

**SIXTH AMENDMENT TO SOLID WASTE COLLECTION FRANCHISE AGREEMENT
FOR THE NORTHWESTERN AREA OF HUMBOLDT COUNTY**

This the Sixth Amendment to the Solid Waste Collection Franchise Agreement dated December 13, 2011, executed by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Humboldt Sanitation Company, Inc., hereinafter referred to as "CONTRACTOR," is entered into, and shall be effective as of, December 1, 2015.

RECITALS

WHEREAS, on December 13, 2011, COUNTY and CONTRACTOR entered into a Solid Waste Collection Franchise Agreement ("Agreement") for the handling and disposal of solid waste in the northwestern area of Humboldt County for the period of January 1, 2012 to December 31, 2031; and

WHEREAS, the Agreement and State law allow for the adjustment of rates charged by CONTRACTOR for the handling of solid waste and provision of curbside recycling services pursuant to said Agreement, as well as annual index-based adjustments, changes in the franchise fee and/or the recycling percentage, changes in disposal and/or processing costs; and

WHEREAS, the parties desire to amend the Agreement to adjust the rates charged by CONTRACTOR for the handling of solid waste pursuant to said Agreement to apply a "blended" disposal rate calculated by incorporating the standard disposal fee at the Humboldt Waste Management Authority ("HWMA") and the satellite fee plus labor, administrative, overhead, equipment costs associated with processing franchise material in the Humboldt Sanitation yard.

NOW, THEREFORE, IT IS AGREED as follows:

1. The rates which may be charged by CONTRACTOR pursuant to Section 14(B)(iv) of the Agreement shall be as shown in Exhibit B – Northwest Humboldt Area Franchise Rates, which is attached hereto and incorporated herein by reference. Such rates shall supersede and replace all prior rates set forth in the Agreement and all previous amendments thereto.
2. The Agreement is hereby amended to include the process by which the "blended" disposal rate shall be calculated as set forth in Exhibit C – Calculation of Blended Disposal Rate, which is attached hereto and incorporated herein by reference.
3. Except as modified herein or by prior amendments, the Agreement shall remain in full force and effect. In the event of a conflict between the provisions of this Sixth Amendment and the original Agreement, or any prior amendments thereto, the provisions of this Sixth Amendment shall govern.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Sixth Amendment on the date set forth above.

COUNTY OF HUMBOLDT:

By: Estelle Fennel
Estelle Fennel
Chair, Board of Supervisors

Date: 11/3/2015

INSURANCE CERTIFICATES APPROVED:

By: Ally Gaudi
Risk Analyst

Date: 10-16-15

HUMBOLDT SANITATION COMPANY, INC.

By: Gregory D. Cain
Gregory D. Cain, President

Date: 10-14-15

By: Christine A. Cain
Christine A. Cain, CFO

Date: 10-14-15

Exhibit C
Calculation of Blended Disposal Rate

Step A - Calculating the Total Facility Fee:

Total Facility Fee = Humboldt Waste Management Authority (HWMA) Satellite Facility Fee FY 2015-16 \$98.57 plus Humboldt Sanitation Facility Fee FY 2015-16 of \$28.13 = \$126.70

To calculate the Total Facility Fee for FY 2015-16:

1. Determine the HWMA Satellite Facility Fee for FY 2015-16 of \$98.57.
2. Determine the Humboldt Sanitation Facility Fee for FY 2014-2015 of \$27.64.
3. Take the Humboldt Sanitation Facility Fee for FY 2014-2015 (prior year) and apply the Consumer Price Index (CPI) rate change.

The CPI rate change is computed by comparing December 2013 and December 2014 All items less energy from the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): U.S. city average, detailed expenditure categories (1982-84=100, unless otherwise noted). (For reference purposes, the Unadjusted indexes for December 2013 and December 2014 are 229.393 and 233.441, respectively. CPI rate = (233.441 less 229.393) divided by 229.393 or 1.76465716%.

$$\$27.64 + (\$27.64 \times 1.76465716\%) = \$28.13.$$

4. Add the HWMA Satellite Fee for FY 2015-16 of \$98.57 to the CPI-adjusted Humboldt Sanitation Facility Fee for FY 2015-16 of \$28.13. The sum is the Total Facility Fee for FY 2015-16 or \$126.70.

Step B – Calculating the Blended Rate

Assumptions in calculating the Blended Rate:

1. Determine the disposal tonnage from Humboldt Sanitation to HWMA and the tonnage from Humboldt Sanitation to Dry Creek using the most recent complete calendar year data covering January to December: Both numbers should add up to 100%. (Source of data: HWMA and Humboldt Sanitation).

Humboldt Sanitation tonnage to HWMA in calendar year 2014 =	4,632.92
Humboldt Sanitation tonnage to Dry Creek in calendar year 2014 =	<u>1,420.08</u>
Total Tonnage in calendar year 2014 =	6,053.00

2. The disposal fee applied to the tonnage disposed at HWMA should be the HWMA-issued Total Franchise Rate per Ton which is \$129.01 for FY 2015-16. The disposal fee applied to the tonnage disposed at Dry Creek is derived from Step A above or an amount equivalent to the HWMA Satellite Facility Fee plus the Humboldt Sanitation Facility Fee, or \$126.70.

4,632.92 x \$129.01 =	\$597,639.01
1,420.08 x \$126.70 =	<u>\$179,924.14</u>
Total Disposal Fees 2014 =	\$777,617.15

3. Add the total disposal fee amount at HWMA \$597,693.01 and the total disposal fee amount at Dry Creek \$179,924.14 and divide the sum of \$777,617.15 by the total tonnage disposed in both locations of 6,053 tons. The resulting amount which is \$128.47 is the “blended” rate that will be used in the rate schedule.

Blended Rate = \$777,617.15/6053 tons = \$128.47

EXHIBIT B: NORTHWEST HUMBOLDT AREA FRANCHISE RATES
EFFECTIVE December 1, 2015

Based on Tip/Ton at HWMA TS

\$ 128.47

Type of Service	1	2	3	4	5	6	7	8	9	10	11
	Current Base	Automation	Disposal \$	128.47	Sub-Total	Franchise Fee	Sub total	Recycling	Total Rate	Frequency of Service	Rounded to 5¢

CAN RATES - RESIDENTIAL and COMMERCIAL

20 Gallon Can	\$15.59	\$1.76	\$5.57		\$22.92	\$2.27	\$25.18	\$1.57	\$26.76	Weekly	\$ 26.75
30 Gallon Can	\$16.64	\$0.00	\$8.35		\$24.99	\$2.47	\$27.47	\$0.00	\$27.47	Weekly	\$ 27.45
35 Gallon Can	\$16.67	\$1.90	\$9.74		\$28.32	\$2.80	\$31.12	\$1.71	\$32.82	Weekly	\$ 32.80
45 Gallon Can	\$22.85	\$0.00	\$12.53		\$35.38	\$3.50	\$38.87	\$0.00	\$38.87	Weekly	\$ 38.85
65 Gallon Can	\$31.37	\$3.58	\$18.09		\$53.04	\$5.24	\$58.29	\$3.21	\$61.50	Weekly	\$ 61.50
95 Gallon Can	\$33.36	\$3.82	\$26.44		\$63.62	\$6.29	\$69.91	\$3.41	\$73.32	Weekly	\$ 73.30

LARGE CONTAINERS

	1.0 CY	1.5 CY	2.0 CY	3.0 CY	4 YD
Monthly service	83.09	11.59	56.23	150.90	15.70
	19.17	2.64	12.98	34.79	3.44
	\$114.45	\$13.08	\$84.34	\$211.86	\$20.95
	\$26.50	\$3.10	\$19.46	\$49.06	\$4.85
	\$152.57	\$17.43	\$112.45	\$282.45	\$27.93
	\$35.34	\$4.12	\$25.95	\$65.41	\$6.47
	\$228.86	\$26.15	\$168.68	\$423.70	\$41.89
	\$53.03	\$6.29	\$38.93	\$98.24	\$9.71
	\$305.39	\$32.69	\$224.91	\$562.99	\$55.67
	\$70.54	\$6.24	\$51.90	\$130.68	\$12.92
	11.09	177.69	40.59	ONCE PER WEEK	\$ 177.70
	2.36	40.59	EACH ADDITIONAL, per		\$ 40.60
	\$11.71	\$244.52	ONCE PER WEEK		\$ 244.50
	\$2.77	\$56.68	EACH ADDITIONAL, per		\$ 56.70
	\$15.61	\$325.99	ONCE PER WEEK		\$ 326.00
	\$3.69	\$75.57	EACH ADDITIONAL, per		\$ 75.55
	\$23.42	\$489.01	ONCE PER WEEK		\$ 489.00
	\$5.54	\$113.49	EACH ADDITIONAL, per		\$ 113.50
	\$29.28	\$647.94	ONCE PER WEEK		\$ 647.95
	\$7.68	\$151.28	EACH ADDITIONAL, per		\$ 151.60

LARGE CONTAINERS

	5 YD	14 YD	18 YD	20 YD	40 YD
Per Pick up rates for one container	\$131.24	\$14.99	\$64.88	\$211.11	\$20.87
	\$215.46	\$24.62	\$181.66	\$421.73	\$41.70
	\$239.89	\$27.42	\$233.56	\$500.86	\$49.52
	\$255.56	\$29.21	\$259.51	\$544.28	\$53.82
	\$502.58	\$57.43	\$519.02	\$1,079.03	\$106.69
Bin Cover for 1.5 YD	\$16.50	\$0.00	\$0.00	\$16.50	\$1.63
	\$13.43	\$245.41	3 DAY RENTAL		\$ 245.40
	\$24.85	\$488.29	3 DAY RENTAL		\$ 488.30
	\$24.55	\$574.94	3 DAY RENTAL		\$ 574.95
	\$26.15	\$624.24	3 DAY RENTAL		\$ 624.25
	\$51.43	\$1,237.15	3 DAY RENTAL OVERWEIGHT BINS		\$ 1,237.15
	\$0.00	\$18.13	1.5 yd bin		\$ 18.15

TABLE 3 CONTAINER RENTAL RATES

Bin Cover for 20 or 40 YD	Current Year Base Rate	
	Monthly	Daily
	\$73.19	\$19.48
	Rounded to 5¢	Rounded to 5¢
	\$73.20	\$19.50

TABLE 4 CHARGES FOR SPECIAL SERVICES

PER HOUR FOR ONE (1) MAN AND ONE (1) TRUCK: PER CUBIC YARD PICKUP:	Current	Rounded to 5¢
	\$ 79.49	\$79.50
	\$ 38.52	\$38.50

TABLE 5 CURBSIDE RECYCLING

1.5 Cubic Yard Container occasional use	Prior	Current	Rounded to 5¢
	NA	\$66.26	TO DELIVER TO SITE, PLUS
	NA	\$56.44	PER EMPTY
	NA	\$122.70	

\$4.00 per month

Once every two weeks