DOT Agreement 220039
BOS Agreement **22-306**

AMENDED AND RESTATED

FRANCHISE AGREEMENT

between

COUNTY OF MENDOCINO

and

SOLID WASTES OF WILLITS, INC.

for

SOLID WASTE FRANCHISE AREA NO. ONE (1)

December 13, 20 22

Table of Contents

RECITALS 1

SECTION 1 - GRANT AND ACCEPTANCE OF EXCLUSIVE RESIDENTIAL AND COMMERCIAL FRANCHISE 3

SECTION 2 – DEFINITIONS 4

SECTION 3 - COMPLIANCE WITH LAWS AND REGULATIONS 20

SECTION 4 - TERM AND SCOPE OF AGREEMENT 20

A. Term of Agreement 20
B. Scope of Agreement 21
C. Limitations to Scope 23
D. Subcontracting 24
E. Franchise Area Defined 24
F. Franchise Area Limits 24

SECTION 5 - SERVICES PROVIDED BY GRANTEE 24

A. County to Approve All Services 24
B. Collection Service 25
C. Recyclable Material Buy-Back Facility 28
D. Hours of Collection 28
E. Collection on Holidays 28

SECTION 6 - OTHER PROGRAMS AND SERVICES PROVIDED BY GRANTEE 29

A. Source Reduction and Waste Diversion Programs 29
B. Education and Outreach 29
C. Billing 36
D. Contamination Monitoring 37
E. Containers - Refusal to Pick Up 42
F. Containers - Noticing Violators 42
G. Food Recovery Program Support 42
H. Generator Waiver Program Coordination 43
I. Service Waiver Program Coordination 45
J. Inspection and Enforcement 46
K. Service Complaints 48

SECTION 7 – STANDARDS AND REQUIREMENTS FOR SERVICES, EQUIPMENT, AND PERSONNEL 50

A. Manner of Collection 50
B. Vehicles and Equipment - Standards 50
C. Vehicles - Identification 51
D. Vehicles and Equipment - Inspection 51
E. Vehicles - Shovel, Broom and Fire Extinguisher Required 51
F. Container Requirements 51
G. Personnel 54

SECTION 8 - PUBLIC ACCESS TO GRANTEE.....55

A. Name and Office Hours.....55
B. Overcharge.....56

SECTION 9 - SERVICE EXCEPTIONS; HAZARDOUS WASTE NOTIFICATIONS..... 56

A. Responsibility to Identify Hazardous Waste.....56
B. Response to Hazardous Waste Identified at Disposal Site or Processing Site.....56
C. Notification for Hazardous Waste.....57
D. Rights Reserved as to Hazardous Wastes.....57

SECTION 10 - DISPOSAL AND PROCESSING.....57

A. Solid Waste Disposal.....57
B. Recyclable Materials Processing and Marketing.....57
C. Change in Designated Disposal Location or Recyclable Materials Processing Site.....59
D. Grantee's Responsibility in Lieu of Direction by County.....60
E. Invalidation of County Flow Control Voids Franchise.....60

SECTION 11 - OWNERSHIP OF DISCARDED MATERIALS.....60

SECTION 12 - PRIVACY.....61

A. Customers Rights of Privacy.....61
B. Use of Customer Lists.....61

SECTION 13 - GRANTEE'S BOOKS AND RECORDS; REPORTS AND AUDITS..... 61

SECTION 14 - GRANTEE'S RATES.....61

A. County's Powers.....61
B. Rate Requirements.....62

SECTION 15 - RATE ADJUSTMENT PROCEDURES.....63

A. Pass-through Rate Adjustment.....63
B. Cost-of-Living & Fuel Rate Adjustments.....64
C. Larger Rate Increases.....65
D. Rate Decreases.....66
E. Recycling Commodity Value Adjustment.....67
F. County Rate Setting Authority.....69

SECTION 16 - FEES.....70

A. Franchise Fee - Amount.....70
B. Franchise Fee - Quarterly Payments and Revenue Statements.....70
C. Franchise Fee - Deposit.....70
D. Franchise Fee - Delinquency Penalty.....70
E. Refund of Franchise Fees.....70
F. SB 1383 Regulatory Reimbursement.....71

SECTION 17 - BONDS, INSURANCE, AND INDEMNIFICATION.....71

A. Bonds.....71
B. Insurance.....71

C. Indemnification....73

SECTION 18 - FRANCHISE TRANSFER, ISSUANCE, AND RENEWAL....75

A. Franchise Transfer....75
B. General Standards of Responsibility....76
C. Opportunity to Demonstrate Rehabilitation....77

SECTION 19 - TERMINATION....78

A. Events of Default....78
B. Right to Suspend, Amend, or Terminate....79
C. Procedures....80
D. Agreement - Termination Equipment Use by County....80
E. Liquidated Damages....80

SECTION 20 - RIGHTS OF COUNTY TO PERFORM DURING EMERGENCY....83

A. Provision of Emergency Services....83
B. Franchise Suspension - Emergency Actions....83
C. Labor Dispute - County Assumption of Duties - Authorized....83
D. Labor Dispute - County Assumption of Duties - Use of Revenue....84
E. Labor Dispute - County Assumption of Duties – Employees....84

SECTION 21 - GENERAL PROVISIONS....84

A. Entire Agreement....84
B. Force Majeure....84
C. Notice Procedures....85
D. Independent Contractor....86
E. Roadway Damage....86
F. Property Damage....86
G. Compliance with County Code....86
H. Severability....86
I. Waiver or Modification....86
J. Forum Selection....87
K. Court Costs and Attorney Fees....87

Exhibit A – Single Family Services....89

Exhibit B – Multi-Family, Commercial, and Industrial Services....93

Exhibit C – Processing, Transfer, and Disposal Services....100

Exhibit D – Performance Bonding Requirements....110

Exhibit E – Franchise Area Maps....111

Exhibit F – Schedule for Performance Standards and Liquidated Damages....114

Exhibit G – Record Keeping and Reporting....118

AMENDED AND RESTATED FRANCHISE AGREEMENT BETWEEN COUNTY OF MENDOCINO AND SOLID WASTES OF WILLITS, INC. for REFUSE COLLECTION AREA NO. ONE

This Amended and Restated Franchise Agreement ("Agreement") is entered into as of the 13th day of December, 2022, between the County of Mendocino ("County") and Solid Wastes of Willits, Incorporated, a California corporation ("Grantee"), for the Collection, Transportation, and Disposal of Solid Waste and the Collection, Transportation, Processing, and marketing of Recyclable Materials in Solid Waste Refuse Collection Area No. One (1).

RECITALS

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939"), has declared that it is within the public interest to authorize and require local agencies to make adequate provisions for Solid Waste handling within their jurisdictions; and

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(2), the Board of Supervisors of the County has determined that the public health, safety and well-being require that an exclusive franchise be awarded to a qualified Solid Waste enterprise for the Collection and recovery of Solid Waste, Organic Waste, and Recyclable Materials from certain residential, industrial and commercial areas in the County; and

WHEREAS, County and Grantee are mindful of the provisions of local, state, and federal laws governing the safe Collection, Transport, Recycling and Disposal of Solid Waste, Organic Waste, and Recyclable Materials, including, but not limited to, AB 939, AB 341, AB 876, AB 901, AB 1594, AB 1826, SB 1383, the Resource Conservation and Recovery Act ("RCRA") and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"); and

WHEREAS, the State of California has found and declared that the amount of Solid Waste generated in California, coupled with diminishing Disposal capacity and interest in minimizing potential environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. The State has, through enactment of AB 939 and subsequent related legislation including, but not limited to: the Jobs and Recycling Act of 2011 (AB 341), the Event and Venue Recycling Act of 2004 (AB 2176), SB 1016 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016]), the Mandatory Commercial Organics Recycling Act of 2014 (AB 1826), and the Short-Lived Climate Pollutants Bill of 2016 (SB 1383), directed the responsible State agency, and all local agencies, to promote a reduction in Landfill Disposal and to maximize the use of feasible waste reduction, Reuse, Recycling, and composting options in order to reduce the amount of material that must be Disposed; and

WHEREAS, SB 1383 establishes regulatory requirements for jurisdictions, Generators, haulers, Solid Waste facilities, and other entities to support achievement of State-wide Organic Waste Disposal reduction targets; and

WHEREAS, SB 1383 Regulations require, as applicable, County to implement Collection programs, meet Processing facility requirements, conduct contamination monitoring, provide education, maintain records, submit reports, monitor compliance, conduct enforcement, and fulfill other requirements; and, County has chosen to delegate some of its responsibilities to the Grantee, acting as the County's designee, through this Agreement; and

WHEREAS, County has not, and, by this Agreement does not, instruct Grantee on its Collection methods, nor supervise the Collection of waste; and

WHEREAS, Grantee has represented and warranted to County that it has the experience, responsibility, and qualifications to arrange with residents, commercial, industrial, institutional and other entities in the Franchise Area for the Collection and safe Transport to Approved or Designated Disposal facilities of Solid Waste, Organic Waste, and Recyclable Materials, the Board of Supervisors of the County determines and finds that the public interest, health, safety and well-being would be best served if Grantee were to make arrangements with residents and other entities to perform these services; and

WHEREAS, the Board of Supervisors of the County declares its intention of maintaining reasonable Rates for Collection and Transportation of Solid Waste, Organic Waste and Discarded Recyclable Materials within the area covered by this grant of franchise; and

WHEREAS, BOS Agreement No. 10-139 (Original Agreement) was entered into on September 1, 2010; Amendment No. 1 to BOS Agreement No. 10-139 (BOS Agreement No. 10-139-A1) was entered into on April 10, 2012, Amendment No. 2 (BOS Agreement No. 10-139-A2) on January 22, 2013, and Amendment No. 3 (BOS Agreement No. 10-139-A3) on September 25, 2018; and County and Grantee now wish to make a new, comprehensive amendment which amends and restates in its entirety the Original Agreement as of the Effective Date to extend the term and make other changes, that shall replace all previous writings that constituted the Franchise Agreement for County Solid Waste Refuse Collection Area No. One; and

WHEREAS, pursuant to Section 4(A)(3) of the Original Agreement, the County shall, at County's sole discretion, have the option to extend the Agreement on one or more occasions provided that the combined extension period(s) do not extend beyond December 31, 2029; and

WHEREAS, County believes, in order to most efficiently and effectively implement the requirements of SB 1383 and provide a continuum of services, it is in the best interest of County and Customers of Solid Waste Refuse Collection Area No. One to extend the expiration date of the Agreement from December 31, 2024, to December 31, 2029.

NOW, THEREFORE, the Parties agree to the terms and conditions set forth herein.

SECTION 1 - GRANT AND ACCEPTANCE OF EXCLUSIVE RESIDENTIAL AND COMMERCIAL FRANCHISE

A. County grants to Grantee, for the term of and in accordance with this Agreement (including all extensions or renewals), an exclusive privilege, duty and right to make and enter into independent arrangements with residents of single family units, residents and/or owners of multifamily units and Persons in charge of commercial, industrial, institutional and other entities in Franchise Area One for the Collection, Transportation and removal to Solid Waste Disposal facilities, all Residential, Commercial, and Industrial Solid Waste, Organic Waste, and Discarded Recyclable Materials generated or accumulated within the Franchise Area, with the exception of sewage sludge and seepage, which has been placed in a Grantee-provided Solid Waste Container, in the areas covered by this Agreement, as shown on the maps in Exhibit E- "Franchise Area Maps," as its boundaries are now constituted or may hereafter be amended.

B. Grantee agrees to be bound by and comply with all the requirements of this Agreement.

C. In the event of and to the extent that any of the following (Items 1-3, below) require or are amended to require that either party take certain action or desist from taking certain action that affects the promises, covenants and/or performance of the parties hereunder, then this Agreement shall be amended to provide for the satisfaction of such requirements. Furthermore, should such amendments to this Agreement result in the Grantee having to incur additional expenses in performing its obligations hereunder, or if certain cost cutting measures are implemented that justify lower Rates, then Grantee or County may seek Rate adjustments therefore in accordance with the procedures under Section 15, below.

(1) The County Code, the California Public Resources Code, other applicable state and federal laws, rules and regulations promulgated there under;

(2) The County of Mendocino County-wide Integrated Waste Management Plan and the County's Source Reduction and Recycling Element and Household Hazardous Waste Element; and

(3) Any and all amendments to said laws, plans, and regulations.

SECTION 2 – DEFINITIONS

A. **"AB939" (Chapter 1095)** means the California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq.), as amended, supplemented, superseded, and replaced from time to time.

B. **"AB 341" (CHAPTER 476)** means the Assembly Bill approved by the Governor of the State of California on October 5, 2011, which amended Sections 41730, 41731, 41734, 41735, 41736, 41800, 42926, 44004, and 50001 of, and added Sections 40004, 41734.5, and 41780.01 and Chapter 12.8 (commencing with Section 42649) to Part 3 of Division 30 of, and added and repealed Section 41780.02 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded and replaced from time to time.

C. **"AB 876"** (Chapter 593 means the Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 41821.4 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, and replaced from time to time.

D. **"AB 901" (Chapter 746)** means Assembly Bill approved by the Governor of the State of California on October 10, 2015, which amended Section 41821.5 of, amended, renumbered and added Section 41821.6 of, and added Sections 41821.7 and 41821.8 to, the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

E. **"AB 1594" (Chapter 719)** means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which amended Sections 40507 and 41781.3 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

F. **"AB 1826" (Chapter 727)** means the Assembly Bill approved by the Governor of the State of California on September 28, 2014, which added Chapter 12.9 (commencing with Section 42649.8) to Part 3 of Division 30 of the Public Resources Code, relating to Solid Waste, as amended, supplemented, superseded, and replaced from time to time.

G. **"Adjusted Gross Revenues"** means any and all revenue or compensation (excluding revenues or compensation collected from Independent Government Agencies) in any form derived directly or indirectly by Grantee, its Affiliates, subsidiaries, parents or any other Person or entity in which Grantee has a financial interest, in Collecting, Transporting, arranging, handling, and/or Disposing of Solid Waste or Recyclable Material generated in the Franchise Area pursuant to this Agreement, excluding the redemption value of Recyclable Materials purchased, occasional sale of capital equipment, and interest earned.

H. **"Affiliate"** means all businesses (including corporations, limited and general partnerships, and sole proprietorships) that are directly or indirectly related to Contractor by

virtue of direct or indirect ownership interest or common management and shall be deemed to be "Affiliated with" Contractor and included within the term "Affiliates" as used herein. An Affiliate shall include a business in which Contractor owns a direct or indirect ownership interest, a business that has a direct or indirect ownership interest in Contractor, and/or a business that is also owned, controlled, or managed by any business or individual that has a direct or indirect ownership interest in Contractor. For purposes of determining whether an indirect ownership interest exists, the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date of this Agreement, shall apply; provided, however, that: (i) "ten percent (10%)" shall be substituted for "fifty percent (50%)" in Section 318(a)(2)(C) and in Section 318(a)(3)(C) thereof; and (ii) Section 318(a)(5)(C) shall be disregarded. For purposes of determining ownership under this paragraph and constructive or indirect ownership under Section 318(a), ownership interest of less than ten percent (10%) shall be disregarded and percentage interests shall be determined on the basis of the percentage of voting interest or value which the ownership interest represents, whichever is greater. Affiliate includes Subsidiaries.

I. **"Agreement"** means this Franchise Agreement between the County and Grantee, including all exhibits and attachments, and any amendments thereto**.**

J. **"Alternative Intermediate Cover"** or **"AIC"** has the same meaning as in 27 CCR Section 20700.

K. **"Applicable Law"** means all federal, State, County, and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, Processing, and Disposal of Discarded Materials that are in force on the Effective Date and as may be enacted, issued, or amended during the Term of this Agreement. Applicable Law includes, but is in no way limited to, AB 939, AB 341, AB 1826, and SB 1383 and corresponding regulations.

L. **"Approved Facility(ies)"** means a facility(ies) proposed by Grantee and approved by the County for the Processing and/or Disposal of any of the following materials: Bulky Waste, C&D, Food Waste, Green Waste, Industrial Solid Waste, Organic Waste, Solid Waste, and Source Separated Recyclable Materials.

M. **"Approved Organic Waste Processing Facility"** means the Facility at 6000 Potter Valley Road, Potter Valley, CA, that is an Organic Waste Processing Facility which is owned and operated by Cold Creek Compost, Inc., and that the County has approved the Grantee to use.

N. "**Bin**" shall mean a container designed for mechanical emptying with a close fitting cover and of a design approved by the Department with capacity of approximately one to six cubic yards.

O. **"Blue Container"** has the same meaning as in 14 CCR Section 18982.2(a)(5) and shall be used for the purpose of storage and Collection of Source Separated Recyclable Materials

or SSBCOW.

P. "**Board**" means the Board of Supervisors of Mendocino County.

Q. "**Bulky Waste**" means and includes, but not by way of limitation, discarded white goods (i.e., major household appliances), furniture, tires, carpets, mattresses, and similar large items, which cannot be placed in a covered Container.

R. **"Business Days"** mean days during which the County offices are open to do business with the public.

S. **"California Code of Regulations"** or **"CCR"** means the State of California Code of Regulations. CCR references in this Agreement are preceded with a number that refers to the relevant Title of the CCR (e.g., "14 CCR, Division 7, Chapter 12" refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.

T. **"CalRecycle"** means California's Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing SB 1383 Regulations on Counties and other regulated entities.

U. "**Cart**" means a plastic container with a hinged lid and wheels that is serviced by an automated or semi-automated Collection vehicles and with a Container capacity of 20, 35, 65, or 95 gallons (or similar volumes).

V. **"Collect"** or **"Collection"** means the act of taking physical possession of Discarded Materials at Single-Family, Multi-Family, or Commercial Premises within the County and from County facilities and transporting the Discarded Materials to an Approved or Designated Facility for Processing, Transfer, or Disposal.

W. **"Commercial Business"** or **"Commercial"** means a firm, partnership, proprietorship, joint- stock company, corporation, or association, whether for-profit or nonprofit, strip mall, or industrial facility, or as otherwise defined in 14 CCR Section 18982(a)(6), with the exception that Multi-Family is excluded from the definition of Commercial Business for the purposes of this Agreement.

X. **"Commercial Edible Food Generators"** includes Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators, or as otherwise defined in 14 CCR Section 18982(a)(7). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators, or as otherwise specified by 14 CCR Section 18982(a)(7).

Y. **"Community Composting"** means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic

yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

Z. **"Compactor"** means a mechanical apparatus that compresses materials and/or the Container that holds the compressed materials. Compactors include two to four cubic yard Bins serviced by front-end loader Collection vehicles and 6 to 50 cubic yard Debris Boxes serviced by roll-off Collection vehicles.

AA. **"Compost"** has the same meaning as in 14 CCR Section 17896.2(a)(4), which stated, as of the Effective Date of this Agreement, that "Compost" means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized Facility.

BB. **"Compostable Plastic(s)"** means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

CC. **"Construction and Demolition Debris"** or **"C&D"** means: (1) Discarded materials generally considered to be not water soluble and nonhazardous in nature, including but not limited to steel, glass, brick, concrete, asphalt material, pipe, gypsum, wallboard, and lumber from the construction or destruction of a structure as part of a construction or demolition project or from the renovation of a structure and/or landscaping, and including rocks, soils, tree remains, trees, and other vegetative matter that normally results from land clearing, landscaping and development operations for construction project; (2) Clean cardboard, paper, plastic, wood, and metal scraps from any construction and/or landscape project; (3) Non-construction and demolition debris wood scraps; (4) Insignificant amounts of other non-hazardous wastes that are generated at the construction or demolition projects provided such amounts are consistent with best management practices of the industry; (5) Mixing of construction and demolition debris with other types of Solid Waste will cause it to be classified as other than construction and demolition debris.

DD. "**Container(s)**" mean a receptacle for temporary storage of Discarded Materials. Containers may include Bins, Carts, Roll-Off Boxes, Compactors, or other storage instruments to the extent such Containers are permitted by the County for use for Collection services provided under this Agreement.

EE. "**County**" means the County of Mendocino, State of California.

FF. "**Customer**" means the Person who receives the Grantee's Collection services and to whom the Grantee submits its billing invoice to and collects payment from for Collection services provided to a Premise. The Customer may be either the occupant, owner, or property manager of the Premises, as allowed under the County Code.

GG. **"Debris Box"** means an open-top Container with a capacity of 10 to 50 cubic yards

that is serviced by a roll-off Collection vehicle.

HH. "**Department**" means the Department of Transportation, County of Mendocino, at the office designated by the County of Mendocino to administer this Franchise Agreement or a duly authorized representative.

II. **"Designated Recyclable Material Buy-Back Site"** means the Grantee's buy-back Recycling centers located at 350 Franklin Avenue, Willits, CA, and 1825 Branscomb Road, Laytonville, CA or other locations as directed by the County.

JJ. "**Designated Disposal Facility**" means the Willits Solid Waste Transfer Station and Recycling Center located at 350 Franklin Avenue, Willits, California, which is owned and operated by Solid Waste of Willits, Inc., for all Solid Waste Collected within the Franchise Area.

KK. **"Designated Source Separated Recyclable Materials Processing Facility"** means the Willits Solid Waste Transfer Station and Recycling Center located at 351 Franklin Avenue, Willits, CA, a Source Separated Recyclable Materials Processing Facility which is owned and operated by Solid Waste of Willits, Inc., for all Recyclable Materials collected within the Franchise Area.

LL. "**Designated Waste**" means non-Hazardous Waste which may pose special Disposal problems because of its potential to contaminate the environment and which may be disposed of only in Class II Disposal Sites or Class III Disposal Sites pursuant to a variance issued by the California Department of Health Services. Designated Waste consists of those substances classified as Designated Waste by the State of California, in California Code of Regulations Title 23, Section 2522 as may be amended from time to time.

MM. **"Director"** means the Director of the Mendocino County Department of Transportation or a duly authorized representative.

NN. "**Discarded Recyclable Materials**" means any Recyclable Materials which the Generator disposes of without selling or donating.

OO. **"Discarded Materials"** are a form of Solid Waste and shall be regulated as such. For purposes of this Agreement, material is deemed to have been discarded, without regard to whether it is destined for Recycling or Disposal, and whether or not is has been separated from other Solid Wastes, in all cases where a fee or other compensation, in any form or amount, is directly or indirectly solicited from, or, levied, charged, or otherwise imposed on, or paid by, the Generator or Customer in exchange for handling services. As used herein, handling services include, without limitation, the Collection, removal, Transportation, delivery, and Processing and/or Disposal of the material. Discarded Materials do not include Edible Food that is recovered for human consumption and is not discarded. For the purposes of this Agreement, Discarded Materials include Source Separated Recyclable Materials, SSBCOW, SSGCOW, Food Waste,

Gray Container Waste, and C&D once the materials have been placed in Containers for Collection.

PP. **"Disposal"** or **"Dispose"** means the final disposition of any Solid Waste Collected by the Contractor at a permitted Landfill or other permitted Solid Waste Facility.

QQ. **"Disposal Site"** means a facility for ultimate Disposal of Solid Waste as defined in Public Resources Code Section 401.22.

RR. **"Diversion (or any variation thereof including "Divert")"** means activities which reduce or eliminate Discarded Materials from Disposal, including, but not limited to, source reduction, Reuse, salvage, Recycling, and composting.

SS. **"Edible Food"** means food intended for human consumption. For the purposes of this Agreement, Edible Food is not Solid Waste if it is recovered and not discarded. Nothing in this Agreement requires or authorizes the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

TT. **"Excluded Waste"** means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, Medical Waste, infectious, regulated radioactive waste, and toxic substances or material that Facility operator(s) reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be Disposed of in Class III Landfills or accepted at the Facility by permit conditions, waste that in Grantee's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Grantee or County to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

UU. **"Facility(ies)"** means any plant, site, or operation used for the purpose of handling Discarded Materials, including, but not limited to, Disposal, Transfer, Recycling, composting, and Processing facilities or operations.

VV. **"Food Recovery"** means actions to collect and distribute food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

WW. **"Food Recovery Organization**" means an entity that primarily engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities,

including, but not limited to:

- A food bank as defined in Section 113783 of the Health and Safety Code;
- A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
- A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Agreement.

XX. **"Food Recovery Service"** means a Person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or as otherwise defined in 14 CCR Section 18982(a)(26).

YY. **"Food Scraps"** means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells.

ZZ. **"Food-Soiled Paper"** means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

AAA. **"Food Waste"** means Source Separated Food Scraps and Food-Soiled Paper. Food Waste is a subset of SSGCOW. Edible Food separated for Food Recovery shall not be considered Food Waste.

BBB. "**Franchise Area,**" means the unincorporated portions of the County within the Solid Waste Refuse Collection Area No. One (1) as shown on the "Franchise Area Maps" (included as Exhibit E) including all amendments and changes thereto.

CCC. "**Franchise Fee**" means the fee or assessment imposed by the County on Grantee solely because of its status as party to this Agreement, and which, inter alia, is intended to compensate County for its expenses in administering this Agreement and other Solid Waste-related activities.

DDD. "**Generator**" means any Person as defined by the Public Resources Code, whose act or process produces Solid Waste, Organic Waste or Recyclable Materials as defined in the Public Resources Code, or whose act first causes Solid Waste to become subject to regulation.

EEE. "**Grantee**" means Solid Wastes of Willits, Inc. and its DBAs, and Subcontractors that perform services on Grantee's behalf.

FFF. **"Gray Container"** has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste.

GGG. **"Gray Container Waste"** means Solid Waste that is collected in a Gray Container that is part of a three-Container Organic Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For the purposes of this Agreement, Gray Container Waste includes carpet and textiles.

HHH. **"Green Container"** has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of SSGCOW.

III. "**Green Waste**" means those discarded materials that will decompose and/or putrefy, including but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of organic waste. Green Waste to be placed in a Container for Collection shall not exceed six inches in diameter and four feet in length. Tree stumps and logs are not to be considered "Green Waste" unless they are reduced to a chipped form; they shall be considered Bulky Waste. Biodegradable plant material, which is mixed with other kinds of Solid Waste, shall not be considered "Green Waste".

JJJ. **"Hauler Route"** means the designated itinerary or sequence of stops for each segment of the County's Collection service area.

KKK. **"Hazardous Substance"** shall mean any of the following: (a) any substance defined, regulated or listed (directly or by reference) as "hazardous substances", "hazardous materials", "hazardous wastes", "toxic waste", "pollutant" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601, et seq.; (ii) the Hazardous Materials Transportation Act, 49 USC Section 5101, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC Section 6901, et seq.; (iv) the Clean Water Act, 33 USC Section 1251, et seq.; (v) California Health and Safety Code Sections 25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC Section 7401, et seq.; and (vii) California Water Code Section 13050; (b) any amendments, rules, or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereinafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste, or pollutant identified as hazardous or toxic or regulated under any other applicable federal, State, and local environmental laws currently existing or hereinafter enacted, including without limitation, friable asbestos, polychlorinated biphenyl ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

LLL. "**Hazardous Waste(s) or Materials**" means any waste which meets the definitions set forth in 22 CCR Section 66261.3, et seq. and is required to be managed; or as otherwise defined in 14 CCR Section 17402(a)(7). Hazardous Waste includes hazardous wood waste, which means wood that falls within the definition of "treated wood" or "treated wood waste" in 22 CCR Section 67386.4, or as otherwise defined in 14 CCR Section 18982(a)(30.5).

MMM. "**Holidays**" are defined as New Year's Day and Christmas Day.

NNN. **"Independent Government Agencies"** means any Federal, State or local government agencies, including but not limited to special districts, school districts, Indian reservations, California Department of Parks and Recreation, California State Department of Corrections, United States Forest Service, Bureau of Land Management, United States Corp of Engineers, which due to provisions of California State Law do not have to comply or recognize the Grantee as the County's exclusively franchised Solid Waste Collector.

OOO. "**Industrial Solid Waste**" means Solid Waste in an amount exceeding an average of five hundred pounds (500 lbs.) per operating day produced by any Person principally engaged in the business of Processing or manufacturing agricultural, animal or other products or materials whose principal outlet for such products is wholesale rather than retail, and by any Person engaged in the business of building construction or demolition. Industrial Solid Waste excludes Non-Discarded Recyclable Materials.

PPP. **"Landfill"** means a "Solid Waste Landfill" defined by Public Resources Code Section 40195.1.

QQQ. **"Large Event"** means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Agreement.

RRR. **"Large Venue"** means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of 14 CCR, Division 7, Chapter 12 and this Agreement, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Agreement.

SSS. **"Liquidated Damages"** means the amounts due by Grantee for failure to meet specific quantifiable standards of performance as described in Exhibit F.

TTT. **"Low-Population Areas"** means the certain regions of the County that have a valid low population waiver, granted by CalRecycle, in accordance with the criteria and process specified in 14 CCR Section 18984.12(a), and as specified in Section 5.7.

UUU. **"Medical Waste"** means any Solid Waste that is generated or has been used in the diagnosis, treatment, or immunization of human beings or animals, or research pertaining thereto, and shall include, but not be limited to, biomedical, biohazardous and medical waste, or other Solid Waste resulting from medical activities or services as defined by the Public Resources Code, as currently enacted or subsequently amended.

VVV. **"Multi-Family"** or **"Multi-Family Dwelling Unit"** means of, from, or pertaining to residential Premises with two (2) or more dwelling units. Multi-Family Premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses. References to "Multi-Family Dwelling Unit" refer to an individual residential unit of the Multi-Family Premises.

WWW. "**Non-Discarded Recyclable Materials**" means any Recyclable Materials, as defined herein, that the Generator retains, sells, or donates.

XXX. "**Occupant**" means the Person in possession or control of the Premises, including but not limited to Persons such as tenant, lessee, licensee, manager, custodian, or caretaker.

YYY. **"Organic Waste"** means Solid Wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined in 14 CCR Section 18982(a)(4) and 14 CCR Section 18982(a)(16.5), respectively.

ZZZ. "**Owner**" or **"Property Owner"** means the owner of real property, or as otherwise defined in 14 CCR Section 18982(a)(57).

AAAA. **"Paper Products"** include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in 14 CCR Section 18982(a)(51).

BBBB. "**Person**" has the same meaning as in Public Resources Code Section 40170, which states, as of the Effective Date of this Agreement, that a Person includes an individual, firm, limited liability company, association, partnership, political subdivision, government agency, municipality, industry, public or private corporation, or any other entity whatsoever.

CCCC. "**Premises**" means a parcel of real property to the center of any alley adjacent thereto, located in Franchise Area, upon which is situated any dwelling house or other place of human habitation, including each unit of a multiple dwelling building, or of a mobile home park;

or upon which is conducted any business, occupation, or activity which results in the production or accumulation of Solid Waste.

DDDD. **"Process", "Processed"** or **"Processing"** means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment, or as otherwise defined in 14 CCR Section 17402(a)(20).

EEEE. **"Processing Site"** means any plant or site used for the purpose of sorting, cleansing, treating or reconstituting Recyclable Materials for the purpose of making such material available for reuse.

FFFF. **"Prohibited Container Contaminants"** means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County's Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County's Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or SSGCOW to be placed in County's Green Container and/or Blue Container ; and (iv) Excluded Waste placed in any Container.

GGGG. **"Rate"** means the maximum amount, expressed as a dollar unit, approved by the County that the Grantee may bill a Customer for providing specified services under this Agreement. A Rate has been established for each individual Service Level and the initial Rates for Rate Period One are presented in Exhibits A and B. The Rates approved by County are the maximum Rate that Grantee may charge a Customer for a particular Service Level and Grantee may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the County

HHHH. **"Rate Period"** means a 12-month period, commencing January 1 and concluding December 31 for which Rates are calculated, with the exception that Rate Period One shall commence on the Effective Date of this Agreement and conclude December 31, 2023.

IIII. **"Prohibited Container Contaminants"** means the following: (i) Discarded Materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the County's Blue Container; (ii) Discarded Materials placed in the Green Container that are not identified as acceptable SSGCOW for the County's Green Container; (iii) Discarded Materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or SSGCOW to be placed in County's Green Container and/or Blue Container ; and (iv) Excluded Waste placed in any Container.

JJJJ. **"Public Resources Code"** or **"PRC"** means the California Public Resources Code.

KKKK. "**Recyclable Material(s)**" includes materials which are reused or Processed

into a form suitable for reuse through reprocessing or remanufacture, consistent with the requirements of the Public Resources Code. No materials shall be considered Recyclable Materials unless such material is separated from Solid Waste and Organic Waste. Recyclable Materials shall include, but not be limited to: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, telephone books, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes); chipboard; corrugated cardboard; paper milk cartons; glass containers of any color (including brown, clear, green and blue bottles and jars; aluminum (including beverage containers, foil, food containers, small pieces of scrap metal); small pieces of scrap metal weighing less than 10 pounds and fitting into the Blue Container; steel, tin or bi-metal cans; plastic containers (no. 1 to 7); and aseptic beverages boxes.

LLLL. **"Recycle"** or **"Recycling"** means the process of Collecting, sorting, cleansing, treating, and reconfiguring materials for the purpose of returning them to the economic mainstream in the form of raw material for new, Reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace. Recycling includes processes deemed to constitute a reduction of Landfill Disposal pursuant to 14 CCR, Division 7, Chapter 12, Article 2. Recycling does not include gasification or transformation as defined in Public Resources Code Section 40201.

MMMM. **"Remnant Organic Material"** means the Organic Waste that is Collected in a Gray Container that is part of the Gray Container Collection stream, or as otherwise defined in 14 CCR 17402(a)(23.5).

NNNN. **"Residual"** or **"Residue"** means the Solid Waste destined for Disposal, further transfer/processing as defined in 14 CCR Section 17402(a)(30) or 14 CCR Section 17402(a)(31), or transformation which remains after Processing has taken place and is calculated in percent as the weight of Residual divided by the total incoming weight of materials.

OOOO. "**Residential Solid Waste**" means all types of Solid Waste which originate from residents of Single-Family Dwellings and Multi-Family Dwelling Units.

PPPP. "**Responsible Party**" means: 1) Any individual or any corporation, partnership or business association or an officer, director, or management employee of a corporation, partnership, or business association that has the authority to make discretionary decisions with respect to the operations or financial management of the Grantee; or, 2) Any corporation, sole-proprietorship, partnership, or business association, or officer, director, or management employee of such entity, that holds at least five percent (5%) equity or debt interest in the Grantee. If any holder of such debt or equity is not a natural person, the term "responsible party" includes only the debtor, equity holding Person and officers, directors, and management employees of the debt or equity holder who are empowered to make discretionary decisions with respect to the operation or financial management of the Grantee.

QQQQ. **"Reusable Items"** means items that are capable of being Reused after minimal

Processing. Reusable Items may be Collected Source Separated or recovered through a Processing Facility. Reusable Items may include, but are not limited to, clothing, furniture, and/or sporting equipment

RRRR. **"Reuse"** or any variation thereof, means the use, in the same, or similar, form as it was produced, of a material which might otherwise be discarded, or as otherwise defined in 14 CCR Section 17402.5(b)(2).

SSSS. **"Roll-Off Box"** has the same meaning as "Debris Box".

TTTT. **"Salvageable Material"** or **"Salvaged Material"** means an object or material that results from salvaging, where salvaging means the controlled separation of Solid Waste material which do not require further processing for Reuse or Recycling prior to Transfer activities, or as otherwise defined in 14 CCR Section 17402(a)(24).

UUUU. **"SB 1383"** means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time.

VVVV. **"SB 1383 Regulations"** or **"SB 1383 Regulatory"** refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

WWWW. **"Self-Hauler"** or **"Self-Haul"** means a Person who hauls Solid Waste, Organic Waste, or recovered material they have generated to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a Person who Back-Hauls waste.

XXXX. **"Service Level"** refers to the number and size of a Customer's Container(s) and the frequency of Collection service, as well as ancillary services such as lock/unlock service, Container push/pull service, etc.

YYYY. "**Single-Family**", **"Single-Family Dwelling"** or **"SFD"** means any residential Premises with less than two (2) units.

ZZZZ. "**Solid Waste**" has the same meaning as defined in PRC Section 40191, which defines Solid Waste as all putrescible and non-putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid

wastes, with the exception that Solid Waste does not include any of the following wastes:

1. Hazardous waste, as defined in PRC Section 40141.
2. Radioactive waste regulated pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the Health and Safety Code).
3. Medical waste regulated pursuant to the Medical Waste Management Act (Part 14, commencing with Section 117600, of Division 104 of the Health and Safety Code). Untreated medical waste shall not be disposed of in a solid waste Landfill, as defined in PRC Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to PRC, Division 30.

AAAAA. "**Solid Waste Collector**" means a Person who collects or Transports Solid Waste under authority granted by the Board or Department including his/her agents and employees.

BBBBB. "**Solid Waste Ordinance**" means Title 9A of the Mendocino County Code, as currently adopted by the Mendocino County Board of Supervisors and future amendments to Title 9A as adopted by the Board of Supervisors.

CCCCC. **"Source Separated"** means materials, including commingled Recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or Processing those materials for Recycling or Reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace, or as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of this Agreement, Source Separated shall include separation of materials by the Generator, Property Owner, Property Owner's employee, property manager, or property manager's employee into different Containers for the purpose of Collection such that Source Separated materials are separated from Gray Container Waste and other Solid Waste for the purposes of Collection and Processing.

DDDDD. **"Source Separated Green Container Organic Waste"** or **"SSGCOW"** means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator, excluding SSBCOW, Compostable Plastics, carpets, Non-Compostable Paper, and textiles.

EEEEE. **"Source Separated Recyclable Materials"** means Source Separated Non-Organic Recyclables.

FFFFF. **"State"** means the State of California.

GGGGG. **"Subcontractor"** means a party who has entered into a contract, expressed or implied, with the Grantee for the performance of an act that is necessary for the Grantee's fulfillment of its obligations under this Agreement.

HHHHH. **"Tier One Commercial Edible Food Generator"** means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

1. Supermarket.
2. Grocery Store with a total facility size equal to or greater than 10,000 square feet.
3. Food Service Provider.
4. Food Distributor.
5. Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Agreement.

IIIII. **"Tier Two Commercial Edible Food Generator"** means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982:

1. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
2. Hotel with an on-site food facility and 200 or more rooms
3. Health facility with an on-site food facility and 100 or more beds.
4. Large Venue.
5. Large Event.
6. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.
7. A local education agency with an on-site food facility.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply to this Agreement

JJJJJ. **"Ton"** or **"Tonnage"** or **"Tons"** means a unit of weight equal to 2,000 pounds (907.18474 kg).

KKKKK. "**Transfer**" means the act of transferring Discarded Materials Collected by Grantee from Grantee's Collection vehicles into larger vehicles at a Transfer Facility for Transport to other Facilities for Processing or Disposing of such materials. Transfer allows for removal of materials excluded or prohibited from handling at the Transfer Facility (e.g., removal of Hazardous Waste).

LLLLL. **"Transportation"** or **"Transport"** means the act of conveying Collected materials from one location to another.

MMMMM. "**Waste Stream**" means the total amount of Solid Waste generated in a given area, such as the County or a specific Franchise Area. Waste Stream does not include Recyclable Materials that have been separated from Solid Waste by the Generator so that the Recyclable Materials never become discarded waste.

NNNNN. **"Work Days"** or **"Working Days"** means days on which the Grantee is required to provide regularly scheduled Collection services under this Agreement.

SECTION 3 - COMPLIANCE WITH LAWS AND REGULATIONS

Grantee warrants that it will comply with all applicable laws in effect during the term of this Agreement, including implementing regulations, as they may, from time to time, be amended, specifically including, but not limited to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the California Public Resources Code Section 40000 et. seq., and all other applicable laws of the State of California, the County of Mendocino, ordinances of the County, the County's Source Reduction and Recycling Element, the County's Household Hazardous Waste Element, the County of Mendocino's County-wide Integrated Waste Management Plan, the requirements of Local Enforcement Agencies and other agencies with jurisdiction relating to the services provided by Grantee under this agreement. In the event of conflict between regulations or statutes, Grantee shall comply with the regulation or statute containing the most stringent applicable standards. Grantee shall comply with all final and binding judgments entered against Grantee regarding its services performed under this agreement.

SECTION 4 - TERM AND SCOPE OF AGREEMENT

A. Term of Agreement

(1) **Effective Date and Commencement Date.** The Effective Date of this Agreement shall be January 1, 2023.

(2) **Term.** The Term of this Agreement shall be from July 1, 2010, to midnight December 31, 2029, unless the Agreement is extended by written agreement of both Parties or terminated in accordance with Section 19.

(3) **Option to Extend Term.** County shall, at the County's sole discretion, have the option to extend this Agreement on one or more occasions provided that the combined extension period(s) do not extend beyond December 31, 2035. If the County extends this Agreement, it shall give written notice to Grantee no less than 365 days prior to the expiration date of this Agreement. The County's written notice shall specify the number of years by which it elects to extend the Term of this Agreement and the revised expiration date of this Agreement.

(4) **County's Rights upon Expiration or Revocation.** At the expiration or revocation of this Agreement, the County may proceed with a competitive bidding or request for proposal process or exercise any other option available under Applicable Law.

B. Scope of Agreement

The Grantee shall have the exclusive right to service any Occupant or Owner to make all Solid Waste and Recyclable Material Collections within the Franchise Area, except as described in Section 4C or except as otherwise precluded by Applicable Law.

The Grantee or its Subcontractor shall be responsible for the following services:

(1) Collecting all Solid Waste and Recyclable Materials generated in the Franchise Area and placed by Generator for Collection.

(2) Transporting collected materials to the Designated or Approved Disposal Facility, Organic Waste Processing Facility, or Source Separated Recyclable Materials Processing Facility.

(3) Processing and marketing of Recyclable Materials Collected in the Franchise Area by Grantee.

(4) Collecting Demolition and Construction Debris generated within the Franchise Area.

(5) Operating a Recyclable Material buy-back center located at the Designated Recyclable Material Buy-Back Sites.

(6) Furnishing all labor, supervision, vehicles, Containers, other equipment, materials, supplies, and all other items and services necessary to perform its obligations under this Agreement.

(7) Paying all expenses related to provision of services required by this Agreement including, but not limited to, taxes, regulatory fees, pass-through costs, utilities, etc.

(8) Providing all services required by this Agreement in a thorough and professional manner so that residents, businesses, and the County are provided timely, reliable, courteous and high-quality service at all times.

(9) Complying with Applicable Law.

(10) Performing or providing all other services necessary to fulfill its obligations under this Agreement.

(11) Accepting Food Waste at no additional cost to customers. Destination Compost facility will be a fully permitted facility in which Grantee holds a proprietary interest, or, if such is unavailable, to an Approved Organic Waste Processing

Facility.

(12) **Covelo Solid Waste Transfer Station**. Grantee and County have entered into a valid agreement for the operation, maintenance, and service of the Covelo Solid Waste Transfer Station (BOS Agreement No. 95-040). This Agreement shall amend Section D – Term of BOS Agreement No. 95-040 as follows:

(a) The term of the BOS Agreement No. 95-040 shall be concurrent with this Franchise Agreement.

(b) Grantee shall not have to submit annual agreement extensions for BOS Agreement No. 95-040 as set forth in Section D – Term of said Agreement.

(c) All provisions of BOS Agreement No. 95-040, which set forth the submittal of the annual agreement extension deadline for action by either party, shall be amended to the anniversary of the operation assumption date, which is annually on September 9th.

(d) Change Section B – Grantee Agrees, paragraphs 19 and 20 from monthly to quarterly.

(e) Section J – Financial Statements to be deleted entirely and replaced with:
"Grantee shall maintain accounting records specific to the Covelo SWTS, separate from other activities.

"Grantee n expense, be required to annually provide the Department with a copy of a compiled or reviewed financial statement, or an independent financial audit report. The audit report shall be prepared by a certified public accountant. The accountant shall be entirely independent of the Grantee, shall have no financial interest whatsoever in the business of the Grantee, and shall be approved by the County Auditor-Controller.

"The annual financial statement or audit report must include an Income Statement for the Covelo SWTS operations. The Income Statement should disclose revenue by line of business and expenses by line of business and detail expense descriptions.

"In the event of the failure of the Grantee to provide any such report, the Department may employ a qualified accountant or consultant or the County Auditor-Controller to prepare the report, and the Grantee shall be liable for and pay the associated costs and expenses of the accountant or County Auditor-Controller."

(f) All other terms and conditions of BOS Agreement No. 95-040 remain in effect.

C. Limitations to Scope

The materials listed below in this Section may be Collected and Transported by other Persons. Such Persons shall do so in accordance with the County Code.

(1) **Industrial Recyclable Materials**. Recyclable Materials from a Generator of Industrial Solid Waste that are not disposed of and are recycled including, but not limited to, wood chips from the forest products industry used as boiler fuel, and agricultural waste used to produce Compost. If Solid Waste residue in Recyclable Materials exceeds 5% by volume it shall be considered Solid Waste and not Industrial Recyclable Material and shall be collected by Grantee

(2) **Non-Discarded Recyclable Materials**, provided the transporter is paid no direct or in-kind fee for the service and compensates the Generator for the Recyclable Materials.

(3) **Materials Hauled by Owner, Occupant, or a Cooperative of Persons, or its Contractor.** Solid Waste and/or Recyclable Materials that are removed from any Premises by the Owner, Occupant, or a cooperative of persons and are Transported, without compensation, to a Disposal Site or Processing Site by (i) the Owner, Occupant or cooperative of persons of such Premises, (ii) by full-time employee(s) of Owner, Occupant, or cooperative of persons that uses the Owner's, Occupant's, or cooperative of persons' equipment to Transport materials; or (iii) by a contractor whose removal of the Solid Waste and/or Recyclable Materials, and/or Demolition and Construction Debris incidental to the service being performed and such contractor removes materials at no additional or separate fee using contractor's own equipment and labor;

(4) **Containers Recycled.** Containers delivered for Recycling under the California Beverage Container Recycling Litter Reduction Act, Section 14500, California Public Resources Code et. seq. as may be amended from time to time;

(5) **Animal, Grease Waste, and Used Cooking Oil.** Animal waste and remains from slaughterhouse or butcher shops, grease waste, or used cooking oil;

(6) **Sewage Treatment By-Product.** By-products of sewage treatment including sludge, sludge ash, grit, and screenings;

(7) **Hazardous Wastes.** Household Hazardous Waste, Hazardous Waste, and Designated Waste regardless of its source.

(8) **State and Federal Wastes.** Materials generated by state and federal agencies, special districts, school districts, State parks, State correction facilities, and Indian reservations.

(9) **Other Materials.** Lead-acid batteries, waste oil, tires, and scrap metal not covered as Discarded Recyclable Materials.

(10) **Edible Food.** Edible Food that is collected from a Generator by other Person(s), such as a Person from a Food Recovery Organization or Food Recovery Service, for the purposes of Food Recovery; or that is transported by the Generator to another location(s), such as the location of a Food Recovery Organization, for the purposes of Food Recovery, regardless of whether the Generator donates, sells, or pays a fee to the other Person(s) to collect or receive the Edible Food from the Generator.

(11) **On-Site or Community Composting.** Organic Waste that is composted or otherwise legally managed at the site where it is generated or at a Community Composting site.

D. Subcontracting

Grantee shall not engage any Sub-grantees for Collection, Transportation, Processing, or Disposal of Solid Waste, Organic Waste, or Recyclable Materials services without the prior written consent of the County.

E. Franchise Area Defined

This Agreement allows the Grantee to Collect, Transport, and Process Solid Waste and Recyclable Materials generated within the Franchise Area defined and shown on that certain map entitled "Solid Waste Refuse Collection Area 1", attached hereto as Exhibit E – Franchise Area Maps and incorporated herein by this reference. The Franchise Area may be modified upon renegotiation and mutual consent of both parties should the Board find such modification necessary for the efficient administration of this Agreement and in the public interest. In the event of such a modification, the Grantee shall be given a ninety (90) day written notice thereof before the modification shall become effective.

F. Franchise Area Limits

No Persons shall be granted a right to collect refuse in Grantee's Franchise Area unless approved by the Board of Supervisors due to an emergency, a lack of service by the Grantee, or as allowed according to Section 20 herein.

SECTION 5 - SERVICES PROVIDED BY GRANTEE

A. County to Approve All Services

The nature of the Solid Waste and Recyclable Materials services Grantee shall offer and provide to Customers residing or doing business in the Franchise Area has been determined by the Board of Supervisors.

B. Collection Service.

In order to protect the public health and safety, Grantee shall collect, in a manner consistent with public health and safety, Solid Waste Organic Waste, and Recyclable Materials from its Customers in the Franchise Area as frequently as scheduled by Customer, but not less than once per week. Except, in areas that have received a waiver pursuant to 14 CCR Section 18984.12(a), the Grantee may propose to County service standards and Rates for every other week or monthly solid waste and recyclable material collection, which the County has the right to approve in accordance with Section 6.H. Solid Waste service shall be provided in the Container Sizes and Collection frequencies as set forth in Exhibits A and B to this Agreement, and the billings to Customers for Solid Waste service shall incorporate at no extra cost Organic Waste and Recyclable Material Collection, except as set forth herein.

The scope of services to be performed by Grantee pursuant to this Agreement shall include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of this Agreement. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve the Grantee of the duty to furnish all others, as may be required, whether enumerated or not.

The scope of services to be performed by Grantee pursuant to this Agreement shall be accomplished in a manner so that Customers are provided reliable, courteous, and high-quality Collection services and other services described in this Agreement at all times. The enumeration of, and specification of requirements for, particular aspects of service quality shall not relieve Grantee of the duty of accomplishing all other aspects in the manner generally provided in this Article for the delivery of services, whether such other aspects are enumerated elsewhere in this Agreement or not.

Grantee shall not knowingly Collect Blue, Green, or Gray Containers that include Prohibited Container Contaminants.

(1) **General**. Grantee shall provide a three-Container Collection program for the separate Collection of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste as specified in this Section, using Containers that comply with the requirements of Section 7.F(4).

(2) **Source Separated Recyclable Materials Collection (Blue Container)**. Grantee shall provide Blue Containers to Customers for Collection of Source Separated Recyclable Materials and shall provide Source Separated Recyclable Materials Collection service, as described in Exhibits A, and B of this Agreement. Grantee shall Transport the Source Separated Recyclable Materials to the

Approved/Designated Source Separated Recyclable Materials Processing Facility, as specified in Section 10.

Source Separated Recyclable Materials that are to be accepted for Collection in the Source Separated Recyclable Materials Collection program include the following: newspaper (including inserts, coupons, and store advertisements); mixed paper (including office paper, computer paper, magazines, junk mail, catalogs, brown paper bags, brown paper, paperboard, paper eggs cartons, telephone books, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes, chipboard; corrugated cardboard; paper milk cartons; glass containers of any color (including brown, clear, green, and blue glass bottles and jars); aluminum (including beverage containers, foil, food containers, small pieces of scrap metal); small pieces of scrap metal weighing 10 pounds and fitting into the Blue Container; steel, tin or bi-metal cans; plastic containers (no. 1 to 7); and aseptic boxes. The Parties agree that the list of accepted types of Source Separated Recyclable Materials may be added to or removed from this list from time to time by amendment. Prohibited Container Contaminants shall not be Collected in the Blue Containers. The Containers shall comply with the requirements of Section 7.F(4).

In areas that have received a waiver pursuant to 14 CCR Section 18984.12(a), on a case-by-case basis, County may approve Grantee to provide curbside Recycling collection by use of a blue plastic bag for mixed Recyclables provided free to the Customer, to be placed by Customer next to the cart for Solid Waste, and Grantee shall later remove it for recovery of the Recyclables in the blue bag. Grantee shall provide a new blue bag to each Customer upon collection of a blue bag set out for collection.

(3) **SSGCOW Collection (Green Container)**. At a minimum in "Areas Subject to SB 1383 Organic Waste Collection Requirements" and "Additional Existing Organic Waste Collection Area", as shown in Exhibit E - Franchise Area Maps, Grantee shall provide Green Containers to Customers for Collection of SSGCOW and shall provide SSGCOW Collection service, as described in Exhibits A and B of this Agreement, Grantee shall Transport the SSGCOW to the Approved/Designated Organic Waste Processing Facility, as specified in Section 10.

SSGCOW that are to be accepted for Collection in the SSGCOW Collection program include the following: Food Scraps; Food-Soiled Paper; and Yard Trimmings, which are defined below. The Parties agree that types of SSGCOW may be added to or removed from this list from time to time by amendment. Grantee shall not add or remove materials to or from this list without written approval from County or signed amendment to the Agreement, and such approval shall not be unreasonably withheld. Carpets, non-Compostable Paper, textiles, and

Prohibited Container Contaminants shall not be Collected in the Green Containers.

Yard Trimmings that are to be accepted for Collection in the SSGCOW Collection program include the following: green trimmings, grass, weeds, flowers, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, and other types of SSGCOW resulting from normal yard and landscaping installation, maintenance, or removal. The Parties agree that accepted types of Yard Trimmings may be added to or removed from this list from time to time by amendment. Grantee shall not add or remove materials to or from this list without written approval from County or signed amendment to the Agreement, and such approval shall not be unreasonably withheld.

(4) **Gray Container Waste Collection (Gray Container).** Grantee shall provide Gray Containers to Customers for Collection of Gray Container Waste, and shall provide Gray Container Waste Collection service, as described in Exhibits A and B of this Agreement. Contractor shall Transport the Gray Container Waste to the Approved or Designated Disposal Facility, as specified in Section 10. Grantee may allow carpets and textiles to be placed in the Gray Containers; in the event that Grantee disallows such items from being placed in the Gray Containers, Grantee shall direct Customer as to how such items may be disposed. Prohibited Container Contaminants shall not be Collected in the Gray Containers. The Containers shall comply with the requirements of Section 7.F(4).

(5) **Debris Box Collection.** Grantee shall provide Debris Box collection service at Customer's request for the collection of C&D materials and other Bulky Waste on an as needed basis. Debris Box Solid Waste shall be transported to the Approved or Designated Disposal Facility or Approved C&D Processing Facility that provides the lowest total cost to the Customer and such Processing shall comply with requirements prescribed in Section 10 of this Agreement and Exhibit C. Customers shall pay the Roll-off Pull Rates as specified in Exhibit B in addition to the actual disposal charge based on the weight of the Debris Box Solid Waste.

Grantee shall offer Recycling service for unpainted wood, Organic Waste, scrap metal, concrete, asphalt, gypsum board (also known as "dry wall") and carpet padding to Customers. A Debris Box for these materials will be provided at a 20% discount.

(6) **Special Events Collection**. Grantee may provide Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste services at special events, at the County-approved Rates. At such events, Grantee shall provide for Collection of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste. Each event Collection station shall include separate Containers for each of Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste, as

appropriate. Grantee shall provide a sufficient number of event Collection stations of sufficient capacity to meet the needs of the event as determined by Grantee in cooperation with the event organizer. Collection stations shall utilize the same Carts used to provide services to Single-Family Customers, unless alternative Containers are approved by County. Collection stations shall include adequate labeling.

Upon request, Grantee shall provide Containers for the aggregation of material removed from event Collection stations during the course of the event. Grantee shall provide Containers in sufficient number of appropriate type(s) for the needs of the event as determined by Grantee in cooperation with the event organizer. Grantee shall service Containers, as agreed-upon with the event organizer, and deliver Collected materials to the appropriate Approved/Designated Facility for Processing and/or Disposal.

C. Recyclable Material Buy-Back Facility

Grantee shall operate and maintain a buy-back Recycling center at each of the Designated Recyclable Material Buy-Back Sites. At a minimum, Grantee shall purchase California Redemption Value (CRV) containers. In addition, Grantee shall accept for drop-off the following Recyclable Materials: aluminum and tin cans, glass beverage and food containers, plastics 1-7, newspaper, office paper, junk mail, magazines, telephone directories, paper board, and corrugated cardboard. Operating hours shall, at a minimum, be from 9:00 a.m. to 4:30 p.m., Wednesday through Saturday or days and hours approved by County.

County reserves the right to require Grantee to open and operate additional Recyclable Material Buy-Back Facilities at any of the Grantee-operated transfer stations located within the Franchise Area. If County directs Grantee to open and operate additional Recyclable Material Buy-Back Facilities, this shall be considered a County-directed change in scope and Grantee is entitled to a receive a pass-through Rate adjustment, in accordance with Section 15.A of this Agreement.

D. Hours of Collection

No Collections shall be made in residential areas prior to 5:00 a.m. or after 6:00 p.m. No Collections shall be made at schools, churches, hospitals, offices, or commercial establishments within 200 feet of said residential districts prior to 5:00 a.m. or after 9:00 p.m. unless a modification of these hours is allowed in writing by the Department, which modification may be revoked at the sole discretion of the County. Special arrangements may be made pursuant to the Solid Waste Ordinance for all categories of Collections provided by the Grantee.

E. Collection on Holidays

If e day of Collection on any given route falls on a Holiday, Grantee shall provide

Collection service for such route on the work day either before or following such Holiday and shall not provide Collection service on such Holiday, and all subsequent Collection days during that Holiday week shall be adjusted at the discretion of Grantee. Grantee shall be responsible for Customer notification of Holiday Collection arrangements. If the day of Collection on any given route falls on any remaining Holiday, Grantee may continue to provide Collection service for such route on that workday.

SECTION 6 - OTHER PROGRAMS AND SERVICES PROVIDED BY GRANTEE

A. Source Reduction and Waste Diversion Programs

Grantee shall provide programs as are required by federal, state, or local regulations, including but not limited to, the County of Mendocino County-wide Integrated Waste Management Plan, the Source Reduction and Recycling Element, and the Household Hazardous Waste Element and as itemized in Exhibits A and B. If County directs changes in Recycling or Organic Waste services, Grantee shall be entitled to recovery of any additional costs through the pass-through Rate adjustment procedure of Section 15.A. When introducing new or expanded Diversion programs, County shall define the objective of the program and cooperate with Grantee to consider Grantee's proposal for the methods to achieve the objective, and County shall consider alternative methods so that objectives are achieved while minimizing any costs or operational problems that the new program may cause to Grantee. In exercising its right to direct changes in Recycling or Organic Waste services, County will consider the impact upon Rates and the likelihood Grantee can recover all costs with the change.

B. Education and Outreach

(1) **General.** In order to promote public education, Grantee shall create all public education materials and conduct education programs and activities described in this Section at its expense.

(2) **Program Objectives**. Grantee's public education and outreach strategy shall focus on improving Generators' understanding of the benefits of and opportunities for source reduction, Reuse, and Landfill Disposal reduction. In general, Grantee-provided public education and outreach, which shall include all content required by this Section, should: (i) inform Generators about the services that are provided under this Agreement with specific focus on describing the methods and benefits of source reduction, Reuse, and reduction of Solid Waste Disposal; (ii) instruct Generators on the proper method for placing materials in Containers for Collection and setting Containers out for Collection with specific focus on minimizing contamination of Source Separated Recyclable Materials and SSGCOW, where applicable; (iii) clearly define Excluded Waste and educate Generators about the hazards of such materials and their opportunities for proper handling; (iv) discourage Generators from buying products if the product and its

packaging are not readily reusable, recyclable, or compostable; (v) inform Generators subject to Food Recovery requirements under SB 1383 Regulations of their obligation to recover Edible Food and actions they can take to prevent the creation of Food Waste; (vi) encourage the use of Compost; and, (vii) encourage Generators to purchase products/packaging made with Recycled-content materials. The cumulative intended effect of these efforts is to reduce each Generator's reliance on Grantee-provided Gray Container Waste service and, ultimately, Disposal, and Grantee agrees to support and not undermine or interfere with such efforts.

(3) **Grantee Cooperation.** Grantee acknowledges that they are part of a multi-party effort to operate and educate the public about the integrated waste management system. Grantee shall cooperate and coordinate with County on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.

Grantee shall obtain approval from County on all Grantee-provided public education materials including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. County shall have the right to request that Grantee include County identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. The County reserves the right to direct the Grantee to modify the education and outreach program at any time.

(4) **Annual Education Plan.** Annually, Grantee shall develop and submit an annual public education plan to promote the programs performed by Grantee under this Agreement. The annual public education plan shall present the education activities for the upcoming calendar year and shall be submitted with the Grantee's annual report in accordance with Exhibit G. Each public education plan shall specify the target audience for services provided, include upcoming promotions for ongoing and known special events, identify program objectives, individual tasks, public education materials to be developed or updated, opportunities for expanded partnerships, and a timeline for implementation. The County shall be permitted to provide input on each annual public education plan, and the plan shall not be finalized or implemented without approval of County. Each plan's implementation success shall be measured according to the deadlines identified and products developed. Grantee shall meet with County to present and discuss the plan. County shall be allowed up to thirty (30) days after receipt to review and request modifications. County may request, and Grantee shall not unreasonably deny, modifications to be completed prior to approving the plan. Grantee shall have up to fifteen (15) Business Days to revise the plan in response to any requested changes by County. Any further delays may result in Liquidated Damages pursuant to Exhibit F for failure to perform education and outreach activities. Each Business Day that the plan is late shall count as a single

event/activity.

(5) **Annual and/or Ongoing Education Requirements**

a) Annual Notice of Requirements. Not less than once per year during each Rate Year, Grantee shall prepare and distribute to each Generator in the Jurisdiction a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Grantee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Grantee shall also make this notice available in an electronic format through the Grantee's website.

b) Annual Notice of Requirements. Not less than once per year during each Rate Year, Grantee shall prepare and distribute to each Generator in the Jurisdiction a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Grantee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Grantee shall also make this notice available in an electronic format through the Grantee's website.

c) Multi-Family and Commercial Customer Signage. Grantee shall provide all Multi-Family and Commercial Customers with Source Separated Recyclable Materials, SSGCOW, and Gray Container Waste program guidelines, as applicable, including posters to be placed in Collection areas and enclosures and other community areas at each Premises or building where Discarded Materials are stored.

d) Minimum Website Requirements. Grantee shall develop and maintain a website that is specifically dedicated to County to provide Generators with detailed service information. The website or webpage shall be accessible by the public, and shall include all education and outreach materials being provided, without requirement for login. Grantee shall update the website regularly so that information provided is current.

e) Instructional Service Guide. Within sixty (60) days of the Effective Date of this Agreement, Grantee shall prepare a service guide that describes available services, including how to place Containers for Collection, which materials should be placed in each Container and prohibited materials, and provides Collection holidays and a Customer service phone number. The service guide shall be printed and delivered annually to all Generators. Grantee shall prepare different service guides for Single-Family, Multi-Family, Commercial Generators, and Commercial Edible Food Generators. Grantee shall, at its sole expense, revise, re-print, and redistribute service guides at least sixty (60) days prior to a change in the accepted or prohibited materials for any program. Grantee shall make the service guide available in an electronic format through

the Grantee's website. Grantee may provide an electronic version of the instructional service guide rather than a printed version, if requested by the Customer.

f) Annual Multi-Family Dwelling Unit Notices. Within sixty (60) days of the Effective Date of this Agreement, Grantee shall obtain and track in its Customer information system(s) the number and addresses of dwelling units at each Multi-Family Premises serviced by Grantee. Grantee shall maintain this database by auditing the data at least once every two (2) years. At least annually, commencing no later than sixty (60) days after the Effective Date of this Agreement, Grantee shall prepare and distribute notices to each Multi-Family Dwelling Unit at Multi-Family Premises serviced by Grantee. The annual notices shall be a minimum of one page (which may include the front and back of a single printed sheet), and shall include information on regulations governing Discarded Materials, Hazardous Waste, and toxic waste; County and State requirements to properly separate Discarded Materials (such as requirements of the County Code and of State statutes and corresponding regulations, including, but not limited to, AB 341, AB 1826, and SB 1383); instructions on properly separating materials; waste prevention; services available; and any other information required by the County or by State regulations (including SB 1383 Regulatory requirements for education, pursuant to 14 CCR, Division 7, Chapter 12, Article 4). As an alternative, Grantee may comply with these requirements through preparation and distribution of an annual newsletter distributed to each Multi-Family Dwelling Unit that provides the same information. Grantee shall make notices and newsletters available in an electronic format through the Grantee's website. Grantee may provide an electronic version of the notices rather than a printed version, if requested by the Customer.

g) Provision of Educational Materials to Non-Compliant Entities. Grantee shall provide educational materials to non-compliant entities under this Agreement, as further described in Section 6.J.

h) Education Materials for Property and Business Owners and Tenants. Grantee shall annually provide Property Owners and Commercial Business owners with public education materials for their distribution to all employees, contractors, tenants, and Customers of the properties and businesses. The Grantee's public education materials shall include, at a minimum, information about Organic Waste recovery requirements, as applicable, and proper sorting of Discarded Materials and shall reflect content requirements described in Section 6.B.6 below. Grantee shall provide the following materials for this purpose: insert materials (such as, but not limited to, welcome packets, flyers, and signs). A Commercial Business or Multi-Family Property Owner may request these materials more frequently than the standard annual provision if

needed to comply with the requirement of 14 CCR Section 18984.10 for Commercial Businesses and Multi-Family Property Owners to provide educational information to new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Property Owner may request delivery of materials by contacting the Grantee's customer service department not later than two (2) weeks in advance of the date that the materials are needed.

i) Education Requirements for Commercial Edible Food Generators

i. Within sixty (60) days of the Effective Date of this Agreement, Grantee shall develop a list of Food Recovery Organizations and Food Recovery Services operating within the County, maintain the list on the Grantee's County-specific website, share the list with County, and update the list annually. The list shall include, at a minimum, the following information about each Food Recovery Organization and each Food Recovery Service:
    1. Name and physical address;
    2. Contact information;
    3. Collection service area; and,
    4. An indication of types of Edible Food the Food Recovery Service or Food Recovery Organization can accept for Food Recovery.

ii. At least annually, Grantee shall provide Commercial Edible Food Generators with the following information:
    1. Information about the County's Edible Food Recovery program;
    2. Information about the Commercial Edible Food Generator requirements under 14 CCR, Division 7, Chapter 12, Article 10;
    3. Information about Food Recovery Organizations and Food Recovery Services operating within the County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and,
    4. Information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

iii. Grantee may provide the information required by subsection b above by including it with regularly scheduled notices, education materials, billing inserts, or other information disseminated to Commercial Businesses.

(6) **Minimum Content Requirements**. Within sixty (60) days of the Effective Date of this Agreement and annually thereafter, Grantee shall include the following

education and outreach content to Customers by incorporation of this content into the public education materials described in Section 6.B(5).

a) Collection system description - Information on the Generator's requirements to properly separate Source Separated Recyclable Materials, SSGCOW (as applicable), and Gray Container Waste and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Law.

b) Information on methods for the prevention of Source Separated Recyclable Materials and SSGCOW generation; managing SSGCOW on Generator's Premises through composting or other Landfill Disposal reduction activities allowed under 14 CCR Sections 18983.1 and 18983.2; sending SSGCOW to Community Composting operations; and any other local requirements regarding Discarded Materials.

c) Information regarding the methane reduction benefits of reducing the Disposal of SSGCOW, and the method(s) that the Contractor uses to recover SSGCOW.

d) Information regarding how to recover Source Separated Recyclable Materials and SSGCOW (as applicable), and contact information for the Franchised Hauler(s).

e) Information related to the public health and safety and environmental impacts associated with the Disposal of SSGCOW.

f) Information regarding programs for donation of Edible Food;

g) For Commercial Customers, information about County's Edible Food Recovery Collection program; Tier One Commercial Edible Food Generators and Tier Two Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; Food Recovery Organizations and Food Recovery Services operating within County, and where a list of those Food Recovery Organizations and Food Recovery Services can be found; and, information about actions that Commercial Edible Food Generators can take to prevent the creation of Food Waste.

h) Information regarding Self-Hauling requirements.

i) Any other federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including applicable requirements of the Mendocino County Code, AB 341, AB 1826, and SB 1383 and corresponding regulations.

(7) **Material Distribution Methods**

a) Printed materials. Grantee shall provide printed education materials as described in Section 6.B(5). Grantee shall be responsible for the design, printing, and distribution of these materials. All Grantee-printed public education materials shall, at a minimum, use recycled paper and/or be made of recycled material. The Grantee will use 100% post-consumer paper, and procure printed materials from local businesses.

b) Electronic materials and website content. Grantee shall provide electronic and website content for education and outreach materials, which may include, but are not limited to: digital graphics, digital versions of print materials, social media posts, and blog posts. Grantee shall be responsible for the design, posting, and electronic distribution of these materials.

(8) **Non-English Language Requirements**

Grantee shall make all public education and outreach materials required by this Section available in English and Spanish.

(9) **Record Keeping and Reporting Requirements**

Grantee shall comply with the public education and outreach record keeping and reporting requirements of Exhibit G.

(10) **Personnel**

a) **Public Education Outreach Coordinator.** Grantee shall designate at a minimum one (1) staff member to serve as Outreach Coordinator. The duties of the Outreach Coordinator(s) shall be focused on public education and community outreach. The Outreach Coordinator(s) shall educate Customers and Customers' employees on the importance of Recycling, Food Recovery, resource recovery, Landfill Disposal reduction, as well as all State, federal, County, and local mandates, including SB 1383 and SB 1383 Regulations; and shall work with Customers to implement services, increase participation in Source Separated Recyclable Materials and SSGCOW Collection programs, and reduce contamination. The Outreach Coordinator(s) shall identify potential organizations and partners involved with Food Recovery and resource recovery. The Outreach Coordinator(s) shall be responsible for implementing the education plans and programs specified in this Section.

b) **Staff Training.** Annually, and upon hiring of new staff, Grantee is required to conduct thorough training of all Customer service representatives who may respond to Generator calls regarding Grantee's Collection services and SB 1383 Regulatory requirements. Customer service representatives shall accurately communicate program

requirements and the accepted and prohibited materials for each material stream for each Customer type.

Annually, and upon hiring of new staff, Grantee shall conduct thorough training of all Hauler Route personnel that come into contact with Generators on the Collection program requirements and the accepted and prohibited materials for each material stream for each Customer type.

C. Billing

(1) **General.** The County shall establish the Rates that Grantee may charge Customers for Solid Waste and Recyclable Materials services. Grantee shall bill all Customers and collect Billings in accordance with County-approved Rates.

The Grantee shall prepare, mail, and collect bills (or shall issue written receipts for cash payments) for Collection services provided by Grantee. The County shall have the right to review, and approve the Billing format.

Grantee shall arrange to allow its Customers to pay bills through the following means: check, cash or credit card. Grantee shall include the ability for Customer billings to be automatically charged on a recurring basis, at Customer's request.

Grantee shall maintain copies of all Billings and receipts, each in chronological order, for five years for inspection and verification by County at any reasonable time upon request. The Grantee may, at its option, maintain those records in computer form, on microfiche, or in any other manner, provided that the records can be preserved and retrieved for inspection and verification in a timely manner.

Grantee shall be responsible for collection of payment from Customers with past due accounts ("bad debt"). Grantee shall make reasonable efforts to obtain payment from delinquent accounts through issuance of late payment notices, telephone requests for payments, and assistance from collection agencies. Accounts that are delinquent for a period of ninety-days (90) or more may be terminated by Grantee.

(2) **Bill Inserts.** County may direct Grantee to insert mailers (which shall be a single sheet of paper no larger than 8.5 inches by 11 inches) relating to service with the Bills. The mailers shall be printed on double-sided, post-consumer content paper and shall fit in standard envelopes. Grantee also agrees to insert with the Billings, mailers describing activities of the County government. County will provide not less than 30 calendar days' notice to Grantee before the date of any proposed mailing, to permit Grantee to make appropriate arrangements for inclusion of the County's materials. County will provide Grantee the mailers at least 15 calendar days before the mailing date.

(3) **Review of Billings.** Grantee shall review its Billings to Customers to determine (i) if the amount the Grantee is billing each Customer is correct in terms of the level of service (i.e., frequency of Collection, size of Container, backyard service) Grantee is providing such Customer, and (ii) that all parties receiving service are invoiced for service. Grantee shall review all Customer accounts at least every other year, unless County directs Grantee to do otherwise. Grantee shall submit to County every year, a written report of the billing review 30 days after the end of each Rate Period. The scope of the review, the Grantee's work plan, and the format of the report (including supporting exhibits) shall be submitted to the County for approval no later than 60 days prior to commencement of the Billing review process. Should Grantee fail to perform any such review, the County may perform this review itself or through use of an agent, at Grantee's expense.

(4) **Rates and Waivers.** Grantee shall bill Customers and collect Customer payments at Rates not to exceed the County-approved maximum Rates as specified in Exhibits A and B. Note that maximum Rates are established for Multi-Family and Commercial Customers that have been granted de minimis, space constraint, Collection frequency, low population, disaster, and/or emergency waivers pursuant to Sections 6.H. Contractor shall ensure that accurate records are maintained for such waivers and Customers are billed properly.

(5) **Application of Contamination Surcharges.** In accordance with Section 6.D(1)(c), the Grantee shall assess contamination Processing fees on Customers with repeated occurrences of excess Prohibited Container Contaminants. Any contamination Processing fees to be assessed for a Customer shall be included and itemized on the Customer's invoice for the billing period in which the Grantee notified the Customer of the assessment of the contamination Processing fee.

D. Contamination Monitoring

For areas of the County subject to SB 1383 that have not received a waiver pursuant to 14 CCR Section 18984.12(a), Grantee shall perform contamination monitoring services in accordance with this Section.

(1) Contamination Monitoring Procedures

a) **General**. This Section provides inspection method(s) for Prohibited Container Contaminants to be used by the Grantee in conducting contamination monitoring required by Section 6.D. Contractor shall have the discretion to elect which inspection method(s) to employ from time to time.

b) **Container Inspection Methods**.

i. Option 1: Physical Container Inspections. Hauler Route personnel shall dismount the Collection vehicle, lift the Container lid and

observe the contents. Upon finding Prohibited Container Contaminants in a Container, Grantee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Section 6.D(1)(c).

ii. Option 2: Visual Inspections via On-Board Monitoring System. For Collection vehicles with automated Collection service, the Collection vehicle hopper shall be equipped with a video camera and monitoring system. The Grantee's Hauler Route personnel shall observe, via the hopper video camera and monitoring system, the contents of the Containers as the materials are emptied into the vehicle. Upon finding Prohibited Container Contaminants in a Container, Grantee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 6.D(1)(c) and 6.D(1)(d).

The next day on which that Customer is to receive service, the Grantee's Hauler Route personnel shall dismount the Collection vehicle, lift the lid of the Container, and visually inspect the contents of the Container. If the Grantee's Hauler Route personnel determines that the Container again contains Prohibited Container Contaminants, Grantee shall follow the contamination noticing procedures and contaminated Container handling protocols set forth in Sections 6.D(1)(c) and 6.D(1)(d).

c) **Actions upon Identification of Prohibited Container Contaminants**.

i. **Record Keeping**. The driver or other Grantee representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container (Blue, Green, or Gray Container); and maintain photographic evidence, if possible. Grantee shall submit this record to the Grantee's Customer service department, and Grantee's Customer service department shall update the Customer's account record to note the event, if the documentation if the on-board computer system did not automatically update the Customer's account record.

ii. **Identification of Excluded Waste**. If Grantee's personnel observe Excluded Waste in an uncollected Container, the Grantee's personnel shall issue a non-Collection notice for this Container in accordance with Section 6.D(1)(c)v. and shall not Collect the Discarded Materials that contain Excluded Waste. Grantee's personnel shall record that observation in accordance with Section 6.D(1)(c)i. and immediately inform their route supervisor. Grantee shall follow protocols specified

in Sections 6.D(1)(c)v. and 6.D(1)(c)vi. The route supervisor shall investigate and initiate applicable action within one (1) Business Day or sooner if the Hazardous Waste may cause immediate danger.

iii. **Courtesy Pick-Up Notices.** Upon identification of Prohibited Container Contaminants in a Customer's Container, Grantee shall provide the Customer a courtesy pick-up notice. The courtesy pick-up notification shall: (i) inform the Customer of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in the Blue Container, Green Container, and/or Gray Container; (iv) inform the Customer of the courtesy pick-up of the contaminated materials on this occasion with information that following one (1) instance Grantee may assess contamination Processing fees or issue a non-Collection notice; and, (v) may include photographic evidence. Grantee shall leave the courtesy pick-up notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, subject to Grantee's approval, may deliver the notice by mail, e-mail, text message, or other electronic message.

Grantee shall Collect the contaminated Source Separated Recyclable Materials or SSGCOW and Transport the material to the appropriate Facility for Processing; or, Grantee may Collect the contaminated materials with Gray Container Waste and Transport the contaminated materials to the appropriate Facility for Disposal/ Processing.

iv. **Notice of Assessment of Contamination Processing Fees.** If the Grantee observes Prohibited Container Contaminants in a Generator's Container on more than one (1) occasion and issued a courtesy pick-up notice on that occasion, the Grantee may impose a contamination Processing fee in accordance with the Rate schedule in effect at the time. Grantee shall notify County in its quarterly report of Customers for which contamination Processing fees were assessed. Grantee shall leave a contamination Processing fee notice attached to or adhered to the Generators' contaminated Containers; at the Premises' door or gate; or, subject to County's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. The contamination Processing fee notice shall describe the specific material(s) of issue, explain how to correct future set outs, and indicate that the Customer will be charged a contamination Processing fee on its next bill. The format of the contamination Processing fee notice shall be approved by

the Director.

Grantee shall Collect the contaminated Source Separated Recyclable Materials or SSGCOW and Transport the material to the appropriate Facility for Processing.

v. **Non-Collection Notices.** Upon identification of Prohibited Container Contaminants in a Container in excess of standards agreed upon by the Parties or Excluded Waste, Grantee shall provide a non-Collection notice to the Generator. The non-Collection notice shall, at a minimum: (i) inform the Customer of the reason(s) for non-Collection; (ii) include the date and time the notice was left or issued; (iii) describe the fee to Customer for Grantee to return and Collect the Container after Customer removes the Contamination; and, (iv) provide a warning statement that a contamination Processing fee may be assessed if Prohibited Container Contaminants are observed on more than one (1) occasion. The non-Collection notice may include photographic evidence of the violation(s).

The Grantee's notice of non-Collection may be left attached to or adhered to the Generator's Container, or at the Premises' door or gate at the time the violation occurs, or subject to County's approval, may be delivered by mail, e-mail, text message, or other electronic message.

Grantee shall submit a sample of its non-Collection notice to the Director for approval prior to implementing use of it with Customers.

vi. **Communications with Customer**. Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Grantee shall contact the Customer on the scheduled Collection day or within eight (8) hours of the scheduled Collection day by telephone, email, text message, or other verbal or electronic message to explain why the Container was not Collected. Whenever a Container is not Collected because of Prohibited Container Contaminants, a Customer service representative shall contact the Customer to discuss and encourage the Customer to adopt proper Discarded Materials preparation and separation procedures.

vii. **Grantee Return for Collection**. Upon request from Customer, Grantee shall Collect Containers that received non-Collection notices within one (1) Working Day of Customer's request if the request is made at least two (2) Working Days prior to the regularly scheduled Collection Day. Grantee shall bill Customer for the extra Collection

service event ("extra pick-up") at the applicable County-approved Rates only if Grantee notifies Customer of the Rate for this service at the time the request is made by Customer.

d) **Disposal of Contaminated Materials.** If the Grantee observes Prohibited Container Contaminants in a Generator's Container(s), Grantee may Dispose of the Container's contents, provided Grantee complies with the noticing requirements in Section 6.D(1)(c) above.

(2) **Contamination Monitoring - Hauler Route Review**

a) **Methodology and Frequency**. Grantee shall, at its sole expense, conduct Hauler Route reviews for Prohibited Container Contaminants in Collection Containers in a manner that is deemed safe by Grantee; is approved by County; and, is conducted in a manner that results in all applicable Hauler Routes being reviewed annually.

The Grantee shall conduct Hauler Route reviews that include inspection of the contents of Customers' Collection Containers for Prohibited Container Contaminants in a manner such that a minimum of 10 percent (10%) of Containers on each and every applicable Hauler Route are inspected annually. The Containers shall be randomly selected.

Grantee shall develop a Hauler Route review methodology to accomplish the above Container inspection requirements and such methodology shall comply with the requirements of 14 CCR Section 18984.5(b). Grantee shall submit its proposed Hauler Route review methodology for the coming year to the County no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Hauler Route's annual review. County and/or CalRecycle will review and approve the proposed methodology. Grantee may commence with the proposed methodology upon approval.

If the County and/or CalRecycle notifies the Grantee that the methodology is inadequate to meet the requirements of 14 CCR Section 18984.5(b), Grantee shall, at its sole expense, revise the methodology and, after obtaining County or CalRecycle approval, conduct additional Hauler Route reviews, increased Container inspections, or implement other changes using the revised procedure. If the Grantee's proposed methodology meets the requirements of 14 CCR Section 18984.5(b), but has been deemed inadequate by County, the Grantee shall, at the expense of the County, revise the methodology and implement the necessary changes using the revised procedure.

The Director may request, and Grantee shall accept, modifications to the schedule to permit observation of the Hauler Route reviews by County. In

addition, Grantee shall provide an email notice to the Director no less than ten (10) Working Days prior to each scheduled Hauler Route review that includes the specific time(s), which shall be within the County's normal business hours, and location(s).

b) **Notices by Jurisdiction or Its Designee.** Upon finding Prohibited Container Contaminants in a Container, Grantee shall notify the Generator by attaching or adhering a notice, courtesy pick-up notice, notice of assessment of a contamination Processing fee, and/or non-Collection notice to the Generator's Container(s), gate, or door; or, by mailing the notice to the Generator; or, subject to County's approval, may deliver the notice by e-mail, text message, or other electronic message.

c) **Reporting Requirements.** Grantee shall maintain records and report to County on contamination monitoring activities and actions taken, in accordance with Exhibit G.

E. Containers - Refusal to Pick Up.

Grantee shall notify the Department whenever the Grantee has refused to pick up a Container because the Container contains dangerous and prohibited material Grantee shall notify the Department when any violation of the County Solid Waste Ordinance is observed.

F. Containers - Noticing Violators

In addition to any requirements specifically applicable to areas subject to SB 1383 Organic Waste Collection Requirements, whenever Grantee gives or intends to give a Customer violation report to the Department, Grantee shall place a notice on the Container or otherwise give the Owner or Occupant notice of the substance of his/her report to the Department. Whenever an authorized representative of the County observes a violation of the County Solid Waste Ordinance or other applicable laws or regulations, that person shall place a notice on the Container or otherwise give the Owner or Occupant notice of the illegal condition.

G. Food Recovery Program Support

(1) Grantee shall cooperate with and shall not impede, interfere, or attempt to impede or interfere with the implementation, expansion, or operation of Food Recovery efforts in County.

(2) Grantee shall create and provide educational outreach material for Tier One and Tier Two Commercial Edible Food Generators in accordance with Section 6.B(5)(i).

H. Generator Waiver Program Coordination

(1) Types of Generator Waivers

a) General. County may grant waivers described in this Section to Generators that impact the scope of Grantee's provision of service for those Customers. Waivers issued shall be subject to compliance with SB 1383 Regulatory requirements, pursuant to 14 CCR Section 18984.11, or other requirements specified by County.

b) De Minimis Waivers. County may waive a Multi-Family's, Commercial Business', or its Property Owner's obligation to comply with some or all of the Source Separated Recyclable Materials and SSGCOW requirements set forth in this Agreement and SB 1383 Regulations if the Multi-Family, Commercial Business, or its Property Owner provides documentation or the County has evidence demonstrating one of the following de minimis conditions:

i. The Multi-Family's or Commercial Business' total Solid Waste Collection service is two (2) cubic yards or more per week, and SSGCOW or SSBCOW subject to Collection in a Blue Container or Green Container comprises less than twenty (20) gallons per week, per applicable Container, of the Multi-Family's or Commercial Business' total waste; or,

ii. The Multi-Family's or Commercial Business' total Solid Waste Collection service is less than two (2) cubic yards per week, and SSGCOW or SSBCOW subject to Collection in a Blue Container or Green Container comprises less than ten (10) gallons per week, per applicable Container, of the Multi-Family's or Commercial Business' total waste.

c) Physical Space Waivers. County may waive a Multi-Family's, Commercial Business', or its Property Owner's obligation to comply with some or all of the Source Separated Recyclable Materials or SSGCOW Collection service requirements set forth in this Agreement and SB 1383 Regulations if the Multi-Family, Commercial Business, or its Property Owner provides documentation, or County has evidence from its staff, Grantee, licensed architect, or licensed engineer demonstrating that the Premises lacks adequate space for Blue Containers and/or Green Containers.

d) Collection Frequency Waivers. County may allow Grantee to provide Collection of Blue Containers, Gray Containers, or both once every fourteen (14) days or once every month, rather than once per week, for Customers that have been granted a Collection frequency waiver from County.

(2) **Grantee Waiver Request on Behalf of Generator**

Upon reasonable belief that a Generator may qualify for a de minimis, physical space, or Collection frequency waiver, Grantee may submit a request to County to grant a waiver to the Generator, provided that adequate evidence of the de minimis, physical space, or Collection frequency waiver requirements specified in 14 CCR Section 18984.11 is included with the request. County shall review and approve or deny the waiver request. Grantee's request for consideration of a waiver shall include the Generator's name and address, type of Commercial Business or number of Multi-Family units if Customer is a Multi-Family premises, reasons Generator may be eligible for the waiver, and evidence such as, but not limited to: Service Level data, photo documentation, weight records, and technical assistance assessment results.

(3) **Grantee Review of Generator Waiver Requests**

Generators may submit requests for de minimis waivers, physical space waivers, and Collection frequency waivers to Grantee. Grantee shall within ten (10) days of submittal review the Generator's waiver application and inspect the Generator's Premises to verify the accuracy of the application. Grantee shall provide documentation of the inspection, including Grantee's recommendation to approve or deny the waiver request, and send this information to County within thirty (30) days of receipt of the Generator's waiver application for County's review and approval. County ultimately retains the right to approve or deny any application, regardless of the Grantee's recommendation. Grantee shall report information regarding waivers reviewed on a quarterly basis, in accordance with Exhibit G.

(4) **Grantee Change in Customers' Service Levels**

When County grants a waiver to a Generator, County shall notify Grantee within ten (10) days of the waiver approval with information on the Customer and any changes to the Service Level or Collection service requirements for the Customer. Grantee shall have thirty (30) days to modify the Customer's Service Level and billing statement, as needed.

(5) **Waiver Reverification**

It shall be the responsibility of Grantee to verify that the Generators with de minimis or physical space constraint waivers continue to meet the waiver requirements set forth in this Section. Grantee shall conduct such reverifications of waivers through inspection of each Generator's Premises and review of applicable records at least once every five (5) years for de minimis and physical space constraint waivers. Grantee shall maintain a record of each waiver verification and provide a quarterly report to County documenting the waiver reverifications performed and

recommendations to County on those waivers that Grantee concludes are no longer warranted. County shall make a final determination of the waiver eligibility of Generators.

(6) **Grantee Recordkeeping of Generators Granted Waivers**

Upon Grantee request, no more the one (1) time per year, County shall provide Grantee an updated listing of waivers approved by County, including the Generators' names, mailing address, service address, and type of waiver. Grantee shall maintain waiver-related records and report on waiver verifications pursuant to Exhibit G.

I. Service Waiver Program Coordination

(1) **Low Population Area Waivers.** Certain census tracts of County may qualify as Low-Population Areas and shall be shown on Exhibit E. Some Collection service requirements may be waived for the Low-Population Areas. Low-population waivers are granted by CalRecycle and are only valid for a period of up to five (5) years. If, during the Term of this Agreement, County is granted a waiver for Low-Population Areas, any resulting Collection service changes shall be addressed in accordance with Section 15.

(2) Processing Facility Temporary Equipment or Operational Failure Waiver.

a) **Notification to the County.** Grantee, or their Subcontractor (such as a Facility operator), shall notify County of any unforeseen operational restrictions that have been imposed upon a Designated or Approved Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent a Designated or Approved Facility from Processing and recovering Source Separated Recyclable Materials or SSGCOW. The Grantee or Subcontractor shall notify County as soon as possible and no later than twenty-four (24) hours from the time of the incident. The notification shall include the following: (i) name of Designated or Approved Facility; (ii) the Recycling and Disposal Reporting System Number of the Designated or Approved Facility; (iii) date the Designated or Approved Facility became unable to Process Source Separated Recyclable Materials or SSGCOW; (iv) description of the operational restrictions that have been imposed upon the Designated or Approved Facility by a regulatory agency or unforeseen equipment failure or operational restriction that occurred; (v) the period of time the Contractor anticipates the temporary inability of the Designated or Approved Facility to Process Source Separated Recyclable Materials, or SSGCOW; (vi) Grantee's proposed action plan to deliver materials to an Alternative Facility for Processing (refer to Exhibit C) or Grantee's request for waiver to deliver Source Separated Recyclable Materials or SSGCOW to the Designated or Approved Disposal Facility.

b) **Use of Alternative Facility or Waiver for Disposal of Materials.** Upon notification by Grantee or Subcontractor of a Designated or Approved Facility's inability to Process materials, County shall evaluate the notification and determine if County shall require Grantee to use an Alternative Facility or allow Grantee to Transport the Source Separated Recyclable Materials, SSGCOW, or Mixed Waste to the Designated or Approved Disposal Facility for Disposal on a temporary basis for a time period specified by County. Upon County's decision, County shall notify Grantee of its requirement to use an Alternative Facility for Processing or to use the Designated or Approved Disposal Facility for Disposal, and the period of time that County will allow the Source Separated Recyclable Materials and SSGCOW to be redirected to the Alternative Facility or Designated or Approved Disposal Facility. Pursuant to 14 CCR Section 18984.13, the approved Disposal period shall not exceed ninety (90) days from the date the Designated or Approved Facility's Processing restriction or failure commenced. In such case, Grantee must receive permission from County prior to depositing any Discarded Material in a Landfill.

c) **Record Keeping and Reporting.** Grantee shall maintain a record of any Facility incidents and report this information to County in accordance with Exhibit G.

(3) **Disaster Waivers.** In the event of a disaster, County may grant Grantee a waiver of some or all Discarded Materials Collection requirements under this Agreement and 14 CCR, Division 7, Chapter 12, Article 3 in the disaster-affected areas for the duration of the waiver, provided that such waiver has been approved by CalRecycle. Any resulting changes in Collection requirements shall be addressed in accordance with Section 15 of this Agreement.

(4) **Quarantined Waste.** If approved by County, Grantee may Dispose of specific types of SSGCOW that are subject to quarantine and meet the requirements described in 14 CCR Section 18984.13(d) for a period of time specified by County or until County provides notice that the quarantine has been removed and directs Grantee to Transport the SSGCOW to the Designated or Approved Facility(ies) for such material. In accordance with Exhibit G, Grantee shall maintain records and submit reports regarding compliance agreements for quarantined SSGCOW that are Disposed of pursuant to this subsection.

J. Inspection and Enforcement

(1) Annual Compliance Reviews

a) **General.** Grantee shall perform compliance reviews described in this Section commencing July 1, 2023, and at least annually thereafter, unless

otherwise noted.

b) **Commercial Generator Compliance Reviews.** Grantee shall complete a compliance review of all Multi-Family and Commercial Customers that generate two (2) cubic yards or more per week of Solid Waste, including Organic Waste, to determine their compliance with: (i) Generator requirements under the County's Discarded Materials Collection program; and, (ii) if applicable for the Generator, Self-Hauling requirements pursuant to 14 CCR Section 18988.3, including whether a Multi-Family or Commercial Business is complying through back-hauling SSGCOW and/or Source Separated Recyclable Materials and/or SSBCOW. The compliance review shall mean a "desk" review of records to determine Customers' compliance with the above requirements and does not necessarily require on-site observation of service; however, the County may request that Grantee perform an on-site observation of service in addition to or in lieu of the desk review if needed to obtain the required information.

c) **Annual Hauler Route Review.** Beginning October 1, 2022, and annually thereafter, Grantee shall conduct annual Hauler Route reviews of Commercial, Multi-Family, and Single-Family Generators for compliance with the County's Discarded Materials Collection program and Container contamination monitoring. These Hauler Route reviews may be performed concurrently with the contamination monitoring Hauler Route reviews, provided that Grantee documents a reasonable sampling of Generators for which compliance with the County's Discarded Materials Collection program during the Hauler Route review was assessed.

d) **Generator Waiver Inspections.** In accordance with Section 6.H, Grantee shall verify Multi-Family and Commercial Generator de minimis and physical space constraint waivers, if applicable, at least once every five (5) years from the date of issuance of the waiver and verify Collection frequency waivers at least once every five (5) years from the date of issuance of the waiver.

(2) **Compliance Review Process**

a) **Number of Reviews.** Grantee shall conduct a sufficient number of compliance reviews, Hauler Route reviews, and inspections of Generators, to adequately determine the Generators' overall compliance with SB 1383 Regulations, AB 1826, AB 341, and Mendocino County Code. The number of reviews shall be no less than once per year. County reserves the right to require additional inspections, if County determines that the amount of inspections conducted by Grantee is insufficient. County may require Grantee to prioritize inspections of entities that County determines

are more likely to be out of compliance.

b) **Non-Compliant Entities.** Through December 31, 2023, when compliance reviews are performed by Grantee, Grantee shall provide educational materials in response to violations. Grantee shall provide these educational materials to the non-compliant Customers and Generators within fourteen (14) days of determination of non-compliance or immediately upon determination of non-compliance if such non-compliance is determined during an inspection or Hauler Route review. Grantee shall document the non-compliant Customers and Generators and the date and type of education materials provided, and shall report such information to County in accordance with Exhibit G. Beginning January 1, 2024, Grantee shall, in addition to providing the education materials described in this subsection, document non-compliant Customers and Generators determined through Grantee's compliance reviews, and shall report all Customers and Generators with violations of SB 1383 Regulations, as well as those Generators not in compliance with AB 1826 or AB 341, to County in accordance with Exhibit G. County shall be responsible for subsequent enforcement action against the Generators.

c) **Documentation of Inspection Actions.** Grantee shall generate a written and/or electronic record and maintain documentation for each inspection, Hauler Route review, and compliance review conducted, including the information described in Exhibit G.

K. Service Complaints

(1) Documentation of Complaints

a) **General.** Grantee agrees to maintain a computer database log of all oral and written complaints received by Grantee from Customers or other Persons. Grantee shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of, all Customer complaints. Grantee agrees to document and maintain for a period of at least five (5) years on a form or log all Complaints registered by Customers and Persons, in accordance with this Section and Exhibit G. Grantee shall record complaints received related to SB 1383 Regulatory non-compliance in its log in a manner further described in subsection b below.

b) **SB 1383 Regulatory Non-Compliance Complaints.** For complaints received in which the Person alleges that an entity is in violation of SB 1383 Regulations, Grantee shall document the information listed in Exhibit G. Grantee shall provide this information in a brief complaint report to County for each SB 1383 Regulatory non-compliance complaint

within fourteen (14) days of receipt of such complaint, and a quarterly summary report of SB 1383 Regulatory non-compliance complaints in accordance with Exhibit G.

(2) Investigation of SB 1383 Regulatory Non-Compliance Complaints

a) **Investigation.** Grantee shall commence an investigation, within ninety (90) days of receiving a complaint in the following circumstances: (i) upon Grantee receipt of a complaint that an entity may not be compliant with SB 1383 Regulations and if County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations; and, (ii) upon County request to investigate a complaint received County, in which County determines that the allegations against the entity, if true, would constitute a violation of SB 1383 Regulations. Grantee is required to investigate complaints against Customers and Generators, but not against Food Recovery Organizations, Food Recovery Services, and other entities regulated by SB 1383 Regulations.

Grantee shall investigate the complaint using one or more of the methods:

i. Reviewing the Service Level of the entity that may not be compliant with SB 1383 Regulations;
ii. Reviewing the waiver list to determine if the entity has a valid de minimis, physical space constraint, or Collection frequency waiver;
iii. Reviewing the Self-Haul registration list, if applicable, to determine if the entity has registered and reviewing the entity's reported Self-Haul information;
iv. Determining if the entity is located in a Low-Population Area;
v. Inspecting Premises of the entity identified by the complainant, if warranted; or,
vi. Contacting the entity to gather more information, if warranted.

b) Reporting. Within fourteen (14) days of completing an investigation of an SB 1383 Regulatory non-compliance complaint, Grantee shall submit an investigation complaint report that documents the investigation performed and recommends to County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Grantee's investigation. County shall make a final determination of the allegations against the entity.

SECTION 7 – STANDARDS AND REQUIREMENTS FOR SERVICES, EQUIPMENT, AND PERSONNEL

A. Manner of Collection

All Collection equipment shall be designed and operated such that no Solid Waste, Recyclable Material, or Organic Waste is allowed to blow or drop from vehicles during Transport. Adequacy of load covers or control measures shall be determined by the Department. All ollections shall be made as quietly as possible, and the use of any unnecessarily noisy trucks or equipment is declared unlawful.

B. Vehicles and Equipment - Standards

(1) **General.** All Collections shall be made with a vehicle and equipment of design approved by the Department according to industry standards. Grantee shall maintain all of its properties, facilities, and equipment used in providing service under this Agreement in a safe, neat, clean, and operable condition at all time.

(2) **Cleaning.** Collection vehicles shall be thoroughly washed and thoroughly steam cleaned as necessary, to present a clean appearance of the exterior and interior compartment of the vehicle.

(3) **Maintenance.** Grantee shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles that are not operating properly shall be taken out of service until they are repaired and operate properly. Grantee shall perform all scheduled maintenance functions in accordance with the manufacturer's specifications and schedule or in accordance with California Highway Patrol standards, whichever are more stringent. All vehicles shall be painted in a uniform manner that does not create a resemblance between Grantee's vehicles and County utility vehicles. Grantee shall keep accurate records of all vehicle maintenance, recorded according to vehicle, date, and mileage, and shall make such records available to the County upon request to the extent necessary to perform the inspections described in Section 7.D.

(4) **Repairs.** Grantee shall repair, or arrange for the repair of, all of its vehicles and equipment for which repairs are needed because of accident, breakdown, or any other cause so as to maintain all equipment in a safe and operable condition. Grantee shall maintain accurate records of repair, which shall include the date/mileage, nature of repair and the signature of a maintenance supervisor that the repair has been properly performed.

C. Vehicles - Identification

The Grantee shall have printed or stenciled in a prominent place on the exterior of each vehicle used in the Collection of Solid Waste and Recyclable Materials the following information in at least four-inch letters: 1) Truck number; 2) Grantee's name; and, 3) Grantee's telephone number.

D. Vehicles and Equipment - Inspection

All vehicles and equipment of Grantee shall be available for inspection at Grantee's place of business or another location within the Franchise Area as designated by the Department, on an annual basis. Vehicles and equipment shall conform to the requirements of the California Vehicle Code, this Agreement, and rules or regulations of the Board. Department shall give Grantee twenty-four (24) hours verbal notification of inspection.

E. Vehicles - Shovel, Broom and Fire Extinguisher Required

The Grantee shall equip each Collection vehicle with a shovel, broom, and fire extinguisher of a type approved by the Department.

F. Container Requirements

(1) **General.** Grantee shall provide all Carts, Bins, and Debris Boxes to all Customers as part of its services. Grantee-provided Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. All Containers with a capacity of one cubic yard or more shall meet applicable federal, state, and local regulations for Bin safety and be covered with attached lids. Grantee shall obtain County's written approval of Cart colors before acquisition. All Containers, except Carts, shall be painted the Grantee's standard color.

(2) **Cleaning, Painting, and Maintenance.** All Containers shall be maintained in a safe, serviceable, and functional condition. Grantee shall steam clean and repaint all Containers, except Carts, at least every two years, or more frequently, to present a clean appearance. Customers using Carts shall be responsible for cleaning such Carts. If any Cart is impacted by graffiti, Grantee shall replace the cart within 72 hours. If any Containers, except Carts, are impacted by graffiti, Grantee shall either replace the Container with a Container which is free of graffiti or repaint the entire Container with the Grantee's standard color for such Container within 30 days. Repainting of the Container shall restore the Container's aesthetic values to its condition before it sustained the graffiti damage.

(3) **Repair and Replacement.** Grantee shall repair and, if the repair must be

performed off of the Premises, replace all Containers damaged by Collection operations within a one-week period. If the repair or replacement cannot be completed within one week, the Grantee shall notify Customer and a Container of the same size or larger shall be made available until the proper Container can be replaced.

At no additional cost, Grantee shall replace Customer Carts that have been stolen or damaged once per year. Grantee shall allow Customer to exchange Containers for a Container of a different size at no additional cost once per year. Grantee shall charge Customers for additional Cart replacements at County-approved Rates.

(4) **SB 1383 Compliant Containers**

In areas that have not received a waiver pursuant to 14 CCR Section 18984.12(a), the following Container requirements shall additionally apply:

a) **General**. Grantee shall use the Grantee-provided Collection Containers that are currently located at Customers' Premises or provide Customers with Collection Containers from Grantee's current inventory.

No later than January 1, 2023, Grantee shall provide all Customers with Collection Containers that comply with the Container color requirements specified in this Section or as otherwise specified in 14 CCR Section 18982; 14 CCR, Division 7, Chapter 12, Article 3; or other Applicable Law. If an existing Container breaks or is otherwise rendered non-functional on or after January 1, 2023, Grantee shall replace the non-functional Container with a Container that complies with the color requirements of this Section. Notwithstanding this Section, Grantee is not required to replace functional Containers, including Containers purchased prior to January 1, 2023, that do not comply with the color requirements of this Section prior to the end of the useful life of those Containers, or prior to January 1, 2036, whichever comes first.

b) **Blue Containers (Source Separated Recyclable Materials)**

Option 1: Blue Containers with a lid that is blue in color. Hardware such as hinges and wheels on the Blue Containers may be a different color.

Option 2: Blue Containers with a body that is blue in color, and a lid that is blue, gray, or black in color. Hardware such as hinges and wheels on the Blue Containers may be a different color.

Option 3: Blue Containers with a lid and body that is blue in color.

Hardware such as hinges and wheels on the Blue Containers may be a different color.

c) **Green Containers (SSGCOW)**

Option 1: Green Containers with a lid that is green in color. Hardware such as hinges and wheels on the Green Containers may be a different color.

Option 2: Green Containers with a body that is green in color, and a lid that is green, gray, or black in color. Hardware such as hinges and wheels on the Green Containers may be a different color.

Option 3: Green Containers with a lid and body that are green in color. Hardware such as hinges and wheels on the Green Containers may be a different color.

d) **Gray Containers (Gray Container Waste)**

Option 1: Gray Containers with a lid that is gray or black in color. Hardware such as hinges and wheels on the Gray Container may be a different color.

Option 2: Gray Containers with a lid and body that are gray or black in color. Hardware such as hinges and wheels on the Gray Container may be a different color.

e) **C&D Bins and Roll-Off Boxes**

Bins and Roll-Off Boxes for Collection of C&D may be in any color, provided that the colors do not conflict with the Container color requirements of this Section and provided that the C&D Container colors are consistent for all C&D Containers. The C&D Container color shall be reviewed and approved by County.

f) **Container Labeling Requirements**

On or before January 1, 2023, Grantee shall do one of the following:

(i) Place a label on the body or lid of each Container that has been provided to a Customer that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each

Container.

(ii) Imprint the bodies or lids of Containers that have been provided to Customers with text or graphic images that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each Container.

(5) **County Ownership of Containers at End of Term**. Upon expiration or early termination of this Agreement, (providing said earlier termination is for cause and not by mutual consent or by reason of County's failure to perform) all Containers (for permanent Customers) acquired by or leased by Grantee and put into service at Customer's Premises shall be available to the County, at the County's option, at their fair market value.

At its sole discretion, the County may elect not to exercise its rights with regards to this Section and, in such case, the Containers shall remain the property of the Grantee upon the expiration date of this Agreement or date of earlier termination of this Agreement. In such case, Grantee shall be responsible for removing all Containers in service from Premises within thirty (30) days of the expiration or earlier termination of this Agreement and reusing or Recycling such Containers. Should Grantee not complete such removal within thirty (30) days, County shall have the right but no obligation to arrange for such Containers to be removed and delivered to Grantee, with Grantee obligated to pay County for all costs of removal. County may also seek any other remedies at law or in equity should Grantee fail to remove all Containers as required by this paragraph. This provision shall survive the expiration or earlier termination of this Agreement.

G. Personnel

(1) **General.** Grantee shall furnish such qualified drivers, mechanical, supervisory, Customer service, clerical and other personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner.

(2) **Provision of Field Supervision.** Grantee shall designate at least one qualified employee as supervisor of field operations. The field supervisor will devote time in the field checking on Collection operations, including responding to complaints.

(3) **Driver Qualifications.** All drivers shall be trained and qualified in the operation of Collection vehicles, and must have in effect a valid license, of the appropriate class, issued by the California Department of Motor Vehicles. Grantee shall use the Class II California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.

(4) **Customer Service Representative Training.** Customer service representatives shall be trained on specific County service requirements upon hire and annually thereafter. A County information sheet shall be provided to each Customer service representative for easy reference of County requirements and general Customer needs. The information sheet, training agenda, and associated documentation shall be forwarded to the County.

(5) **Safety Training.** Grantee shall provide suitable operational and safety training for all of its employees who operate Collection vehicles or equipment or who are otherwise directly involved in such Collection, Disposal, or Processing. Grantee shall train its employees involved in Collection to identify, and not to collect, Hazardous Waste or infectious waste. Upon the County's request, Grantee shall provide a copy of its safety policy and safety training program, the name of its safety officer, and the frequency of its trainings.

(6) **No Gratuities.** Grantee shall not permit its employees to accept, demand, or solicit, directly or indirectly, any additional compensation, or gratuity from members of the public for Collection services.

(7) **Employee Conduct and Courtesy.** Grantee shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Grantee shall regularly train its employees in Customer courtesy, shall prohibit the use of loud or profane language, and shall instruct Collection employees to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by this Agreement, Grantee shall take all appropriate corrective measures.

(8) **Uniforms.** While performing services under this Agreement, all of the Grantee's employees performing field service shall be dressed in clean uniforms and shall wear badges that include the employee's name and/or employee number, and Grantee's name. No portion of this uniform may be removed while working.

SECTION 8 - PUBLIC ACCESS TO GRANTEE

A. Name and Office Hours

Grantee shall not use a firm name containing the words "County" or "Mendocino" or other words implying County ownership. The Grantee shall establish and maintain a Customer service office where service may be applied for and complaints made. Grantee's Customer service office shall be open to the public from 8:30 a.m. to 4:00 p.m. Monday through Friday. The office may be closed on Saturdays, Sundays, and Holidays. Such office shall be equipped

with a listed toll-free telephone number to which calls from Grantee's Customers may be placed and shall have a responsible Person in charge or an answering machine in service during normal business hours.

B. Overcharge

All charges or fees for service by a Grantee shall be approved by the Board, except a lower charge than approved by the Board may be negotiated (to provide for consideration of the weight of the material collected and/or the distance from the operations yard or transfer station) for Industrial Solid Waste Service as provided in Section 14(B)6. Any Customer contending they have been required to pay a charge not approved by the Board, or has in any manner been subject to an overcharge, may file a written complaint with the Department setting forth the facts of such alleged miss-charge, and the Department shall notify the Grantee of the complaint, shall investigate the matter of the complaint, and shall determine the appropriate charge.

SECTION 9 - SERVICE EXCEPTIONS; HAZARDOUS WASTE NOTIFICATIONS

A. Responsibility to Identify Hazardous Waste

Grantee shall keep current with the regulations regarding Hazardous Waste substances and identification of such substances and to comply with all federal, state, and local regulations concerning such substances. Grantee shall make every reasonable effort to prohibit the Collection and the Disposal of Hazardous Waste in any manner inconsistent with Applicable Law.

Grantee shall conduct a visual inspection of all Solid Waste and Recyclable Materials that it Collects, Transports, Disposes, or Processes pursuant to this Agreement for the purpose of discovering, identifying, and refusing to Collect, Transport, Dispose, and/or Process Hazardous Wastes or materials.

B. Response to Hazardous Waste Identified at Disposal Site or Processing Site

If materials Collected by Grantee are delivered to a facility owned or operated by Grantee or an Affiliate of Grantee, for purposes of transfer, Processing, or Disposal, load checkers and equipment operators at such facility shall conduct inspections in areas where Collection vehicles unload Solid Waste and Recyclable Materials to identify Hazardous Wastes. Facility personnel shall remove these materials for storage in approved, on-site, hazardous materials storage Container(s). Grantee shall make reasonable efforts to identify and notify the Generator. Grantee shall arrange for removal of the Hazardous Wastes by permitted haulers in accordance with Applicable Laws and regulatory requirements.

If unacceptable material is delivered to the Designated Disposal Location or Processing Sites by Grantee before its presence is detected, and the Generator cannot be identified or fails to

remove the material after being requested to do so, the Grantee shall arrange for its proper Disposal. The Grantee shall make a good faith effort to recover the cost of Disposal from the Generator, and the cost of this effort, as well as the cost of Disposal shall be charged to the Generator.

C. Notification for Hazardous Waste

Grantee shall, if required based on reportable levels, notify all agencies with jurisdiction, including the California Department of Toxic Substances Control, and, if appropriate, the National Response Center, of reportable quantities of Hazardous Waste, found or observed by Grantee in Solid Waste and/or Recyclable Materials anywhere within the County, including on, in, under or about County property, including streets, easements, rights of way and County waste containers. In addition to other required notifications, if Grantee observes any substances which it or its employees reasonably believe or suspect to contain Hazardous Wastes unlawfully disposed of or released on County property, including streets, storm drains, or public rights of way, Grantee also will notify the County Director of Environmental Health or his/her designated County employee.

D. Rights Reserved as to Hazardous Wastes.

The County reserves the right to contract with other parties to have household Hazardous Wastes Collected, Transported, Disposed of, Processed and/or diverted.

SECTION 10 - DISPOSAL AND PROCESSING

A. Solid Waste Disposal

Grantee shall Transport and Dispose of all Solid Waste Collected in the Franchise Area at the Designated and/or Approved Disposal Facilities as specified in Exhibit C of this Agreement. Grantee shall pay all costs for the Transport, Transfer, Processing, and/or Disposal of Discarded Materials Collected in accordance with this Agreement. Grantee's compensation for such services is included in the Rates charged to Customers. If Grantee Transports Discarded Materials to a Facility other than the Designated or Approved Facility(ies) or an Alternative Facility without prior County approval, Grantee's failure to comply may result in assessment of Liquidated Damages pursuant to Section 19.E and Exhibit F.

B. Recyclable Materials Processing and Marketing

(1) **Processing.** Grantee shall Transport and deliver all Recyclable Materials collected in the Franchise Area to the Designated and/or Approved Source Separated Recyclable Materials Processing Facility . Grantee shall pay all costs associated with the Transporting and Processing of all Recyclable Materials.

Grantee shall maintain accurate records of the quantities of Recyclable Materials Collected, Transported, and Processed at the Designated and/or Approved Source Separated Recyclable Materials Processing Facility and shall cooperate with the County in any audits or investigation of such quantities.

Grantee shall keep all existing permits and approvals necessary for use of the Recyclable Materials Processing Site in full regulatory compliance. Upon request, Grantee shall provide copies of notices of violation or permits to the County.

(2) **Marketing.** Providing the Designated and/or Approved Source Separated Recyclable Materials Processing Facility is owned and/or operated by Grantee or by an Affiliate of Grantee, Grantee shall be responsible for marketing Recyclable Materials collected in the Franchise Area and shall be compensated for such Recyclable Materials at not less than fair market value.

Providing the Designated and/or Approved Source Separated Recyclable Materials Processing Facility is owned and/or operated by Grantee or by an Affiliate of Grantee, Grantee shall prepare and maintain a County-approved marketing plan for all Recyclable Materials collected in the Franchise Area. The plan shall be in place within sixty (60) days of the Effective Date of this Agreement. The marketing plan shall fully describe the Grantee's marketing methods and approach, targeted primary and contingent markets, pricing policy and assumed salvage value for each collected type of Recyclable Material products, and contingency plans if market conditions are severe.

Providing the Designated and/or Approved Source Separated Recyclable Materials Processing Facility is owned and/or operated by Grantee or by an Affiliate of Grantee, Grantee shall provide proof to the County that all Recyclable Materials collected are marketed for Recycling or reuse in such a manner that materials shall be considered as diverted in accordance with the State regulations established by the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), as amended, supplemented, superseded, and replaced from time to time. No Recyclable Material shall be transported to a domestic or foreign location if Solid Waste Disposal of such material is its intended use.

Providing the Designated and/or Approved Source Separated Recyclable Materials Processing Facility is owned and/or operated by Grantee or by an Affiliate of Grantee, Grantee shall provide County with a list of broker/buyers it uses each quarter. County may audit one broker or buyer per quarter to confirm that materials are being recycled. If Grantee becomes aware that a broker or buyer has illegally handled or disposed of material generated within the Franchise Area or elsewhere, Grantee shall immediately inform the County and terminate its

contract or working relationship with such party. If Grantee has provided County with a list of broker/buyers for the quarter, Grantee shall provide a quarterly list only to the extent that the list differs from the list provided in the prior quarter(s).

(3) **Disposal of Recyclable Materials Prohibited.** Recyclable Materials may not be disposed of in lieu of Recycling the material.

C. Change in Designated Disposal Location or Recyclable Materials Processing Site

The Grantee shall Transport all Solid Waste, Organic Waste, and Recyclable Materials Collected from the Franchise Area to the Designated and/or Approved Disposal Facility, Organic Waste Processing Facility and Source Separated Recyclable Materials Processing Facility, respectively.

The County has the right, at its option, to control the Collection, Disposal, and Diversion of all Solid Waste and Recyclable Materials generated within the Franchise Area. As part of the rights agreed to herein, the parties hereto agree that:

(1) The County has the right to direct Solid Waste to be Disposed of at any Disposal Facility or in any manner, respectively, the County may designate; and

(2) The County has the right to direct Solid Waste to be diverted at any transfer or Processing station the County may designate; and

(3) The County has the right to direct Discarded Recyclable Materials collected by Grantee to be Processed at or marketed to a specific facility when in the best interest of the County and provided the collector would receive a reasonable, competitive market value for the Recyclable Materials.

(4) The County has the right to direct Organic Waste collected by Grantee to be Processed at or marketed to a specific facility when in the best interest of the County and provided the Grantee would receive or pay a reasonable, competitive market price for the Organic Waste. In exercising its right to direct Organic Waste, County will consider the impact upon Rates, and the likelihood Grantee can recover all costs with the specific facility.

(5) If County directs a change in the Designated Facility(ies) which impacts Grantee's operational costs, then either party to this Agreement may apply for a Rate increase or decrease through the provisions of Section 15.A Pass-through Rate Adjustment.

(6) Any change in the Designated Disposal Facility made by County under this section must comply with all federal, state, and local laws and regulations.

D. Grantee's Responsibility in Lieu of Direction by County.

Throughout the term of this Agreement, unless the County gives notice as provided for herein and subject to the terms of this Agreement, it shall be the Grantee's sole responsibility and duty to Dispose of the Solid Waste Collected and Process the Recyclable Materials Collected in a safe manner and in compliance with all federal, state, and local laws and regulations. Grantee agrees that it shall Dispose of all Solid Waste Collected and Process all Recyclable Materials Collected in the Franchise Area at a Solid Waste facility or Processing facility that is fully licensed and appropriately permitted and, to Grantee's knowledge, is not in material violation of any health, safety or Hazardous Materials laws, rules, regulations or orders as long as the cost of disposal and Recycling is at no greater cost to ratepayer.

E. Invalidation of County Flow Control Voids Franchise.

Should a court of competent jurisdiction rule any provision in this Franchise Agreement unlawful or unconstitutional, then the entire Franchise Agreement shall become null and void upon the election of the County. However, this Agreement shall not become null and void, and shall remain in full force and effect, as long as the Grantee continues to direct Solid Waste, Organic Waste and Recyclable Materials as instructed by the County and abides by all other terms of this section. County deems control of the waste stream a vital component of its waste Disposal program which ensures to the general benefit and welfare of the public. This provision will preserve the County's ability to pursue any legal methods whereby flow control of waste stream can be achieved.

SECTION 11 - OWNERSHIP OF DISCARDED MATERIALS

By operation of this Agreement, ownership and the right of possession of all Discarded Materials shall be transferred to Grantee from the Person discarding the materials (Customer and/or Generator) once such materials are placed in Grantee-provided Containers and properly placed for Collection.

If Prohibited Container Contaminants are found in Containers set out for Collection, the materials shall be considered not properly placed for Collection, and Contractor shall have the right to reject Collection of the contaminated Containers pursuant to Section 6.D, and the ownership of materials shall remain with the Person discarding the materials (Customer and/or Generator). In the event said Generator or producer of the Solid Waste is unknown, the Solid Waste shall become the property of the Owner of the parcel upon which said Solid Waste has been deposited. Notwithstanding anything herein to the contrary, under no circumstances shall title to and liability for any Prohibited Container Contaminants pass to Contractor, even if Contractor inadvertently collects or disposes of such Prohibited Container Contaminants.

Upon being legally deposited in a Disposal site approved by the Department or

transferred to an Approved Facility not owned by the Contractor, all Solid Waste, Organic Waste, and Recyclable Materials shall forthwith become the property of the permitted operator of the facility.

Except as required in the County's sole discretion for law enforcement purposes, at no time shall the County obtain any right of ownership or possession of Discarded Materials, including but not limited to any Prohibited Container Contaminants, placed for collection and nothing in this Agreement shall be construed as giving rise to any inference that County has such rights.

SECTION 12 - PRIVACY

A. Customers Rights of Privacy

Grantee shall use its best efforts to observe and protect the rights of privacy of Customers. Information identifying individual Customers or the composition of a particular Customer's Solid Waste or Recyclable Materials shall not be revealed to any Person, private agency or company, unless upon request of federal, state, or local law enforcement personnel, the authority of a court of law, a statute, or upon valid authorization of the Customer. This provision shall not be construed to preclude Grantee from preparing, participating in, or assisting in the preparation of waste characterization studies or Waste Stream analysis which may be reasonably necessary to comply with AB 939 or any other reports requested by the County under the Agreement or required or requested by any governmental agency.

B. Use of Customer Lists

Grantee shall not market or distribute outside the normal course of its business, mailing lists with the names and addresses of Customers.

SECTION 13 - GRANTEE'S BOOKS AND RECORDS; REPORTS AND AUDITS

Grantee shall maintain records and reports in accordance with Exhibit G and shall allow the County to audit and inspect records as described in the Exhibit G, Section G.3.

SECTION 14 - GRANTEE'S RATES

A. County's Powers

The County shall set and regulate all Rates and charges assessed by Grantee for any and all services and activities it performs or engages in the Franchise Area, and which are covered under this Agreement.

B. Rate Requirements

(1) Grantee shall provide the services described in this Agreement and be compensated by its Customers at the Rates specified in Exhibits A and B.

(2) The Rates specified in Exhibits A and B shall be effective as of the Effective Date of this Agreement.

(3) The Rates specified in Exhibits A and B may be modified in accordance with the Rate Adjustments as described in Section 15 of this Agreement.

(4) All charges or fees for service by a Grantee shall be fixed and approved by the County.

(5) Charges for Industrial Solid Waste removal service may be negotiated between the Grantee and the Customer. If the negotiated charges are less than the Rates specified in Exhibit B, Grantee shall notify the Department in writing of each Customer that is offered and charged a lower Rate. In no event shall the Grantee charge a Rate in excess of those specified in Exhibit B without prior written approval by the County, except for weight overages as provided for in this section.

(6) Grantee may not charge residential and commercial Customers at Rates other than those specified in Exhibits A and B except that the County may authorize a Customer to receive reduced service for a reduced charge and may approve an agreement between the Customer and the Grantee to provide additional service for an additional charge. These authorized reduced or additional charges may be revised by the Board from time to time after a public hearing thereon and a determination by the Board that a change is in the public interest and is mutually agreed upon by both parties.

(7) Grantee may charge an extra commercial Container overload charge. This extra charge may be levied by Grantee for each occurrence of a Container overload. Overload shall be defined as an excess of solid waste mounded such that Container covers cannot completely close. The Container overload charge shall be based on the amount of excess solid waste causing the overload condition. The Container overload charge shall be calculated by the number of 35-gallon Containers that the excess solid waste fills multiplied by the 35-gallon Container once per month Rate as set forth in Exhibits A and B.

(8) All compensation paid to the Grantee shall be paid by its Customers and the County is in no way obligated to provide the Grantee any compensation for services described in this Agreement.

SECTION 15 - RATE ADJUSTMENT PROCEDURES

A. Pass-through Rate Adjustment

(1) At any time that the Board establishes a County surcharge, increases an existing County surcharge, increases the Franchise Fee Rate, increases the Disposal charge at County-owned facilities, or directs a change in scope as allowed by this Agreement, Grantee may apply to the County for a pass-through Rate adjustment to offset the new or increased fees. In applying for a pass-through Rate adjustment the Grantee must:

(a) Submit a request for the increase, in writing, to the Department;

(b) Specify the amount of the requested increase for each Rate given in Exhibit B; and,

(c) Provide documentation that the specified Rate increase is reasonable and appropriate and does not include Rate increases for any other reason than to recover the direct cost of the additional pass-through expense.

Provided that the Department staff have received and considered the request and documentation described above, and has concluded that the requested Rate adjustment is reasonable and appropriate and is solely to recover the direct cost of the additional pass-through expense, the Rates given in Exhibits A and B shall be amended by the County Executive Officer or his/her designated County employee.

(2) If a jurisdiction other than the County establishes or increases surcharges or fees that affect Grantee's expenses, the same procedures as described in (1), above, apply.

(3) The timely application and request for a pass-through rate adjustment increase rests solely with the Contractor. There shall be no retroactive increase billing to Customers. The responsibility to implement timely pass-through rate adjustments rests solely with the Contractor in accordance with the procedures outlined in this Agreement. If for any reason the County fails to respond within thirty (30) days to a pass-through rate adjustment request in accordance with the procedures in this Agreement, the failure to respond shall be deemed a rejection, which the Contractor may appeal to the Board of Supervisors pursuant to the appeal procedures in Chapter 9A of the Mendocino County Code. **Under no circumstances will the Contractor ever be permitted to retroactively bill Customers for any rate adjustment increases not implemented in a timely manner for any reason**.

(4) At any time that the Board either eliminates a County surcharge on Grantee's Customers, decreases an existing County surcharge on Grantee's Customers, decreases the Franchise Fee Rate, decreases the Disposal charge at the County owned facilities, County may apply to the Grantee for a pass-through Rate adjustment to offset the eliminated or decreased fees. In applying for a pass-through Rate adjustment the County must:

a) Submit a request for the decrease, in writing to the Grantee;

b) Specify the amount of the requested decrease for each Rate given in Exhibit B; and,

c) Provide documentation that the specified Rate decrease is reasonable and appropriate and does not include Rate decrease for any other reason than to recover the direct cost of the decreased or eliminated pass-through expense.

Provided that the Grantee has received and considered the request and documentation described above, and the requested Rate adjustment is reasonable and appropriate and is solely to recover the direct cost of the decreased or eliminated pass-through expense, the Rates given in Exhibits A and B shall be amended by the County Executive Officer or his/her designated County employee.

(5) If a jurisdiction other than the County eliminates or decreases surcharges or fees that affect Grantee's expense, the same procedures as described in (4), above, apply.

(6) In the case of a jurisdiction other than the County eliminating or decreasing surcharge or fees that affect Grantee's expenses, Grantee shall be responsible for notifying the County in writing. If Grantee fails to notify County of eliminated or decreased surcharges or fees per this section, then the County may apply for and request a retroactive pass-through Rate adjustment decrease.

B. Cost-of-Living & Fuel Rate Adjustments

Grantee may apply for a cost-of-living adjustment (COLA) and fuel Rate adjustment on an annual basis. Grantee shall submit the rate adjustment request no later than November 15 for rates to be effective the following January 1. The Rate adjustments shall be based on: 1) 90% of the change in the value of the most recently published All Urban Consumers Index (CPI-U), all items, for the San Francisco-Oakland-San Jose, CA, Base Period 1982 – 1984 = 100, not seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics or its successor and its value twelve months before, and 2)

100% of the change in the average monthly value over the last 12 months, compared to the average monthly value for the preceding 12 month period, of the most recently published California index for #2 diesel fuel, compiled and published by the U.S. Energy Information Administration or its successor. Grantee shall notify the County of the adjustments to take place and shall provide the County with its computations and documentation. **Under no circumstances will the Contractor ever be permitted to retroactively bill Customers for any rate adjustment increases not implemented in a timely manner for any reason**.

For calculation of adjustments, the Rates would be divided into three components – Fuel, Pass-through and All Other. For example, if the Fuel Component equals 8.1% of the first year Rate, the Pass-through Component (disposal costs) equals 17.2%, and the All Other Component equals 74.6% of the Rate, when the first adjustment to Rates occurs, it would be done in the following manner:

Fuel Component: Existing Billed Rate x 8.1% x Diesel Fuel Index

Pass-through Component: None, since pass-through increases, if any, will be made pursuant to Section 15(A) above.

All Other Component: Existing Billed Rate x 74.6% x CPI Index

The sum of the above equals the New Rate. Following completion of each annual financial statement by Grantee, the adjustment factors will be reviewed to correspond to the percentage of fuel, disposal cost and other expenses out of total operating expenses.

C. Larger Rate Increases

No sooner than one year after this Agreement becomes effective, and no more frequently than annually thereafter, Grantee may apply for a Rate adjustment in excess of the Cost-of-Living Rate Adjustment described in (B), above. Grantee may apply for either the Cost-of-Living Rate Adjustment or the larger Rate increase as described in this section, but may not apply for both for the same Rate Period. In applying for such a Rate increase the Grantee must:

(1) Notify the Department, in writing, of Grantee's intent to seek a Rate increase in excess of the Cost-of-Living Rate Adjustment limitation;

(2) Obtain and submit to the Department an independent financial audit report of Grantee's operations. The County shall select or approve the auditor to perform the audit. The cost of the audit shall be paid by the Grantee. The audit must, at a minimum, determine the profitability of Grantee's operations specific to services provided under this Agreement.

(3) Submit a reviewed financial statement for the most-recently completed Rate Period.

Using information provided in the financial audit, as well as records required to be maintained by Guarantee under Section 13 and Exhibit G of this Agreement, the County shall perform a Rate setting study to determine appropriate Rates based on projected profitability of the Grantee. The appropriate profit margin, and the means of determining profitability, shall be included as part of the Rate setting study. The Rate setting study shall be conducted by the County, or by a qualified contractor selected by the County. The cost of the Rate study shall be paid by the Grantee.

County shall then hold at least one public meeting, at a convenient time and place within the Grantee's Franchise Area, to solicit public comment on the proposed Rate increases, as determined by the Rate setting study. This public meeting shall be duly noticed and shall be held no less than 14 days before the Board considers adoption of the Rate increases.

Provided that the County has received the required information, as described in (1) and (2), above, has completed the Rate setting study, and has held at least one public meeting and considered public input, the Board may adopt the new Rates by amending Exhibits A and B. **Under no circumstances will the Contractor ever be permitted to retroactively bill Customers for any rate adjustment increases not implemented in a timely manner for any reason**.

D. Rate Decreases

The County may, at any time, request a Rate decrease provided that some change in conditions has occurred to warrant a Rate decrease. Such a Rate decrease will require a full disclosure audit and formal Rate structuring. In requesting such a Rate decrease, the County must:

(1) Notify the Grantee, in writing, of County's intent to seek a Rate decrease;

(2) Obtain a financial audit of Grantee's operations. The Grantee shall comply with a full disclosure audit. The County shall select the auditor to perform the audit. The cost of the audit shall be paid by the County. The audit must, at a minimum, determine the profitability of Grantee's operations specific to services provided under this Agreement.

Using information provided in the financial audit, as well as records required to be maintained by Guarantee under Section 13 and Exhibit G of this Agreement, the County shall perform a Rate setting study to determine appropriate Rates based on projected profitability of the Grantee. The appropriate profit margin, and the means of determining profitability, shall be included as part of the Rate setting study. The Rate setting study shall be conducted by the

County, or by a qualified contractor selected by the County. The cost of the Rate study shall be paid by the County.

County shall then hold at least one public meeting, at a convenient time and place within the Grantee's Franchise Area, to solicit public comment on the proposed Rate decrease, as determined by the Rate setting study. This public meeting shall be duly noticed and shall be held no less than 14 days before the Board considers adoption of the Rate decrease.

Provided that the County has received the required information, as described in (1) and (2), above, has completed the Rate setting study, and has held at least one public meeting and considered public input, the Board may adopt the new Rates by amending Exhibits A and B.

E. Recycling Commodity Value Adjustment

The gross market commodity value of Discarded Recyclable Materials collected by Grantee pursuant to this Agreement as mixed Recyclable Materials shall be determined by the current average composite market value per ton for each category multiplied by the market value price including any California Redemption Value, FOB at the Designated Recycling Processing Facility. An increase in Rates or a decrease in Rates is determined by applying the current Composite Market Value to the Fee/Credit Schedule/Market Value Grid. With tons reported for Discarded Recyclable Materials (single-stream) collected from each area, a fee/credit per ton will be applied against the number of tons divided by revenue to calculate a percentage change in the Rate. See Fee/Credit Schedule/Market Value Grid.

Beginning with the Rate Period ending December 31, 2023, no later than November 15 of each Rate Period, Grantee shall calculate the average Composite Market Value per ton over the previous 12 months, and apply it to the Fee/Credit Schedule/Market Value Grid to determine a fee or credit. Rates will be adjusted by a fee or credit times the number of tons collected divided by revenue.

Grantee will provide County with all data used for the calculation of this adjustment. Grantee will provide County with weekly brokerage market values from the previous 12 months for each commodity within the Composite Market Value to substantiate that Grantee has received the highest or best market value.

A three-step process for determining an increase or decrease in the collection Rate based on a fee/credit grid that takes into account the current average Composite Market Value compared to the specified Composite Market Value which to determine a fee or credit per ton is provided below:

Step 1: The foundation of the specified Composite Market Value (CMV) used for the break-even point on the fee /credit grid is provided below.

COMPOSITE MARKET VALUE PER TON

December 31, 2014

Tons "In" Composition Percentage	Recycling Category	Estimated Scrap Value: Average Price Per Ton	CRV as of 7-1-14: CRV / Ton	Weighted Sale Price Per Ton "In"
24.97%	Mixed Glass	$ (40.00)	$ 82.00	$ 10.49
15.80%	Cardboard	122.00		19.28
43.27%	Mixed Paper	77.00		33.32
1.20%	Aluminum Ca	1,640.00	2,800.00	53.28
1.94%	PET	316.00	1,080.00	27.08
1.07%	HDPE - Natura	713.00	80.00	8.49
1.09%	HDPE - Color	511.00	80.00	6.44
2.30%	Rigid Plastic	207.00		4.76
1.98%	Plastic #3-7			-
2.38%	Tin/Scrap Met	109.00		2.59
96.00%	% Marketable Material Per Ton			
		Residual Tipping Fee		
4.00%	MRF Residue	(76.54)		(3.06)
100.00%				$ 162.66

2896

Step 2: Calculate the current CMV from the previous four quarters for the reporting period and apply the new calculated current CMV to the fee/credit grid.

Step 3: The current CMV will be applied to the fee/credit grid to determine the fee or credit that will be applied to the number of tons of Discarded Recyclable Materials that is collected from within Solid Waste Refuse Collection Area One (1). (For example, a $93.95 CMV would provide a fee of $60.00 per ton). The $60.00 fee would be multiplied by the number of tons collected from within Area One (1) and divided by revenue to calculate a percentage increase or decrease to collection Rates. The number of Discarded Recyclable Material tons collected from within Area One (1) will be derived from the volume and revenue reports prepared annually by Grantee.

Fee or (Credit) Schedule
Market Value Grid

	From	To	Fee/Credit
Break Even	160.00	162.66	$ -
Fee	$ 140.00	$ 159.99	$ 10.00
	$ 130.00	$ 139.99	$ 20.00
	$ 120.00	$ 129.99	$ 30.00
	$ 110.00	$ 119.99	$ 40.00
	$ 100.00	$ 109.99	$ 50.00
	$ 90.00	$ 99.99	$ 60.00
	$ 80.00	$ 89.99	$ 70.00
	$ 70.00	$ 79.99	$ 80.00
Credit	$ 162.66	$ 169.99	$ (10.00)
	$ 170.00	$ 179.99	$ (20.00)
	$ 180.00	$ 189.99	$ (30.00)
	$ 190.00	$ 199.99	$ (40.00)
	$ 200.00	$ 209.99	$ (50.00)

F. County Rate Setting Authority

Should a court of competent jurisdiction determine that the County lacks authority to set and/or increase Rates for charges related to Franchise and governmental fees and charges then Grantee shall reduce the Rates it charges Customers a corresponding

amount, providing said fees, Rates and/or charges disallowed by the court are not related to the cost of providing service hereunder and had already been incorporated in the Rates charged by Grantee to its Customers.

Nothing herein is intended to imply that California Constitution, Articles XIIIC or XIIID, apply to the setting of Rates for the services provided under this Agreement; rather this section is provided merely to allocate risk of loss as between the parties.

SECTION 16 - FEES

A. Franchise Fee - Amount

In consideration of the exclusive rights provided herein, Grantee shall pay a Franchise Fee to the County calculated as 12% of the Adjusted Gross Revenues collected for service. The Franchise Fee may be revised by the Board from time to time after a public hearing thereon and a determination by the Board that a change is in the public interest, such increases or decreases determined by the Board shall be subject to pass-through Rate adjustment.

B. Franchise Fee - Quarterly Payments and Revenue Statements

Grantee shall pay the Franchise Fee in quarterly payments due within 30 days after the close of each calendar quarter. Along with the quarterly payment, Grantee shall include a quarterly revenue statement, certified by an officer of the Grantee that shows the basis for the calculation thereof.

C. Franchise Fee - Deposit.

Franchise fees shall be paid to the Department which shall deposit them to the County General Fund.

D. Franchise Fee - Delinquency Penalty

Payments are delinquent if not received by the County within 30 days as provided above. All fees are subject to a delinquency penalty of ten percent (10%), which attaches on the first day of delinquency, plus an additional ten percent (10%) for each additional month the payment remains delinquent. These penalties are in addition to the franchise termination provisions of Section 19.

E. Refund of Franchise Fees

Once Franchise Fee payments are made to the County, Grantee may not ask for refund of all or part of Franchise Fees unless such request is based on a mathematical error in its

calculation or a double payment of such payment.

F. SB 1383 Regulatory Reimbursement

Grantee shall pay an SB 1383 Regulatory Reimbursement to County each month during the term of this Agreement. The amount of the SB 1383 Regulatory Reimbursement shall be one thousand dollars ($1,000) per month through December 31, 2023. The amounts of the SB 1383 Regulatory Reimbursement for subsequent years of the Agreement shall be adjusted annually by the same Annual Percentage Change in the CPI-U, calculated in accordance with the adjustment method described in Section 15.

County shall use the SB 1383 Regulatory Reimbursement to offset expenses, including but not limited to, staffing costs related to County programs, pilot studies, education and outreach campaigns, technical assistance to Customers, reporting, compliance, enforcement, or other activities involved in compliance with SB 1383 Regulations. The County shall retain the sole right to set priorities for the use of its SB 1383 Regulatory Reimbursement. The SB 1383 Regulatory Reimbursement shall be considered an allowable cost of business not subject to profit mark-up and included in Grantee's Compensation pursuant to Section 14.

SECTION 17 - BONDS, INSURANCE, AND INDEMNIFICATION

A. Bonds

(1) The County may require the Grantee to post a performance bond at a value up to 25% of the estimated annual revenues generated through this Agreement. If, however, the Grantee has previously satisfactorily demonstrated that Grantee has the financial means and capabilities to perform required services, the County may waive the performance bond requirement, or may reduce the required amount of the performance bond.

The amount and specifications of the performance bond required for this Agreement are described in Exhibit D.

(2) If the County should impose a surcharge, pertaining to Solid Waste Collection and/or Disposal fees, on Grantee's Customers, Grantee may be required to post a fidelity bond. Should this occur, the amount, terms, and conditions of the fidelity bond shall be determined by the County and shall be included in this Agreement through amendment of Exhibit D.

B. Insurance

Insurance policies are to be secured by the Grantee and remain in full force and effect at all times to provide protection against liability for damages which may be imposed for the

negligence of the Grantee or that Persons employees or agents, including, but not limited to, general liability and automobile liability insurance. Grantee shall also provide liability coverage under California Workers' Compensation laws. The amounts of insurance required are to be established herein. Said amounts shall not be construed to limit the Grantee's liability.

The insurance requirements provided herein may be modified or waived in writing by the Board of Supervisors, provided the Board of Supervisors determines that such waiver or modification does not unreasonably increase the risk of exposure to the County, including the fact that the parent of Grantee may be self-insured up to a certain acceptable amount.

(1) Workers' Compensation Insurance. Grantee shall obtain and maintain in full force and effect throughout the entire term of this Agreement full Workers' Compensation Insurance in accord with the provisions and requirements of the Labor Code of the State of California. Endorsements that implement the required coverage shall be filed and maintained with the Department throughout the term of this Agreement.

(2) Comprehensive General Liability. Grantee shall obtain and maintain in full force and effect throughout the entire term of this Agreement a Broad Form Comprehensive General Liability (occurrence) policy with a minimum limit of TWO MILLION DOLLARS ($2,000,000.00) aggregate and ONE MILLION DOLLARS ($1,000,000.00) per occurrence for bodily injury and property damage, with any self-insured retention not exceeding TWO HUNDRED THOUSAND ($200,000.00) per occurrence. Said insurance shall protect Grantee and County from any claim for damages for bodily injury, including accidental death, as well as from any claim for property damage which may arise from operations performed pursuant to this Agreement, whether such operations are by Grantee itself, or by its agents, employees and/or Subcontractors. Copies of the policies or endorsements evidencing the above-required insurance coverage shall be filed with the Department. Endorsements are required to be made a part of all of the following insurance policies required by this Section:

(a) "The County, its employees, agents, and officers, are hereby added as insured's as respects liability arising out of activities performed by or on behalf of Grantee."

(b) "This policy shall be considered primary insurance as respects any other valid collectible insurance the County may possess including any self-insured retention the County may have, and any other insurance the County does possess shall be considered excess insurance and shall not contribute with it."

(c) "This policy shall act for each insured, as though a separate policy had been written for each. This, however, will not act to increase the limit of

liability of the insuring company."

(d) "Thirty (30) days prior written notice by certified mail, return receipt requested, shall be given to the County in the event of suspension, cancellation, reduction in coverage or in limits or non-renewal of this policy for whatever reason. Such notice shall be sent to the Department."

(3) Vehicle Liability. Grantee shall obtain and maintain in full force and effect throughout the entire term of this Agreement a vehicle liability policy with a minimum limit of TWO MILLION DOLLARS ($2,000,000.00) per occurrence for bodily injury and TWO HUNDRED THOUSAND DOLLARS ($200,000.00) per occurrence for property damage. Said insurance shall protect Grantee and County from any claim for damages for bodily injury, including accidental death, as well as from any claim for property damage which may arise from operation of owned and non-owned vehicles. Copies of the policies or endorsements evidencing the above-required insurance coverage shall be filed with the Department.

The limits of such insurance coverage, and companies, shall be subject to review and approval by the County every year and may be increased at that time and match the coverage provided by the County's own liability insurance policy. The County shall be included as a named insured on each of the policies, or policy endorsements.

C. Indemnification

(1) Indemnification of County

(a) Grantee shall defend the County with counsel reasonably acceptable to the County and indemnify the County from and against any and all liabilities, costs, claims and damages which are caused by Grantee's negligence or failure to comply with applicable laws and regulations, including but not limited to liabilities, costs, claims and damages described in Section 17B, above.

(b) Grantee agrees that it shall protect and defend the County with counsel reasonably acceptable to County, indemnify and hold harmless County, its officers, employees and agents from and against any and all losses, liabilities, fines, penalties, claims, damages, liabilities or judgments (including attorney's fees), arising out of or resulting in any way from Grantee's exercise of this Agreement, unless such claim is due to the sole negligence or willful acts of the County, its officers, employees, agents or contractors, or from County's grant of this Agreement to Grantee.

(c) In addition, Grantee shall defend the County with counsel reasonably

acceptable to the County, indemnify and hold the County harmless from any and all litigation and claims, damages and liabilities arising there from, brought to enforce or to challenge this Agreement and/or Grantee's exclusive rights granted there under; provided, however, that Grantee's obligations hereunder extend only to actions brought against or by Persons not parties to this Agreement.

(d) The Grantee's obligations in this section shall survive termination of this Agreement.

(2) Indemnification of Grantee.

(a) Except as provided by subparagraph (3) AB 939 Indemnification, the County shall defend, with counsel reasonably acceptable to Grantee, indemnify and hold Grantee harmless from any and all fines, penalties and assessments levied against or threatened to be levied against the County and/or Grantee for the County's failure to meet the requirements of AB939, its amendments or any successor legislation and/or all rules and regulations promulgated hereunder if said failure is due solely to the negligence or misconduct of the County, including but not limited to the County's failure to adopt Source Reduction and Recycling Elements mandated under AB 939.

(b) In the event that the County directs the Grantee to Dispose of or Transport Solid Waste, and/or Recyclable Materials to a specific facility, the Grantee shall not be held liable for damages at or to that facility, or to the County as a result of the acts or omissions of that facility, unless the damages are caused by the willful or negligent acts of the Grantee.

(3) AB 939 Indemnification. Grantee shall defend with counsel reasonably acceptable to the County, indemnify and hold the County harmless from any and all fines, penalties and assessments levied against or threatened to be levied against the County for the County's failure to meet the requirements of AB 939, with respect to the Waste Stream under Grantee's control, its amendments or any successor legislation and/or all rules and regulations promulgated hereunder if said failure results from Grantee's failure to comply with this Agreement and/or Grantee's failure to comply with said laws, rules or regulations, including but not limited to failing to timely supply to the County the reports and information required by the County in order to comply with AB 939.

(4) Hazardous Substances Indemnification by Grantee. Grantee shall indemnify, defend with counsel acceptable to the County, protect, and hold harmless the

County, its officers, employees, and agents from and against all claims, damages (including, but not limited to, special, consequential, natural resources, and punitive damages), injuries, response remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, attorney's fees, and other expenses (including, but not limited to, attorneys' and expert witness fees and costs incurred in connection with defending against any of the forgoing or in enforcing this indemnity) of any kind whatsoever paid, incurred, or suffered by, or asserted against, the County, its officers, employees, and agents arising from or attributable to acts or omissions of Grantee, its officers, employees, agents, contractors, and/or subcontractors, including, but not limited to, any repair, cleanup or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or Hazardous Wastes brought to a Facility during the Term of this Agreement, or handled by Grantee or its officers, employees, agents, contractors, and/or subcontractors at any place where Grantee conducts operations pursuant to this Agreement. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA, 42 U.S.C. Section 9607(c), and California Health and Safety Code Section 25364, to defend, insure, protect, hold harmless, and indemnify the County from liability. Grantee's obligations in this section shall survive termination of this Agreement.

SECTION 18 - FRANCHISE TRANSFER, ISSUANCE, AND RENEWAL

A. Franchise Transfer

In the event that ownership interest of a Grantee is sold, transferred, leased, assigned, mortgaged, pledged, hypothecated, or otherwise encumbered or disposed of in whole or in part, directly or indirectly, whether voluntarily or by operation of law or through any stock transfer, transfer in trust, change in control, consolidation or merger, this Agreement will be considered non-transferable unless all of the following conditions are met:

(1) The Grantee notifies the County, in writing, at least sixty (60) days in advance of the transfer in ownership interest, as defined above, and submits a Disclosure Statement in accordance with Section 13 and Exhibit G; and

(2) The Grantee and the party to which ownership interest is being transferred demonstrate that the party to which ownership interest is being transferred has the financial means, experience and capabilities to fulfill the requirements of this Agreement; and

(3) The party to which ownership interest is being transferred demonstrates that the best interest of the public will be served, and that service levels will not decline or

Rates increase as a result of the transfer of ownership.

If the Grantee and the party to which ownership interest is being transferred have satisfactorily complied with all of the conditions described above, the Board shall not unreasonably deny the transfer of this Agreement. In the event that ownership interest in Grantee changes as described in this section, and the Board has approved the transfer of this Agreement, the Board has the right to require competitive bid or request for proposal of said Agreement at any time during the remainder of this Agreement term. If the Board so determines, County shall provide Grantee a two year notice of its intent to terminate this Agreement, provided that two or more years remain in Agreement term. During such two-year period, or, if fewer than two years remain in the Agreement during the remainder of the Agreement term, the County may conduct the competitive bid or request for proposal process.

Any transfer of ownership interest made without having met the conditions described above, and without Board approval to transfer this Agreement, shall constitute good cause for termination of the Agreement.

Notwithstanding the above, the present stockholders in the Grantee shall have the right to transfer stock to their spouses and/or relatives within the first degree.

The Grantee shall compensate the County for all costs incurred by the County to examine the transfer of the Agreement, whether or not the County agrees to the transfer.

B. General Standards of Responsibility

The Board may refuse to approve the transfer of this Agreement, if the Board finds by a preponderance of evidence that the buyer has:

(1) Intentionally misrepresented or concealed any material fact in the disclosure statement;

(2) Obtained a license, permit, contract, or franchise from the County by intentional misrepresentation or concealment of a material fact;

(3) Been convicted of a felony or pleaded guilty or nolo contendere to a felony involving the laws of any state or the federal government within the three years preceding the issuance of the license or permit, or execution of the contract or Agreement;

(4) Been adjudicated in contempt of an order of any court enforcing laws of this state or the federal government within three years preceding the issuance of the license or permit, or execution of the contract or Agreement; or

(5) Disregarded the public safety, as evidenced by convictions or pleas of nolo

contendere to the violation of state and local law governing safety of operations, compliance with environmental and other franchise requirements within the County.

In deciding whether to renew or allow transfer of this Agreement, the Board shall consider the facts and mitigating factors surrounding the foregoing including:

(1) The relevance of the offense to the business for which the license, permit, contract or franchise is issued;

(2) The nature and seriousness of the offense;

(3) The circumstances under which the offense occurred;

(4) The date of the offense; and

(5) The ownership and management structure in place at the time of the offense.

The Department shall recommend to the Board whether the buyer is fit to retain the rights granted under this Agreement. The County shall notify the Grantee of its determination within sixty (60) days following the Grantee's submittal of the disclosure form. Failure by the Department to make a recommendation regarding the Grantee's fitness for transfer, within the time frame indicated above, shall in no case result in the revocation of the Grantee's rights under the Agreement, an order to cease operations, or a termination of this Agreement.

C. Opportunity to Demonstrate Rehabilitation

In determining whether to recommend approval to the Board of a transfer of this Agreement, the Department shall first allow the buyer to submit evidence of rehabilitation and shall consider the buyer's efforts to prevent recurrence of unlawful activity. Items to be considered by the Department shall include:

(1) The record and history of implementing successful corrective actions undertaken to prevent or minimize the likelihood of recurrence of the offense;

(2) Whether the offense was an isolated incident or a series of related incidents;

(3) Whether the buyer cooperated with government bodies during investigations;

(4) The number and types of permits, contracts or franchises held by the buyer;

(5) Implementation by the buyer of formal policies, training programs, and management controls to substantially minimize or prevent the occurrence of future violations or unlawful activities;

(6) Implementation by the buyer of an environmental compliance auditing program to assess and monitor the adequacy of the internal systems to ensure compliance with environmental laws, regulations and conditions set forth in this Agreement;

(7) The buyer's discharge of individuals, or severance of the interest of or affiliation with responsible parties, which would otherwise cause the County to deny the renewal, transfer or refuse to enter into this Agreement; and

(8) Consideration of the need for this Agreement in advancing the County's welfare, health, and prosperity.

Where the Department determines that pursuant to the above, mitigating factors exist, or, pursuant to this Section 18C, that the buyer has demonstrated rehabilitation, the Department shall recommend to the Board the transfer of this Agreement.

SECTION 19 - TERMINATION

A. Events of Default

Each of the following shall constitute an event of default ("Event of Default") hereunder:

(1) Grantee has demonstrated an inability to properly perform the franchised activity, failed to comply with one or more of the terms or conditions of this Agreement, or future amendment(s) to this Agreement, failed to comply with any material federal, state or local laws, ordinances, rules or regulations pertaining to the franchised activity, or when the franchised activity has become a nuisance or is detrimental to the public health, safety or welfare. If Grantee does not perform franchise services for a period in excess of 15 days, this Agreement may be terminated by the County. Grantee shall not be in default of this Agreement if Grantee commences such action required to cure the particular breach within 7 calendar days after such notice, and it continues such performance diligently until completed.

(2) Any representation, warranty, or disclosure made to County by Grantee in connection with or as an inducement to entering into this Agreement or any future amendment to this Agreement, which proves to be false or misleading in any material respect as of the time such representation or disclosure is made, whether or not any such representation, warranty, or disclosure appears as part of this Agreement;

(3) There is a seizure or attachment (other than a pre-judgment attachment) of, or levy affecting possession on, the operating equipment of Grantee, including

without limit its vehicles, maintenance or office facilities, or any part thereof of such proportion as to substantially impair Grantee's ability to perform under this Agreement and which cannot be released, bonded, or otherwise lifted within 48 hours excluding weekends and Holidays;

(4) Grantee files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Grantee or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of the Grantee for any part of Grantee's operating assets or any substantial part of Grantee's property, or shall make any general assignment for the benefit of Grantee's creditors, or shall fail generally to pay Grantee's debts as they become due or shall take any action in furtherance of any of the foregoing;

(5) A court having jurisdiction shall enter a decree or order for relief in respect of the Grantee, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Grantee shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Grantee or for any part of the Grantee's operating equipment or assets, or orders the winding up or liquidation of the affairs of Grantee;

(6) If Grantee (i) is the subject of any labor unrest including work stoppage or slowdown, sick-out, picketing or other concerted job action; (ii) appears in the reasonable judgment of County to be unable to regularly pay its bills as they become due; or (iii) is the subject of a civil or criminal judgment or order entered by a federal, state, regional or local agency for violation of an Applicable Law, and the County believes in good faith that Grantee's ability to perform under the Agreement has thereby been placed in substantial jeopardy, the County may, at its option and in addition to all other remedies it may have, demand from Grantee reasonable assurances of timely and proper performance of this Agreement, in such form and substance as the County believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Grantee fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by County, such failure or refusal shall be an event of default.

B. Right to Suspend, Amend, or Terminate

Upon an "Event of Default" by Grantee, the County may suspend, amend, or terminate this Agreement. Additionally, County may terminate this agreement pursuant to Section 18A

above, subject to providing the notice provided for therein.

C. Procedures

Prior to suspending, amending, or terminating this Agreement granted by the Board, the County may provide the Grantee with written notice of the proposed action and the reasons for it. The notice shall state that prior to the suspension, amendment or termination, the Grantee is entitled to a hearing before the County if the Grantee requests such a hearing in writing and the request is received by the County not more than fifteen (15) days after notice of the proposed action has been mailed to the Grantee.

If the County does not receive a written request for a hearing within the time period prescribed above, the Grantee is deemed to have waived the right to a hearing and the County may immediately suspend, amend, or terminate this Agreement on the terms specified in the notice.

In the event of a serious violation, as determined by the Department, or in the event of repeated violations of this Agreement, the Agreement shall be terminated by the Board.

D. Agreement - Termination Equipment Use by County

In the event of suspension or termination of this Agreement, the County shall have the right forthwith to take possession of all trucks and other equipment of the Grantee for the purpose of Collecting and Disposing of the Solid Waste and performing all other duties which the Grantee is obligated to perform. The County shall have the right to retain possession of such trucks and equipment until other suitable trucks and equipment can be purchased or otherwise acquired by the County for such purpose. The County shall pay the Grantee a reasonable rental for the use of such trucks and equipment.

E. Liquidated Damages

(1) **General.** The County and Grantee find that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which shall be incurred by County as a result of a breach by Grantee of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration, and deprivation of the benefits of the Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) that exclusive services might be available at substantially lower costs than alternative services

and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

(2) **Service Performance Standards; Liquidated Damages for Failure to Meet Standards.** The Parties further acknowledge that consistent, reliable Solid Waste and Recyclable Materials Collection service is of utmost importance to County and that County has considered and relied on Grantee's representations as to its quality of service commitment in awarding an Agreement to it. The County and Grantee recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The County and Grantee further recognize that if Grantee fails to achieve the performance standards, or fails to submit required documents in a timely manner, County and its residents and businesses will suffer damages, and that it is, and will be, impractical and extremely difficult to ascertain and determine the exact amount of damages which County will suffer. Therefore, without prejudice to County's right to treat such non-performance as an event of default under this Section, the County and Grantee agree that the Liquidated Damages amounts established in Exhibit F of this Agreement and the following Liquidated Damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the Effective Date of this Agreement, including the relationship of the sums to the range of harm to County that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical.

Grantee agrees to pay (as Liquidated Damages and not as a penalty) the amounts set forth in the Schedule of Liquidated Damages, Exhibit F.

County may determine the occurrence of events giving rise to Liquidated Damages through the observation of its own employees or representative or investigation of complaints by Customers, Owners, and Generators.

Liquidated Damages will only be assessed after Grantee has been given the opportunity but failed to rectify the damages as described in this Agreement. County shall give Grantee notice of its intention to assess Liquidated Damages. The notice will include a brief description of the incident(s) and non-performance. The County may review (and make copies at its own expense) all information in the possession of Grantee relating to incident(s) and non-performance. County may, within 10 calendar days after issuing the notice, request a meeting with Grantee. County may present evidence of non-performance in writing and through testimony of its employees and others relevant to the incident(s) and non-performance. County will provide Grantee with a written explanation of his or

her determination on each incident(s) and non-performance prior to authorizing the assessment of Liquidated Damages under this Section. The decision of County shall be final and Grantee shall not be subject to, or required to exhaust, any further administrative remedies.

(3) **Amount.** County may assess Liquidated Damages for each calendar day or event, as appropriate, that Grantee is determined to be liable in accordance with this Agreement in the amounts specified in Exhibit F subject to annual adjustment described below.

The amount of Liquidated Damages specified in Exhibit F shall be adjusted annually on the first day of the Rate Period. The adjustment shall be rounded to the nearest cent. Liquidated Damage amounts shall be adjusted to reflect 75% of the changes in the All Urban Consumers Index (CPI-U), all items, for the San Francisco-Oakland-San Jose, CA, Base Period 1982 – 1984 = 100, not seasonally adjusted, compiled and published by the U. S. Department of Labor, Bureau of Labor Statistics or its successor agency, using the method following:

Adjusted Liquidated Damage Amount = Then-current Liquidated Damage Amount x most current CPI-U/previous 12-month CPI-U

For example:

Current Liquidated Damage Amount = $150.00

Most recently published index (Aug 2021) = 311.167

Index published twelve months prior to most recently published index (Aug 2020) = 300.182

Adjusted Liquidated Damage Amount = $150.00 x (311.167/300.182) = $155.49

If the CPI-U is discontinued or revised during the Term by the United States Department of Labor, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised.

(4) **Timing of Payment.** Grantee shall pay any Liquidated Damages assessed by County within 10 calendar days of the date the Liquidated Damages are assessed. If they are not paid within the 10-day period, and providing Grantee has exhausted its right to administrative review in accordance with this Section, County may proceed against the performance bond required by the Agreement,

request replacement of Grantee's general manager, order the termination of the exclusive Collection rights granted by this Agreement, or all of the above.

SECTION 20 - RIGHTS OF COUNTY TO PERFORM DURING EMERGENCY

A. Provision of Emergency Services

Grantee shall provide emergency services at the County's request in the event of major accidents, disruptions, or natural calamities. Emergency services may include, but are not limited to, assistance handling salvaged materials, Processing, Disposing of Solid Waste or Recyclable Materials following a major accident, disruption, or natural calamity. Grantee shall be capable of providing emergency services within 24 hours of notification by the County or as soon thereafter as is reasonably practical in light of the circumstances. Emergency services, which exceed the Grantee's obligations, shall be compensated in accordance with Section 15C. If Grantee cannot provide the requested emergency services, the County shall have the right to take possession of the Grantee's equipment for the purposes of providing emergency services.

B. Franchise Suspension - Emergency Actions

Notwithstanding provisions of this Agreement to the contrary, the Department may temporarily suspend this Agreement, without prior notice and a hearing, whenever an emergency exists which poses an immediate threat to the public health, safety, or welfare. In such a case, the Department shall attempt to notify the Grantee at least twenty four (24) hours prior to the proposed action. A hearing shall be held within seventy two (72) hours of the action taken to suspend the franchise.

C. Labor Dispute - County Assumption of Duties - Authorized

In the event the refuse Collection of a Grantee is interrupted by a labor dispute and scheduled Collections are discontinued for more than seventy-two (72) hours, the County shall have the right to forthwith take temporary possession of all facilities and equipment of the Grantee for the purpose of continuing the service which the Grantee has agreed to provide in order to preserve and protect the public health and safety. The County shall have the right to retain possession of such facilities and equipment and to render the required service, until the Grantee can demonstrate to the satisfaction of the County that required services can be resumed by the Grantee; provided, however, that such temporary assumption of the Grantee's obligations under this Agreement shall not be continued by the County for more than one hundred twenty (120) days from the date such operations were undertaken. Should the Grantee fail to demonstrate to the satisfaction of the County that required services can be resumed by the Grantee prior to the expiration of the aforementioned one hundred twenty (120) days, the rights and privileges granted to the Grantee may be forfeited and the franchise granted herein may be terminated.

Should the County exercise its right to take temporary possession of Grantee's facilities used in providing service under this Agreement, County shall recognize Grantee's obligations to provide service in accordance with other agreements and shall cooperate with Grantee in its efforts to provide such other service using the Grantees facilities in the County's temporary possession.

D. Labor Dispute - County Assumption of Duties - Use of Revenue

During any period in which the County has temporarily assumed the obligations of the Grantee under this Agreement, the County shall be entitled to the Adjusted Gross Revenues attributable to operations during such period and shall pay there from only those costs and expenses, including a reasonable rental for use of trucks and equipment, applicable or allocable to the period. The excess, if any, of revenue over applicable or allocable costs and expenses during such period shall be deposited in the treasury to the County to the credit of the General Fund. Final adjustment and allocation of Adjusted Gross Revenues, costs and expenses to the period during which the County temporarily assumed the obligations of the Grantee shall be determined by an audit, by a certified public accountant or licensed public accountant, and prepared in report form with that person's unqualified opinion annexed thereto.

E. Labor Dispute - County Assumption of Duties – Employees

Employees of the Grantee may be employed (providing employee consents) by the County during any period in which the County temporarily assumes the obligations of the Grantee under this Agreement; provided, however, that the rate of compensation to be paid to the employees, or any other employees, shall be the rate or rates in effect at the time the Grantee's service was interrupted by the labor dispute, and the terms and conditions of employment shall be the same as provided by the Grantee.

SECTION 21 - GENERAL PROVISIONS

A. Entire Agreement

This Agreement, including the exhibits, represents the full and entire Agreement between the County and Grantee with respect to the matters covered herein.

B. Force Majeure

Neither party shall be in default under this Agreement in the event and for so long as it is impossible or extremely impracticable for it to perform its obligations due to any of the following reasons: riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, landslides, fires, and volcanic eruptions, strikes, lockouts and other labor disturbances or other catastrophic events which are beyond the reasonable control of Grantee. Labor unrest, including but not limited to strike, work stoppage or

slowdown, sick-out, picketing, or other concerted job action conducted by Grantee's employees or directed at Grantee is not an excuse from performance and Grantee shall be obligated to continue to Collect and Dispose of Solid Waste, notwithstanding the occurrence of any or all of such events; provided, however, that labor unrest or job action directed at a third party over whom Grantee has no control, shall excuse performance.

A party claiming excuse under this Section must (i) have taken reasonable precautions to avoid being affected by the cause, and (ii) notify the other party in writing within 5 days after the occurrence of the event specifying the nature of the event, the expected length of time that the party expects to be prevented from performing, and the steps which the party intends to take to restore its ability to perform.

In the event a labor disturbance interrupts Collection, Transportation Disposal, and/or Processing of Solid Waste or Recyclable Materials by Grantee as required under this Agreement, County may elect to exercise its rights under Section 20 of this Agreement.

C. Notice Procedures

All notices, demands, requests, proposals, approvals, consents, and other communications which this Agreement requires, authorizes, or contemplates shall be in writing and shall either be personally delivered to a representative of the Parties at the address below or deposited in the United States mail, first class postage prepaid, addressed as follows:

A. If to County:

Solid Waste Director
Mendocino County Department of Transportation
340 Lake Mendocino Drive
Ukiah, CA 95482

B. If to Grantee:

Solid Wastes of Willits, Inc.
Gerald W. Ward, President
PO Box 1425
Willits, CA 95490

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

All notices required or given pursuant to this title shall be deemed properly served on the day it is personally delivered or when deposited, postage prepaid, in the United States mail, addressed to the address provided to the Department.

D. Independent Contractor

Grantee is an independent contractor and not an officer, agent, servant or employee of County. Grantee is solely responsible for the acts and omissions of its officers, agents, employees, Grantees and Subcontractors, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between County and Grantee. Neither Grantee nor its officers, employees, agents or Subcontractors shall obtain any rights to retirement or other benefits which accrue to County employees.

E. Roadway Damage

Grantee shall be responsible for any extraordinary damage (not including normal wear) caused by Grantee's negligence to County's driving surfaces, whether or not paved, resulting from the weight of vehicles providing Collection services at the location of Bins and Containers on public property. This Agreement does not purport to affect, in any way, Grantee's civil liability to any third parties

F. Property Damage

Any physical damage caused by the negligent or willful acts or omissions of employees, Grantees or Subcontractors of the Grantee to private or public property shall be repaired or replaced by Grantee, at Grantee's sole expense.

G. Compliance with County Code

Grantee shall comply with those provisions of the County Code which are applicable, and with any and all amendments to such applicable provisions during the term of this Agreement, subject to Section 1C.

H. Severability

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Agreement or any part thereof is, for any reason, held to be illegal, such decision shall not affect the validity of the remaining portions of this Agreement or any part thereof, except as specifically set forth herein.

I. Waiver or Modification

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of both parties to this Agreement.

J. Forum Selection

Grantee and County stipulate and agree that any litigation relating to the enforcement or interpretation of this Agreement, arising out of Grantee's performance or relating in any way to the work shall be brought in Superior Court in Mendocino County.

K. Court Costs and Attorney Fees

In the event legal action is instituted by either Party to enforce this Agreement, including but not limited to any action for declaratory relief, each party shall be solely responsible for and bear its own attorneys' fees, regardless of which party prevails.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

DEPARTMENT FISCAL REVIEW: Transportation

Howard N. Dashiell 11/29/2022

HOWARD N. DASHIELL, Director DATE

Budgeted: ☒ Yes ☐ No

Budget Unit: 4510/4511

Line Item: 82-6390 (Revenue)

Grant: ☐ Yes ☒ No

Grant No.: N/A

CONSULTANT/COMPANY NAME:

By: A. W.

NAME AND ADDRESS OF CONSULTANT:

Solid Wastes of Willits, Inc.

PO Box 1425

Willits, CA 95490

COUNTY OF MENDOCINO

By: TW

TED WILLIAMS, Chair
BOARD OF SUPERVISORS

Date: 12/13/2022

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

ATTEST:
DARCIE ANTLE, Clerk of said Board

By: _____
Deputy 12/13/2022

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

DARCIE ANTLE, Clerk of said Board

By: _____
Deputy 12/13/2022

COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

CHRISTIAN M. CURTIS,
County Counsel

By: _____
Deputy

Date: 11/28/2022

INSURANCE REVIEW:

By: Darcie Antle
Risk Management

Date: 11/28/2022

EXECUTIVE OFFICE/FISCAL REVIEW:

By: _____
Deputy CEO

Date: 11/28/2022

Signatory Authority: $0-25,000 Department; $25,001- 50,000 Purchasing Agent; **$50,001+ Board of Supervisors**
Exception to Bid Process Required/Completed ☐ _____
Mendocino County Business License: Valid ☐
Exempt Pursuant to MCC Section: _____

Exhibit A – Single Family Services

A.1 Source Separated Recyclable Materials Collection (Blue Container Collection)

Grantee shall Collect Source Separated Recyclable Materials placed in Grantee-provided Blue Carts (or otherwise placed in accordance with this Section) one (1) time per week from Single-Family Customers and shall Transport all Source Separated Recyclable Materials to the Designated or Approved Source Separated Recyclable Materials Processing Facility for Processing.

Containers: Carts

Container Sizes: 95-gallon Blue Carts (or as otherwise specified in Section 5.B(2) of the Agreement)
Grantee shall provide Single-Family Customers with one (1) Blue Container.

Container Type: Single compartment

Service Frequency: One (1) time per week on the same day as SSGCOW and Gray Container Waste Collection services or, for customers who have received a Collection Frequency Waiver in accordance with Section 6.H of the Agreement, one (1) time every-other-week (EOW) or every month on the same day as SSGCOW and Gray Container Waste Collection services.

Service Location: Curbside or other authorized Collection location if the Customer is physically unable to move the Collection Containers to the curb and is eligible for such service at no additional charge or from a Customer who is willing to pay the additional roll-out charge set by the County for such service.

Acceptable Materials: Source Separated Recyclable Materials

Prohibited Materials: Materials designated for the Gray Container, materials designated as acceptable SSGCOW, Excluded Waste

A.2 SSGCOW Collection (Green Container Collection)

At a minimum in "Areas Subject to SB 1383 Organic Waste Collection Requirements" and "Additional Existing Organic Waste Collection Area", as shown in Exhibit E - Franchise Area Maps, Grantee shall Collect SSGCOW placed in Grantee-provided Green Carts (or otherwise placed in accordance with this Section) one (1) time per week from Single-Family Customers and Transport all SSGCOW to the Designated or Approved Organic Waste Processing Facility for Processing.

Containers: Carts

Container Sizes: 95-gallon Green Carts
Grantee shall provide Single-Family Customers with one (1) Green Container.

Container Type: Single compartment

Service Frequency: One (1) time per week on the same day as Source Separated Recyclable Materials and Gray Container Waste Collection service.

Service Location: Curbside or other authorized Collection location if the Customer is physically unable to move the Collection Containers to the curb and is eligible for such service at no additional charge or from a Customer who is willing to pay the additional roll-out charge set by the County for such service.

Acceptable Materials: SSGCOW (including Yard Trimmings and Food Waste)

Prohibited Materials: Materials designated as acceptable Source Separated Recyclable Materials, materials designated for the Gray Container, Compostable Plastics, Excluded Waste

Other Requirements: Size requirements: SSGCOW placed for Collection may not exceed six (6) inches in diameter and three (3) feet in length and must fit in the provided Cart.

A.3 Gray Container Waste Collection (Gray Container Collection)

Grantee shall Collect Gray Container Waste placed in Grantee-provided Gray Carts one (1) time per week from Single-Family Customers and Transport all Gray Container Waste to the Designated or Approved Disposal Facility for Disposal.

Containers: Carts

Container Sizes: 20-, 35-, 65-, and 95-gallons Gray Carts (or comparable sizes approved by the County) as requested by Customer.
Standard Container is a 65-gallon Cart, unless Customer requests alternative size.
Grantee shall provide Single-Family Customers with one (1) Gray Container.

Container Type: Single compartment

Service Frequency: One (1) time per week on the same day as Source Separated Recyclable Materials and SSGCOW collection service or, for customers who have received a Collection Frequency Waiver in accordance with Section 6.H of the Agreement, one (1) time every-other-week (EOW) or every month on the same day as Source Separated Recyclable Materials and SSGCOW collection service.

Service Location: Curbside or other authorized Collection location if the Customer is physically unable to move the Collection Containers to the curb and is eligible for such service at no additional charge or from a Customer who is willing to pay the additional roll-out charge set by the County for such service.

Acceptable Materials: Gray Container Waste

Prohibited Materials: Materials designated as acceptable Source Separated Recyclable Materials, materials designated for acceptable SSGCOW, Excluded Waste

Other Requirements: None.

A.4 Residential Rates

Single-Family Residential Customers	**Rate**
20 gallon cart	$ 48.60
35 gallon cart	59.35
65 gallon cart	80.87
95 gallon cart	97.39
35 gallon cart-every other week	43.17
65 gallon cart-every other week	67.45
95 gallon cart-every other week	80.28
35 gallon cart-once a month	32.46
65 gallon cart-once a month	46.11
95 gallon cart-once a month	50.87
Driveway/Rollout fee (applies to weekly service only)	10.00
Special Pickup - 35 gallon cart	32.46
Special Pickup - 65 gallon cart	46.11
Special Pickup - 95 gallon cart	50.87
Contamination Fee	25.00
Call back charge	17.41
Restart Fee	5.00

Exhibit B – Multi-Family, Commercial, and Industrial Services

B.1 Source Separated Recyclable Materials Collection (Blue Container Collection)

A. Grantee shall Collect Source Separated Recyclable Materials placed in Grantee-provided Blue Containers from Multi-Family and Commercial Customers and shall Transport all Source Separated Recyclable Materials to the Designated or Approved Source Separated Recyclable Materials Processing Facility for Processing. Grantee shall provide service at the frequency requested by Customers, up to the maximum service frequency. Source Separated Recyclable Materials Collection services shall be provided by Grantee to Multi-Family and Commercial Customers that enroll for Gray Container Collection service.

Containers: Carts, Bins, Drop Boxes, Compactors

Container Sizes: Sizes described in Rate Sheets included in Section B.4.

Grantee shall provide Multi-Family and Commercial Premises with Container(s) consistent with the Customer's Service Level.

Container Type: Single compartment

Service Frequency: For Carts, one (1) time per week for each Customer. If the Customer requires more frequent service, Grantee shall provide the Customer with a larger container that only requires service one (1) time per week. Grantee shall provide the specific Collection frequency within this range as requested by Customer and as shown on Rate Sheets in Section B.4.

Service Location: Curbside or other Customer-selected service location (including but not limited to an on-site enclosure) at the Multi-Family or Commercial Premises; Grantee may charge County-approved roll-out Rates if the service location is greater than ten (10) feet from the nearest point that a Collection vehicle can access from a paved surface.

Grantee shall provide on-Premises service at no additional charge for Multi-Family Customers with two (2) or more dwelling units.

Acceptable Materials: Source Separated Recyclable Materials

Prohibited Materials: Materials designated for the Gray Container, materials designated as acceptable SSGCOW, Excluded Waste

Other Requirements: New service: Grantee shall make contact with each and every Multi-Family and Commercial Customer in advance of the commencement of new Recyclable Material Collection Service to determine appropriate Container sizes and service frequency.

Service Level Assessment: If Grantee observes a situation in which a Service Level adjustment may be warranted for a Customer's needs, compliance with SB 1383 Regulations, or to manage environmental impacts associated with Collection efficiency, Grantee may recommend a Service Level adjustment for the Customer to the County. The County will review the Customer's Service Level and engage with the Customer to make a final determination of appropriate

Service Levels. If Service Level changes are warranted, Grantee shall adjust Service Levels within fourteen (14) days of County concurrence.

Container access: Grantee shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and service Containers, and shall charge County-approved Rates for such service. A push/pull of Containers up to ten (10) feet from the enclosure/Container location to the Collection vehicle and push/pull of the Container to its original location will be provided at no additional charge to the Customer.

Contamination: Grantee may refuse to Collect a Blue Container that contains Prohibited Container Contaminants if Grantee complies with the contamination noticing process described in Section 6.D of this Agreement. For Customers with repeated incidents of contamination, Grantee may assess a contamination processing fee in accordance with Section 6.D of this Agreement.

B.2 SSGCOW Collection (Green Container Collection)

At a minimum in "Areas Subject to SB 1383 Organic Waste Collection Requirements" and "Additional Existing Organic Waste Collection Area", as shown in Exhibit E - Franchise Area Maps, Grantee shall Collect SSGCOW in Grantee-provided Green Containers not less than one (1) time per week from Multi-Family and Commercial Customers and shall Transport all SSGCOW to the Designated or Approved Organic Waste Processing Facility for Processing. Grantee shall provide service at the frequency requested by Customers, up to the maximum service frequency. SSGCOW Collection services shall be provided by Grantee to Multi-Family and Commercial Customers that enroll in Gray Container Collection service at no additional charge to Customer or at County-approved Rates.

Containers: Carts, Bins, Drop Boxes

Container Sizes: Sizes described in Rate Sheets included in Section B.4.

Grantee shall provide Multi-Family and Commercial Premises with Container(s) consistent with each Customer's Service Level.

Container Type: Single compartment

Service Frequency: For Carts, one (1) time per week for each Customer. If the Customer requires more frequent service, Grantee shall provide the Customer with a larger container that only requires service one (1) time per week. Grantee shall provide the specific Collection frequency within this range as requested by Customer and as shown on Rate Sheets in Section B.4.

Service Location: Curbside or other Customer-selected service location at the Multi-Family or Commercial Premises; Grantee may charge an additional County-approved roll-out Rate if the service location is greater than ten (10) feet from the nearest point that a Collection vehicle can access from a paved surface.

Grantee shall provide on-Premises service at no additional charge for Multi-Family Customers with two (2) or more dwelling units.

Acceptable Materials: SSGCOW (including Yard Trimmings and Food Waste)

Prohibited Materials: Materials designated as acceptable Source Separated Recyclable Materials, materials designated for the Gray Container, Compostable Plastics, Excluded Waste

Other Requirements: New Service: Grantee shall make contact with each and every Multi-Family and Commercial Customer in advance of the commencement of new SSGCOW Collection Service to determine appropriate Container sizes and service frequency.

Service Level Assessment: If Grantee observes a situation in which a Service Level adjustment may be warranted for a Customer's needs, compliance with SB 1383 Regulations, or to manage environmental impacts associated with Collection efficiency, Grantee may recommend a Service Level adjustment for the Customer to the County. The County will review the Customer's Service Level and engage with Customer to make a final determination of appropriate Service Levels. If Service Level changes are warranted, Grantee shall adjust Service Levels within fourteen (14) days of request.

Size requirements: SSGCOW placed for Collection may not exceed six (6) inches in diameter and three (3) feet in length and must fit in the provided Cart or Bin.

Container access: Grantee shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and empty Containers, and shall charge the County-approved Rates for such service. A push/pull of Containers up to ten (10) feet from the enclosure/Container location to the Collection vehicle and push/pull of the Container to its original location will be provided at no additional charge to the Customer.

Contamination: Grantee may refuse to Collect a Green Container that contains Prohibited Container Contaminants if Grantee complies with the contamination noticing process described in Section 6.D of this Agreement. For Customers with repeated incidents of contamination, Grantee may assess a contamination processing fee in accordance with Section 6.D of this Agreement.

B.3 Gray Container Waste Collection (Gray Container Collection)

Grantee shall Collect Gray Container Waste placed in Grantee-provided Gray Containers not less than one (1) time per week from Multi-Family and Commercial Customers and Transport all Gray Container Waste to the Designated or Approved Disposal Facility for Disposal. Grantee shall provide service at the frequency requested by Customers, up to the maximum service frequency.

Containers: Carts, Bins, Drop Boxes, Compactors

Container Sizes: Sizes described in Rate Sheets included in Section B.4.

Grantee shall provide Multi-Family and Commercial Premises with Container(s) consistent with each Customer's Service Level.

Container Type: Single compartment

Service Frequency: For Carts, one (1) time per week for each Customer. If the Customer requires

more frequent service, Grantee shall provide the Customer with a larger container that only requires service one (1) time per week. Grantee shall provide the specific Collection frequency within this range as requested by Customer and as shown on Rate Sheets in Section B.4.

For Customers that receive Collection frequency waivers pursuant to Section 6.H of the Agreement, Collection shall be provided one (1) time every two (2) weeks on the same day as SSGCOW and Source Separated Recyclable Materials Collection services.

Service Location: Curbside or other Customer-selected service location at the Multi-Family or Commercial Premises; Grantee may charge additional County-approved roll-out Rates if the service location is greater than ten (10) feet from the nearest point that a Collection vehicle can access from a paved surface.

Grantee shall provide on-Premises service at no additional charge for Multi-Family Customers with two (2) or more dwelling units.

Acceptable Materials: Gray Container Waste

Prohibited Materials: Materials designated as acceptable Source Separated Recyclable Materials, materials designated as acceptable SSGCOW, Excluded Waste

Additional Service: Special pick-ups: Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, shall be provided by Grantee at a County-approved Rate.

Other Requirements: New service: Grantee shall make contact with each and every Multi-Family and Commercial Customer in advance of the commencement of new Collection Service to determine appropriate Container sizes and service frequency.

Service Level Assessment: If Grantee observes a situation in which a Service Level adjustment may be warranted for a Customer's needs, compliance with SB 1383 Regulations, or to manage environmental impacts associated with Collection efficiency, Grantee may recommend a Service Level adjustment for the Customer to the County. The County will review the Customer's Service Level and engage with Customer to make a final determination of appropriate Service Levels. If Service Level changes are warranted, Grantee shall adjust Service Levels within fourteen (14) days of request.

Container access: Grantee shall open and close gates, push and/or pull Containers, lock and unlock Containers, or perform other services as reasonably necessary to access and service Containers, and shall charge the County-approved Rates for such service. A push/pull of Containers up to ten (10) feet from the enclosure/Container location to the Collection vehicle and push/pull of the Container to its original location will be provided at no additional charge to the Customer.

B.4 Multi-Family Dwelling, Commercial and Industrial Rates

Commercial/Multi-Family Residential Customers	Rate
1 yard container	
1/week	$ 361.24
2/week	698.74
3/week	1,003.91
1.5 yard container	
1/week	425.44
2/week	829.48
3/week	1,191.77
2 yard container	
1/week	503.88
2/week	966.58
3/week	1,310.41
Every Other Week	389.80
1/month	256.69
3 yard container	
1/week	645.15
2/week	1,161.24
3/week	1,778.91
Every Other Week	459.81
1/month	270.15
4 yard container	
1/week	830.70
2/week	1,495.23
3/week	2,291.49
Every Other Week	517.64
1/month	281.06
6 yard container	
1/week	1,177.99
2/week	2,120.36
3/week	3,256.91
Every Other Week	583.04
1/month	291.14
35 gallon cart-commercial	
1/week	72.94
1/week-roll out	80.59
2/week	105.61
Every Other Week	55.86
1/month	32.46
65 gallon cart-commercial	
1/week	93.82
1/week-roll out	103.18
2/week	165.51
Every Other Week	81.37
1/month	55.58
95 gallon cart-commercial	
1/week	102.88
1/week-roll out	109.84

Commercial/Multi-Family Residential Customers cont.	**Rate**
95 gallon cart-commercial	
2/week	$ 180.71
Every Other Week	91.03
1/month	66.27
Container Locking Fee	8.00
Locks each	20.00
Container Delivery Fee	75.60
Contamination Fee	25.00
Restart Fee	16.00
Recycle Container Rental	28.96
Recycle Sled Service	353.94
Industrial Customers	**Rate**
4 yard container	
Willits Area	$ 242.02
20 yard drop box	
Willits Area	932.44
Covelo Area*	1,093.61
Laytonville Area	1,043.88
40 yard drop box	
Willits Area	1,463.86
Covelo Area*	1,570.30
Laytonville Area	1,525.53
50 yard drop box	
Willits Area	1,881.46
Covelo Area*	2,004.82
Laytonville Area	1,957.32
Delivery fee-4 yard	
4 yard container	87.57
Delivery fee-drop box	
Willits Area	126.95
Covelo Area*	278.85
Laytonville Area	204.14
Overload Charge per yard	33.63
*Spyrock, Westport & Leggett same as Covelo	

Exhibit C – Processing, Transfer, and Disposal Services

In the event the County does not provide the Grantee a Designated Facility, Grantee shall select and arrange for Discarded Materials to be transported to Approved Facilities for Transfer, Processing, and/or Disposal in accordance with this Exhibit. The Approved Facilities shall comply with the standards specified in this Exhibit and with all applicable State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations. In the event the County does not provide the Grantee a Designated Facility, if the Grantee does not own or operate one or more Approved Facilities, Grantee shall enter into an agreement with the owner or Facility operator of such Approved Facility(ies). Such agreement shall ensure compliance with all applicable standards, statutes and regulations listed above.

C.1 General Requirements

A. **Overview.** Grantee agrees to Transport Discarded Materials it Collects in the County to appropriate Designated or Approved Facility(ies) for Transfer, Processing, or Disposal, as applicable for each type of Discarded Material. As of the Commencement Date of this Agreement, the Designated and Approved Facilities are listed in the table in this Section C.1 of Exhibit C and in the definitions in Section 2 of this Agreement. Grantee will perform all Transfer, Processing, and Disposal services at Approved Facilities in accordance with Applicable Law, standard industry practice, and specifications and other requirements of this Agreement.

B. **Facility Approval Process.** In the event the County does not provide the Grantee a Designated Facility, Grantee shall submit in writing to County a proposal for an Approved Facility for Transfer, Processing, and/or Disposal of Discarded Materials. In the proposal, Grantee shall include the following information:

a. Facility's site information, including name and contact information of Operator, SWIS number, and State permit status.

b. Current disposal fee charged by the Facility and fee adjustment protocols.

c. Facility's capacity to Transport, Process and Dispose of Discarded Materials.

d. Assurances of the Facility's compliance with the standards specified in this Exhibit and with all applicable State statutes, including, but not limited to, AB 901, AB 939, SB 1016, AB 341, AB 1594, AB 1826, and SB 1383, and corresponding regulations.

Upon receipt of the written proposal for an Approved Facility from Grantee, County shall have fourteen (14) calendar days to review the proposal and either approve or deny the request in writing. County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation with the Grantee.

A table listing Approved Facilities in this Exhibit shall be added and/or modified accordingly to reflect the new Approved Facility(ies).

If Grantee is not the owner of the new Approved Facility, Grantee shall enter into an

agreement with the Facility operator of the new Approved Facility to require compliance with the requirements of Section 10 of this Agreement and this Exhibit unless Director waives one or more requirements.

C. **Facility Capacity Guarantee**. In the event the County does not provide the Grantee a Designated Facility, Grantee shall guarantee sufficient capacity over the remaining Term of this Agreement to Transport, and Process all Source Separated Recyclable Materials, Yard Trimmings, Food Waste, SSGCOW, and C&D Collected under this Agreement and to Transport and Dispose all Gray Container Waste Collected under this Agreement. Grantee shall cause the Approved Facility(ies) to recover or Process the Discarded Materials as appropriate; market the Source Separated Recyclable Materials, SSGCOW, Yard Trimmings, Food Waste, and C&D recovered from such operations; and Dispose of Residue. Grantee shall cause Approved Facility(ies) for Disposal to Dispose of Gray Container Waste. Grantee shall provide the County, upon request, with documentation demonstrating the availability of such Transport, Processing, and Disposal capacity.

D. **Equipment and Supplies**. In the event the County does not provide the Grantee a Designated Facility, Grantee shall ensure Facility operator equips and operates the Approved Facilities in a manner to fulfill Grantee's obligations under this Agreement, including achieving all applicable standards for records, inspections, investigations, Landfill Disposal reduction, Recycling, recovery, Diversion, Residue amount and content, and final product quality standards.

E. **Facility Permits**. Grantee shall ensure Facility operator keeps all existing permits and approvals necessary for use of the Approved Facility(ies), in full regulatory compliance. Grantee, or Facility operator, shall, upon request, provide copies of permits or other approvals and/or notices of violation of permits to the County.

Designated and Approved Facilities

Material Type	Designated or Approved Facility (Processing and/or Disposal Facility)
Source Separated Recyclable Materials	Approved Source Separated Recyclable Materials Processing Facility: Willits Solid Waste Transfer Station and Recycling Center, SWIS 23-AA-0038, Solid Waste of Willits, 351 Franklin Avenue, Willits, CA
SSGCOW	Approved Organic Waste Processing Facility: Cold Creek Compost, Inc., SWIS 23-AA-0029, 6000 Potter Valley Road, Potter Valley , CA
Gray Container Waste	Approved Disposal Facility: Willits Solid Waste Transfer Station and Recycling Center, SWIS 23-AA-0038, Solid Waste of Willits, 350 Franklin Avenue, Willits, CA

F. **Grantee-Initiated Change in Facility(ies)**. In the event the County does not provide the Grantee a Designated Facility, Grantee may change its selection of one or more of the Approved Facility(ies) following Director's written approval, which may be conditioned on various factors including, but not limited to: the performance of the current versus proposed Facility, the permitting status of and LEA inspection records related to the proposed Facility, the distance of the Facility from the County, and any other factor that may reasonably degrade the value received by the County. If Grantee elects to use a Facility(ies) that is(are) not listed on the then-current list of Designated or Approved Facility(ies) in this Exhibit, it shall submit a written request for approval to the County fourteen (14) days prior to the desired date to use the Facility and shall obtain the Director's written approval prior to use of the Facility. Grantee's compensation and Rates shall not be adjusted for a Grantee-initiated change in Facilities.

G. **Notification of Emergency Conditions**. Each Approved Facility shall notify the County of any unforeseen operational restrictions that have been imposed upon the Facility by a regulatory agency or any unforeseen equipment or operational failure that will temporarily prevent the Facility from Processing the Discarded Materials Collected under this Agreement. Grantee shall notify the County in accordance with Section 21.C of the Agreement.

H. **Approved Facility Unavailable/Use of Alternative Facility**. If Grantee is unable to use a Designated or Approved Facility due to a sudden unforeseen closure of the Facility or other emergency condition(s) described in this Exhibit, Grantee may use an Alternative Facility provided that the Grantee provides verbal and written notice to the Director and receives written approval from the Director at least twenty-four (24) hours prior to the use of an Alternative Facility to the extent reasonably practical given the nature of the emergency or

sudden closure. The Grantee's written notice shall include a description of the reasons the Designated or Approved Facility is not feasible and the period of time Grantee proposes to use the Alternative Facility. As appropriate for the type of Discarded Materials to be delivered to the Alternative Facility, the Alternative Facility shall meet the applicable Facility standards in this Agreement and shall be sent to: (i) an allowable Facility, operation, or "Organic Waste Recovery Activity" as defined in 14 CCR Section 18982(a)(49) and not subsequently used in a manner deemed to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a); (ii) a Transfer Facility; or, (iii) a Disposal Facility. If Grantee is interested in using a Facility or activity not listed above and not specifically identified in 14 CCR Section 18983.1(b), the Grantee shall be responsible for securing the approvals from CalRecycle pursuant to 14 CCR Section 18983.2 that the Facility's Process or technology constitutes a reduction of Landfill Disposal pursuant to 14 CCR Section 18983.1(a) prior to the County's final approval of such Facility or activity.

If any Designated Facility specified in this Exhibit becomes unavailable for use by Grantee for Discarded Materials Collected in the County for a period of more than two (2) days, County may designate an Alternative Facility pursuant to Section 10 of this Agreement and this Exhibit C. The Parties agree that an Designated or Approved Facility shall only be deemed to be "unavailable" if one or more of the following has occurred: (i) a Force Majeure event as described in Section 21.B of this Agreement has occurred; (ii) a Facility has lost one or more permits to operate; (iii) a Facility has exhibited a pattern of violation through the receipt of repeated notices of violation from one or more regulatory agencies. Further, the Parties agree that a Facility shall only be deemed to be "unavailable" if the lack of availability of the Facility is not due to Grantee's negligence, illegal activity, neglect, or willful misconduct. At County's request, Grantee shall research and propose Alternate Facility(ies) for the impacted Discarded Material(s) and shall submit a written analysis and recommendation to the County within seven (7) days concerning the cost for use of Alternative Facility(ies) and any logistical changes that would be required to utilize such Alternative Facility(ies). County and Grantee will discuss the advantages and disadvantages of use of the potential Alternative Facility(ies) and County will designate the approved Alternative Facility(ies). The decision of the County shall be final. The change in Facility shall be treated as County-directed change in scope pursuant to Section 15 of this Agreement.

In the event an Approved Facility becomes unavailable due to the negligence, illegal activity, neglect, or willful misconduct of Grantee, Grantee shall bear all additional costs for use of an Alternative Facility including increased Processing costs, Disposal Costs, Transportation costs, Transfer costs, and all other costs.

I. **Discarded Materials Monitoring/Waste Evaluation Requirements**. In areas that have not received a waiver pursuant to 14 CCR Section 18984.12(a), Grantee shall conduct material sampling, sorting, and waste evaluations of various material streams as further described in this Exhibit C, Section C.6 to meet or exceed SB 1383 Regulatory requirements.

J. **Compliance with Applicable Law**. Grantee warrants throughout the Term that any Approved Facilities are respectively authorized and permitted to accept Discarded Materials in accordance with Applicable Law and are in full compliance with Applicable Law.

K. **Records and Investigations**. Grantee shall maintain accurate records of the quantities of Discard Materials Transported to and Accepted at the Designated or Approved Facility(ies) and shall cooperate with County and any regulatory authority in any audits or investigations of such quantities.

L. **Inspection and Investigations**. Grantee shall ensure an authorized County employee or agent shall be allowed to enter each Approved Facility during normal working hours in order to conduct inspections and investigations in order to examine Facility operations; Processing activities; contamination monitoring; material sampling and sorting activities, including inspection of end-of-line materials after sorting; and records pertaining to the Facility in order to assess compliance with this Agreement, to understand protocols and results, and conduct investigations, if needed. Grantee shall ensure County or its agent will be permitted to review or copy, or both, any paper, electronic, or other records required by County.

C.2 Processing Standards

A. **Recovery Required**. Grantee agrees to Transport and deliver all Source Separated Recyclable Materials, and SSGCOW Collected under this Agreement to a Designated or Approved Facility for Processing as applicable for each material type.

B. **Separate Handling Requirements**

1. Grantee shall keep Source Separated Recyclable Materials and SSGCOW separate from each other and separate from other any other material streams.

2. Pursuant to 14 CCR Section 17409.5.6(a)(1), Remnant Organic Material separated from the Gray Container Waste for recovery can be combined with Organic Waste removed from the SSGCOW for recovery once the material from the SSGCOW has gone through the Organic Waste recovery measurement protocol described in 14 CCR Sections 17409.5.4 and 17409.5.5.

C. **Source Separated Recyclable Materials Processing Standards**

In the event the County does not provide the Grantee a Designated Facility, Grantee shall arrange for Processing of all Source Separated Recyclable Materials at a Facility that recovers materials designated for Collection in the Blue Container and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a), which states that Landfill Disposal includes final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC).

D. **SSGCOW Processing Standards**

1. In the event the County does not provide the Grantee a Designated Facility, Grantee shall arrange for Processing of all SSGCOW at a Facility that recovers Source Separated Organic Waste and in a manner deemed not to constitute Landfill Disposal pursuant to 14 CCR Section 18983.1(a) which states that Landfill Disposal includes

final deposition of Organic Waste at a Landfill or use of Organic Waste as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC).

2. In the event the County does not provide the Grantee a Designated Facility, Grantee shall arrange for SSGCOW Processing at an Approved Organic Waste Processing Facility that meets one or more of the following criteria, and such Facility or operation is capable of and permitted to accept and recover the types of Organic Wastes included in the SSGCOW:

    a. A "Compostable Material Handling Operation or Facility" as defined in 14 CCR Section 17852(a)(12); small composting facilities that are otherwise excluded from that definition; or Community Composting as defined in 14 CCR Section 18982(a)(8). The compostable materials handling operation or Facility shall, pursuant to 14 CCR Section 17867(a)(16), demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:

        i. On and after January 1, 2022, less than 20 percent (20%); and,

        ii. On and after January 1, 2024, less than 10 percent (10%).

    b. An "In-vessel Digestion Operation or Facility" as defined in 14 CCR Section 17896.5. The in-vessel digestion facility or operation shall, pursuant to 14 CCR Section 17896.44.1, demonstrate that the percentage of Organic Waste in the materials sent to Disposal is:

        i. On and after January 1, 2022, less than 20 percent (20%); and,

        ii. On and after January 1, 2024, less than 10 percent (10%).

    c. A "Biomass Conversion Operation" as defined in Section 40106 of the California Public Resources Code.

    d. Soil amendment for erosion control, revegetation, slope stabilization, or landscaping at a Landfill, that is defined as a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(5).

    e. Land application of compostable materials consistent with 14 CCR Section 17852(a)(24.5) and subject to the conditions in 14 CCR Section 18983.1(b)(6).

    f. Lawful use as animal feed, as set forth in California Food and Agricultural Code Section 14901 et seq. and Title 3, Division 4, Chapter 2, Subchapter 2 commencing with 14 CCR Article 1, Section 2675.

    g. Other operations or facilities with processes that reduce short-lived climate pollutants that are approved by the State in accordance with 14 CCR Section 18983.2.

If Grantee is interested in using an operation, Facility, or activity not expressly identified above and not specifically identified in 14 CCR Section 18983.1(b) for SSGCOW Processing, Grantee shall be responsible for securing the necessary approvals from CalRecycle, pursuant to 14 CCR Section 18983.2, that the Facility's Process or technology constitutes a reduction in Landfill Disposal pursuant to 14 CCR Section 18983.1(b)(8) prior to the County's final approval of such operation, Facility, or activity.

E. **Disposal of Source Separated Recyclable Materials and SSGCOW Prohibited**. With the exception of Processing Residue, Source Separated Recyclable Materials and SSGCOW collected under this Agreement may not be Disposed of in lieu of Recycling, Processing, or marketing the material, without the expressed written approval of the Director.

If for reasons beyond its reasonable control, Grantee believes that it cannot avoid Disposal of the Source Separated Recyclable Materials and SSGCOW Collected in the County, then it shall prepare a written request for County approval to Dispose of such material. Such request shall contain the basis for Grantee's belief (including, but not limited to, supporting documentation), describe the Grantee's efforts to arrange for the Processing of such material, the period required for such Disposal, and any additional information supporting the Grantee's request.

In addition, the request shall describe the Grantee's proposed interim plans for implementation while the County is evaluating its request. If the County objects to the interim plans, the County shall provide written notice to the Grantee and request an alternative arrangement. The County shall consider the Grantee's request and inform Grantee in writing of its decision within fourteen (14) days. Depending on the nature of the Grantee's request, County may extend the fourteen (14) day period, at its own discretion, to provide more time for evaluation of the request and negotiation of an acceptable arrangement with the Grantee.

C.3 Gray Container Waste Disposal Standards

A. **Disposal of Gray Container Waste Collected**. Grantee shall Transport all Gray Container Waste Collected under this Agreement to a Designated or Approved Disposal Facility.

B. **Disposal at Approved Facility**. Grantee shall not Dispose of Gray Container Waste or Residue by depositing it on any public or private land, in any river, stream, or other waterway, or in any sanitary sewer or storm drainage system or in any other manner which violates Applicable Laws.

C. **Disposal Services**. In the event the County does not provide the Grantee a Designated Facility, Grantee shall provide Disposal services at an Approved Disposal Facility that include, but are not limited to:

1. Operating, managing, and maintaining the Solid Waste fill areas, including the placement, burying, and compaction of Solid Waste in the refuse fill areas; stockpiling, placement, and compaction of daily cover, and if applicable, Alternative Daily Cover, Alternative Intermediate Cover, and final cover; management of fill operations with

regard to fill sequencing, side slopes configuration, and working face location and configuration;

2. Providing, operating, and maintaining all equipment, rolling stock, and supplies necessary for operations, closure, post-closure, and environmental monitoring; and,

3. Operating, maintaining, and managing leachate and Landfill gas management systems, groundwater monitoring and management systems, storm water drainage and control systems, treatment facilities, buildings, on-site roadways, utilities, and any other required facility elements.

C.4 Weighing of Discarded Materials

A. **Maintenance and Operation.** This Section C.4 of Exhibit C applies to motor vehicle scales used at the Approved Facilities. Approved Facilities shall be equipped with one or more State-certified motor vehicle scales in accordance with Applicable Law. Upon request, Grantee shall arrange for Facility operator to provide documentary evidence of such scale certification within ten (10) days of County's request during the Term. Licensed weigh master(s) shall operate those scales to weigh all inbound and outbound Collection vehicles Transporting Discarded Materials and all Transfer vehicles Transporting materials to another site. Grantee shall arrange for Facility operator to provide County with access to weighing information at all reasonable times with 36-hour notice and permission from facility operator, and copies thereof within three (3) Business Days following the County's request. Exceptions to weighing requirements are specified in this Exhibit C, Section C.4.G.

B. **Vehicle Tare Weights for Approved Facility(ies)**. Within thirty (30) days prior to the Commencement Date, Grantee shall coordinate with the Facility operator(s) to ensure that all Collection vehicles used by Grantee to Transport Discarded Materials to Designated or Approved Facilities are weighed to determine unloaded ("tare") weights. Grantee shall work with Facility operator(s) to electronically record the tare weight, identify vehicle as Grantee's, and provide a distinct vehicle identification number for each vehicle. Grantee shall provide County with a report listing the vehicle tare weight information upon request. Grantee shall promptly coordinate with Facility operator to weigh additional or replacement Collection vehicles prior to Grantee placing them into service. Grantee shall check tare weights at least annually, or within fourteen (14) days of a County request, and shall retare vehicles immediately after any major maintenance service that could impact the weight of the vehicle by more than fifty (50) pounds.

C. **Substitute Scales**. If any scale at a Designated or Approved Facility is inoperable, being tested, or otherwise unavailable, Grantee shall use reasonable business efforts to weigh vehicles on certified operating scale(s).

D. **Estimates.** Pending substitution of portable scales or during power outages, Facility operator shall estimate the Tonnage of the Discarded Materials Transported to and accepted at the Approved Facilities by utilizing the arithmetic average of each vehicle's recorded Tons of Discarded Materials delivered on its preceding three (3) deliveries.

During any period of time the scales are out of service, Facility operator shall continue to record all information required by this Exhibit C for each delivery of Discarded Materials to the Approved Facilities and each load of material Transferred to another Approved Facility(ies).

E. **Weighing Standards and Procedures.** At the Designated or Approved Facilities Grantee shall ensure all vehicles delivering Discarded Materials are weighed and inbound weights recorded when the vehicles arrive at the Facility.

F. **Records.** Grantee shall maintain scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights (or tare weights) of vehicles, vehicle identification number, jurisdiction of origin of materials delivered, and type of material.

G. **Exceptions to Weighing Requirements**. If a Designated or Approved Facility does not have motor vehicle scales to weigh Grantee's vehicles and Discarded Materials delivered to the Facility, Grantee shall obtain a receipt for delivery of the Discarded Materials that identifies the date and time of delivery, the type of material delivered, and the vehicle number. Grantee or Facility operator shall estimate the Tonnage of material delivered for each load based on the volumetric capacity of the vehicle and material density factors (e.g., pounds per cubic yard) approved by or designated by the Director.

H. **Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Facilities, Grantee shall ensure Facility Operator will make those videos available for County review during the Approved Facilities' operating hours, upon request of the County, and provide the name of the driver of any particular load if available.

C.5 Excluded Waste

A. **Inspection.** Grantee will use standard industry practices to detect Excluded Waste and will not knowingly transport Excluded Waste to Designated or Approved Facility(ies).

B. **Excluded Waste Handling and Costs.** Grantee will arrange for or provide handling, Transportation, and delivery to a Recycling, incineration, or a Disposal facility permitted in accordance with Applicable Law of all Excluded Waste detected at the Designated or Approved Facility(ies). Grantee is solely responsible for making those arrangements or provisions and all costs thereof. Nothing in this Agreement will excuse the Grantee from the responsibility of handling Excluded Wastes that Grantee inadvertently accepts in a lawful manner and of arranging for the disposition of that Excluded Waste in accordance with Applicable Law.

C.6 Discarded Materials Evaluations at Approved Facilities

A. **General**. Grantee shall ensure the following "evaluations" are conducted at Approved Facilities if required by Applicable Law referenced below:

1. Gray Container Waste Evaluations.

   If applicable pursuant to 14 CCR Section 17409.5.7, Grantee shall conduct waste evaluations of Gray Container Waste at the Approved Processing Facilities that receives Gray Container Waste in accordance with 14 CCR 17409.5.7.

2. Organic Waste Recovery Efficiency Evaluations. If applicable pursuant to 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8, Grantee shall conduct waste evaluations at Approved Processing Facility(ies) in accordance with 14 CCR Sections 17409.5.1 to 17409.5.5 and 17409.5.8.

3. Evaluation of Organic Waste in Residuals. If applicable pursuant to 14 CCR Sections 17409.5.3, 17409.5.5, 17867, and/or 17896.44.1, Grantee shall conduct compliance evaluations of Organic Waste to determine the level of Organic Waste in materials sent for Disposal in accordance with 14 CCR Sections 17409.5.3 (transfer/processor for Mixed Waste), 17409.5.5 (transfer/processor for SSGCOW/SSBCOW), 17867 (Compost operations and facilities), and 17896.44.1 (In-vessel digestion operations and facilities).

B. **Record Keeping and Reporting**. For the evaluations described above, Grantee shall maintain all records and submit reports to CalRecycle as described in 14 CCR Division 7, Chapter 3, Article 6.3; 14 CCR Division 7, Chapter 3.1, Article 8; and 14 CCR Division 7, Chapter 3.2, Article 4; and, 14 CCR Sections 18815.5 and 18815.7, as applicable. Grantee shall report this information to the County on a quarterly basis in accordance with Exhibit G.

C. **Scheduling of Evaluations**. Grantee shall schedule evaluations during normal working hours. Grantee shall provide County notice of its intent to conduct evaluations at the Designated or Approved Facility(ies) at least ten (10) days in advance of the evaluations.

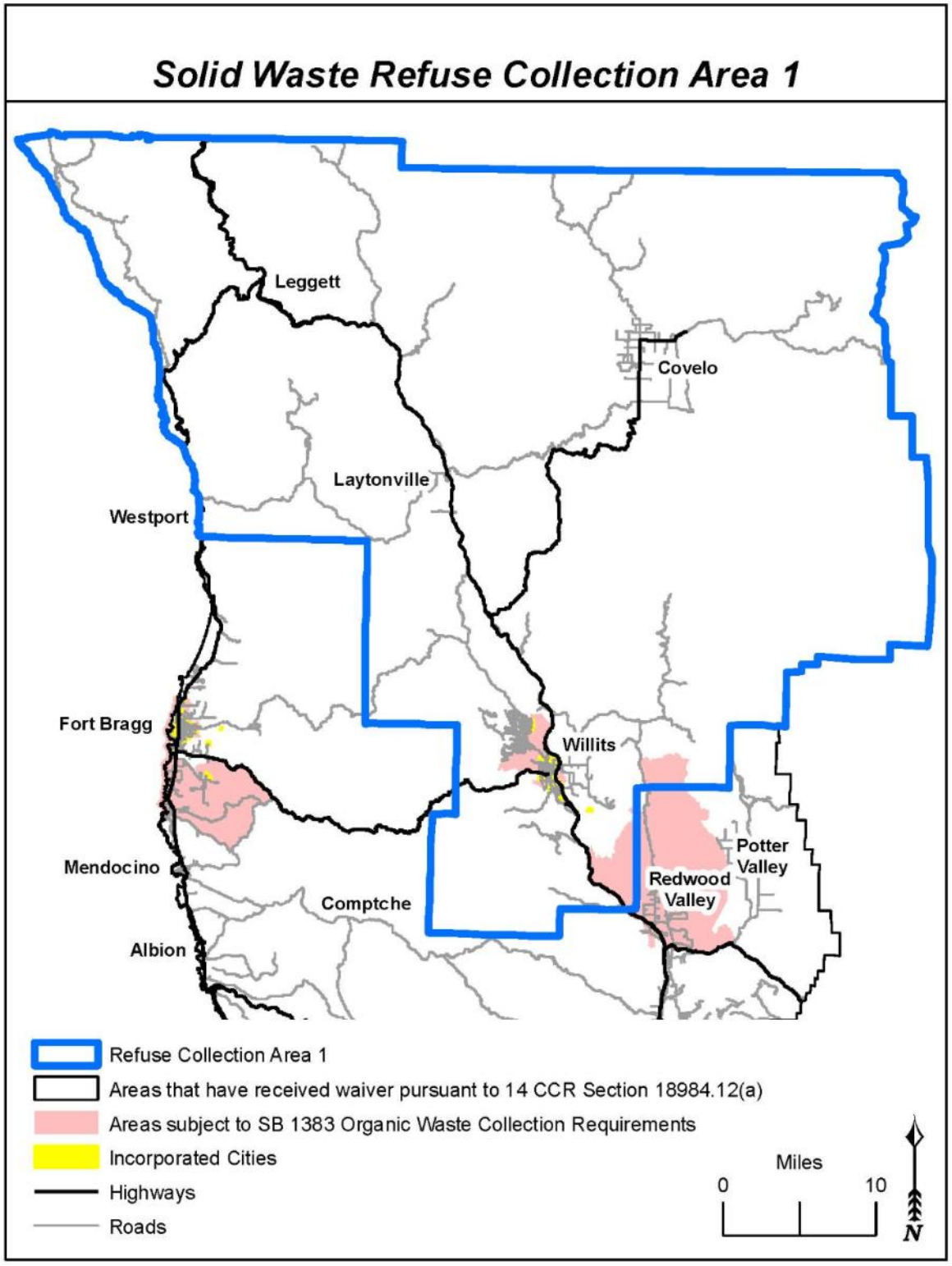
D. **Observance of Study by County and/or CalRecycle**. Grantee acknowledges that, upon request, a representative of the County, the LEA, and/or CalRecycle may oversee its next scheduled quarterly sampling and evaluation of any of the evaluations described in this Exhibit C, Section C.6.A, conducted at the Designated or Approved Facility(ies).

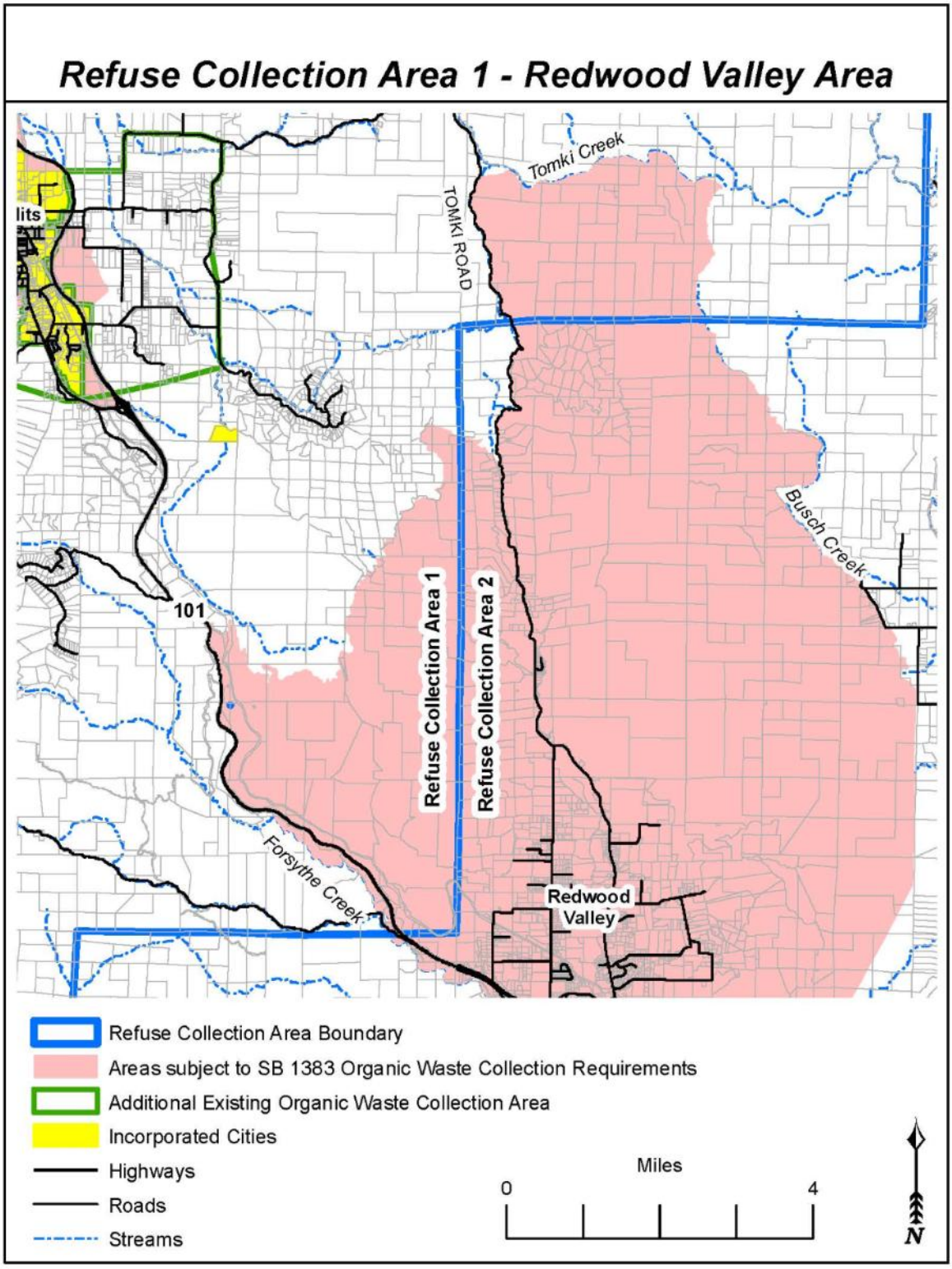
Exhibit D – Performance Bonding Requirements

The County has the right to require the Grantee to post a performance bond not to exceed the sum of $1,000,000 which shall serve as security for the faithful performance by the Grantee of all the provisions and obligations of this Agreement.

Due to the demonstrated performance of the Grantee in the Collection and Transportation of Solid Waste in Mendocino County, the County hereby waives the requirement for the Grantee to post a performance bond. However, the County may, at any time during the Term of this Agreement, notify the Grantee in writing that this waiver has been rescinded and require the acquisition of a performance bond in the amount and with terms as specified by the County. County agrees that should this waiver be rescinded, the actual cost to the Grantee of the bond will be considered a new, County-imposed cost to the Grantee that may be recovered as a pass-through rate adjustment as described in Section 15 of this Agreement.

Exhibit E – Franchise Area Maps




Refuse Collection Area 1 - Redwood Valley Area
Tomki Creek
TOMKI ROAD
lits
Busch Creek
101
Refuse Collection Area 1
Refuse Collection Area 2
Forsythe Creek
Redwood Valley
Refuse Collection Area Boundary
Areas subject to SB 1383 Organic Waste Collection Requirements
Additional Existing Organic Waste Collection Area
Incorporated Cities
Highways
Roads
Streams
Miles
0
4
N

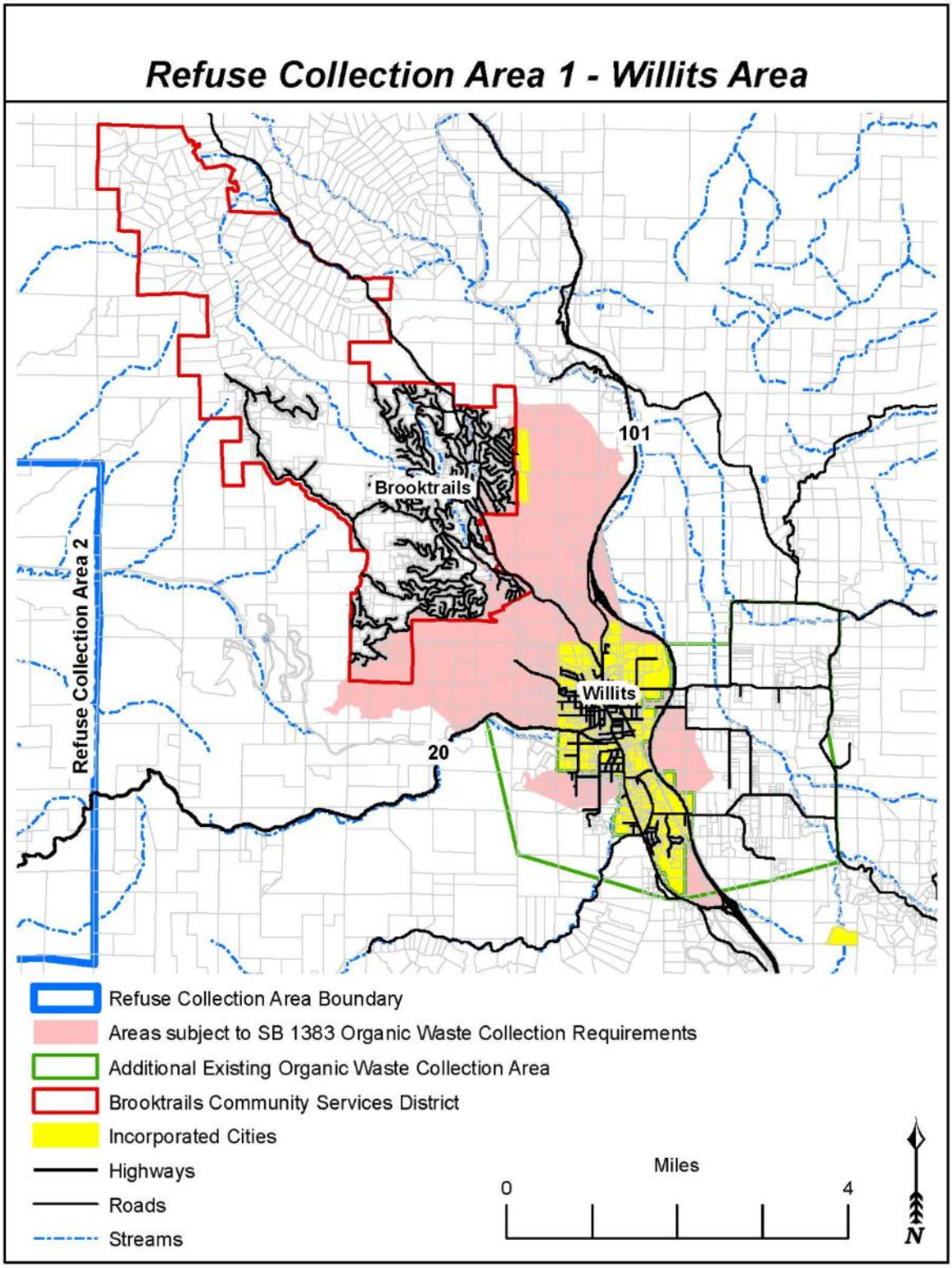

Refuse Collection Area 1 - Willits Area
Brooktrails
Willits
101
20
Refuse Collection Area 2
Refuse Collection Area Boundary
Areas subject to SB 1383 Organic Waste Collection Requirements
Additional Existing Organic Waste Collection Area
Brooktrails Community Services District
Incorporated Cities
Highways
Roads
Streams
Miles
0
4
N

Exhibit F – Schedule for Performance Standards and Liquidated Damages

County may assess Liquidated Damages pursuant to this Agreement if Grantee fails to fulfill its obligations with regards to the events listed in this Exhibit in accordance with the terms and conditions of the Agreement with regards to the time frame for accomplishing each event and nature of the responsibility associated with the event unless otherwise stated in this Exhibit.

COLLECTION RELIABILITY

	Event of Non-Performance	Liquidated Damage
1	**Maintain Collection Services.** For each failure over five (5) during any rate period to Collect from all Customers on a route on the scheduled day (unless non-collection was warranted pursuant to this Agreement).	$25/Container
2	**Start New Customer.** For each failure over five (5) during Rate Period to commence service to a new Customer within seven (7) calendar days after order received and account number established.	$150/event
3	**Missed Pick-Ups.** For each failure over fifteen (15) during Rate Period to Collect Solid waste or Recyclable Materials which has been properly set out for Collection by a Customer on a scheduled Collection day.	$150/event
4	**Consecutive Missed Pick-ups.** For each failure to Collect Solid Waste, Organic Waste, or Recyclable Materials which has been properly set out for Collection, from the same Customer on two (2) consecutive scheduled pick-ups.	$150/event

COLLECTION QUALITY

	Event of Non-Performance	Liquidated Damage
5	**Leaks, Litter, or Spills.** For each occurrence over five (5) during the Rate Period of unreasonable leaks, litter, or spills of Solid Waste, Organic Waste, or Recyclable Materials near Container or on public streets and failure to pick up or clean up such material immediately.	$300/event
6	**Improper Container Placement.** For each occurrence over twelve (12) during the Rate Period of failure to replace Containers in original position, upright, with lids attached to or on Carts or Bins.	$150/event
7	**Care of Private Property.** For each failure over twenty-four (24) during the Rate Period of not closing a Customer's gate, crossing planted areas, or damaging private property (including private vehicles)	$300/event
8	**Repair of Private Property.** For each occurrence over five (5) during the Rate Period of failure to repair damage to property	$250/event

	Event of Non-Performance	Liquidated Damage
	within thirty (30) days of the date the damage was reported.	
9	**Unauthorized Collection or Sweeping Hours.** For each occurrence over five (5) during the Rate Period of Collecting Solid Waste, Organic Waste, and Recyclable Materials during unauthorized hours.	$300/event
10	**Excessive Noise.** For each occurrence over twelve (12) during the Rate Period of excessive noise.	$300/event
11	**Non-Collection Tags.** For each failure over twelve (12) during the Rate Period of not tagging Containers which have not been Collected explaining the reason for non-Collection.	$150/event
12	**Cleaning Collection Vehicles.** For each occurrence over five (5) during the Rate Period of failure to clean Collection vehicles at least one time per week.	$150/event
13	**Discourteous Behavior.** For each occurrence of discourteous behavior by Collection vehicle personnel, Customer service personnel, or other employees of the Grantee	$500/event
14	**Injuries to Others.** For each incident of personal injury to a Person requiring medical treatment or hospitalization, where the negligence or misconduct of the Grantee or its personnel was a contributing factor to the injury.	$5,000/incident

CUSTOMER SERVICE RESPONSIVENESS

	Event of Non-Performance	Liquidated Damage
15	**Call Responsiveness.** For each failure to answer the telephone during business hours specified in the Agreement or failure for answering machine to record call during non-business hours specified in the Agreement.	$300/event
16	**30-Second Call Hold Time.** Failure to answer 90 percent of calls received during office hours within thirty (30) seconds.	$1,000/quarter
17	**3-Minute Call Hold Time.** Failure to answer 100 percent of calls received during office hours within three (3) minutes.	$1,000/quarter
18	**After-Hours Call Returns.** Failure to return 100 percent of calls received on Grantee's answering machine before noon of the following business day.	$1,000/quarter
19	**Complaint Level.** Failure to maintain Complaint level below 0.005% where the percent is calculated equal to the number of complaints divided by the total service opportunities (the total residential stops and commercial lifts performed in the reporting period).	$1,000/quarter
20	**Respond to Complaint or Service Request.** For each failure to inform Customer, within one business day of receipt of the complaint or service request of the action Grantee will take to	$300/event

	Event of Non-Performance	Liquidated Damage
	remedy a complaint or to respond to a service request.	
21	**Resolve Complaint or Service Request.** For each failure to resolve or remedy a complaint or service request within five business days of receipt of complaint or service request with the exception of missed pick-ups which are addressed below.	$300/event
22	**Collection of Missed Pick-Ups.** For each failure to Collect missed Containers within twenty-five (25) hours of receipt of the complaint.	$300/event

REPORTING

	Event of Non-Performance	Liquidated Damage
23	**Quarterly Reports.** Failure to submit quarterly report in the timeframe specified in this Agreement.	$100/day report is overdue
24	**Annual Reports.** Failure to submit annual reports in the timeframe specified in this Agreement.	$300/day report is overdue
25	**Report Hazardous Waste.** For each failure to notify the appropriate authorities of known reportable quantities or Hazardous Waste within one business day.	$500/event
26	**Failure to Submit Reports or Allow Access to Records.** For each failure to submit any individual report or provide access to records in compliance with and in the timeframe specified in this Agreement. Incomplete and/or inaccurate reports shall be considered a failure to submit until such time as all information in the report has been provided in a complete and accurate form. In the event County determines an errant or incomplete report more than ten (10) Business Days after submittal by Grantee, Grantee shall be given ten (10) Business Days to complete and correct and any pending Liquidated Damages shall be tolled during that period.	$100/event

PUBLIC EDUCATION

	Event of Non-Performance	Liquidated Damage
27	Failure to prepare and distribute to residents door hanger, flyer, or mailer to Customers regarding their specific Collection day and observed Holidays	$150/day for each day until mailer is sent
28	Failure to conduct community presentations targeted at residents	$150/event
29	Failure to prepare and mail quarterly newsletter to all residents by the end of each quarter	$150/day for each day until mailer is sent
30	Failure to develop outreach program for individual Commercial sectors	$150/day

	Event of Non-Performance	Liquidated Damage
31	Failure to prepare and during Rate Period update a recycling resource guide	$150/day

SB 1383 COMPLIANCE

	Event of Non-Performance	Liquidated Damage
32	**Failure to Perform Contamination Monitoring Requirements.** Option 1: For each failure to conduct Hauler Route contamination monitoring in accordance with Section 5.2 of this Agreement. Option 2: For each failure to conduct waste evaluations in accordance with Section 5.2 of this Agreement.	$500/event
33	**Failure to Comply with Container Labeling and Colors.** For each occurrence of Grantee's failure to comply with Container labeling and color requirements pursuant to Section 6.9 of this Agreement.	$100/container
34	**Failure to Conduct Compliance Tasks.** For each failure to conduct any compliance review, Discarded Materials evaluations pursuant to Section D.6 of Exhibit E, and/or other inspection required by this Agreement.	$100/event
35	**Failure to Issue Contamination Notices.** For each failure of Grantee Collection personnel to issue contamination notices and contamination Processing fee notices and maintain documentation of issuance as required by Section 5.2 of this Agreement.	$100/event

OTHER

	Event of Non-Performance	Liquidated Damage
36	**Disposal of Organic Waste or Recyclables.** For each ton of Organic Waste or Recyclable Materials Disposed of without written approval of the County.	$250/ton
37	**Use of Unauthorized Facilities.** For each ton of Solid Waste, Organic Waste, or Recyclable Materials Disposed or Processed at a facility not approved for use under the provisions of this Agreement.	$250/ton
38	**Failure of Other Obligations.** Failure to perform any of the obligations set forth in this Agreement not specifically stated above and not corrected or proceeding in good faith to correct within twenty-four (24) hours upon twenty-four (24) hour notification by County.	$150/for each obligation per day until obligation is performed.

Exhibit G – Record Keeping and Reporting

G.1 General

Grantee shall maintain such accounting, statistical, and other records related to its performance under this Agreement as shall be necessary to develop the reports required by this Agreement or County Code. Grantee agrees to conduct data collection, information and record keeping, and reporting activities needed to comply with applicable laws and regulations and to meet the reporting and Discarded Materials Collection, Processing, and Disposal program management needs of the County. At the written direction or approval of County, the records and reports to be maintained and provided by Grantee in accordance with this Exhibit and other Articles of the Agreement may be adjusted in number, format, and frequency, if required to comply with State or federal regulatory or reporting requirements.

Information from Grantee's records and reports can be used to, among other things:

- Determine and set Rates and evaluate the financial efficacy of operations;
- Evaluate past and expected progress toward achieving the Grantee's Diversion goals and objectives;
- Provide concise and comprehensive program information and metrics for use in fulfilling reporting requirements under Applicable Law;
- Determine needs for adjustment to programs;
- Evaluate Customer service and Complaints; and,
- Determine Customer compliance with AB 341, AB 1826, and SB 1383 statutes and corresponding regulations; and, any subsequent State-mandated Landfill Disposal reduction, Recycling, recovery, or Diversion statutes, regulations, or other requirements.

G.2 Record Keeping

A. **General.** Grantee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

   Record keeping and reporting requirements specified in this Agreement shall not be considered a comprehensive list of reporting requirements. In particular, this Exhibit G is intended to highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define the scope and content of the records and reports that Grantee is required to maintain and report by Applicable Law or this Agreement. Upon written direction or approval of County, the records and reports required by Grantee in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency.

Grantee shall maintain adequate records, and corresponding documentation, of information required by this Exhibit G, such that the Grantee is able to produce accurate quarterly and annual reports and is able to provide records to verify such reports. Grantee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations; and, other current or future federal, State, or local statutes and regulations, as amended. Upon request by the County, Grantee shall provide access to Grantee's requested records in a timely manner, not to exceed ten (10) Business Days from the time of County's request to Grantee.

B. **Record Retention and Security**. Records shall be maintained in forms and by methods that facilitate flexible use of the data contained in them to structure reports, as needed, pursuant to this Exhibit. Grantee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Grantee. Unless otherwise required in this Exhibit, Grantee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

   Records and data shall be in chronological and organized form and readily and easily interpreted. Grantee shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and an earthquake. Electronically-maintained data and records shall be protected and backed-up. To the extent that Grantee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Grantee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

C. **Maintenance of Financial and Operational Records.** Grantee shall maintain accurate and complete accounting records containing the underlying financial and operating data related to and showing the basis for computation of all costs associated with providing services. The accounting records shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied.

D. **CERCLA Defense Records**. County views its ability to defend itself against Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and related litigation as a matter of great importance. For this reason, the County regards its ability to prove where Solid Waste collected are taken for transfer or disposal, as well as where they are not taken, to be matters of concern. Grantee shall maintain, retain and preserve records which can establish where Solid Waste collected were disposed (and therefore establish where they were not). This provision shall survive the expiration or earlier termination of this Agreement. Grantee shall maintain these records for a minimum of ten (10) years beyond expiration or earlier termination of the Agreement. Grantee shall provide these records to County (upon request or at the end of the record retention period) in an organized and indexed manner rather than destroying or disposing of them.

E. **Compilation of Information for State Law Purposes**. Grantee shall maintain accurate

records for its operation, including, but not limited to, Discarded Materials quantities Collected and quantities Transported to or Transferred to each Approved/Designated Facility, listed separately by material type, Customer type, and Facility. Records shall be maintained in such form by methods that facilitate the use of data for the production of reports as needed. Grantee will make these records available and provide to the County any record or documentation necessary for the County to fulfill obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, AB 1595, and SB 1383 statutes and corresponding regulations; and, other current or future local, federal or State statutes and regulations, as amended.

G.3 Audits and Inspection by County

At a mutually agreed upon time during normal business hours, but within seven (7) work days of a written request, Grantee shall make available to the County for examination at reasonable locations within the County the Grantee's data and records with respect to the matters covered by this Agreement and the County Code. Grantee shall permit the County, or its designee, to audit, examine, and make excerpts or transcripts from such data and records, and make audits of all data relating to all matters covered by this Agreement and the County Code. Grantee shall maintain such data and records in an accessible location and condition for a period of not less than three (3) years following the County's receipt of final payment under this Agreement unless the County agrees in writing to an earlier disposition. The County or its designee, shall maintain the confidentiality of the Grantee's Customer list and other proprietary information, to the extent allowed by law.

G.4 Reporting

G.4.1 General

A. **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the County. All reports shall be adequate to meet County's current and future reporting requirements to CalRecycle, including AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or federal agency statutes and regulations throughout the Term of this Agreement.

B. **Failure to Report**. Failure of Grantee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 19.E of this Agreement and Exhibit F. Grantee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default which must be cured within fourteen (14) business days or may result in the termination of the Agreement, in accordance with the provisions of Section 19 of this Agreement.

C. **Submittal Process**. All reports shall be submitted to the Director. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the

Parties. County reserves the right to require the Grantee to maintain records and submit the reports required herein through use of a County-selected web-based software platform, at the Grantee's expense.

Quarterly reports shall be submitted within fifteen (15) days after the end of the reporting quarter and annual reports shall be submitted within forty-five (45) days after the end of the reporting year. If third party information is unavailable, reports shall be submitted based on information available and reports shall be amended at a later date if additional information is received.

G.4.2 Quarterly Reports

Quarterly reports shall be submitted by Grantee to County and shall include the following information pertaining to the most recently completed calendar quarter. In addition, each quarterly report shall include a year-to-date summary page that includes the data submitted from the quarterly report(s) submitted in the calendar year prior to the submittal of the current quarterly report. Grantee shall report the information included in the following subsections.

A. **Tonnage Report**

1. Grantee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Grantee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocols in Section C.4 of Exhibit C. Tonnage shall be reported separately by:
    a. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, SSGCOW, Gray Container Waste, and any other type of Discarded Material separately Collected by Grantee (including, but not limited to: Bulky Items, used oil, mixed C&D, dirt, rock, metals, cardboard, wood waste, Reusable Items, Salvageable Materials, etc.);
    b. Customer/sector type; and,
    c. Approved Facility and Facility type.
2. Report Residue level and Tonnage for all Discarded Materials processed, listed separately by material type Collected and Approved Facility(ies) used.
3. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.
4. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.
5. Tonnage Collected by month separately for each Approved C&D Project Site and other

data as it relates to the C&D services.

B. **Diversion Report**

Grantee shall report the Diversion rate for each month and the cumulative year-to-date Diversion rate, where Diversion rate shall be calculated as follows:

Diversion Rate = (Total Tons of Source Separated Materials)/(Total Tons of Solid Waste Disposed + Total Tons of Source Separated Materials + Total Tons of other Recyclable Materials Processed)

C. **Collection and Subscription Report**

1. Number of Containers at each Service Level by Customer Type and program, including:
    a. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of Drop Box and Compactor service by Customer Type.

    b. Calculation of the average volume of service received per: Single-Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.

2. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and Roll-Off Service Level listed separately for Single-Family, Multi-Family, and Commercial and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
3. List of all Commercial and Multi-Family Customers with a Gray Container Waste Service Level of two (2) cubic yards of service capacity per week or more. Such list shall include each such Customer's service address and Gray Container Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels.
6. The total number of de minimis waivers, physical space constraint waivers, and Collection frequency waivers granted in the quarter, including the Generator name and address for each waiver.
7. The number of waiver reverifications performed by the Grantee pursuant to Section 6.H of this Agreement in the quarter, if any, including a copy of documentation for each reverification inspection, which shall include, at a minimum: the Generator's name, address, and Generator type; the type of waiver being verified; any photographic or other evidence collected during the inspection; and the resulting recommended conclusion by the Grantee regarding the validity of the waiver. The Grantee shall provide a summary of recommendations to the County of all waivers which the Grantee concludes to no longer be warranted.
8. Number of Bulky Item/Reusable Materials Collection events by Customer Type.

D. **Contamination Monitoring Report**

Hauler Route Reviews

The Grantee shall submit the following information regarding contamination monitoring Hauler Route reviews conducted pursuant to Section 6.J(1) of this Agreement:

1. The number of Hauler Route reviews conducted pursuant to Section 6.J(1) of this Agreement;

2. Description of the Grantee's process for determining the level of contamination;

3. Summary report of non-Collection notices, courtesy Collection notices, and/or contamination processing fee assessment notices issued, which for each notice shall include the date of issuance, Customer name, and service address.

4. A record of each inspection and contamination incident, which shall include, at a minimum:

    a. Name of the Customer
    b. Address of the Customer
    c. The date the contaminated Container was observed
    d. The staff who conducted the inspection
    e. The total number of violations found and a description of what action was taken for each
    f. Copies of all notices issued to Generators with Prohibited Container Contaminants
    g. Any photographic documentation or supporting evidence.

5. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants;

6. A list of all Customers assessed contamination Processing fees, pursuant to Section 6.D(1)© of this Agreement, reported separately by Single-Family, Multi-Family, and Commercial Customers and including the Customer name, Customer address, and reason for the assessment of the contamination Processing fee, and the total number of instances contamination Processing fees were assessed in the quarter and the total amount of fees collected in the quarter.

7. Any other information reasonably requested by the County or specified in contamination monitoring provisions of this Agreement.

E. **Customer Service Report**

1. Number of Customer calls listed separately by complaints and inquiries (where inquiries include requests for service information, Rate information, etc.). For Complaints, list the number of calls separately by category (e.g., missed pickups, scheduled cleanups, billing concerns, damage claims). These complaints and inquiries shall be documented and reported separately from SB 1383 Regulatory non-compliance complaints or other regulatory non-compliance complaints.

2. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the County, presented in a graph format, which compares total missed Collections in the County during the current report period to total missed Collections in the County in past reporting periods.
3. Number of new service requests for each Customer type and requested service(s).
4. Grantee shall maintain a record of all SB 1383 Regulatory non-compliance complaints and responses pursuant to Section 6.K of this Agreement and submit the following information:
    a. Total number of complaints received and total number of complaints investigated
    b. Copies of documentation recorded for each complaint received, which shall at a minimum include the following information:
        i. The complaint as received;
        ii. The name and contact information of the complainant, if the complaint is not submitted anonymously;
        ii. The identity of the alleged violator, if known;
        iii. A description of the alleged violation; including location(s) and all other relevant facts known to the complainant;
        iv. Any relevant photographic or documentary evidence submitted to support the allegations in the complaint; and,
        v. The identity of any witnesses, if known.
    c. Copies of all complaint reports submitted to the County, pursuant to Section 6.K(1) of this Agreement.
    d. Copies of all investigation reports submitted to the County pursuant to Section 6.K(2) of this Agreement, which shall include at a minimum:
        i. The complaint as received;
        ii. The date the Grantee investigated the complaint;
        iii. Documentation of the findings of the investigation;
        iv. Any photographic or other evidence collected during the investigation; and,
        v. Grantee's recommendation to the County on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Grantee's investigation.

F. **Generator Waivers**

Grantee shall provide a report that documents each Generator waiver request reviewed by Grantee, which are required by Section 5.6. Identify in the report the Generator name and service address, the type of waiver requested, the status of the waiver (accepted, denied,

pending), dates of waiver issuance and expiration, and other information reasonably requested by the County.

G. **Education Program Report**

The quarterly status of activities identified in the annual public education plan described in Section 6.B of this Agreement.

H. **Discarded Materials Evaluation Reports**

In accordance with this Exhibit, Grantee shall provide reports of evaluations of Discarded Materials conducted at Approved Facilities.

G.4.3 Annual Reports

In addition to the quarterly reporting requirements in this Exhibit G, Section G.4.2, the Grantee shall provide an Annual Report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Exhibit. The Annual Report shall include the information in the following subsections.

A. **Collection and Subscription Report**

1. A summary of all data provided in the Tonnage report and Diversion report sections, including quarterly and annual totals and averages.
2. The type(s) of Collection service(s) provided, a list of all Hauler Routes serviced, and a record of the addresses served on each Hauler Route.
3. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Grantee for service, listed separately by service level and Container type (Cart, Bin, and Roll-Off service), separately by Single-Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Items Collections performed.
4. A detailed list of Single-Family, Multi-Family, and Commercial Customer information, including Gray Container Waste, Source Separated Recyclable Materials, and SSGCOW Service Levels, Customer type, and Customer service addresses reflecting Customer Service Levels as of December 1 (for the year in which the report is submitted)

B. **Processing Facility Report**

1. Temporary Equipment or Operations Failure: If the Grantee is granted a processing facility temporary equipment or operational failure waiver, in accordance with Section 6.I(2) of the Agreement, the Grantee shall include the following documents and information:
    a. The number of days the Processing Facility temporary equipment waiver or operation failure waiver was in effect;

b. Copies of any notifications sent to the County pursuant to Section 6.I(2) of the Agreement, and copies of County notices to Grantee pursuant to Section 6.I(2) of the Agreement;

c. Documentation setting forth the date of issuance of the waiver, the timeframe for the waiver; and,

d. A record of the tons of Organic Waste, Source Separated Recyclable Materials, SSGCOW, Mixed Waste, and/or Gray Container Waste redirected to an Alternative Facility or Disposed at an Approved Disposal Facility as a result of the waiver, recorded by Collection vehicle or transfer vehicle number/load, date, and weight.

2. Quarantined Organic Waste: A record of all compliance agreements for quarantined Organic Waste that are Disposed of, including the name of Generator, date issued, location of final disposition, and the amount of quarantined Organic Waste that was required to be Disposed at a Landfill, pursuant to Section 6.I(4) of the Agreement.

C. **Public Education and Outreach Report**

1. A copy of all education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Section 6.B of the Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.
2. A record of the date and to whom the information was disseminated or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
3. For any mass distribution through mailings or bill inserts, the Grantee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
4. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
5. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
7. The annual public education plan required by Section 6.B of the Agreement for the upcoming then-current calendar year. For example, Grantee submittal of a 2022 annual report in February 2023 shall include Grantee submittal of the annual public education plan for calendar year 2023.
8. Grantee shall maintain a record of all technical assistance efforts conducted pursuant to Section 6.B of the Agreement, including:

    a. The name and address of the Customer/Generator receiving technical assistance, and account number, if applicable.

b. The date of any technical assistance conducted and the type of technical assistance, including, but not limited to: waste assessments, compliance assessments, direct outreach, workshops, meetings, events, and follow-up communications.

c. A copy of any written or electronic educational materials distributed during the technical assistance process.

D. **Compliance Monitoring, Corrective Action and Enforcement Report**

1. A summary of the total number of SB 1383 Regulatory non-compliance complaints that were received and investigated, and the number of Notices of Violation issued based on investigation of those complaints, in accordance with Section 6.K of the Agreement and Exhibit G, Section G.4.2.D.
2. The total number of Hauler Route reviews conducted pursuant to Section 6.J(1)(c) of the Agreement.
3. The number of inspections conducted by type for Commercial Edible Food Generators, and Commercial Businesses.
4. A copy of written or electronic records and documentation for all audits, studies, compliance reviews, and all other inspections conducted pursuant to Section 6.J of the Agreement.
5. The number of Commercial Businesses that were included in a compliance review performed by the Grantee, and the number of violations found and corrected through compliance reviews, if different from the number reported in subsections D.6 and D.7 of this Section; including a list with each Generator's name or account name, address, and Generator type.
6. The total number of Notices of Violation issued, categorized by type of Generator.
7. The number of violations that were resolved, categorized by type of Generator.
8. Copies of all Notices of Violation and educational materials issued to non-compliant Generators.

E. **Food Recovery Program Support**

1. The total number of Generators classified as Tier One and Tier Two Commercial Edible Food Generators located within the County.

F. **Vehicle and Equipment Inventory**

1. A list of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, and model year.

G. **Customer Revenue and County Fee Payment Report**

Provide a statement detailing gross receipts from all operations conducted or permitted pursuant to this Agreement and report of all County fees paid in accordance with Section 16

of this Agreement. Provide a list of Customers that are forty five (45) or more days past due and include the following information for each delinquent account: name; service address; contact information; number of days the account is delinquent; and method(s) the Grantee has used to attempt collection of the bad debt, including date of such attempt(s).

H. Annual Financial Report

Grantee shall maintain accounting records specific to the Franchise Area, separate from activities in other counties and separate from activities in the incorporated cities within Mendocino County.

Grantee shall, at its own expense, be required to annually provide the Department with a copy of a compiled financial statement, beginning the first full fiscal year for which Grantee maintained Franchise specific record keeping. The financial statement shall be prepared by a certified public accountant.

The annual financial statement must include, but is not limited to an Income Statement for the Franchised Area within the County of Mendocino. The Income Statement should disclose revenue by line of business and expenses by line of business and detail expense descriptions.

In addition, the Grantee shall make available to the County, or its designee, upon request:

1. Supporting documentation to determine the reasonableness of revenues (e.g., average number of monthly residential, industrial, and commercial Customers and average monthly rates for each type of Customer service).

2. Supporting documentation (invoices and descriptive schedules) for major expense line items including but not limited to depreciation, salaries, repair and maintenance, equipment rental, and Disposal expense.

3. Supporting documentation for all transactions with affiliated companies.

4. Any other information specifically related to the Agreement, which is reasonably required by Mendocino County staff for review of rate adjustment requests.

In the event of the failure of the Grantee to provide any such report, the Department may employ a qualified accountant or consultant or the County Auditor-Controller to prepare the report, and the Grantee shall be liable for and pay the associated costs and expenses of the accountant or County Auditor-Controller.

I. Annual Operations Report

The Grantee shall submit a written annual report, in a form approved by the Department,

including but not limited to:

1. Information as required pursuant to Exhibit G, Section G.4.2, summarized for the preceding four quarters.

2. Identification of severe market depressions for Recyclable Materials and contingency plans for such events in the future.

3. Summary assessment of the overall Solid Waste, Recyclable Material, and Organic Waste programs from Grantee's perspective, including but not limited to, (i) highlights of significant accomplishments, (ii) problems, and (iii) recommendations and plans to improve the programs.

4. A revenue statement, showing quarterly Franchise Fee payments and a summary of corresponding quarterly revenue.

5. Grantee shall report any events of non-compliance with any provisions of the Mendocino County Code, state and federal law, regulatory orders, and regulations imposed by other regulatory agencies, and the conditions contained in the Agreement during the prior 12-month period.

G.4.4 Additional Reports

A. **Upon Incident Reporting**. County reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the County. The Grantee shall provide the requested reports, documents, or information within ten (10) Business Days upon receipt of the request or within a timeframe determined by the Director, which shall not to exceed ten (10) days.

B. **AB 901 Reporting**. At County's option, County may require that Grantee provide the County copies of Grantee's AB 901 reports on a regular basis (such as monthly, quarterly, or annually) or within ten (10) Business Days of the request.

C. **CALGreen Code Compliance.** Grantee shall maintain records of any information or documentation required to demonstrate compliance with the California Green Building Standards Code (CALGreen Code). County may request that this information be included in the quarterly or annual report(s), as it pertains to the services provided under this Agreement. County shall notify the Grantee of this request within ten (10) Business Days prior to the submittal deadline of the quarterly and/annual report where the information is to be included.

D. **Facility Capacity Planning Information.** County may require Grantee to provide County with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Grantee shall respond to County within 60 days of County's request for

information regarding available new or expanded capacity, and, at County's option, may be required to submit reports on a more regular basis. The annual Facility capacity planning report shall comply with the following:

1. Include reports of current throughput and permitted capacity and available capacity for SSBCOW and SSGCOW Processing for any Approved Facility in the County that processes SSBCOW and/or SSGCOW. Existing capacity may include identification of monthly Tons of additional Source Separated Recyclable Materials, SSGCOW, SSBCOW, and/or Gray Container Waste capacity such Facility has the ability to receive within permitted limits.

2. Include description of potential new or expanded Processing capacity at Approved Facilities, operations, and activities for Processing of SSBCOW and/or Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.

3. Be submitted using a form or format approved by the Director.

E. **Disclosure Statement**

Grantee shall file a disclosure statement which contains the following information:

1. A listing of all Sub Grantees to this Agreement (including the name, address, and social security or tax identification number of the Sub Grantee);

2. A listing of all felony convictions or pleas of nolo contendere of the Grantee or Sub Grantee by final judgment in any state or federal court within the preceding three years;

3. A listing of any instances in which a permit or contract held by the Grantee or Sub Grantee was terminated by a final judgment in any state or federal court within the preceding three years;

4. A listing of all final adjudications finding the Grantee or Sub Grantee in contempt of any state or federal court order enforcing any state and federal law within the preceding three years;

5. A listing of all final convictions or pleas of nolo contendere of the Grantee or Sub Grantee, under state or local laws governing safety of operations, compliance with environmental and other franchise requirements in the County, whether misdemeanors or infractions.

If the Grantee or Sub Grantee is a chartered lending institution or a publicly held company or a wholly-owned subsidiary of such a company required to file annual or quarterly reports under the Securities and Exchange Act of 1934, the Grantee or Sub Grantee may provide the above required information by submitting quarterly or annual reports for the preceding three years. If these reports are incomplete or if they fail to contain the information requested in items 1, 2, 3, 4, and 5 herein, the Grantee or Sub Grantee shall make such information

available to County. The County may also require, at Grantee's expense, preparation and submittal of a Dunn and Bradstreet, or comparable, report.

If Grantee or Sub Grantee has filed a disclosure statement, it shall file a supplemental disclosure statement only to the extent that its status or events differ from those covered by the original disclosure statement.

F. **Customized Reports**. County reserves the right to request Grantee to prepare and provide customized reports from records Grantee is required to maintain.

G.4.5 Reporting Requirements

Grantee 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 County. Grantee will provide a certification statement, under penalty of perjury, by the responsible Grantee official, that the report being submitted is true and correct to the best knowledge of such official after their reasonable inquiry.

Quarterly reports shall be submitted within fifteen (15) days after the end of the reporting quarter and annual reports shall be submitted within forty five (45) days after the end of the reporting year. If third party information is unavailable, reports shall be submitted based on information available and reports shall be amended at a later date if additional information is received.

Unless otherwise approved by County, Grantee shall submit all reports to:

Department of Transportation
Solid Waste Division
340 Lake Mendocino Drive
Ukiah, CA 95482

G.4.6 False or Misleading Representations

Any materially false or misleading statement or representation made knowingly by the Grantee in such report shall be deemed a material breach of the Agreement, and shall subject the Grantee to all remedies, legal or equitable, which are available to the County under the Agreement or otherwise.