendments hereto.
- B. Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.
- C. Right to Require Performance.** The failure of either party at any time to require performance by the other party of any provision hereof, shall in no way affect the right of such party thereafter to enforce same, nor shall waiver by either party of any breach of any provision hereof be taken or held to be a waiver by such party of any succeeding breach of such provision, or as a waiver of any other provision.
- D. Execution in Counterparts.** This Agreement may be executed in any number of original counterparts. All such counterparts shall constitute one and the same Agreement.
- E. Severability.** If any provision hereof or of any exhibit hereto shall be ruled invalid by any court of competent jurisdiction, then the parties shall:
  - 1.** Promptly meet and negotiate a substitute for such provision which shall, to the greatest extent legally permissible, effect the intent of the parties therein;

2. Negotiate such changes in, substitutions or additions to the remaining provisions hereof as may be necessary in addition to and in conjunction with item (i) above to effect the intent of the parties in the invalid provision.

The invalidity of such provision shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid provision did not exist.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first hereinabove written.

COUNTY OF HUMBOLDT

Attest:

Virginia Orr  
Chair, County Board of Supervisors

Nancy L. Haupt  
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

INSURANCE certificates reviewed and APPROVED:

BY: R. Zuber  
Deputy County Counsel

BY: John Smith

RECOLOGY HUMBOLDT COUNTY

BY: Michael J. Sangiacomo  
Michael J. Sangiacomo  
President & Chief Executive Officer

BY: George P. McGrath  
George P. McGrath  
Executive Vice President & Chief Operating Officer

Date of Signature by CONTRACTOR ("Reference Date"):

4/20/11

Exhibit A

Schedule of CONTRACTOR's Maximum Service Rates  
(Effective as of the Commencement Date)

**EXHIBIT A: GARBERVILLE AREA FRANCHISE RATES**  
EFFECTIVE JULY 1, 2010

Based on Tipping Fee of \$141.23

TYPE OF SERVICE	1	2	3	4	5	6	7	8	9	10
	PR PERIOD BASE RATE	CPI	CURRENT BASE RATE	DISPOSAL RATE	COMBINED NEW RATE		COMBINED NEW RATE		FREQUENCY OF SERVICE	
	/mo./cont.	Add'l cont.	2.8200%	One cont.	Add'l cont.	Bid	Actual	One cont.	Proposed	

**TABLE 1**  
**CAN RATES - RESIDENTIAL & COMMERCIAL**

20 Gallon Can	\$10.80			11.10		3.14	\$6.73	\$14.24	\$14.24	Weekly
30 Gallon Can	\$16.06		16.51		4.71		\$10.09	\$21.22	\$21.22	Weekly
40 Gallon Can	\$20.52		21.10		6.29		\$13.45	\$27.39	\$27.39	Weekly
64 Gallon Can	\$25.60		26.33		10.05		\$21.52	\$36.38	\$36.38	Weekly
90 Gallon Toter	\$33.59		34.54		14.14		\$30.26	\$48.68	\$48.68	Weekly
OCCASIONAL 30 Gal.	\$4.63		4.76		1.09		\$1.55	\$5.85	\$5.85	Per pick-up

**TABLE 2**  
**LARGE CONTAINERS**

	Monthly service
1.0 CY	\$61.87
2.0 CY	\$124.09
3.0 CY	\$170.75
4.0 CY	\$217.35
6.0 CY	\$318.20
15 CY	\$258.45
20 CY	\$302.70
40 CY	\$527.79

**Per Pick up rates for one container**

1.0 CY	\$66.74	7.33	\$15.67	\$75.96	Weekly
2.0 CY	\$128.83	14.65	\$31.35	\$147.11	Weekly
3.0 CY	\$176.94	21.98	\$47.02	\$203.90	Weekly
4.0 CY	\$223.53	29.31	\$62.70	\$259.14	Weekly
6.0 CY	\$324.43	43.96	\$94.05	\$377.53	Weekly
15 CY	\$287.16	109.89	\$235.12	\$405.15	Weekly to 1.515 T
20 CY	\$325.97	146.53	\$313.50	\$481.69	Weekly to 2.02 T
40 CY	\$551.04	293.05	\$627.00	\$859.64	Weekly to 4.04 T

**TOTAL:**

	\$75.96				
	\$147.11				
	\$203.90				
	\$259.14				
	\$377.53				
	\$405.15				
	\$481.69				
	\$859.64				

**EXHIBIT A: GARBERVILLE AREA FRANCHISE RATES  
EFFECTIVE JULY 1, 2010**

Based on Tipping Fee of \$141.23

**TABLE 3 CONTAINER RENTAL COSTS**

	PRIOR RATE		CURRENT RATE	
	Monthly	Weekly	Monthly	Weekly
1 YARD	\$12.42	\$4.64	12.77	4.77
2 YARD	\$15.54	\$4.64	15.98	4.77
3 YARD	\$15.54	\$4.64	15.98	4.77
4 YARD	\$18.69	\$4.64	19.21	4.77
6 YARD	\$21.72	\$4.64	22.34	4.77
15 YARD	\$23.30	\$12.42	23.96	12.77
20 YARD	\$31.07	\$15.54	31.94	15.98
40 YARD	\$31.07	\$15.54	31.94	15.98

**TABLE 4 CHARGES FOR SPECIAL SERVICES**

PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK: **\$40.06**  
 OR  
 PER CUBIC YARD PICKUP: **\$21.35 PER YD, WHICHEVER IS GREATER**  
 \$0.00 BASE, + \$0.99 REGULATORY  
 SPECIAL SERVICE FOR BULKY ITEMS & APPLIANCES:  
**\$42.69 PER STOP, PLUS "PASS-THROUGH" COST OF DISPOSAL OR RECYCLING**

Exhibit A-1

Revised Maximum Rate Schedule  
(Effective as of July 1, 2011)

**EXHIBIT A-1: GARBERVILLE AREA FRANCHISE RATES**  
EFFECTIVE JULY 1, 2011

Based on Tipping Fee of:  
Based on Processing Fee/Ton:

\$129.52  
\$0.00

TYPE OF SERVICE	1 /mo./cont./Add'l cont.	2 3,7500%	3 RATE Adj	4 LABOR	5 FUEL	6 NOS	7 CURRENT BASE RATE	8 Add'l cont.	9 DISPOSAL FEE	10 Actual	11 New Program Fees	12 RECYCLING COSTS	13 COMBINED NEW RATE	14 One cont.	15 FREQUENCY OF SERVICE

**TABLE 1**

20 Gallon Can	\$11.10			\$3.56	\$0.76	\$4.33	\$8.65		\$6.17			\$2.52	\$17.34		Weekly
30 Gallon Can	\$16.51		\$5.28	\$5.28	\$1.12	\$6.42	\$12.82		\$9.25			\$3.75	\$25.82		Weekly
40 Gallon Can	\$21.10		\$6.65	\$6.65	\$1.42	\$8.09	\$16.16		\$12.34			\$4.84	\$33.34		Weekly
64 Gallon Can	\$26.33		\$7.43	\$7.43	\$1.58	\$9.03	\$18.04		\$19.74			\$6.42	\$44.20		Weekly
90 Gallon Toter	\$34.54		\$9.38	\$9.38	\$2.00	\$11.40	\$22.78		\$27.75			\$8.59	\$59.12		Weekly
OCCASIONAL 30 Gal.	\$4.76		\$1.93	\$1.93	\$0.41	\$2.35	\$4.69		\$1.42			\$1.04	\$7.15		Per pick-up

**TABLE 2**

TYPE OF SERVICE	1 /mo./cont./Add'l cont.	2 3,7500%	3 RATE Adj	4 LABOR	5 FUEL	6 NOS	7 CURRENT BASE RATE	8 Add'l cont.	9 DISPOSAL FEE	10 Actual	11 New Program Fees	12 RECYCLING COSTS	13 COMBINED NEW RATE	14 One cont.	15 FREQUENCY OF SERVICE

LARGE CONTAINERS	\$63.61		\$15.05	\$15.05	\$3.21	\$18.30	\$36.56		\$62.29			\$16.81	\$115.66		Weekly
1.0 CY	\$127.99		\$30.27	\$30.27	\$6.44	\$36.79	\$73.50		\$124.59			\$33.67	\$231.76		Weekly
2.0 CY	\$175.57		\$46.85	\$46.85	\$9.57	\$56.95	\$113.77		\$186.88			\$47.69	\$328.24		Weekly
3.0 CY	\$223.49		\$66.80	\$66.80	\$14.22	\$81.21	\$162.23		\$249.17			\$61.70	\$424.64		Weekly
4.0 CY	\$265.73		\$120.67	\$120.67	\$25.69	\$146.69	\$293.05		\$373.76			\$91.12	\$627.11		Weekly
6.0 CY	\$311.23		\$142.30	\$142.30	\$30.30	\$172.99	\$346.59		\$494.39			\$208.67	\$1,436.11		Weekly to 1.515 T
15 CY	\$542.68		\$250.17	\$250.17	\$53.26	\$304.11	\$607.54		\$1,245.86			\$270.55	\$1,862.00		Weekly to 2.02 T
20 CY									\$2,491.72			\$526.87	\$3,626.13		Weekly to 4.04 T
40 CY															
Per Pick up rates for one container	\$68.63		\$26.76	\$26.76	\$5.70	\$32.53	\$64.99		\$14.38			\$13.49	\$92.86		Weekly
1.0 CY	\$132.47		\$51.44	\$51.44	\$10.95	\$62.54	\$124.93		\$28.75			\$26.13	\$179.81		Weekly
2.0 CY	\$181.93		\$69.93	\$69.93	\$14.89	\$85.01	\$169.83		\$43.13			\$36.20	\$249.16		Weekly
3.0 CY	\$229.84		\$87.75	\$87.75	\$18.68	\$106.67	\$213.10		\$57.50			\$46.00	\$316.60		Weekly
4.0 CY	\$333.58		\$126.79	\$126.79	\$27.00	\$154.13	\$307.92		\$86.25			\$67.01	\$461.18		Weekly
6.0 CY	\$295.26		\$84.50	\$84.50	\$17.99	\$102.72	\$205.21		\$215.63			\$71.54	\$492.38		Weekly to 1.515 T
15 CY	\$335.16		\$87.42	\$87.42	\$18.61	\$106.27	\$212.30		\$287.51			\$84.97	\$584.78		Per Pickup to 2.02 T
20 CY	\$566.68		\$130.06	\$130.06	\$27.69	\$158.11	\$315.86		\$151.45			\$151.45	\$1,042.32		Per Pickup to 4.04 T
40 CY															Per Ton over Limit
Over-weight Charge															

**EXHIBIT A-1: GARBERVILLE AREA FRANCHISE RATES  
EFFECTIVE JULY 1, 2011**

\$129.52  
\$0.00

Based on Tipping Fee of:  
Based on Processing Fee/Ton:

**TABLE 3 CONTAINER RENTAL COSTS**

	PRIOR RATE		CURRENT RATE	
	Monthly	Weekly	Monthly	Weekly
1 YARD	\$12.42	\$4.64	15.20	5.67
2 YARD	\$15.54	\$4.64	19.02	5.67
3 YARD	\$15.54	\$4.64	19.02	5.67
4 YARD	\$18.69	\$4.64	22.86	5.67
6 YARD	\$21.72	\$4.64	26.58	5.67
15 YARD	\$23.30	\$12.42	28.51	15.20
20 YARD	\$31.07	\$15.54	38.01	19.02
40 YARD	\$31.07	\$15.54	38.01	19.02

**TABLE 4 CHARGES FOR SPECIAL SERVICES**

PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK: **\$48.01**  
 OR  
 PER CUBIC YARD PICKUP: 1.0 YD: **\$26.12 PER YD, WHICHEVER IS GREATER**  
**\$0.00 BASE, + \$0.99 REGULATORY**  
 REINSTATEMENT OF SERVICE **\$25.00**  
 SPECIAL COLLECTION AFTER IMPROPER SET-OUT **\$43.75**

SPECIAL SERVICE FOR BULKY ITEMS & APPLIANCES:

**\$52.23 PER STOP, PLUS "PASS-THROUGH" COST OF DISPOSAL OR RECYCLING**

**TABLE 5**

**RECYCLING SERVICE** weekly **\$4.00 per month**

Exhibit B

COUNTY's Forms of Solid Waste Collection  
Franchise Reports (Annual and Quarterly)

**COUNTY OF HUMBOLDT  
SOLID WASTE COLLECTION QUARTERLY FRANCHISE REPORT**

Exhibit B

Quarter \_\_\_\_\_

(Due by the 15th day of the second month following the end of each calendar quarter.)

**CONTRACTOR INFORMATION**

Franchise Area \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, Zip Code \_\_\_\_\_  
 Contact Name \_\_\_\_\_  
 Phone Number \_\_\_\_\_  
 Fax Number \_\_\_\_\_  
 E-mail Address \_\_\_\_\_

**SOLID WASTE COLLECTED (TONS)**

Location/s:

Solid Waste			
Recyclables			
Green Waste			
Total			

**SOLID WASTE (TONS) SELF-HAULED TO CONTRACTOR'S FACILITY OR SEPARATE FACILITY**

Location/s:

Solid Waste			
Recyclables			
Green Waste			
Total			

ADDITIONAL INFORMATION:

\_\_\_\_\_  
 \_\_\_\_\_

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The undersigned, under penalty of perjury, states that the information listed on the above Quarterly Franchise Report are true and correct.

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Name of Preparer and Date

**COUNTY OF HUMBOLDT  
SOLID WASTE COLLECTION ANNUAL FRANCHISE REPORT**

Exhibit B

Calendar Year (YYYY) \_\_\_\_\_

(Due April 1 following Calendar Year)

**CONTRACTOR INFORMATION**

Franchise Area \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City, State, Zip Code \_\_\_\_\_  
 Contact Name \_\_\_\_\_  
 Phone Number \_\_\_\_\_  
 Fax Number \_\_\_\_\_  
 E-mail Address \_\_\_\_\_

**FRANCHISE TONNAGE**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Solid Waste					
Recyclables					
Green Waste					

**NUMBER OF ACCOUNTS SERVED (MONTHLY SERVICE)**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Can: Residential/Comm.					
20 Gallon					
30 Gallon					
32 Gallon					
40 Gallon					
55 Gallon					
60 Gallon					
64 Gallon					
90 Gallon					
Occasional 30-Gallon					
Prepaid bags					
"Blue-Bag"					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Large Container: Monthly					
1.0 CY					
1.5 CY					
2.0 CY					
3.0 CY					
4.0 CY					
5.0 CY					
6.0 CY					
8.0 CY					
10.0 CY					
14.0 CY					
15.0 CY					
18.0 CY					
20.0 CY					
30.0 CY					
40.0 CY					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Large Container: Pick-Up					
1.0 CY					
1.5 CY					
2.0 CY					
3.0 CY					
4.0 CY					
5.0 CY					
6.0 CY					
8.0 CY					
10.0 CY					
14.0 CY					
15.0 CY					
18.0 CY					
20.0 CY					
30.0 CY					
40.0 CY					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
5 YD					
14 YD Covered					
14 YD Uncovered					
18 YD Covered					
18 YD Uncovered					
20 YD					
40 YD Uncovered					

**GROSS FRANCHISE RECEIPTS**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Can: Residential/Comm.					
20 Gallon					
30 Gallon					
32 Gallon					
40 Gallon					
55 Gallon					
60 Gallon					
64 Gallon					
90 Gallon					
Occasional 30-Gallon					
Prepaid bags					
"Blue-Bag"					
Total					

Large Container: Monthly

1.0 CY					
1.5 CY					
2.0 CY					
3.0 CY					
4.0 CY					
5.0 CY					
6.0 CY					
8.0 CY					
10.0 CY					
14.0 CY					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
15.0 CY					
18.0 CY					
20.0 CY					
30.0 CY					
40.0 CY					
Total					

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Large Container: Pick-Up					
1.0 CY					
1.5 CY					
2.0 CY					
3.0 CY					
4.0 CY					
5.0 CY					
6.0 CY					
8.0 CY					
10.0 CY					
14.0 CY					
15.0 CY					
18.0 CY					
20.0 CY					
30.0 CY					
40.0 CY					
Total					

5 YD					
14 YD Covered					
14 YD Uncovered					
18 YD Covered					
18 YD Uncovered					
20 YD					
40 YD Uncovered					
Total					

**SUMMARY OF SERVICE COMPLAINTS**

(Provide number of complaints by type for each quarter)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Type of Complaint:					
Missed Pick-up					
Excessive Noise					
Spilled Garbage					
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Other (describe):					

**NARRATIVE SUMMARY OF PROBLEMS**

(Describe problems encountered and actions taken with recommendations for County, as appropriate)

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**SUMMARY OF HAZARDOUS WASTE TRAINING**

Course Title	Date	Number of Emp. Trained

**NUMBER OF NON-COLLECTION TAGS ISSUED**

(Provide number of tags issued by reason for each quarter)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Hazardous Waste					
Improper Location					
Other (describe):					

**COLLECTION VEHICLE LOCATION**

(Provide address of each terminal that houses collection vehicles serving the County franchise area)

Address \_\_\_\_\_  
 City, State, Zip Code \_\_\_\_\_

Address \_\_\_\_\_  
 City, State, Zip Code \_\_\_\_\_

Address \_\_\_\_\_  
 City, State, Zip Code \_\_\_\_\_

Address \_\_\_\_\_  
 City, State, Zip Code \_\_\_\_\_

**SOLID WASTE SELF-HAULED TO CONTRACTOR'S SEPARATE FACILITY**

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Solid Waste (Tons)					

ADDITIONAL INFORMATION:

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The undersigned, under penalty of perjury, states that the information listed on the above Annual Franchise Report are true and correct.

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Name of Preparer and Date