

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

This Ninth Amendment to the Solid Waste Collection Franchise Agreement dated April 26, 2011, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Recology Humboldt County, a California corporation, hereinafter referred to as "CONTRACTOR," shall be effective, as of July 1, 2018 ("Effective Date").

**RECITALS**

WHEREAS, on October 14, 2008, COUNTY and Eel River Disposal and Resource Recovery, Inc. entered into a Solid Waste Collection Franchise Agreement regarding the handling and disposal of solid waste in the unincorporated Fortuna and Ferndale areas of Humboldt County ("Fortuna/Ferndale Franchise Agreement") for the period of October 16, 2008 to June 30, 2018; and

WEREAS, COUNTY and Eel River Disposal and Resource Recovery, Inc. subsequently amended the Fortuna/Ferndale Franchise Agreement nine (9) times; and

WHEREAS, on October 26, 2010, COUNTY and Eel River Disposal and Resource Recovery, Inc. entered into a Solid Waste Collection Franchise Agreement regarding the handling and disposal of solid waste in the unincorporated Weott and Myers Flat areas of Humboldt County ("Weott/Myers Flat Franchise Agreement") for the period of November 1, 2010 to June 30, 2020; and

WEREAS, COUNTY and Eel River Disposal and Resource Recovery, Inc. subsequently amended the Weott/Myers Flat Franchise Agreement eight (8) times; and

WHEREAS, on April 26, 2011, COUNTY and CONTRACTOR entered into a Solid Waste Collection Franchise Agreement regarding the handling and disposal of solid waste in the unincorporated Garberville area of Humboldt County ("Garberville Franchise Agreement") for the period of July 1, 2011 to December 31, 2020; and

WHEREAS, on April 26, 2011, COUNTY and CONTRACTOR entered into a Solid Waste Collection Franchise Agreement regarding the handling and disposal of solid waste in the unincorporated Holmes and Redcrest areas of Humboldt County ("Holmes/Redcrest Franchise Agreement") for the period of July 1, 2011 to December 31, 2020; and

WHEREAS, COUNTY and CONTRACTOR subsequently amended the Garberville and Holmes/Redcrest Franchise Agreements eight (8) times; and

WHEREAS, on July 25, 2017, COUNTY and CONTRACTOR entered into a "Consent to Change in Control of Eel River Disposal Company, Inc." regarding assignment of the Fortuna/Ferndale and Weott/Myers Flat Franchise Agreements; and

WHEREAS, with COUNTY's consent, CONTRACTOR subsequently acquired all the outstanding shares of Eel River Disposal, Inc. and changed its name to Recology Eel River; and

WHEREAS, the franchise areas under the four (4) aforementioned franchise agreements are contiguous; and

WHEREAS, COUNTY and CONTRACTOR wish to standardize Maximum Service Rates and services across such franchise areas so that customers in the Fortuna/Ferndale, Holmes/Redcrest and

Weott/Myers Flat areas receive the same services over the same term and subject to the same Maximum Service Rates as customers in the Garberville area; and

WHEREAS, to that end, COUNTY and CONTRACTOR wish to merge the Fortuna/Ferndale, Holmes/Redcrest and Weott/Myers Flat Franchise Agreements into the Garberville Franchise Agreement, and simultaneously to expand the franchise area under the Garberville Franchise Agreement to include the franchise areas under the Fortuna/Ferndale, Holmes/Redcrest and Weott/Myers Flat Franchise Agreements; and

WHEREAS, COUNTY and CONTRACTOR wish to further amend the Garberville Franchise Agreement to add senior service, and to permit reasonable changes to the indexes used for index-based adjustments; and

WHEREAS, COUNTY and CONTRACTOR wish to standardize Maximum Service Rates across the Fortuna/Ferndale, Holmes/Redcrest, Weott/Myers Flat and Garberville areas, and to reflect adjustments to Maximum Service Rates required under the provisions of the Garberville Franchise Agreement.

NOW THEREFORE, the parties mutually agree as follows:

1. The title of the Garberville Franchise Agreement is hereby amended to read in its entirety as follows:

**“CONSOLIDATED SOLID WASTE COLLECTION FRANCHISE AGREEMENT FOR THE UNINCORPORATED FORTUNA/FERNDALE, HOLMES/REDCREST, WEOTT/MYERS FLAT AND GARBERVILLE AREAS OF HUMBOLDT COUNTY”**

2. Section 1(A) – Area Covered of the Garberville Franchise Agreement is hereby amended to read in its entirety as follows:

**“A. Area Covered.** This Agreement shall pertain to that area of the unincorporated territory of the County of Humboldt which is more specifically described in Exhibit C attached hereto and incorporated herein by this reference (such area, the “Franchise Area” or the “South County Area”). The Franchise Area consists of four (4) contiguous sub-areas – the Fortuna/Ferndale area, the Holmes/Redcrest area, the Weott/Myers Flat area and the Garberville area – each of which is defined in Exhibit C.”

3. Section 5 – Service Obligations of Contractor of the Garberville Franchise Agreement is hereby amended to add the following subsection 5(B)(2)(e) – Senior Discount thereto:

**“e. Senior Discount.** Effective September 1, 2018, CONTRACTOR will offer a discounted rate for collection of Solid Waste from residential customers where the head of the household is age 65 or older. The discounted rate will apply to weekly collection of a single 20-gallon cart only, and shall not exceed the Maximum Service Rate therefor set forth in Table 4 of Exhibit A. CONTRACTOR may charge for collection of any material in excess of the weekly 20-gallon cart, at rates not exceeding the Maximum Service Rate therefor set forth in Table 1 of Exhibit A. As a condition to receiving the discounted rate, customers may be required to complete an application form provided by CONTRACTOR and/or provide CONTRACTOR with a copy of a driver’s license or other government-issued photo ID verifying the applicant’s age. CONTRACTOR may reconfirm the household’s continued eligibility for the

discounted rate on an annual basis.”

4. Section 5 – Service Obligations of Contractor of the Garberville Franchise Agreement is hereby amended to add the following subsection 5(C) – Phase-In of Services thereto:

“**C. Phase-In of Services.** Notwithstanding any other provision of this Agreement, CONTRACTOR shall have until September 1, 2018 to bring services in the Fortuna/Ferndale, Holmes/Redcrest and Weott/Myers Flat areas into conformity with the services provided to the Garberville area in accordance with this Agreement.”

5. The fourth sentence of Section 10(A) – Establishment of Franchise Fee of the Garberville Franchise Agreement is hereby amended to read in its entirety as follows:

“The “Recycling Percentage” shall initially be seventeen percent (17.0%), but effective as of October 1, 2016 it shall be fourteen and twenty-six hundredths percent (14.26%), and effective as of July 1, 2018 it shall be seven and ninety-six hundredths percent (7.96%).”

6. Section 14(B)(2) – Methodology of the Garberville Franchise Agreement is hereby amended to add the following as the last paragraph thereof:

“Upon mutual written agreement of the Franchise Contract Administrator and CONTRACTOR, any of the aforementioned indexes may be replaced with a new index if, in the reasonable judgment of the Franchise Contract Administrator and CONTRACTOR, the new index more accurately reflects the underlying costs of CONTRACTOR that the index is intended to track.”

7. Subsection b of Section 14(D)(2) – Permitted Adjustments of the Garberville Franchise Agreement is hereby amended to read in its entirety as follows:

“**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 of residential customers as of July 1, 2018 (after giving effect to the consolidation of franchise areas).”

8. Section 20 – Assignment and Transfer of Control of the Garberville Franchise Agreement is hereby amended to add the following sentence as the last sentence thereof:

“CONTRACTOR may perform any of its obligations hereunder through a wholly-owned subsidiary of itself or of Recology Inc., provided that CONTRACTOR ensures that such subsidiary complies with all the terms and conditions of this Agreement.”

9. The Garberville Franchise Agreement is hereby amended to add Exhibit C – Franchise Area, which is attached hereto and incorporated herein by reference, to the Garberville Franchise Agreement.

10. As of the Effective Date, the Fortuna/Ferndale, Holmes/Redcrest and Weott/Myers Flat Franchise Agreements are merged into, and superseded and replaced by, the Garberville Franchise Agreement, as amended by this Ninth Amendment.

11. The Maximum Service Rates which may be charged by CONTRACTOR pursuant to Section 14 – Rates of the Garberville Franchise Agreement shall be as shown in the modified version of Exhibit A

– Maximum Service Rates, which is attached hereto and incorporated herein by reference. Such Maximum Service Rates shall supersede and replace all prior Maximum Service Rates set forth in the Garberville Franchise Agreement, and all previous amendments thereto, as of the Effective Date of this Ninth Amendment.

12. Except as modified herein, the Garberville Franchise Agreement dated April 26, 2011, as previously amended, shall remain in full force and effect. In the event of a conflict between the provisions of this Ninth Amendment and the original Garberville Franchise Agreement, or any prior amendments thereto, the provisions of this Ninth Amendment shall govern. Capitalized terms used, but not defined, herein shall have the meanings given to them in the Garberville Franchise Agreement. Unless otherwise expressly indicated, all references herein to sections refer to sections of the Garberville Franchise Agreement, as amended.

IN WITNESS WHEREOF, the parties hereto have entered into this Ninth Amendment as of the last date indicated below.

*TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:*

*(1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND*

*(2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.*

**RECOLOGY HUMBOLDT COUNTY:**

By:   
Michael J. Sangiacomo  
President & CEO


Date: May 24, 2018

By:   
Cary Chen  
Corporate Secretary

**Recology**  
Reviewed by:  
  
**Legal**

Date: May 24, 2018

**COUNTY OF HUMBOLDT:**

By:   
Ryan Sundberg  
Chair, Board of Supervisors

Date: 6/12/18

**INSURANCE CERTIFICATES APPROVED:**

By:   
Risk Management

Date: 6/15/18

Exhibit A  
Maximum Service Rates  
Effective as of July 1, 2018  
In the Fortuna/Ferndale, Holmes/Redcrest, Weott/Myers Flat and Garberville Areas  
*(see separate sheet(s) attached)*

**EXHIBIT A: GARBERVILLE, HOLMES, FORTUNA, FERNDALE, WEOTT, MYERS FLAT AREAS FRANCHISE RATES**  
EFFECTIVE JULY 1, 2018

Based on Tipping Fee of: \$136.06

TYPE OF SERVICE	1	2	3	4	5	6	7
	LABOR	FUEL	NOS	COMBINED BASE RATE	DISPOSAL FEES	COMBINED RATE	FREQUENCY OF SERVICE
	One cont.	One cont.	One cont.	One cont.	Actual	One cont.	

**TABLE 1 Residential and Commercial Cart Rates**

20 Gallon Cart	\$8.44	\$0.78	\$4.90	\$14.12	\$6.48	\$20.60	Weekly
30 Gallon Cart	\$12.55	\$1.14	\$7.26	\$20.95	\$9.72	\$30.67	Weekly
40 Gallon Cart	\$16.02	\$1.45	\$9.15	\$26.62	\$12.96	\$39.58	Weekly
64 Gallon Cart	\$19.54	\$1.60	\$10.18	\$31.32	\$20.73	\$52.05	Weekly
96 Gallon Toter	\$25.44	\$2.02	\$12.84	\$40.30	\$29.16	\$69.46	Weekly
OCCASIONAL 30 Gal.	\$4.14	\$0.44	\$2.74	\$7.32	\$1.50	\$8.82	Per pick-up

**TABLE 2 Commercial Bin Rates**

1.0 CY, 1 time per week	\$45.74	\$3.23	\$20.52	\$69.49	\$65.44	\$134.93	Weekly
2.0 CY, 1 time per week	\$91.78	\$6.49	\$41.25	\$139.52	\$130.88	\$270.40	Weekly
3.0 CY, 1 time per week	\$124.65	\$8.26	\$52.47	\$185.38	\$196.32	\$381.70	Weekly
4.0 CY, 1 time per week	\$157.49	\$10.01	\$63.65	\$231.15	\$261.75	\$492.90	Weekly
6.0 CY, 1 time per week	\$229.60	\$14.26	\$90.69	\$334.55	\$392.63	\$727.18	Weekly

**TABLE 3 Debris Box per Load Rates**

15 CY	\$226.48	\$18.79	\$119.35	\$364.62	\$226.52	\$591.14	Weekly to 1.515 T
20 CY	\$253.27	\$19.44	\$123.49	\$396.20	\$302.02	\$698.22	Per Pickup to 2.02 T
40 CY	\$420.17	\$28.91	\$183.70	\$632.78	\$604.05	\$1,236.83	Per Pickup to 4.04 T
Over-weight Charge						\$149.52	Per Ton over Limit

**EXHIBIT A: GARBERVILLE, HOLMES, FORTUNA, FERNDALE, WEOTT, MYERS FLAT AREAS FRANCHISE RATES**  
 EFFECTIVE JULY 1, 2018

**TABLE 4 CONTAINER RENTAL COSTS**

	Monthly	Weekly
1 YARD	\$19.17	\$7.15
2 YARD	\$23.98	\$7.15
3 YARD	\$23.98	\$7.15
4 YARD	\$28.83	\$7.15
6 YARD	\$33.53	\$7.15
15 YARD	\$35.94	\$19.17
20 YARD	\$47.93	\$23.98
40 YARD	\$47.93	\$23.98

**TABLE 5 CHARGES FOR SPECIAL SERVICES**

PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK:	\$52.96	
PER CUBIC YARD PICKUP:	\$28.22 PER YD,	WHICHEVER IS GREATER
	\$0.00 BASE, +	\$0.99
REINSTATEMENT OF SERVICE	\$25.00	
SPECIAL COLLECTION AFTER IMPROPER SET-OUT	\$43.75	
SPECIAL SERVICE FOR BULKY ITEMS & APPLIANCES:		
\$56.42 PER STOP, PLUS "PASS-THROUGH" COST OF DISPOSAL OR RECYCLING		

**TABLE 5 RECYCLING SERVICE**

\$4.54 per month

Exhibit C  
Franchise Area

The Franchise Area shall consist of all of the following four (4) areas:

**1. Fortuna/Ferndale Area**

Beginning at the SW corner of Section 1, T1N, R1W, Humboldt Base and Meridian (“HB&M”);  
Thence East one (1) mile to the SE corner of the same Section 1;  
Thence South two (2) miles to the SW corner of Section 18, T1N, R1E, HB&M;  
Thence East one (1) mile to the SE corner of the same Section 18;  
Thence South one (1) mile to the SW corner of Section 20, T1N, R1E, HB&M;  
Thence East three (3) miles to the NW corner of Section 26, T1N, R1E, HB&M;  
Thence South one half (1/2) mile to the 1/4 section point of the same Section 26;  
Thence due East to the Eel River;  
Thence following the Eel River Northerly to the section line common to Sections 21 and 22, T1N, R1E, HB&M;  
Thence North to the Van Duzen River;  
Thence Easterly along the Van Duzen River to the East section line of Section 36, T2N, R1E, HB&M;  
Thence North to the NE corner of Section 25, T2N, R1E, HB&M;  
Thence Northwesterly eight and one-half (8-1/2) miles more or less to the center of Section 25, T3N, R1W, HB&M;  
Thence West two (2) miles to the center of Section 27, T3N, R1W, HB&M;  
Thence North one half (1/2) mile to the 1/4 corner of the same Section 27;  
Thence West one and one half (1-1/2) miles to the SW corner of Section 21, T3N, R1W, HB&M;  
Thence North two (2) miles to the NE corner of Section 17, T3N, R1W, HB&M;  
Thence Westerly two (2) miles to the NW corner of Section 18, T3N, R1W, HB&M;  
Thence South to the main channel of the Eel River;  
Thence following the Eel River in a Westerly direction until it intersects the shoreline of the Pacific Ocean;  
Thence Southerly along the shoreline of the Pacific Ocean eight (8) miles, more or less, to the South line of Section 23, T2N, R3W, H.B.& M.;  
Thence East two and a quarter (2-1/4) miles, more or less, to the SE corner of Section 19, T2N, R2W, H.B.& M.;  
Thence North two (2) miles to the NW corner of Section 17, T2N, R2W, HB&M;  
Thence East four (4) miles to the NW corner of Section 13, T2N, R2W, HB&M;  
Thence South two (2) miles to the SW corner of Section 24, T2N, R2W, HB&M;  
Thence East one (1) mile to the NW corner Section 30, T2N, R1W, HB&M;  
Thence Easterly three and three quarters (3-3/4) miles, more or less, to the section line common to Sections 27 & 34, T2N, R1W, HB&M where it intersects the center of the bed of the Eel River;  
Thence following the Eel River in a Southerly and Easterly direction until it intersects the section line common to Sections 35 & 36, T2N, R1W, HB&M;  
Thence South one and a half (1-1/2) miles, more or less, to the point of beginning.

**2. Holmes/Redcrest Area**

Beginning at the center of Section 11, Township 1 South, Range 2 East, HB&M;  
Thence Northwesterly to the Southeast corner of Section 27, Township 1 North, Range 2 East,

HB&M;

Thence West one (1) mile;

Thence North one (1) mile;

Thence West to the East edge of the Eel River;

Thence following the Eel River Southerly to a point approximately one-half (1/2) mile South of Pepperwood;

Thence West to a point one (1) mile from U.S. 101;

Thence Southeasterly to the center of Section 9, Township 1 South, Range 2 East, HB&M;

Thence East two (2) miles, more or less, to the point of beginning.

**3. Weott/Myers Flat Area**

Beginning at a point on the North line of Section 2, Township 3 South, Range 3 East, HB&M, one (1) mile East of U.S. Highway 101;

Thence Northerly on a line parallel with and one (1) mile East of said U.S. Highway 101 ten miles more or less to the West bank of the Eel River;

Thence following said West bank of the Eel River Northerly and Westerly to the center East/west quarter section line of Section 10, Township 1 South, Range 2 East, HB&M;

Thence West along said quarter section line and along the East/west quarter section line of Section 9, Township 1 South, Range 2 East, HB&M, to a point in said Section 9, one (1) mile West of U.S. Highway 101;

Thence Southeasterly on a line parallel with and one (1) mile West of U.S. Highway 101 to the North line of Section 4, Township 3 South, Range 3 East, HB&M;

Thence Easterly along said line and along the North lines of Sections 3 & 2, Township 3 South, Range 3 East, HB&M, two (2) miles to the point of beginning.

**4. Garberville 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, HB&M;

On the East by a line one (1) 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 (2) 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.