



# WEST VALLEY

**Solid Waste Management Authority**

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

## SPECIAL BOARD MEETING AGENDA

### Teleconference/Public Participation Information

#### Meeting Location

The Authority will hold this meeting via teleconference and in person. The location for in-person attendance is:

City of Monte Sereno City Hall  
18041 Saratoga-Los Gatos Road  
Monte Sereno, CA 95030

**May 22, 2024**

**5:00 p.m.**

#### General Information

Members of the public may attend the Board Meeting virtually (using the link below) or physically (at the above-mentioned location). For those attending in person, please refer to the last bullet item below. For those attending virtually, please refer to each of the four bullet items below related to attendance and public comment:

- Submit any written comments via email to the West Valley Solid Waste Management Authority (Authority) at [WVSWMA@hfh-consultants.com](mailto:WVSWMA@hfh-consultants.com). The public may submit comments prior to or during the public comment time slot provided at the meeting. During the Board Meeting, the Authority Board of Directors will address any comments received by the Authority in advance of the meeting and such comments will become part of the public record.
- Observe and address the Board telephonically by waiting for the appropriate public comment time slot and then connecting to Zoom® using the following credentials:

Link to join the Virtual Meeting: <https://us02web.zoom.us/j/83399659523>

Call in Phone Number: +1 (669) 444-9171

Meeting ID: 833 9965 9523

- Wait for the Chairperson to call for public comment. At this time, if you wish to address the Board, please use the “raise hand” feature and the Chairperson will call on you when it is your turn.

*Note: If you are not attending in person, Authority staff will need to temporarily promote you to a panelist and unmute you for you to be heard.*



- Observe and address the Board in person by listening to the Chairperson, who will call for public comment. Once the public comment period has opened, please either stand or raise your hand and the Board will call on you to speak.

In accordance with the Americans with Disabilities Act, California Law, and the Governor's Executive Order, it is the policy of the Authority to offer public meetings that are readily accessible to everyone, including those with disabilities. An individual may request the Authority provide reasonable modifications or accommodations appropriate to allow such individual to observe and address the Board. If you are disabled and require accommodations to participate, please contact the Authority at least 48 hours in advance of the meeting at [wvswma@hfh-consultants.com](mailto:wvswma@hfh-consultants.com) with the following information: name, phone number, email, and type of assistance required.

## Agenda Items

### Call to Order

### Pledge of Allegiance

### Roll Call

### Orders of the Day

The Board Chair, or a majority of the Board by vote, may change the order of business, except for public hearings, which are previously set for a specific time on the Board's agenda.

### Oral Communications from the Public

### Written Communications

None

### Presentations and Informational Items

1. Receive a presentation on the implementation of the Authority's Franchise Agreement with West Valley Collection & Recycling (WVC&R).

### Consent Calendar

2. Authorize the Executive Director to enter individual agreements with the Cities of Campbell, Monte Sereno, and Saratoga, and the Town of Los Gatos (Member Agencies) authorizing the Authority to act on behalf of each Member Agency in the Edible Food Recovery Program and approve Resolution 2024-03 authorizing the Executive Director to sign a Memorandum of Understanding (MOU) for Edible Food Recovery Program Services.



3. Receive a report on recent regulatory and legislative changes.
4. Receive a report on the Authority's solid waste programs and customer service.
5. Approve Minutes of the February 1, 2024 Board Meeting.
6. Approve Board Meeting schedule for fiscal year (FY) 2024-25.
7. Receive the Executive Director Year-to-Date Financial Report through March 31, 2024 for the year ending June 30, 2024.
8. Receive a report on the Authority's FY 2022-23 Audited Financial Statements.

### **Old Business**

None

### **New Business**

9. Approve Resolution 2024-04 authorizing the Board Chair to enter into an Amended and Restated Franchise Agreement with WVC&R.
10. Approve Resolution 2023-05 adopting the FY 2024-25 budget.

### **Public Hearing**

11. Approve Resolution 2024-06 ratifying the WM contractual disposal proprietary rate adjustment effective July 1, 2024.
12. Approve Resolution 2024-07 ratifying the WVC&R collection services rate adjustment effective July 1, 2024 and approve the Administrative Reimbursements effective July 1, 2024.

### **Executive Director Report**

### **Future Agenda Items**

### **Board Member Reports**

### **Adjournment**

Next Regular Meeting: September 5, 2024, 5:00 p.m.

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# WEST VALLEY

## Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Agenda Item No. 2

Meeting Date: May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: Santa Clara County Edible Food Recovery Program

## AGENDA ITEM REPORT

### Recommended Action

Authorize the Executive Director to enter individual agreements with the Cities of Campbell, Monte Sereno, and Saratoga, and the Town of Los Gatos (Member Agencies) authorizing the Authority to act on behalf of each Member Agency in the Edible Food Recovery Program and approve Resolution 2024-03 authorizing the Executive Director to sign a Memorandum of Understanding (MOU) for Edible Food Recovery Program Services.

### Discussion

The State of California enacted Senate Bill (SB) 1383 to reach the state's goals to reduce organic waste disposed in landfills by 50% by 2020 and 75% by 2025; and, to reach a statewide recovery rate of 20% of edible food that would otherwise be disposed in landfills by 2025.

To comply with the state's edible food recovery requirements, the County of Santa Clara's (County) Recycling and Waste Reduction Commission (RWRC) entered into an agreement with Joint Venture Silicon Valley (JVSV) to implement a County-wide Edible Food Recovery Program. JVSV continues to manage this program, including providing the following services:

- Conducting inspections and monitoring Tier 1 and Tier 2 commercial edible food generators, food recovery organizations, and food recovery services.
- Conducting reviews of new Tier 1 and Tier 2 commercial edible food generators to ensure that the list of these generators remains up to date as businesses open and close within the County.
- Fulfilling annual SB 1383 edible food recovery public education requirements.
- Supplying content for the County's Edible Food Recovery Program website.

- Providing the cities of Campbell, Monte Sereno, Saratoga; and the Town of Los Gatos (Member Agencies) with the data necessary for each Member Agency to complete its mandatory CalRecycle reports.

The RWRC funded JVSV's efforts and the Edible Food Recovery Program through June 2023. Effective July 1, 2023, the RWRC requested each participating agency fund their portion of the program. At the May 4, 2023 Authority Board Meeting, the Board authorized the Executive Director to enter into an MOU with the County for fiscal year (FY) 2023-24 edible food recovery services. The County drafted an MOU, which goes into effect July 1, 2024, to confirm each Member Agency's current and future participation in, and fiscal contributions to, the program. This MOU is an evergreen agreement and allows for any party of the MOU to withdraw after providing an 11-month advance written notice to the RWRC.

Total program costs are allocated to each Member Agency based on the number of Tier 1 and Tier 2 commercial edible food generators in each agency. Figure 1 shows each Member Agency's FY 2024-25 contribution. With the Board's approval of the FY 2024-25 budget, the Authority will fund these costs.

**Figure 1. FY 2024-25 County-Wide Edible Food Recovery Program Costs**

Member Agency	Program Cost
Campbell	\$14,523
Los Gatos	\$12,994
Monte Sereno	\$255
Saratoga	\$6,370
<b>Total</b>	<b>\$34,142</b>

Authority staff have reviewed the MOU and recommend authorizing the Authority's Executive Director to sign the MOU after allowing for administrative changes related to the determination of each Member Agency's share of the program costs and payment thereof.

The Authority needs to enter into individual agreements with each Member Agency authorizing the Authority to act on behalf of each Member Agency specifically related to the Edible Food Recovery Program. With the Authority's approval, the Executive Director, in coordination with the Authority's attorney, will enter such agreements. By signing such agreements and the MOU, the Authority will be able to fund the Edible Food Recovery Program.

After signing the MOU and the individual Member Agency agreements, the Authority will become responsible for ensuring that the Edible Food Recovery Program costs are funded.



## **Documents Attached**

Resolution 2024-03

## **Fiscal Impact**

The cost of the program is \$34,142 for FY 2024-25 and the Authority will fund the activities through the County Edible Food Recovery Program line item in the FY 2023-24 budget.

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## **RESOLUTION NO. 2024-03**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN A MEMORANDUM OF UNDERSTANDING FOR EDIBLE FOOD RECOVERY PROGRAM SERVICES**

WHEREAS, Senate Bill (SB) 1383 was signed by Governor Brown in 2016 to meet the State's primary goals to reduce organic waste disposed in landfills and recover edible food intended for human consumption, that would otherwise be landfilled; and

WHEREAS, the County of Santa Clara's (County) Recycling and Waste Reduction Commission (RWRC), a council advisory board, entered into an agreement with Joint Venture Silicon Valley (JVSV), a non-profit organization, to implement a County-wide edible food recovery program to provide coordinated compliance with SB 1383 provisions related to edible food recovery on behalf of the cities of Campbell, Monte Sereno, Saratoga; the Town of Los Gatos (Member Agencies) as well as all agencies within the County; and

WHEREAS, RWRC has provided funding for this edible food recovery program on behalf of each jurisdiction within the County in fiscal year 2021-22 and fiscal year 2022-23 and is now requesting each participating agency fund their portion of the program through acceptance of a Memorandum of Understanding (MOU) for fiscal year 2023-24; and

WHEREAS, the West Valley Solid Waste Management Authority (Authority) and its Member Agencies have participated in this edible food recovery program in fiscal year 2021-22 and fiscal year 2022-23 and are required to provide payment to the County for program operation and enhancement in order to continue participation in the County-wide program starting in fiscal year 2023-24; and

WHEREAS, the Authority and Member Agencies participated in the program and funded their portion of the program costs in fiscal year 2023-2024; and

WHEREAS, the Board of Directors of the Authority desires to enter into the MOU in order to continue each Member Agency's participation in the County-wide program; and

WHEREAS, pursuant to the terms of the Joint Powers Agreement for the Authority, it is appropriate for the Authority to pay for the program operation and enhancement on behalf of the Member Agencies.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY that the document entitled "Memorandum of Understanding Among Local Public Agencies in Santa Clara County for Countywide Food Recovery Program", a copy of which is attached hereto and incorporated herein by reference, is

hereby approved and the Executive Director of the Authority is hereby authorized to execute such agreement on behalf of the Member Agencies.

This resolution was passed and adopted by the Board of Directors of the Authority at a special Board Meeting on May 22, 2024, by the following vote:

	Count	Member Names
AYES:	<div></div>	<div></div>
NOES:	<div></div>	<div></div>
ABSENT:	<div></div>	<div></div>
ABSTAIN:	<div></div>	<div></div>

Approved:

Bryan Mekechuk, Chairperson

Attest:

Rob Hilton, Executive Director

**MEMORANDUM OF UNDERSTANDING  
AMONG LOCAL PUBLIC AGENCIES  
IN SANTA CLARA COUNTY  
FOR COUNTYWIDE FOOD RECOVERY PROGRAM**

This Memorandum of Understanding ("MOU") is entered into by and between the cities of Cupertino, a municipal corporation of the state of California; Gilroy, a municipal corporation of the state of California; Los Altos, a municipal corporation of the state of California; Milpitas, a municipal corporation of the state of California; Morgan Hill, a municipal corporation of the state of California; Mountain View, a municipal corporation of the state of California; Palo Alto, a municipal corporation of the state of California; San José, a municipal corporation of the state of California; Santa Clara, a municipal corporation of the state of California; Sunnyvale, a municipal corporation of the state of California; the West Valley Solid Waste Management Authority (on behalf of the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos); the Town of Los Altos Hills, a municipal corporation of the state of California; and the County of Santa Clara, a political subdivision of the State of California; collectively "Parties" or individually as a "Party."

**RECITALS**

- A. The signatory Parties are also "PARTIES" to the Memorandum of Agreement ("MOA") entered into on June 14, 2013 for the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee ("TAC"), which is a separate Committee created to assist the County of Santa Clara Recycling and Waste Reduction Commission ("RWRC" or "Commission") that advances the interests of Party Jurisdictions by performing technical and policy review to inform parties and advise the Commission on solid waste management issues, and bring together varied expertise and viewpoints for planning and implementing the Commission approved annual workplan and budget. The MOA, which remains in effect, is attached hereto and incorporated herein by reference as Exhibit B.
- B. California's Short-Lived Climate Pollutant Reduction law (SB 1383, Lara, Chapter 395, Statutes of 2016) establishes methane reduction targets for California, including a target to increase recovery by 20 percent of currently disposed edible food for human consumption by January 1, 2025.
- C. To meet the mandated statewide goal, SB 1383 requires each Jurisdiction in California to establish and monitor a robust food recovery program, which will strengthen the relationships between commercial edible food generators and food recovery organizations within their communities, requiring certain food businesses to send the maximum amount of edible food they would otherwise dispose to food recovery organizations and/or services.
- D. The Parties have previously agreed to jointly administer and fund the cost of a countywide edible Food Recovery Program (the "Program") through the Memorandum of Understanding Among Local Public Agencies in Santa Clara County for Food Recovery Program Costs entered into and covering the time period of July 1, 2023 to June 30, 2024 ("Former MOU") to satisfy their respective obligations under SB 1383 and the corresponding regulations. The Former MOU is attached hereto as Exhibit C.
- E. The Parties desire to execute this MOU to ensure ongoing operation of the countywide food recovery program to provide for their respective share of costs for the Program.

- F. The West Valley Solid Waste Management Authority (“Authority”) was established by the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos (collectively referred to as the “Member Agencies”), pursuant to the provisions of the Joint Exercise of Powers Act (Title 1, Division 7, Article 1, Section 6500 et seq. of the California Government Code) to arrange for and manage the waste reduction, collection, reuse, disposal, recycling, and diversion of discarded materials originating in the participating municipalities; and in furtherance of that purpose, the Member Agencies and the Authority have entered into agreements authorizing the Authority to act as the representative of the Member Agencies in the Food Recovery Program.

**NOW, THEREFORE**, the Parties agree as follows:

## **SECTION 1. PURPOSE OF THE MOU**

The purpose of this MOU is to establish a system of:

- 1) Ongoing management and operation of the Food Recovery Program.
- 2) Payment by the Parties for their share of the costs for implementation of the Program.

## **SECTION 2. EFFECTIVE DATE**

This MOU shall be effective on July 1, 2024 (“Effective Date”), shall supersede the Former MOU, and shall automatically renew each year for all Parties, unless a Party withdraws, in accordance with Section 20 (Withdrawal From MOU) and subject to a Party’s annual appropriations of funds.

## **SECTION 3. DEFINITIONS**

The original 2013 Memorandum of Agreement entered into between the parties (and as may be amended from time to time) defined in detail the duties of the TAC Administrator, Contracting Agent, and Fiscal Agent, and those definitions from the MOA shall apply to this MOU. For ease of reference, those definitions are summarized below.

- 3.1 The TAC Administrator provides administration and management services to the TAC and carries out the annual workplan.
- 3.2 The Contracting Agent executes contracts with outside contractors, including the Administrator and the Fiscal Agent that have been requested and approved by the Implementation Committee.
- 3.3 The Fiscal Agent serves as the treasurer of the countywide funds and is responsible for collecting the Solid Waste Planning Fee from all solid waste disposal facilities and non-disposal facilities located within Santa Clara County.
- 3.4 The Program Manager is the entity contracted by the Contracting Agent on behalf of the RWRC to implement the Santa Clara County Food Recovery Program.

Other terms used in this MOU that relate to the Food Recovery Program (e.g., including but not limited to the term “Jurisdictions”) are used as defined in SB 1383 and any implementing regulations, as may be amended from time to time.

## **SECTION 4. RESPONSIBILITIES OF THE TAC ADMINISTRATOR AND CONTRACTING AGENT**

5.1 The TAC Administrator will provide administration and management of the Program. These duties include overseeing the work of the Program, development of the biennial budget, and inclusion of the Program in the annual work plan and budget. The costs to perform these duties will be included in the annual work plan and budget.

5.2 Contracts executed by the Contracting Agent with the Program, TAC Administrator and Fiscal Agent will be based on the approved budget for the Program. The Contracting Agent will provide an invoicing system to pay the Program Manager, TAC Administrator, and Fiscal Agent. The Contracting Agent shall provide the TAC Administrator with the proposed costs to perform these duties. The signatory Parties to this MOU (except when acting in their authorized capacities as Contracting Agent, TAC Administrator, and Fiscal Agent) are not direct parties to the third-party contracts entered into by those agents.

## **SECTION 5. RESPONSIBILITIES OF THE FISCAL AGENT**

The Fiscal Agent will collect and receive funds from the Parties for implementation of the Countywide Food Recovery Program. The Countywide Food Recovery Program Funds will be segregated from the Countywide Solid Waste Program Funds in separately numbered and coded accounts that are readily identifiable as those containing Countywide Food Recovery Program Funds or Countywide Solid Waste Program Funds. The Fiscal Agent shall not expend, use or transfer any funds except in accordance with the annual work plan and budget.

The Fiscal Agent shall provide the TAC Administrator with the proposed costs to perform these duties.

## **SECTION 6. RESPONSIBILITIES OF THE PROGRAM MANAGER**

The Program Manager will implement the Santa Clara County Food Recovery Program as described in Exhibit A.

## **SECTION 7. RESPONSIBILITIES OF THE PARTIES**

The Parties will share costs of implementing the Program as described in Section 9 and undertake the duties assumed by the Jurisdictions as described in Exhibit A.

## **SECTION 8. BIENNIAL BUDGET**

The TAC Administrator will prepare a biennial (two-year) budget that encompasses costs for the Program and Program Manager, the TAC Administrator, the Contracting Agent/Administration, and the Fiscal Agent. Approval of the biennial budget shall follow the annual work plan and budget process as specified in the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee MOA.

## **SECTION 9. FUNDING**

9.1 The Parties agree to share costs of the Program based on the number of edible food generators, as defined by the California Code of Regulations (14 CCR Section 18982) operating in their Jurisdiction on an annual basis, according to the following formula:  $\text{Party's Annual Share} = (\text{Total Budgeted Cost for Year})$

÷ Total Number of Edible Food Generators Under MOU) x Number of Edible Food Generators in Party's Jurisdiction.

The Parties agree to pay annually for the costs identified in the biennial budget and approved through the annual work plan and budget process as specified in the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee MOA.

9.2 The initial Program budget will be based on the Fiscal Year 2024 allocation including costs for the Fiscal Agent, totaling THREE HUNDRED AND TEN THOUSAND DOLLARS (\$310,000). No costs for TAC Administrator or Contracting Agent are included in the initial Program budget. Should cost recovery for the TAC Administrator or Contracting Agent be required in the future, these will be proposed during the annual work plan and budget process.

9.3 The Parties acknowledge that the Program Manager will evaluate the costs per Jurisdiction annually based on the number of generators operating within each Jurisdiction. Based on this evaluation, a cost adjustment will be projected to the second year of the biennial budget (see Section 8 above). The overall Program budget will not increase by more than TEN PERCENT (10%) of the prior year's Program budget without prior approval by the RWRC.

9.4 The Fiscal Agent will annually submit to the Parties an invoice for the amounts due under this MOU by May 15<sup>th</sup> of each year. Each Party will make their payment to the Fiscal Agent based on the invoice amount within ninety (90) calendar days of receipt.

9.5 The Fiscal Agent will ensure that the Santa Clara County Food Recovery Program Fund account is segregated from the Solid Waste Program Fee Fund account managed pursuant to the TAC MOA.

9.6 Should any unspent funds remain in the Santa Clara County Food Recovery Program Fund account at the end of the fiscal year, disposition of those funds will be decided by the RWRC through the annual work plan and budget process, which could include: retaining surplus funds as a reserve, crediting Jurisdictions toward future payment allocations, dedicating funding to food recovery infrastructure, and providing supplemental food recovery outreach and education or other food recovery program activities.

9.7 Jurisdictions wishing to contribute additional funds for the edible food recovery enhancement program, implemented by the Program Manager, may elect to do so during the annual work plan and budget process. Any Jurisdiction opting into any voluntary enhancement program shall do so at its own discretion and at its own cost. The Fiscal Agent will include the additional enhancement program funding formally selected by the Jurisdiction in the annual invoice submitted to each Party by May 15<sup>th</sup> of each year.

9.8 In the event of a CalRecycle Implementation Schedule for a food recovery capacity shortfall identified during a Santa Clara County Edible Food Recovery Capacity Assessment, the Program budget may increase by more than TEN PERCENT (10%) of the prior year's Program budget if needed to fund necessary capacity improvements as outlined in the CalRecycle Implementation Schedule, following prior approval of the budget increase by the RWRC.

## **SECTION 10. BOOKS AND ACCOUNTS**

The Fiscal Agent will keep complete and accurate financial records related to accomplishing the purposes of this MOU. Upon reasonable notice to the Fiscal Agent, any Party to this MOU may inspect the financial records related to this MOU.

## **SECTION 11. FURTHER ASSURANCES**

Each Party will adopt, execute, and make any and all further assurances, documents, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the Parties' performance of their obligations under this MOU.

## **SECTION 12. REPRESENTATIONS AND WARRANTIES**

Each Party represents and warrants to all other Parties as follows:

12.1 Authority: Each Party has the full legal right, power and authority under the laws of the State of California to enter into this MOU and to carry out all of its obligations herein.

12.2 Due Execution: Each Party's representatives who sign this MOU are duly authorized to sign and bind their respective agency.

12.3 Valid, Binding, and Enforceable Obligations: This MOU has been authorized and executed by each Party and constitutes the legal, valid, and binding agreement of the Parties, and is enforceable according to its terms.

## **SECTION 13. REMEDIES NOT EXCLUSIVE**

No remedy herein conferred upon or reserved in this MOU is exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy provided hereunder or hereafter existing in law or in equity or by statute or otherwise, and all remedies may be exercised without exhausting and without regard to any other remedy.

## **SECTION 14. INDEMNIFICATION**

In lieu of and notwithstanding the pro rata risk allocation, which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a Party shall not be shared pro rata but, instead, the Parties agree that, pursuant to Government Code Section 895.4, each of the Parties hereto shall fully indemnify and hold each of the other Parties, their officers, board members, employees, and agents, harmless from any claim, expense or cost, damage or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying Party, its officers, employees, or agents, under or in connection with or arising out of any work, authority, or Jurisdiction delegated to such Party under this MOU (including but not limited to work engaged in or contracts entered into by a Party acting in their capacity as Contracting Agent, Program Manager, TAC Administrator, or Fiscal Agent.). No Party, nor any officer, board member, or agent thereof shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of any other Party hereto, its officers, board members, employees, or agents, under or in connection with or arising out of any work

authority or Jurisdiction delegated to such other Party under this MOU, as indicated in this Section. The obligations set forth in this paragraph will survive termination and expiration of this MOU.

#### **SECTION 15. SEVERABILITY**

The provisions of this MOU shall be severable, and if any clause, sentence, paragraph, provision or other part shall be adjudged by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this MOU will be valid and binding on the Parties.

#### **SECTION 16. AMENDMENTS**

This MOU may only be amended by a written instrument signed by the Parties.

#### **SECTION 17. COUNTERPARTS**

This MOU may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

#### **SECTION 18. USE OF ELECTRONIC SIGNATURES**

Unless otherwise prohibited by law, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term "electronic copy of a signed contract" refers to a writing as set forth in Evidence Code Section 1550. The term "electronically signed contract" means a contract that is executed by applying an electronic signature using technology approved by the Parties. Should any Jurisdiction not permit electronic signatures only their copy of the MOU must be signed in the conventional manner.

#### **SECTION 19. INTERPRETATION, PRIOR AGREEMENTS AND AMENDMENTS.**

This MOU, including all Exhibits attached hereto, represents the entire understanding of the Parties as to those matters contained herein. In the event that the terms specified in any of the Exhibits attached hereto conflict with any of the terms specified in the body of this MOU, the terms specified in the body of this MOU shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This MOU may be modified only by a written amendment duly executed by the Parties to this MOU. This MOU is intended to supplement the original MOA and does not replace the original MOA. The MOA shall remain in effect and to the extent that there are any contradictions between this MOU and the original MOA, the provisions in this MOU shall prevail.

#### **SECTION 20. WITHDRAWAL FROM MOU**

No individual Party may withdraw from this Agreement prior to July 1, 2025. Any party wishing to withdraw on or after July 1, 2025 must provide notice to the Contracting Agent on or before January 15 of each year. The Parties acknowledge that the Contracting Agent and each individual Party may recalculate Agreement costs pro rata in the event of any withdrawal from this Agreement and that this time is required in order to allow each remaining Party and the Contracting Agent to amend their respective budgets if needed. Any withdrawing Party must make full payments through the end of the then current term ending



on June 30. In no event shall this clause to be interpreted to prevent all Parties by unanimous mutual consent from withdrawing from this Agreement.

#### **SECTION 21. NO LEGAL RELATIONSHIP**

By entering into this MOU, the Parties are neither forming, nor do they intend to form a partnership, agency, or any other legal entity relationship. No Party is authorized to bind or to act as the agent or legal representative of the other Party for any purpose, and neither Party is granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of any other Party.

#### **SECTION 22. GOVERNING LAW, VENUE**

This MOU has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California. Proper venue for legal action regarding this MOU shall be in the County of Santa Clara.

### **MEMORANDUM OF UNDERSTANDING AMONG LOCAL PUBLIC AGENCIES IN SANTA CLARA COUNTY FOR COUNTYWIDE FOOD RECOVERY PROGRAM**

IN WITNESS HEREOF, the Parties have executed the MOU as of the last date set forth below:

\_\_\_\_\_  
City of Cupertino – City Manager

Date: \_\_\_\_\_

\_\_\_\_\_  
Approval as to form, Cupertino City  
Attorney

Date: \_\_\_\_\_

\_\_\_\_\_  
City of Gilroy- City Manager

Date: \_\_\_\_\_

\_\_\_\_\_  
Approval as to form, Gilroy City  
Attorney

Date: \_\_\_\_\_

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City of Los Altos – City Manager

Date: \_\_\_\_\_

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Approval as to form, Los Altos City  
Attorney

Date: \_\_\_\_\_

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Town of Los Altos Hills – Assistant to the  
Town Manager

Date: \_\_\_\_\_

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Approval as to form, Los Altos Hills  
Town Attorney

Date: \_\_\_\_\_

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City of Milpitas – City Manager

Date: \_\_\_\_\_

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Approval as to form, Milpitas City  
Attorney

Date: \_\_\_\_\_

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City of Morgan Hill, as a Party and as  
Contracting Agent and TAC  
Administrator

Date: \_\_\_\_\_

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Approval as to form, Morgan Hill City  
Attorney

Date: \_\_\_\_\_

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City of Mountain View- Acting Public  
Works Director

Date: \_\_\_\_\_

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City of Mountain View – Finance and  
Administrative Services Director

Date: \_\_\_\_\_

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City of Mountain View- City Manager

Date: \_\_\_\_\_

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City of Mountain View-Assistant City Clerk

Date: \_\_\_\_\_

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City of Palo Alto – City Manager

Date: \_\_\_\_\_

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West Valley Solid Waste Management Authority (on behalf of the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos) -Executive Director

Date: \_\_\_\_\_

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City of Santa Clara - City Manager

Date: \_\_\_\_\_

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Approval as to form, Mountain View Senior Assistant City Attorney

Date: \_\_\_\_\_

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Approval as to form, Palo Alto Assistant City Attorney

Date: \_\_\_\_\_

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Approval as to form, West Valley Solid Waste Management Authority General Counsel

Date: \_\_\_\_\_

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Approval as to form, Santa Clara City Attorney

Date: \_\_\_\_\_

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City of Sunnyvale – City Manager

Date: \_\_\_\_\_

---

Approval as to form, Sunnyvale Interim  
City Attorney

Date: \_\_\_\_\_

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County of Santa Clara, as a Party and as  
Fiscal Agent - Chief Operating Officer

Date: \_\_\_\_\_

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Approval as to form and legality, Santa  
Clara County Deputy County Counsel

Date: \_\_\_\_\_

---

City of San José

Date: \_\_\_\_\_

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Approval as to form, San José City  
Attorney

Date: \_\_\_\_\_



# WEST VALLEY

Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Agenda Item No. 3

Meeting Date: May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: Recent Regulatory and Legislative Changes

## AGENDA ITEM REPORT

### Recommended Action

Receive a report on recent regulatory and legislative changes.

### Discussion

#### California Legislative Updates

The second year of the 2023-2024 State of California (State) legislative session is in progress. The "2024 Legislative Session" section below highlights current bills that have been identified as being of interest to the West Valley Solid Waste Management Authority (Authority). The deadline for bills to be passed is August 31, 2024, and the Governor has until September 30, 2024 to sign or veto bills that passed. In addition to current bills, the "Existing Legislation and Regulations" section below identifies updates to rulemaking processes and implementation of certain existing legislation. The Authority Executive Director will continue to monitor and update the Board on new bills or modifications to existing bills that may be of particular interest to the Board, as the legislative year progresses.

#### 2024 Legislative Session

##### Organic Waste and Methane Reduction Bills

###### *Senate Bill (SB) 1383 Modifications*

**Assembly Bill (AB) 2346 (Lee)** – This bill expands the activities that jurisdictions may count toward their SB 1383 organic waste product procurement target, including on-farm, home, and community composting. Until 2030, jurisdictions may also count investments in organics infrastructure toward their target (calculated as the organics capacity created, multiplied by the amount the jurisdiction funded).

SB 1383 regulations allow jurisdictions to procure through direct service providers (DSPs), provided an agreement is in place. This bill would specify that the DSP agreements may



include the procurement of organic waste products on a prospective or retrospective basis, provided the actual purchase of those products occurs during the year for which the local jurisdiction seeks credit.

- **AB 2514 (Aguiar-Curry)** – This bill would exempt counties with fewer than 70,000 residents from SB 1383. This bill would define pyrolysis as the thermal decomposition of organic material at elevated temperatures in the absence of gases such as air or oxygen. This bill would require CalRecycle, no later than January 1, 2026, to amend SB 1383 regulations to include, as a recovered organic waste product attributable to a local jurisdiction's procurement target, hydrogen and pipeline biomethane converted from diverted organic waste.
- **AB 2902 (Wood)** – This bill would extend the SB 1383 rural jurisdiction exemption indefinitely, and, commencing January 1, 2027, requires specified organic waste diversion activities for those jurisdictions. The bill would require CalRecycle to deduct the number of residents in low population and high elevation waiver areas from the population number used to calculate a jurisdiction's organic waste product procurement target. It would establish new waiver processes for jurisdictions with low-waste generation or issues with local bear populations. It would require CalRecycle to develop technical assistance materials and model ordinance and franchise language regarding community composting. It would require CalRecycle to evaluate local carbon farming, food recovery approaches, and animal feed operations.
- **SB 972 (Min)** – This bill would require CalRecycle, CARB, and CAL EPA to hold at least two joint meetings per year to coordinate implementation of SB 1383.
- **SB 1175 (Ochoa Bogh)** – This bill would require CalRecycle to consider alternatives to census tracts when deciding boundaries for low-population or elevation waters under SB 1383 and would require low-population waivers to be valid for a period of 10 years.
- **SB 1232 (Grove)** – This bill would exempt a portion of a county from the prescribed organic waste collection requirements under SB 1383 if the county proposed a fee for the collection of organic waste in that portion of that county and the county did not impose the fee in that portion of that county because, when submitted to property owners for approval, it was rejected (in relation to Prop 218).
- *See food waste/food recovery subsection below for bills related to the food recovery components of SB 1383.*

#### *Food Waste and Food Recovery*

- **AB 660 (Irwin)** – This bill would require manufacturers, processors, or retailers responsible for food labeling with quality or safety dates, on or after January 1, 2025, to use standardized



terms on such labels, and would prohibit a person from selling a food item on or after this date that does not comply with such labeling requirements.

- **AB 2311 (Bennett)** – This bill would expand the CalRecycle grant program to provide financial assistance for the recovery of edible food, as specified.
- **AB 2577 (Irwin)** – This bill would require CalRecycle to include in the edible food requirements established under SB 1383, product labeling requirements that reduce food waste.
- **AB 2658 (Bains)** – This bill would exempt “food processing establishments” that do not divert organic waste to landfills, as specified, from SB 1383 requirements.

#### *Advanced Clean Fleets Implementation*

- **AB 2626 (Dixon)** – This bill would extend the compliance dates for local government set forth in the Advanced Clean Fleets Regulation by 10 years. The bill would prohibit enforcement action against a local government for violating the Advanced Clean Fleets Regulation if the alleged violation occurs before January 1, 2025.
- **AB 3219 (Sanchez)** – This bill would provide that the requirements of the Advanced Clean Fleets Regulation do not apply to the purchase by a local government of vehicles with a gross vehicle weight rating greater than 8,500 pounds if the price of the zero-emission version of a vehicle is more than an unspecified percentage of the price of a comparable internal combustion engine version of that vehicle.

#### *Organic Waste Processing*

- **SB 1045 (Blakespear)** – This bill, on or before June 1, 2026, would require the Office of Planning and Research, in consultation with CalRecycle, to develop a model zoning ordinance that facilitates the siting of composting facilities by cities or counties to meet organic waste reduction goals. This bill, beginning on the date of completion of the model zoning ordinance, and before January 1, 2027, would require a city or county, upon amending any zoning ordinance, to additionally amend an appropriate zoning ordinance to allow composting facilities based on the model ordinance. By increasing duties on a city or county, the bill would impose a state-mandated local program. The bill includes additional specified requirements for districts or regional boards that receive compost facility permit applications.
- **SB 1046 (Laird)** – This bill would require CalRecycle to prepare and certify, by January 1, 2027, a program environmental impact report that streamlines the process with which jurisdictions can develop and site “green material composting operations”, as defined, for processing organic waste.



- **SB 1135 (Limon)** – This bill would establish the California Compost Tax Credit Fund and requires specified amounts of funding to be transferred from the Greenhouse Gas Reduction Fund to this new fund.

### Plastics Reduction and Recycling

- **AB 2236 (Hart)** – The state prohibits a grocery store from providing a single-use carryout bag, as defined, to a customer, with specified exceptions. This bill would expand the exemptions to exempt bags provided to a customer before the customer reaches the point of sale, that is designed to protect a purchased item from damaging or contaminating other purchased items in a checkout bag, or to contain an unwrapped food item. The bill would revise the definition of “recycled paper bag” to require it be made from 100% postconsumer recycled materials, without exception. The bill would also require a reusable grocery bag sold by a store to a customer at the point of sale to not be made from plastic film material. The bill would repeal provisions relating to certification of reusable grocery bags and certain obsolete at-store recycling program requirements.
- **AB 2761 (Hart)** – This bill would prohibit plastic packaging that contains certain chemicals, by January 1, 2026, including, but not limited to, banning PVC plastic.
- **AB 2511 (Berman)** – This bill would extend the inoperative date of the market development payment program, established by the California Beverage Container Recycling and Litter Reduction Act, to January 1, 2026.
- **AB 2648 (Bennett)** – This bill would establish purchasing restrictions on single-use plastic bottles for state agencies and certain universities.
- **AB 2762 (Friedman)** – This bill would establish the California Reusable Beverage Container Act to encourage reduction in the sale of single-use beverage containers and an increase in reusable beverage containers.
- **AB 2916 (Friedman)** – This bill would prohibit buoys, docks, and other floating devices made from expanded polystyrene, except as specified.
- **SB 1053 (Blakespear)** – This bill would, commencing January 1, 2026, revise and recast provisions of existing State law prohibiting grocery stores from providing single-use carryout bags to, among other things, expand the exemptions to include a bag used solely to contain or wrap specified uncooked foods and other specified items to avoid contamination, prevent damage from moisture, or for sanitary, public health, or environmental protection purposes. The bill would revise the definition of “recycled paper bag” to require it be made from 100% postconsumer recycled materials, without exception. The bill would also require a reusable grocery bag sold by a store to a customer at the point of sale to meet different requirements





including that it not be made from plastic film material.

The bill would repeal certain provisions relating to certification of reusable grocery bags, voluntary compliance by other retail establishments, and certain obsolete at-store recycling program requirements.

- **SB 1167 (Blakespear)** – This bill would prohibit a chain restaurant from providing beverages in a single-use drinking vessel for on-site / dine in customers. By expanding the scope of a crime, the bill would impose a state-mandated local program.

### Extended Producer Responsibility (EPR) / Product Stewardship

- **AB 2 (Ward)** – This bill would expand the scope of the Electronic Waste Recycling Act of 2003 to include covered solar photovoltaic (PV) module products and require, on or before October 1, 2026, and on or before October 1 each year thereafter, CalRecycle to establish a covered solar PV recycling fee based on costs to administer covered electronic waste recycling.
- **AB 863 (Aguiar-Curry)** – This bill would make carpet stewardship organizations that violate a provision of existing carpet stewardship law three times ineligible to act as an agent to administer a carpet stewardship plan. This bill would also increase the penalty amounts for violations of the carpet stewardship laws. This bill additionally requires the approved carpet stewardship organization to make specified amounts of assessments received for carpets sold in the State available for grants and apprenticeship programs.
- **AB 1238 (Ward)** – This bill would require CalRecycle to develop alternate alternative management standards for recycling managing photovoltaic modules, including, but not limited to, that they promote the safe collection, reuse, and recycling of photovoltaic modules.
- **AB 1659 (Gabriel)** – This bill would prohibit a manufacturer from selling a small electronic device, subject to certain provisions, on or after January 1, 2026, unless that small electronic device is equipped with a USB Type-C receptacle. The bill states that this standardization has the benefit of “reducing environmental waste.”
- **AB 2445 (Wallis)** – This bill would prohibit a dispenser from dispensing a prescription drug containing an opioid to a patient for outpatient use unless the dispenser also provides a personal use pharmaceutical disposal system, as defined, to the patient.
- **SB 615 (Allen)** – The bill would establish product stewardship requirements for vehicle traction batteries, include ensuring they are recovered and reused, repurposed, remanufactured, or remanufactured and eventually recycled at the end of their useful life. The bill establishes the specified roles and requirements for vehicle manufacturers,



automobile dealers, dismantlers, repair dealers, nonvehicle secondary users, battery manufacturers, battery suppliers and qualified facilities. The bill would establish requirements for a battery exchange program and specified reporting.

- **SB 707 (Newman)** – This bill would enact the Responsible Textile Recovery Act of 2023, which would require producers to establish a stewardship program for the collection and recycling of any postconsumer apparel or postconsumer textile article that is unwanted by a consumer.
- **SB 1066 (Blakespear)** – This bill would establish and extended producer responsibility program for marine flares.
- **SB 1143 (Allen)** – This bill would establish an extended producer responsibility program for household hazardous waste, including requiring a producer responsibility organization (PRO) to provide a free and convenient collection and management system for covered products and develop an implementation plan. DTSC would be required to adopt regulations with an effective date of July 1, 2027.
- **SB 1280 (Laird)** – This bill would, on and after January 1, 2028, prohibit the sale or offer for sale of propane cylinders unless they are reusable or refillable,
- **SB 1384 (Dodd)** – This bill would establish “right to repair” requirements for manufacturers of powered wheelchairs, including providing parts, documentation, and other tools to owners or repair providers on reasonable terms and costs. Repair providers would be required to provide notice to customers before providing repair services.
- **SB 1231 (Allen)** – Existing law, SB 54, prohibits sale of certain single-use packaging and plastic food service ware, unless deemed recyclable or compostable by CalRecycle. This bill would establish a process for producers to petition CalRecycle to identify material types and forms that meet those specified requirements and criteria to be considered recyclable. CalRecycle would be required to approve or deny the petition within 60 days.

Existing law, SB 343, establishes standards for defining recyclability and prohibits use of “chasing arrows” on products that do not meet those standards, subject to certain exemptions. This bill would extend certain exemptions from those labeling requirements, relative to the date of CalRecycle’s material characterization studies. The author of this bill has expressed a goal of aligning the timelines and requirements between SB 54 and SB 343.

### General Solid Waste

- **AB 2244 (Ting)** – This bill would prohibit, on and after January 1, 2025, a paper receipt from containing bisphenol A, and, on and after January 1, 2026, from containing any bisphenols.



- **AB 2632 (Wilson)** – This bill would prohibit a city (including a charter city, a county, or a city and county) from prohibiting a thrift retail store from receiving used and donated items for sale or for reuse or recycling. The bill also includes details regarding zoning and standards for thrift stores.
- **SB 1208 (Padilla)** – This bill would expand the definition of “landfill used for the disposal of nonhazardous solid waste” to include a disposal site regulated by a regional water board as a Class II landfill, in addition to a Class III landfill, as provided. The bill would also prohibit a regional water board from issuing a waste discharge permit for a new landfill in areas around the Tijuana River, as specified.
- **SB 1426 (Blakespear)** – This bill would specify that where a service for diversion is not being offered by a jurisdiction’s franchisee under an exclusive franchise, persons other than the exclusive franchisee can provide that service in the jurisdiction. This bill limits what jurisdictions can include in an exclusive franchise agreement to only the services “required to be performed and actually performed under the exclusive authorization.” The bill additionally specifies that if organic waste depackaging, contaminant removal, edible food recovery, food donation improvement, source reduction, or other services are not offered through a local ordinance or a local jurisdiction’s franchise agreement, then an undiscarded organic material may be collected from nonresidential customers, transported, and processed by other persons providing that service.

This bill, if passed, will have implications for local agencies around the state by limiting the extent of their current abilities under the Public Resources Code to manage solid waste programs at their discretion as a matter of local concern, and will impact the structure of franchise systems, services, and future franchise agreements.

- **PFAs-Related Bills** – AB 347 (Ting) would require DTSC to adopt guidelines regarding PFAS for cookware; AB 2515 (Papan) would prohibit PFAs in menstrual products; and, SB 903 (Skinner) would prohibit sale or distribution of products with intentionally added PFAs.

### **Ballot Initiatives**

- **The Taxpayer Protection and Government Accountability Act** – This measure would amend the State Constitution to limit how the State and local governments can raise revenues for government services. This initiative will have significant impacts on local agencies, by limiting their ability to raise revenues for government services. This will impact essential local government functions such as solid waste and recycling services. Among other provisions, key features of the measure are summarized below.
  - **Expands the definition of “taxes”** to include some charges that state and local governments currently treat as fees and other charges. For example, certain charges imposed for a benefit or privilege granted to a payer but not granted to those not



charged would no longer be considered fees. Every levy, charge or exaction of any kind is either a tax or an exempt charge. This applies to all taxes, fees, assessments, and property-related fees.

- **Raises the voter approval threshold for State and local taxes and fees.** The measure requires specified local taxes and fees to obtain two thirds voter approval. For example, all of the following actions are subject to new adoption requirements under this initiative: implementing a new fee, lengthening the duration of a fee, delaying or eliminating the expiration of a fee, expanding the application of a fee to a new territory or class of payor, or expanding the base to which a rate is applied. All parcel taxes would require a two-thirds voter approval. Any new or increased state taxes currently enacted by two-thirds vote of legislature, would also require statewide election and majority voter approval.
- **Stipulates that any existing State and local fees passed after January 1, 2022 must meet the requirements of the measure, or shall be invalidated December 2025.** This retroactivity provision would require local agencies to re-adopt existing taxes, fees, and budgets, within a constrained time period of 12-months to hold such special elections.
- **Requires fees to be adopted by a legislative body**, not an administrative body, staff, or a commission.
- **Requires specified State and local fees to not exceed “Actual Costs.”** Fees will not be allowed to exceed the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product. The actual cost is the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor.

This initiative is eligible for the November 5, 2024 general election ballot. The measure has faced strong criticism from the State legislature, the Governor, local agencies, organizations representing local agencies (such as CalCities), and others; including, submission of legal challenges and petitions to the California Supreme Court to remove the measure from the 2024 ballot. The petitioners allege it unlawfully revises the State Constitution and would be detrimental to essential government functions. The Authority's Executive Director will be tracking these developments.

## Local

The Technical Advisory Committee (TAC) of the Santa Clara County Recycling and Waste Reduction Commission (RWRC) meets monthly. In addition, multiple local subcommittees attend TAC including, but not limited to, those related to SB 1383 and public education and outreach. Representatives from the cities of Campbell, Monte Sereno, Saratoga; the Town of Los Gatos (Member Agencies); and, the Authority are also attending the meetings. Most recently,

TAC has procured a consultant, Tripepi Smith, to develop a “Why Recycle Food Scraps” education and outreach campaign.

## Existing Legislation and Regulations

- **SB 54:** SB 54 (Plastic Pollution Prevention and Packaging Producer Responsibility Act) was signed into law on June 30, 2022. The bill requires producers to ensure that single-use packaging and single-use plastic food service ware are recyclable or compostable by 2032 and achieve 25% source reduction and a 65% recycling rate of covered materials, on specified timeframes. The bill requires producers of covered materials to join a Producer Responsibility Organization (PRO), which shall be responsible for implementing programs, submitting plans and reports, and meeting established targets. The PRO is required to fully fund the cost of the program, including costs incurred by local jurisdictions and recycling service providers for managing covered materials.

CalRecycle is required to finalize regulations to implement SB 54 By January 1, 2025. Some recent developments in the SB 54 rulemaking and implementation process include:

- The formal rulemaking period for the SB 54 regulations has now begun. CalRecycle released the first draft of the SB 54 regulations on December 28, 2023, and a revised version on March 8, 2024. CalRecycle is scheduled to host a public workshop on April 23, 2024, and the 45-day public comment period is from March 8 – April 23, 2024.
- In December 2023, CalRecycle published a list of covered material categories, including a determination of whether each material type is potentially recyclable or compostable in the State. Per SB 54, jurisdictions will be required to accept materials deemed compostable or recyclable on that list in their curbside program. Local agencies are therefore encouraged to closely review this list and provide comments as needed. CalRecycle is currently accepting non-regulatory comments on the draft list until May 17, 2024.
- CalRecycle appointed an Advisory Board with representatives from a variety of sectors. The Advisory Board meetings will occur on an on-going basis and are open for public attendance and comment.

Engagement from local jurisdictions will be critical in shaping the regulations and ensuring the intent of the statute to relieve the burden from local jurisdictions and their ratepayers is realized. The Authority and its Member Agencies can engage in a variety of ways, such as: attending informational webinars, joining working groups, attending CalRecycle public workshops, submitting individual or coalition comment letters, and discussing early preparation for potential program impacts.

The Authority’s Executive Director will continue to participate in the rulemaking process and other stakeholder collaboration opportunities and will update the Board with any



developments in the regulations that will impact Member Agencies.

- **AB 1201 and SB 343:** AB 1201 (compostability labeling) and SB 343 (recyclability labeling), are both currently in the CalRecycle rulemaking process. There will be intersections between AB 1201, SB 343, and SB 54, and the Authority's Executive Director will be tracking these developments.
- **Advanced Clean Fleet (ACF) Regulations:** The California Air Resources Board (CARB) developed regulations to transition all medium and heavy-duty diesel trucks to zero emissions vehicles (ZEVs) by 2045. State and local government fleets, including city, county, special district, and State agency fleets, are required to ensure 50% of vehicle purchases are ZEVs beginning in 2024 and 100% of vehicles purchased are zero-emission by 2027. "Specialty vehicles," including solid waste collection fleets, have more time to comply, if selecting the "ZEV milestones" options which specifies the following years by which specified percentages of solid waste fleet vehicle purchases that must be ZEVs: 10% by 2030, 25% by 2033, 50% by 2036, 75% by 2039, and 100% by 2042. Certain exemptions may be available related to infrastructure construction delays, delivery delays, availability, daily usage amounts, back-up vehicles, and emergency conditions. Additionally, CARB's final resolution acknowledged the importance of biomethane derived from organic waste to implement SB 1383. CARB will require staff to coordinate across State agencies and provide a report by 2025 regarding how implementation of ACF regulations, SB 1383, and SB 1440 will be harmonized.

## Documents Attached

None

## Fiscal Impact

None





# WEST VALLEY

## Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Agenda Item No. 4

Meeting Date: May 22, 2024

To: West Valley Solid Waste Management Authority Board  
From: Executive Director  
Subject: Recent Solid Waste Program and Customer Service Updates

## AGENDA ITEM REPORT

### Recommended Action

Receive a report on the West Valley Solid Waste Management Authority's (Authority) solid waste programs and customer service.

### Discussion

#### Summary

The Authority contracts with West Valley Collection & Recycling (WVC&R) to provide solid waste and recycling collection services. In addition to providing quality collection service, WVC&R is responsible for providing various forms of education, outreach, and other customer service to customers within the Authority, ensuring successful recycling programs that conform and comply with State requirements. The Authority monitors WVC&R's programs and performance to determine if WVC&R's performance is meeting the requirements of the collection contract between the Authority and WVC&R. The figures in this agenda report summarize the status of each program and indicate the following program trends.

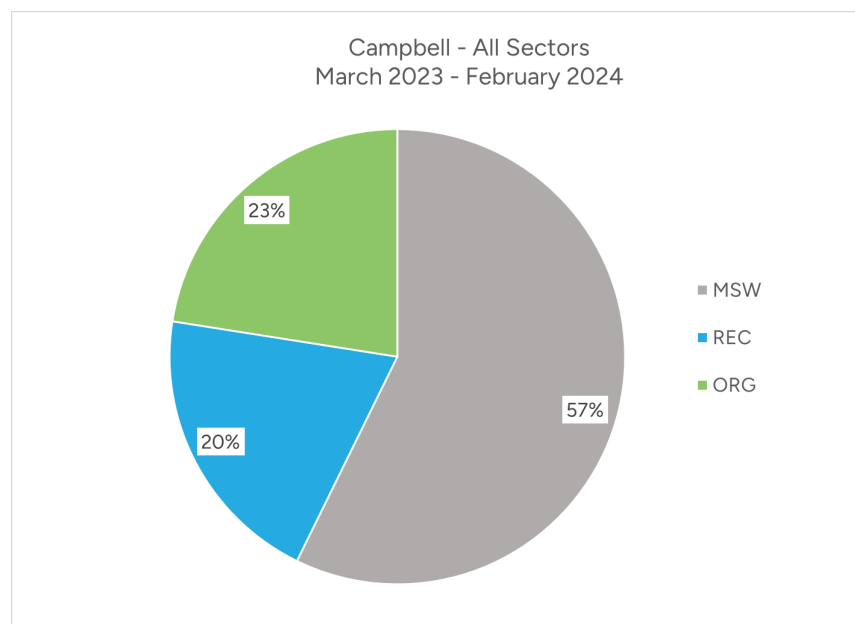
- **Customer Participation in Organics Programs.** During the implementation of organics collection programs in 2022, there was an increase in the total volume of service provided to customers as organics collection containers were provided to customers that did not previously subscribe to organics service. There has been a steady increase in the total amount of organic waste collected during 2022 and 2023. However, organic recycling participation has begun to slow and level off during the later months of 2023 into early 2024. The Authority expects to see an increase in the amount of recycled and organic materials diverted from landfill in 2024 as the Authority and WVC&R launch a new brand and enhance the Authority's education and outreach program.

- Missed Collections.** The Board and Authority have continually monitored the reliability of WVC&R's collection service, due to WVC&R performance issues caused by various factors. WVC&R started showing improvement in September of 2023; however, recent months show WVC&R's collection reliability decreased, with February 2024 nearing WVC&R's highest level of missed collections tracked during the past two years.
- Customer Service.** The number of calls received by WVC&R's customer service team follows the same trend line as missed collections, which is expected due to the increased number of customers calling in to report such service issues. Since September 2023, the number of calls received has declined and leveled out, and the average time to answer has decreased significantly from nearly a minute and a half to less than one minute. Call volumes and hold times are expected to increase in 2024 during the implementation of new solid waste programs, such as multi-family bulky-item collection.

## Collected Tonnage

Figures 1 through 4 represent WVC&R's reported tonnage data by material type for March 2023 through February 2024 in the cities of Campbell, Monte Sereno, Saratoga; and the Town of Los Gatos (Member Agencies).

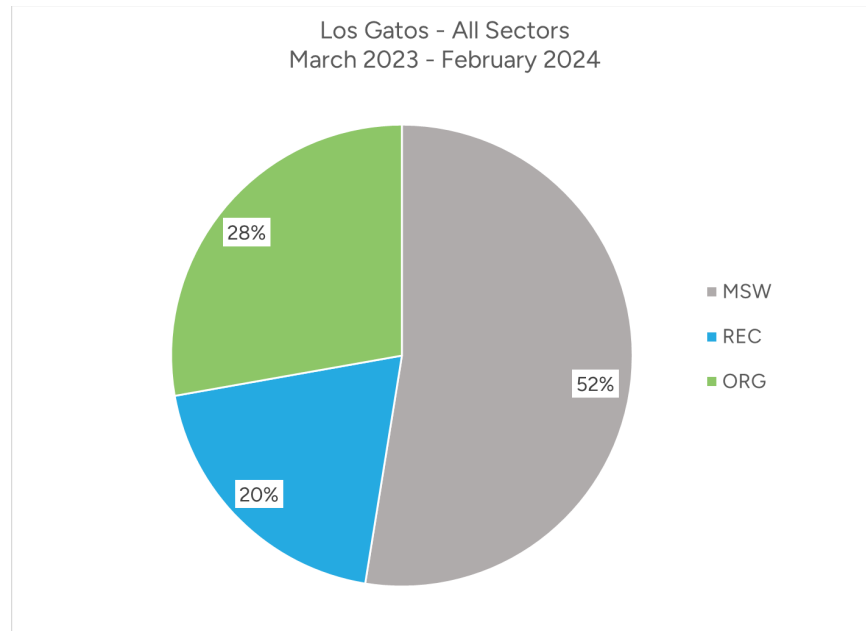
**Figure 1. City of Campbell Tonnage**



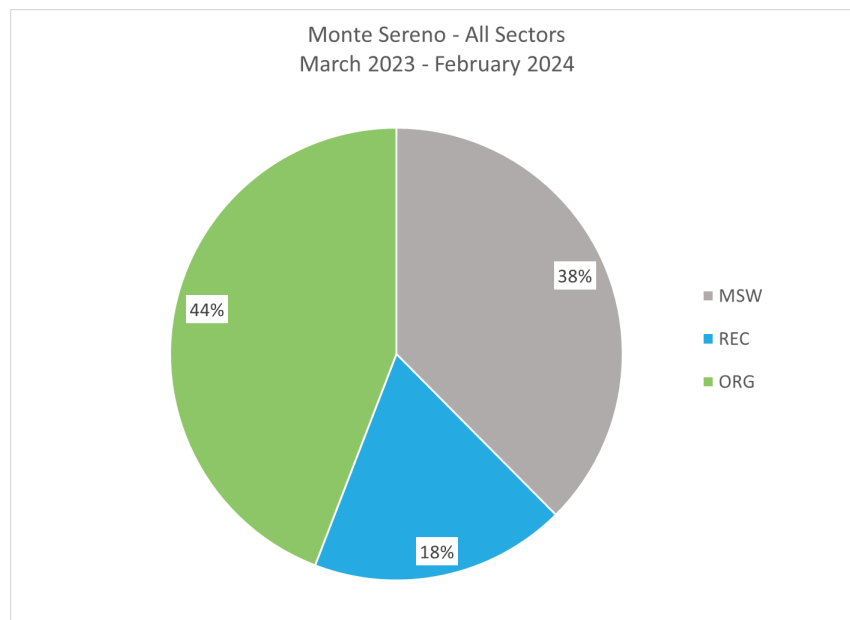




**Figure 2. Town of Los Gatos Tonnage**

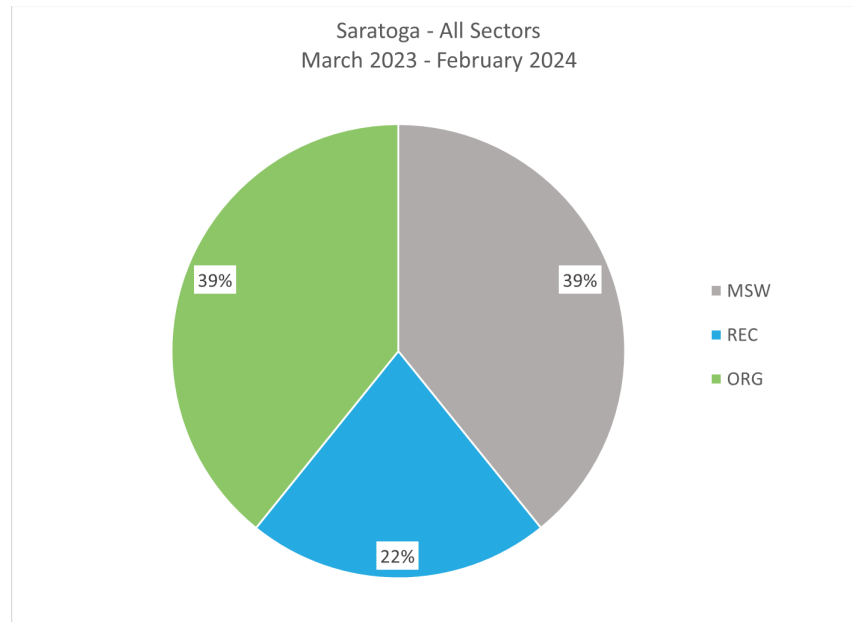


**Figure 3. City of Monte Sereno Tonnage**



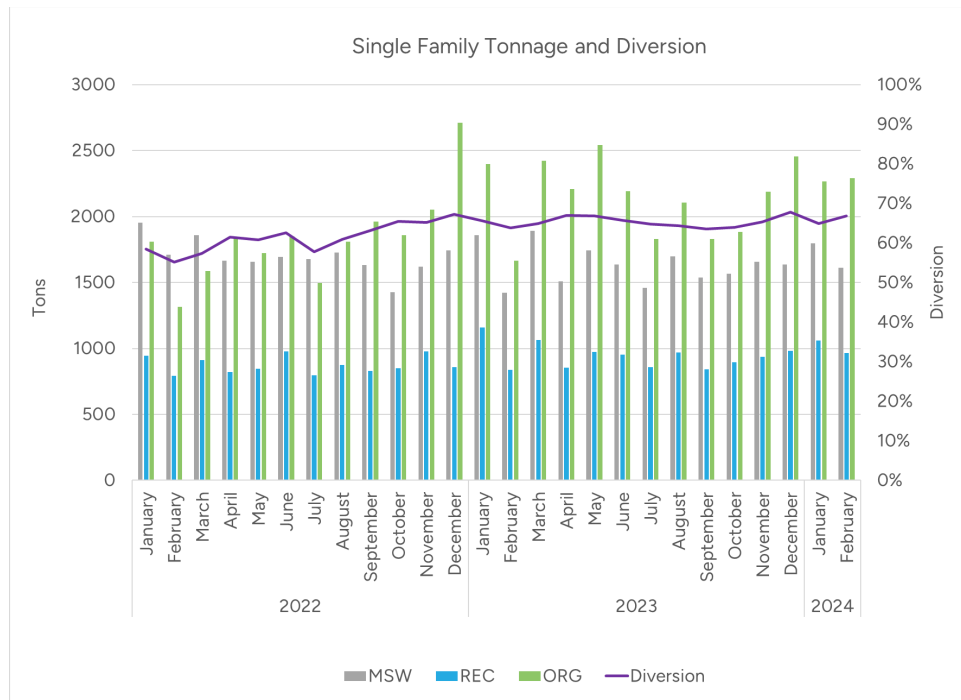


**Figure 4. City of Saratoga Tonnage**



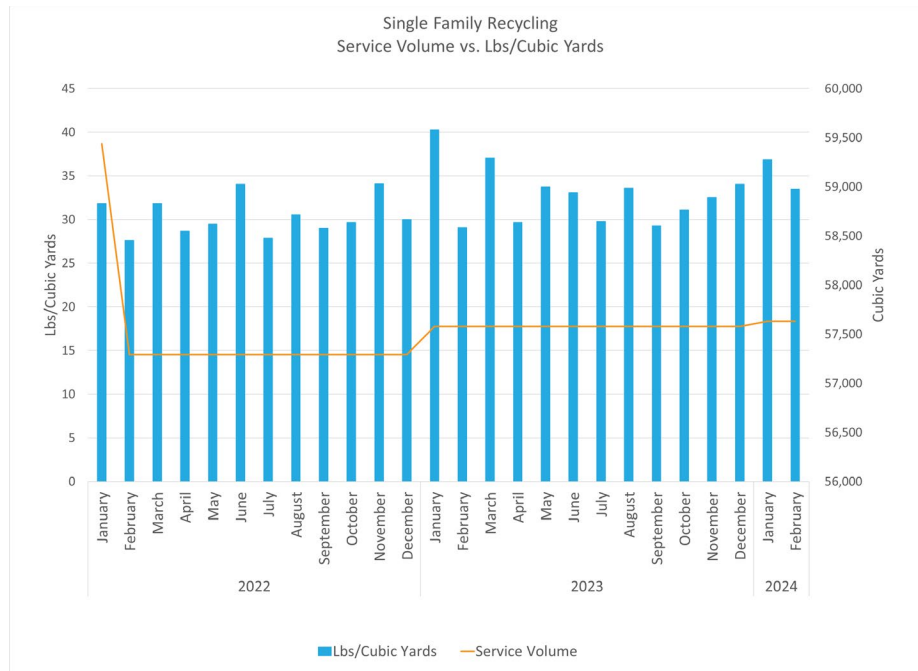
Figures 5 through 13 represent WVC&R's reported tonnage and diversion rate for single family (Figure 5), multi-family (Figure 8), and commercial (Figure 11) customers. Figures 6, 7, 9, 10, 12, and 13 compare the total volume of recycling or organic service levels to the average density (pounds per cubic yard) of customers' carts and/or bins. These measures are used by the Authority to monitor recycling participation levels within the Member Agencies.

**Figure 5. Single Family Tonnage and Diversion**

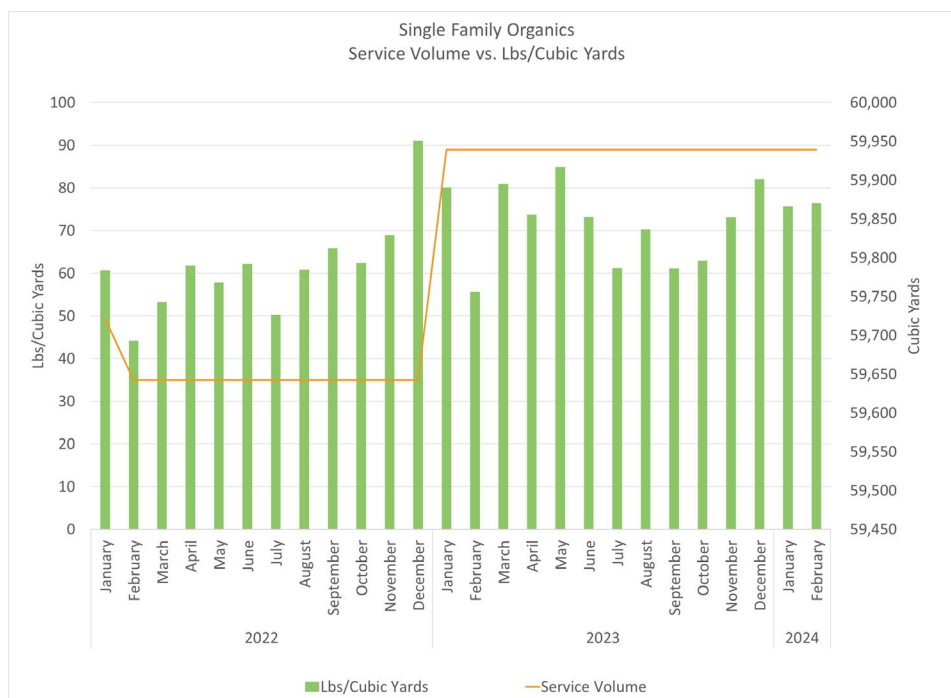




**Figure 6. Single Family Recycling**

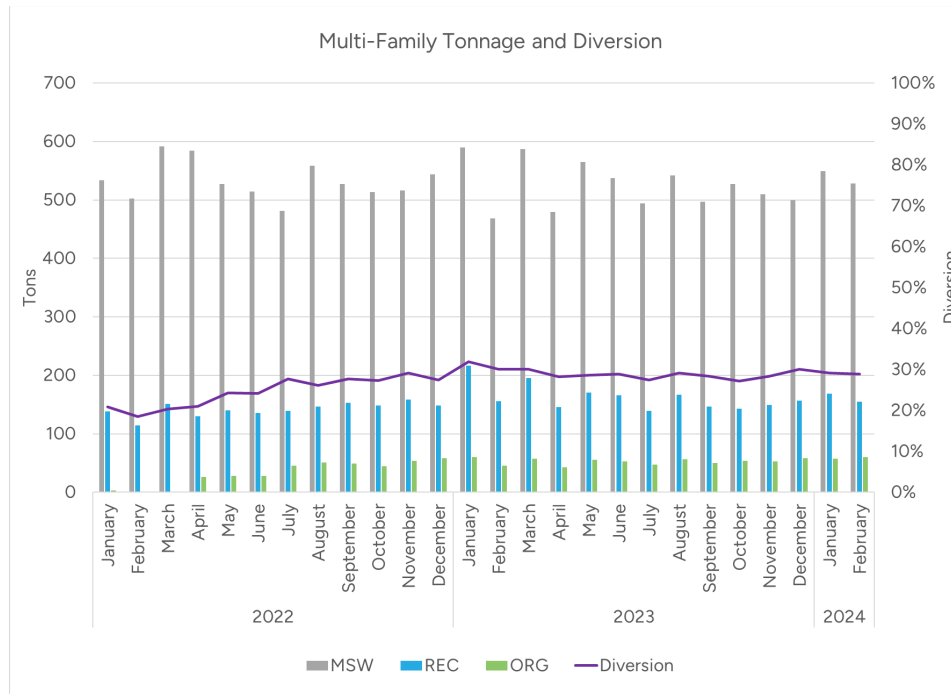


**Figure 7. Single Family Organics**

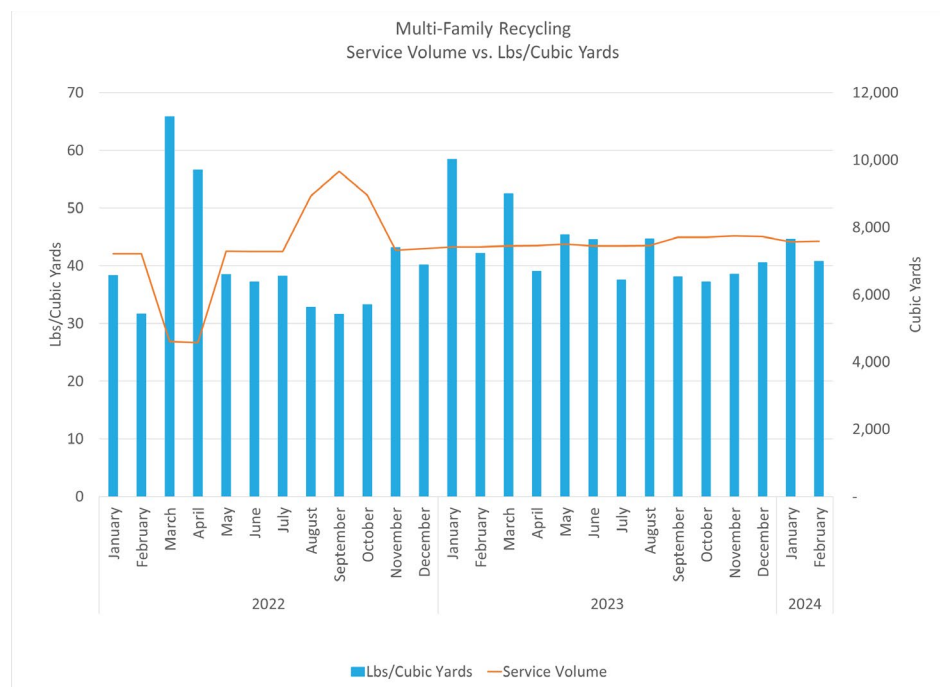




**Figure 8. Multi-Family Tonnage and Diversion**

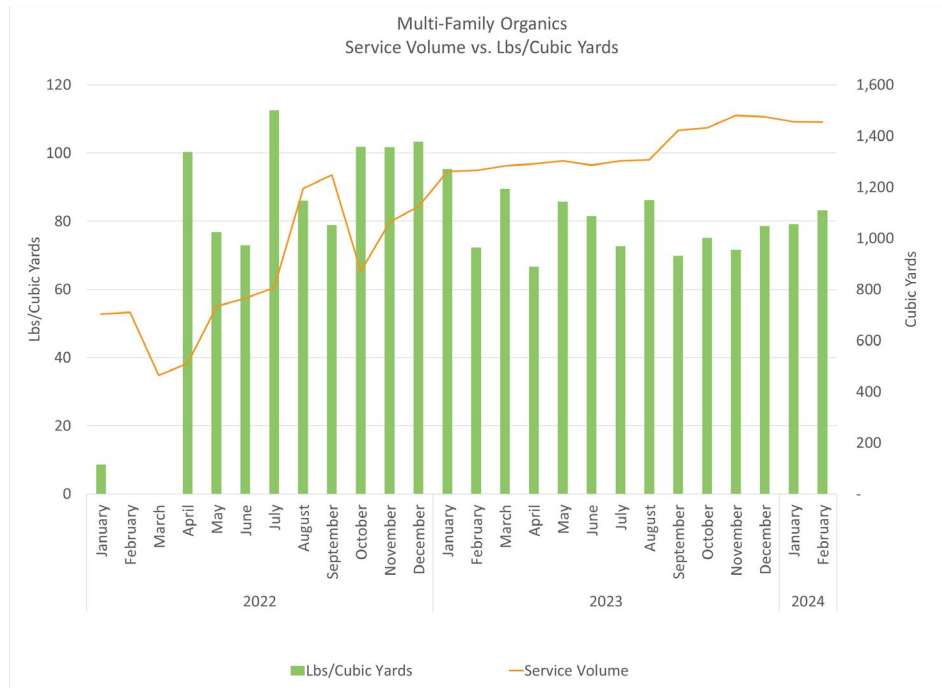


**Figure 9. Multi-Family Recycling**

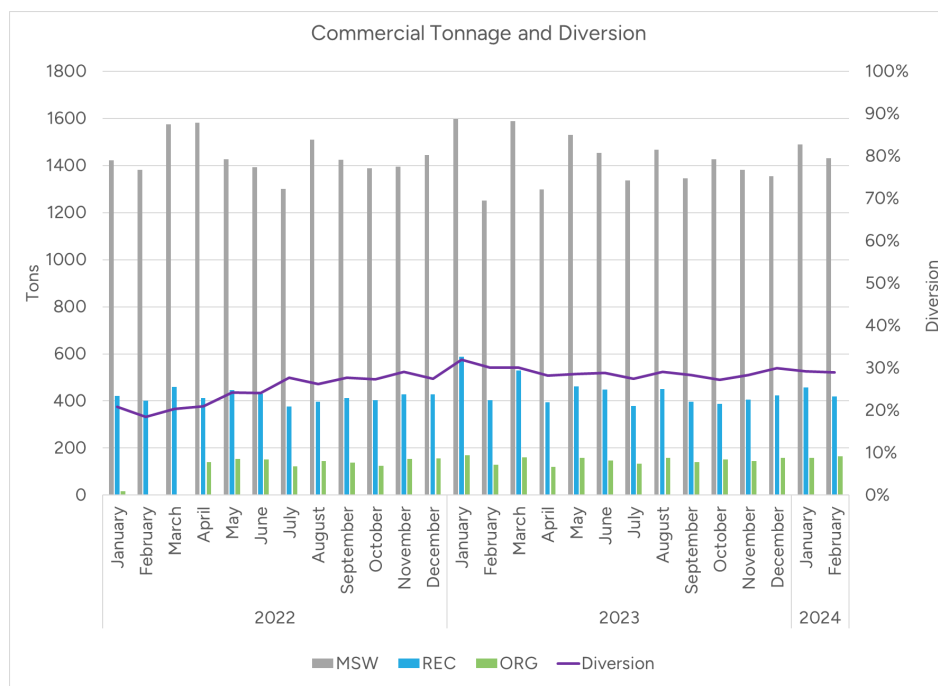




**Figure 10. Multi-Family Organics**

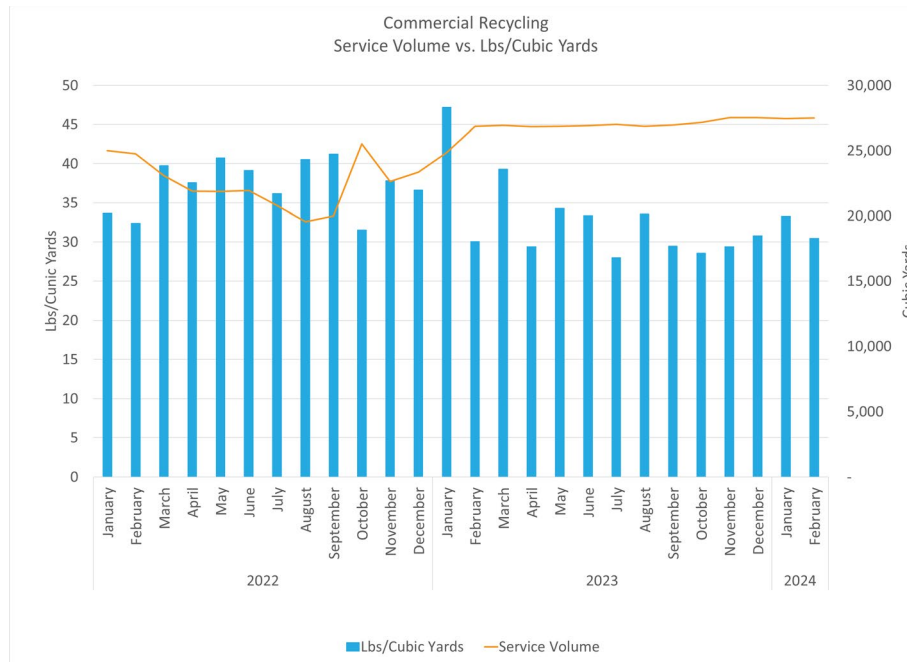


**Figure 11. Commercial Tonnage and Diversion**

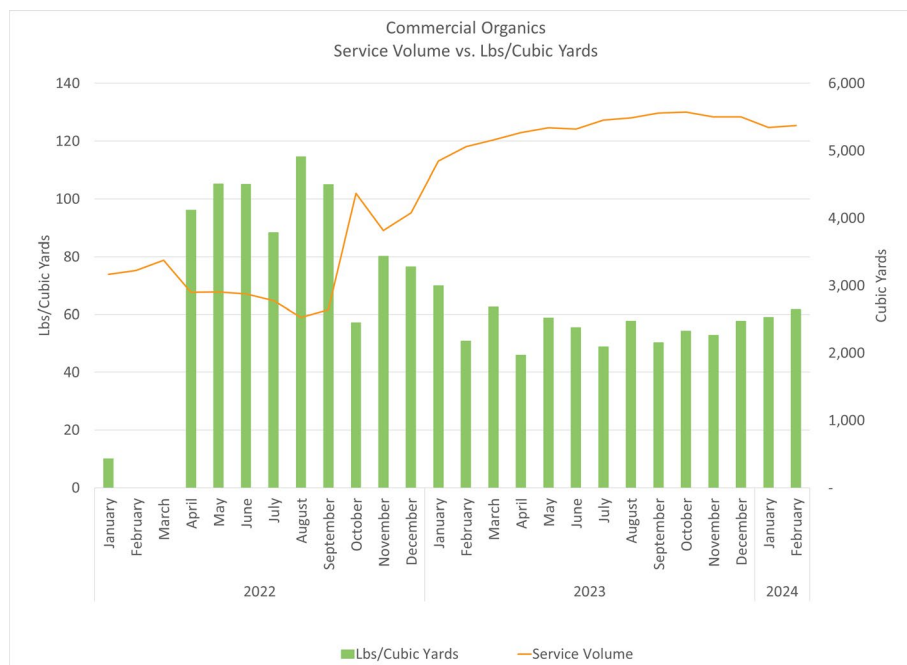




**Figure 12. Commercial Recycling**



**Figure 13. Commercial Organics**

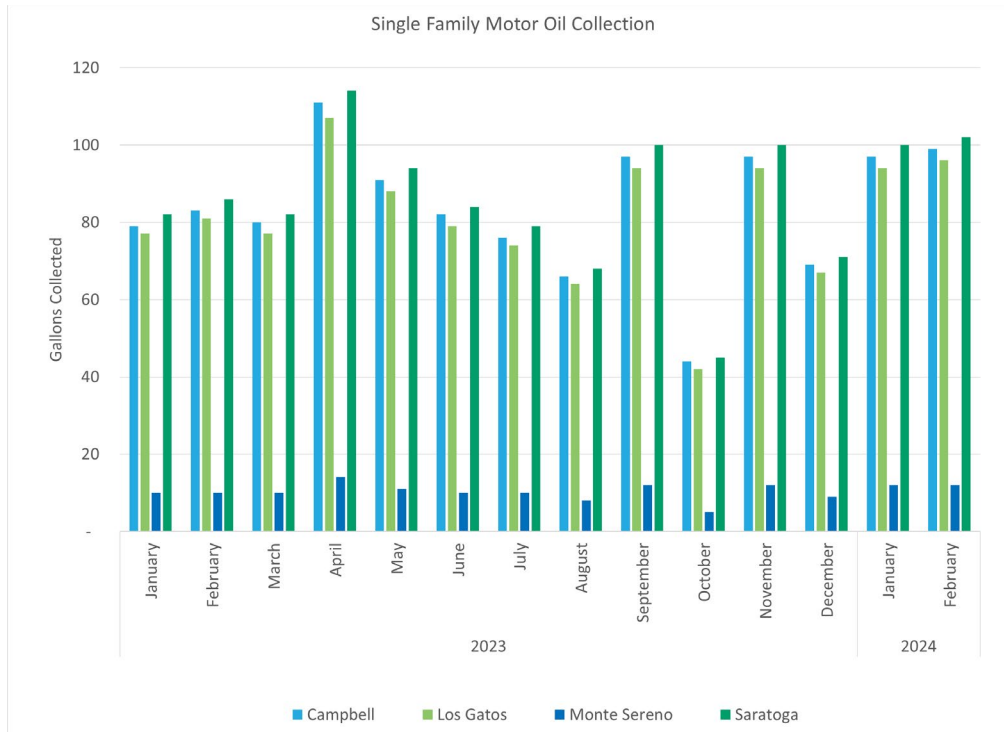




## Used Motor Oil Collection

Figure 14 shows the gallons of motor oil collected by WVC&R.

**Figure 14. Single Family Motor Oil Collection**

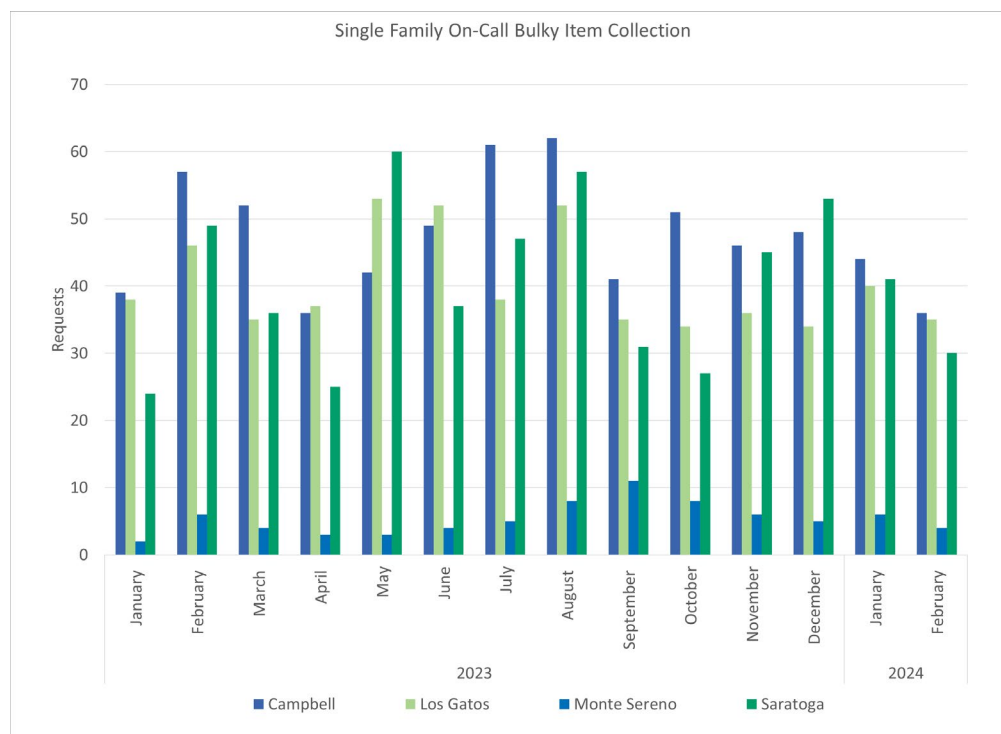




## Bulky Item Collection

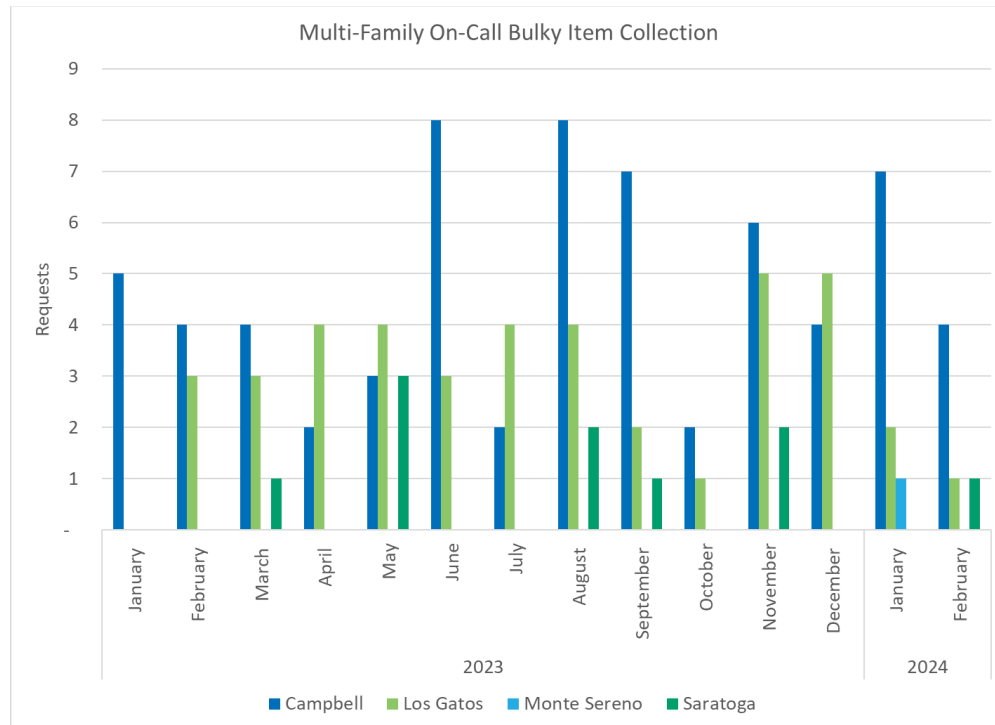
Figures 15 and 16 show demand within the Authority for single family on-call bulky item collection in addition to the single family scheduled bulky item collection provided by WVC&R throughout the year. Due to changes to the bulky item collection program, the Authority is expecting to see an increase in the use of this program in 2024.

**Figure 15. Single Family On-Call Bulky Item Collection**





**Figure 16. Multi-Family On-Call Bulky Item Collection**

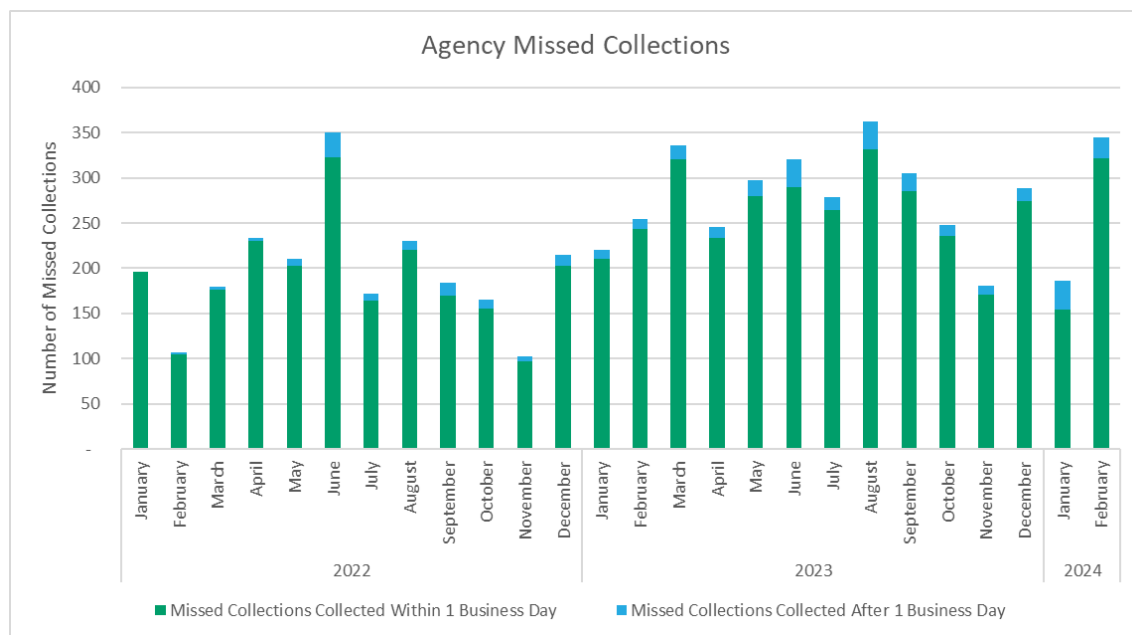




## Missed Collections

Figure 17 shows the number of missed collections. The Authority has closely monitored WVC&R's missed collections during the term of the collection agreement and the Authority meets monthly with WVC&R to discuss the high number of missed collections as well as potential causes and solutions. WVC&R stated they would review operations to determine the cause of this increase in missed collections.

**Figure 17. Missed Collections**

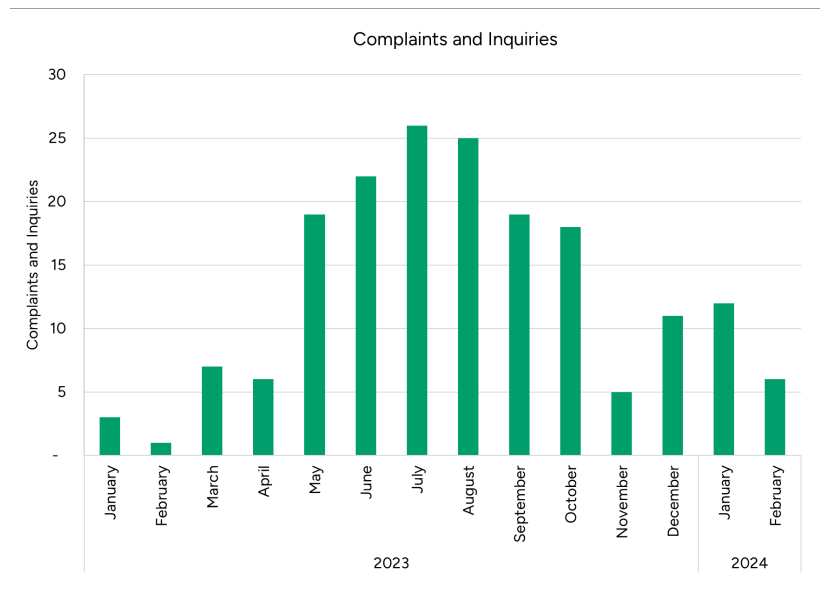




## Customer Service

Figures 18 and 19 represent the number of inquiries and complaints WVC&R received related to collection service within the Authority service area. These tables are inclusive of any requests or complaints sent directly to WVC&R.

**Figure 18. Inquiries and Complaints by Month**



**Figure 19. Inquiries and Complaints by Subject Matter**

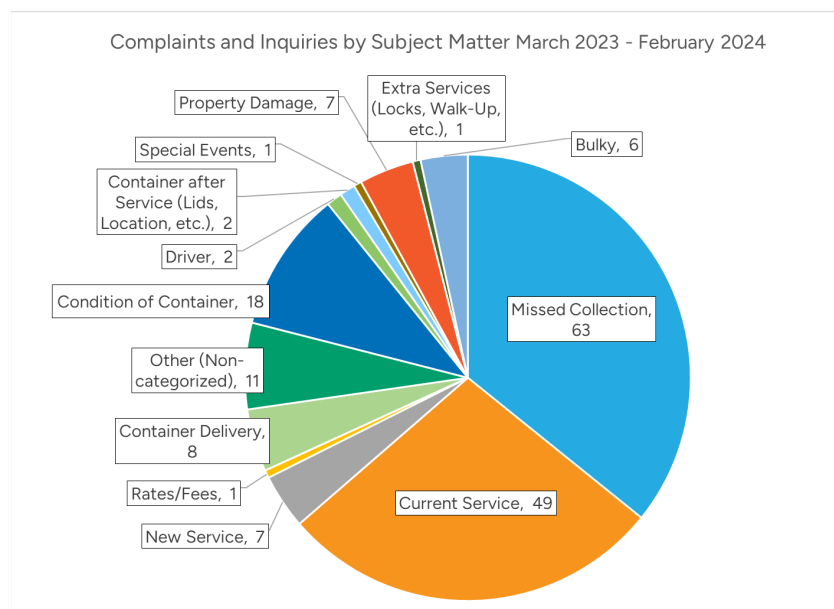




Figure 20 represents the average amount of time Authority customers wait on hold when calling into WVC&R's customer service center. These hold times reflect the average total time a customer waits on hold, including the time it takes the customer service representative (CSR) to answer the call, any additional customer hold time, and time spent by the customer listening to WVC&R's outgoing message.

**Figure 20. Call Center Performance**

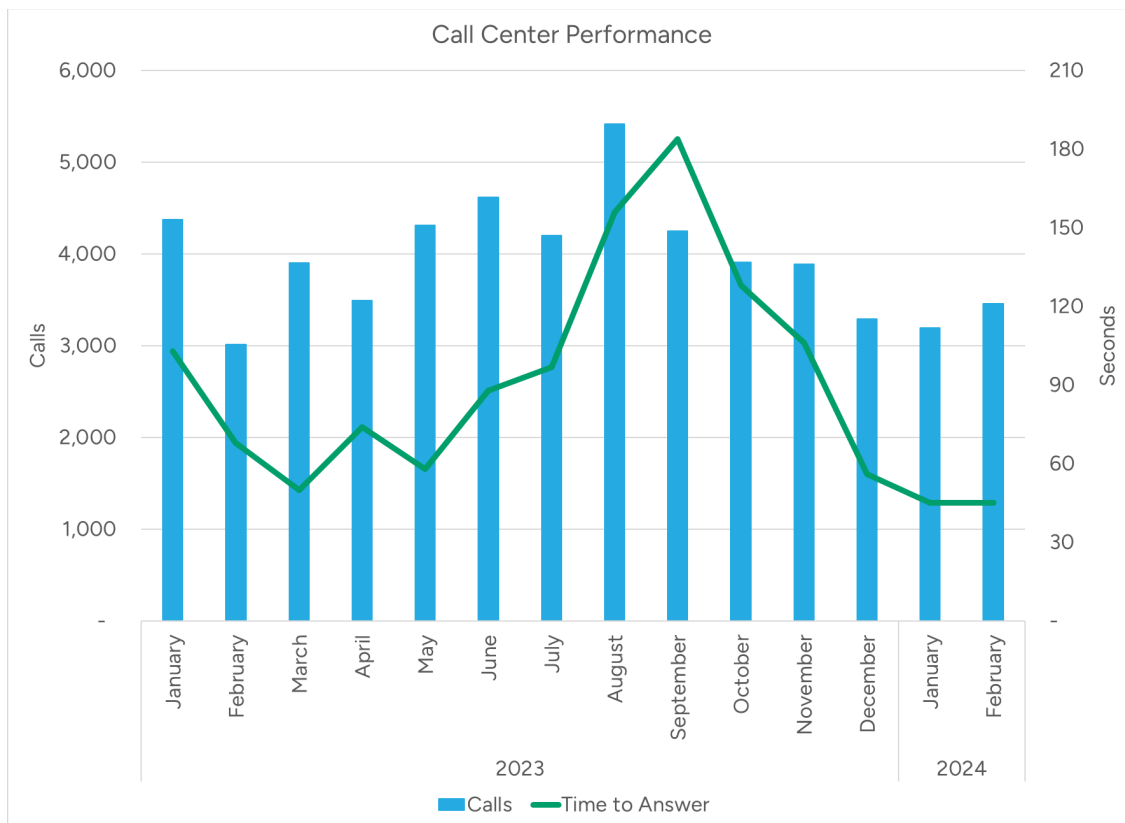
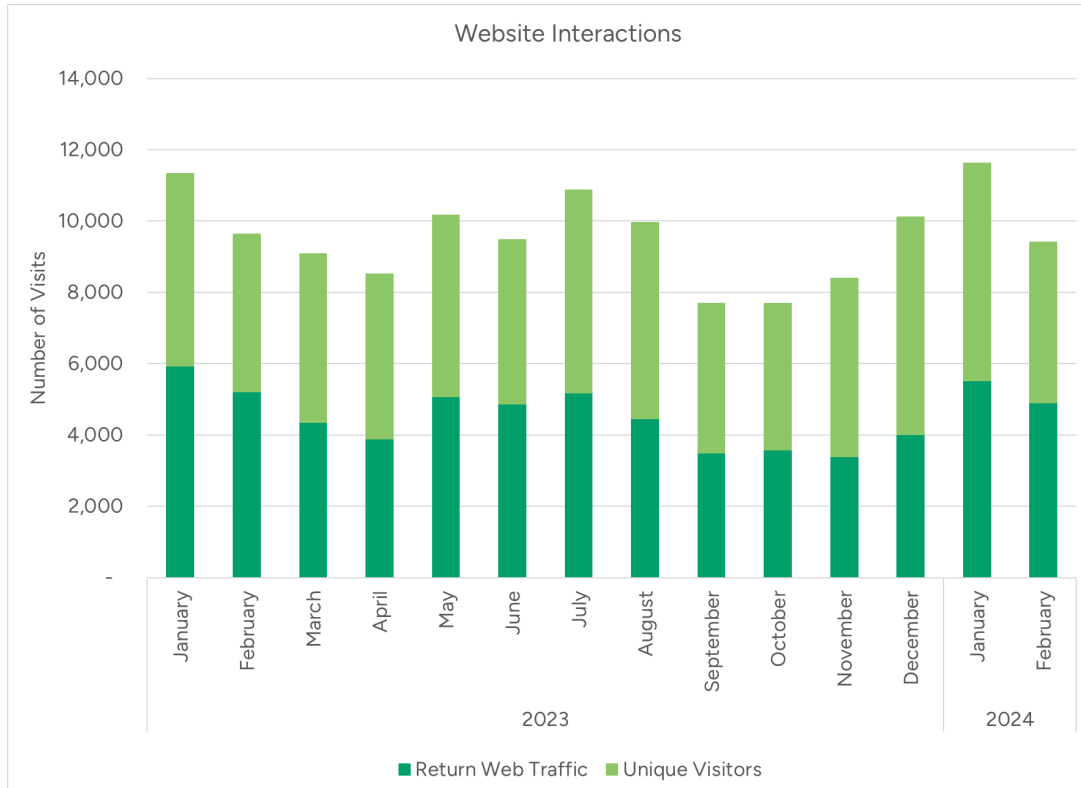


Figure 21 represents the number of new and repeat visits to WVC&R's webpage that provides information about collection services in the Authority.

**Figure 21. Website Interactions**



## Documents Attached

None

## Fiscal Impact

None



# **WEST VALLEY**

## **Solid Waste Management Authority**

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

## **PRIOR MEETING MINUTES**

**Date of Meeting: February 1, 2024**

### **General Information**

Meeting held via teleconference, in accordance with California Governor Executive Order N-29-20, and in-person at the City of Monte Sereno's City Hall located at 18041 Saratoga-Los Gatos Road, Monte Sereno, CA 95030.

### **Call to Order**

At 5:03 p.m., Chair Mekechuk called the meeting to order.

### **Pledge of Allegiance**

### **Roll Call**

Chair Bryan Mekechuk, representing Monte Sereno, Alternate Board Member Belal Aftab, representing Saratoga, Member Mary Badame, representing Los Gatos, and Member Dan Furtado, representing Campbell, were present. Also present were West Valley Solid Waste Management Authority (Authority) Executive Director Rob Hilton, Authority Deputy Director Hailey Gordon, and Authority Counsel Kirsten Powell.

### **Oral Communications from the Public**

Adam Gooderman, Division Vice President for Waste Connections, addressed the Board to express his gratitude for the Board's selection of West Valley Collection and Recycling (WVC&R) as the service provider for the Authority's new collection contract and expressed his appreciation for the continued partnership. Adam also informed the Board of recent WVC&R personnel changes, introducing Ryan Schuyler as the new District Manager and Kevin Boyd as the Assistant District Manager.

### **Written Communications**

None

### **Old Business**

None

### **Convene to Closed Session**

Chair Mekechuk convened to closed session at 5:09 p.m. for the purpose of conducting staff evaluations.



## Reconvene to Open Session

Chair Mekechuk reconvened to open session at 5:24 p.m.

## Consent Calendar

1. Upon a motion by Member Furtado and a second by Member Badame, the Board voted unanimously to approve consent items 1 through 4.

## Presentations and Informational Items

2. The Board received a budget and rates workshop presentation on the Authority's Fiscal Year (FY) 2024-25 role and function, and planned changes to customer rate structures under the new collection contract with WVC&R.

## New Business

3. The Board considered a report on WVC&R's liquidated damages (LDs) and performance deficiencies. Upon a motion by Member Furtado and a second by Member Badame, the Board voted unanimously to impose LDs on WVC&R in the amount of \$5,612.57 for delivery of C&D materials to the incorrect facility and authorized the Executive Director the discretion to negotiate with WVC&R for the incomplete technical assistance as in-kind services to replace deficient performance that would otherwise require WVC&R to pay LDs in the amount of \$109,626.27.
4. Upon a motion by Member Badame and a second by Member Furtado, the Board voted unanimously to approve Resolution 2024-01 of the Board of Directors of the West Valley Solid Waste Management Authority, which serves to approve the Authority's Revised Budget for FY 2023-24.
5. Upon a motion by Member Furtado and a second by Member Badame, the Board voted unanimously to approve Resolution 2024-02 of the Board of Directors of the West Valley Solid Waste Management Authority Authorizing Execution of Agreements with Approved Construction & Demolition Debris (C&D) Collection Contractors and Terms and Conditions for Certified C&D Facilities by the West Valley Solid Waste Management Authority's Executive Director and to authorize the Executive Director to continue to consider and accept up to ten applications.
6. Upon a motion by Member Badame and a second by Alternate Aftab, the Board voted unanimously to re-elect Chair Mekechuk as Board Chair; and upon a motion by Member Badame and a second by Member Furtado, the Board voted unanimously to re-elect Vice Chair Page as Board Vice Chair.

## Public Hearings

None





## **Executive Director Report**

The Executive Director provided an update on the Authority's new color compliant containers and redesigned labels that were developed as part of the rebrand of the Authority's materials.

## **Future Agenda Items**

Chair Mekechuk requested WVC&R report its progress at the next Board Meeting.

## **Board Member Reports**

Member Furtado commended WVC&R for their continued participation and donation of bicycles to eligible families in the Campbell Union School District.

## **Report on Action Taken During Closed Session**

None

## **Adjournment**

Chair Mekechuk adjourned the meeting at 7:17 p.m. until the next special meeting, which the Authority will hold on April 23, 2024.

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# WEST VALLEY

## Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Agenda Item No. 6

Meeting Date: May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: Board Meeting Schedule

## AGENDA ITEM REPORT

### Recommended Action

Approve Board Meeting schedule for fiscal year (FY) 2024-25.

### Discussion

The attached schedule reflects the FY 2024-25 regularly scheduled meetings for the West Valley Solid Waste Management Authority (Authority).

The Authority must address certain items at specific meetings during the year due to procedural or contractual commitments. For example, the Authority must ratify the collection rates no later than the May meeting for the rates to be effective July 1, in accordance with the agreement with West Valley Collection & Recycling (WVC&R). Also, the Authority must elect new Board Members at the first meeting of the calendar year. The attached schedule shows these items in bold type. The schedule shows other more flexible items in normal type.

The attached schedule is meant to be a guide, not a rigid schedule. The Authority may cancel regular meetings and schedule special meetings as needed. Board Members, the Authority Attorney, or the Executive Director may add, accelerate, delay, or delete items from the schedule. A week prior to each meeting, the Authority publishes Board Meeting agendas, which describe the items the Authority will discuss at each Board Meeting.

### Documents Attached

Proposed Schedule of Meetings

### Fiscal Impact

None



# WEST VALLEY

Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

## ATTACHMENT TO AGENDA ITEM NO. 6

### Fiscal Year 2024-25 Proposed Schedule of Meetings

Meeting Date	Discussion Items
September 5, 2024	<ul style="list-style-type: none"><li>• Receive CalRecycle Annual Reports</li><li>• Receive Update from West Valley Collection &amp; Recycling (WVC&amp;R) on Contract Implementation</li></ul>
November 7, 2024	<ul style="list-style-type: none"><li>• Review C&amp;D Program Status, Discuss Potential Revisions</li><li>• Closed Session – Annual Evaluations of the West Valley Solid Waste Management Authority's (Authority) Attorney and Executive Director</li></ul>
February 6, 2025	<ul style="list-style-type: none"><li>• <b>Elect New Officers</b></li><li>• Discuss Authority Budget Priorities</li></ul>
May 2, 2025	<ul style="list-style-type: none"><li>• Approve Board Meeting Schedule</li><li>• <b>Ratify WM Disposal and Processing Contractual Rate Adjustment</b></li><li>• <b>Ratify WVC&amp;R Collection Contractual Rate Adjustment</b></li><li>• <b>Approve Authority Budget</b></li><li>• Receive Audited Financial Statements</li></ul>
Recurring Meeting Agenda Items	<ul style="list-style-type: none"><li>• Approve Prior Meeting Minutes</li><li>• Receive the Year-to-Date Financial Report</li><li>• Receive a Report on Recent Regulatory and Legislative Changes</li><li>• Receive a Report on Solid Waste Programs and Customer Service</li></ul>



# WEST VALLEY

## Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Agenda Item No. 7

Meeting Date: May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: Year-To-Date Financial Report

## AGENDA ITEM REPORT

### Recommended Action

Receive the Executive Director Year-to-Date Financial Report through March 31, 2024 for the year ending June 30, 2024.

### Discussion

The report titled "Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual" shows the approved budget, the year-to-date actual amounts, and the preliminary fund balance through March 31, 2024 for fiscal year (FY) 2023-24. With 75% of the fiscal year passed, the report shows that the Authority received \$1,239,520 or 77% of revenues and expended \$991,098 or 60% of expenses for the approved revised FY 2023-24 budget.

The Authority's Accounting and Bookkeeping costs were greater than budgeted because expenses for prior year's booking services were not billed in the prior budgeted fiscal year. The FY 23-24 expenses are expenditures for FY 22-23 and FY 23-24 bookkeeping services. The Authority's liability insurance through the Special District Risk Management Authority (SDRMA) is greater than budgeted due to market conditions over the past five years, specifically market disruptions caused by natural disasters across the world, which caused the SDRMA to increase rates.

In February 2011, the Board adopted a policy that requires it to maintain an operating reserve of \$100,000 and a rate stabilization reserve of \$100,000. The preliminary fund balance of \$667,473 is more than the \$200,000 and an increase of \$248,422 from the July 1, 2023 starting balance of \$419,051.

### Documents Attached

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

### Fiscal Impact

None



# WEST VALLEY

Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

## ATTACHMENT TO AGENDA ITEM NO. 7

### Fiscal Year 2023-24 Year To Date Budget

West Valley Solid Waste Management Authority Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual March 31, 2024					
Account #	Description	Authority Budget FY 2023-24	Year to Date Actual	Balance	YTD %
<b>Revenues</b>					
4410	Interest	\$ -	\$ 9,743	\$ (9,743)	N/A
4431	Unrealized Gains/Losses	-	8,656	(8,656)	N/A
4523	SB 1383 Local Assistance Grant	-	-	-	N/A
4968	Expense Abatement	-	-	-	N/A
4970	City of Campbell	345,018	258,764	86,254	75%
4970	Town of Los Gatos	266,313	199,735	66,578	75%
4970	City of Monte Sereno	28,096	21,072	7,024	75%
4970	City of Saratoga	247,022	185,266	61,756	75%
4975	Franchise Agreement WVC&R	300,000	300,000	-	100%
4975	Other Revenue (Reimbursement of Education & Outreach)	335,000	21,184	313,816	6%
4965	Other Revenue (Non-Exclusive C&D Program)	60,201	12,000	48,201	20%
4965	Other Revenue (Liquidated Damages)	27,861	223,100	(195,239)	801%
	<b>Total Revenues</b>	<b>\$ 1,609,511</b>	<b>\$ 1,239,520</b>	<b>\$ 369,991</b>	<b>77%</b>
<b>Expenditures:</b>					
<b>Services and Supplies:</b>					
7424	Office Expense	\$ -	\$ -	\$ -	N/A
7424	SB 1383 Member Agency Organics Procurement	127,397	-	127,397	0%
7427	Special Departmental Exp. (Legal Services)	36,622	12,075	24,547	33%
7427	Special Departmental Exp. (Legal Services - Collection Agreement)	8,583	-	8,583	0%
7427	Special Departmental Exp. (Legal Services - Franchise Fee Study)	11,444	-	11,444	0%
7428	Special Departmental Exp. (Legal Services - Non-Exclusive C&D Program)	5,722	-	5,722	0%
7430	Prof. & Special Services (Executive Director)	723,705	576,201	147,504	80%
7430	Prof. & Special Services (Other)	5,000	-	5,000	0%
7430	Grant Administration	10,500	8,917	1,583	85%
7430	Education and Outreach	335,000	34,439	300,561	10%
7432	Other Contractual Services (Website Administration)	1,274	-	1,274	0%
7432	Other Contractual Services (Audit Services)	3,500	-	3,500	0%
7433	Insurance (Liability)	2,957	6,010	(3,053)	203%
7435	Travel/Conf. & Meetings	2,000	3,445	(1,445)	172%
7438	Other Charges (Accounting & Bookkeeping)	10,139	19,983	(9,844)	197%
7438	Record Keeping and Reporting - Recyclist	50,845	-	50,845	0%
7443	SB 1383 Edible Food Recovery Countywide Program	30,029	30,028	1	100%
7675	Authority Solid Waste Distribution	300,000	300,000	-	100%
	<b>Total Expenditures</b>	<b>\$ 1,664,717</b>	<b>\$ 991,098</b>	<b>\$ 673,619</b>	<b>60%</b>
	Excess (deficiency) of revenues over (under) expenditures	\$ (55,206)	\$ 248,422	\$ (303,628)	
	Beginning Fund Balance 7/1/23 (Preliminary)	183,068	419,051		
	Ending Fund Balance	\$ 127,862	\$ 667,473		



# WEST VALLEY

## Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

**Agenda Item No.** 8

**Meeting Date:** May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: Fiscal Year 2022-23 Audited Financial Statements

## AGENDA ITEM REPORT

### Recommended Action

Receive a report on the West Valley Solid Waste Management Authority's (Authority) fiscal year (FY) 2022-23 Audited Financial Statements.

### Discussion

The City of Campbell (Campbell) provides financial services (general ledger, bookkeeping, etc.) to the Authority. Campbell, on behalf of the Authority, hired Eide Bailly, LLP to perform the annual audit of the Authority's financial statements.

In the auditor's opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2023, and the changes in financial position and cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

### Documents Attached

FY 2022-23 Audited Financial Statements

### Fiscal Impact

None

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Annual Financial Report  
June 30, 2023

# West Valley Solid Waste Management Authority

# West Valley Solid Waste Management Authority

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June 30, 2023

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## Board Members

Bryan Mekechuk, City of Monte Sereno, Chair

Chuck Page, City of Saratoga, Vice Chair

Dan Furtado, City of Campbell, Member

Mary Badame, Town of Los Gatos, Member

## Staff

Rob Hilton, Executive Director



## Independent Auditor's Report

Board of Directors  
West Valley Solid Waste Management Authority  
Campbell, California

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the business-type activities of the West Valley Solid Waste Management Authority (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Report on Summarized Comparative Information***

We have previously audited the 2022 financial statements of the Authority, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eric Bailly LLP".

Menlo Park, California  
February 27, 2024

This section of the Authority's financial statements, referred to as management's discussion and analysis, provides a narrative introduction, overview, and analysis of the Authority's financial statements that follow.

### **Fiscal Year 2022-23 Financial Highlights**

The primary revenue source for the Authority comes from each member agency based upon the estimated expenses for the upcoming year and a franchise agreement with West Valley Collection and Recycling that provides revenues of \$450,000 annually for the Authority. Operating revenues increased in the current year by \$147,802 from 2022. Total revenues for the fiscal year ended June 30, 2023, were \$1,057,025 compared to expenses of \$1,182,720, resulting in an operating loss of \$125,695 for the fiscal year. This loss was supplemented by the Cal Recycle Senate Bill 1383 grant in the amount of \$168,481 and investment income of \$5,952 resulting in a change in net position of \$48,738. Ending net position was \$340,278, consisting of cash and investments in the amount of \$454,661, receivables of \$17,356, and accounts payable and other liabilities of \$131,739.

### **Overview of the Financial Statements**

This discussion and analysis serve as an introduction to the Authority's basic financial statements.

These basic financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private sector business. They consist of the statement of net position, the statement of revenues, expenses, and changes in net position, the statement of cash flows, and the related notes.

The statement of net position includes all of the Authority's investments in resources (assets and deferred outflows of resources) and the obligations to creditors (liabilities and deferred inflows of resources). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through its assessments, fees and other charges, profitability, and creditworthiness. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did the cash come from, what was cash used for, and what was the change in cash balance during the reporting period. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. They can be found immediately following the financial statements.

### Financial Analysis of the Authority

This analysis focuses on the net position and changes in net position at the Authority-wide level as presented in the statement of net position and the statement of revenues, expenses, and changes in net position.

Net position for the Authority is summarized below and analysis follows:

#### Statement of Net Position

	Fiscal Year 2023	Fiscal Year 2022
Cash and cash equivalents	\$ 454,661	\$ 453,340
Accounts Receivable	17,356	75,949
Accounts Payable and other Liabilities	131,739	237,749
Net position, unrestricted	<u>\$ 340,278</u>	<u>\$ 291,540</u>

Total assets and liabilities decreased by \$57,272 (10.82%) and \$106,010 (44.59%), respectively, as a result of a significant decrease in unearned revenues coupled with a decrease in accounts receivable. Below is a summary of components that resulted in the changes in net position.

#### Statement of Revenues, Expenses, and Changes in Net Position

	Fiscal Year 2023	Fiscal Year 2022
Operating Revenues		
Member assessments	\$ 191,787	\$ 362,599
Annual fee payment	450,000	450,000
Other	81,548	96,624
Total operating revenues	<u>723,335</u>	<u>909,223</u>
Operating Expenses		
Solid waste	732,720	438,450
Distributions to member agencies	450,000	450,000
Total Operating Expenses	<u>1,182,720</u>	<u>888,450</u>
Operating income (loss)	(459,385)	20,773
Nonoperating Revenue		
Other Grants	168,481	-
Investment income	5,952	(3,908)
Change in net position	<u>\$ (284,952)</u>	<u>\$ 16,865</u>



Revenues and expenses increased from prior year as a result of additional funds needed to finalize the Authority's collection contract, complete a refuse vehicle impact study and a franchise fee study, and continue implementation of California Senate Bill 1383.

### **Budgetary Highlights**

For the fiscal year ending June 30, 2023, the Authority's actual revenues were \$97,935 (or 8.6%) greater than budgeted. This is primarily due to \$81,548 received in assessed liquidated damages. There were no material variances between budgeted and actual expenses.

### **Economic Factors and Next Year's Budget**

Next year's budget is based on current year actual results with a modest inflation factor of 3%. It also includes additional funds and revenues related to collection contract implementation and continuation of the franchise fee study started in FY23. Additionally, ongoing costs of Senate Bill 1383 are also included in next year's budget.

### **Requests for Information**

This financial report is designed to provide a general overview of the West Valley Solid Waste Management Authority's finances for residents, taxpayers, creditors, and any other interested parties. Questions about this report can be directed to the City of Campbell's Finance Department at 70 North First Street, Campbell, CA 95008.

# West Valley Solid Waste Management Authority

## Statement of Net Position

June 30, 2023

(with Comparative totals at June 30, 2022)

	2023	2022
Current Assets		
Cash and cash equivalents	\$ 454,661	\$ 453,340
Accounts receivable	17,356	75,949
Total assets	472,017	529,289
Current Liabilities		
Accounts payable and other liabilities	131,739	237,749
Total liabilities	131,739	237,749
Net Position		
Unrestricted	340,278	291,540
Total net position	\$ 340,278	\$ 291,540

West Valley Solid Waste Management Authority  
Statement of Revenues, Expenditures, and Changes in Net Position  
Year Ended June 30, 2023 (with Comparative totals for the Year Ended June 30, 2022)

	2023	2022
Operating Revenues		
Member assessments		
City of Campbell	\$ 74,780	\$ 141,519
Town of Los Gatos	55,520	105,211
City of Monte Sereno	6,489	12,027
City of Saratoga	54,998	103,842
Total member assessments	191,787	362,599
Reimbursement from collection service provider	81,548	96,624
Reimbursement from hauler contract	333,690	-
Annual fee payment	450,000	450,000
Total operating revenues	1,057,025	909,223
Operating Expenses		
Distribution to member agencies	450,000	450,000
Professional and special services	620,529	313,606
Legal	35,564	28,611
Insurance	5,152	4,129
Audit	3,121	3,060
Other expenses	68,354	89,044
Total operating expenses	1,182,720	888,450
Operating Income (loss)	(125,695)	20,773
Nonoperating Revenue (Expenses)		
Grant revenues	168,481	-
Investment income	5,952	(3,908)
Total Nonoperating Revenue (Expenses)	174,433	(3,908)
Change In Net Position	48,738	16,865
Net Position at Beginning of Year	291,540	274,675
Net Position at End of Year	\$ 340,278	\$ 291,540

# West Valley Solid Waste Management Authority

## Statement of Cash Flows

Year Ended June 30, 2023

(with Comparative totals for the Year Ended June 30, 2022)

	2023	2022
Cash Flows from Operating Activities		
Cash received from member agencies	\$ 250,380	\$ 286,789
Cash received from service providers	865,238	546,624
Cash payments to member agencies	(450,000)	(450,000)
Cash payments to suppliers for goods and services	(838,730)	(215,887)
Net Cash Provided by (Used) in Operating Activities	(173,112)	167,526
Cash Flows From Non Capital Financing Activities		
Operating assistance received	168,481	-
Cash Flows From Investing Activities		
Investment income (loss)	5,952	(3,908)
Net Increase (Decrease) In Cash And Cash Equivalents	1,321	163,618
Cash and Cash Equivalents at Beginning of Year	453,340	289,722
Cash and Cash Equivalents at End of Year	\$ 454,661	\$ 453,340
Reconciliation of Operating Income to		
Net Cash Used for Operating Activities		
Operating Income	\$ (125,695)	\$ 20,773
Adjustments to reconcile operating income to net		
cash used for operating activities		
Decrease (Increase) in accounts receivable	58,593	(75,810)
Increase (Decrease) in accounts payable and other liabilities	(106,010)	222,563
Net Cash Provided by (Used) for Operating Activities	\$ (173,112)	\$ 167,526

**Note 1 - Summary of Significant Accounting Policies****Reporting Entity**

The West Valley Solid Waste Management Authority (the Authority) was formed on October 1, 1997, to implement and administer the West Valley Solid Waste Management Plan, manage rate studies, and negotiate the related contracts for member entities. The Authority is the only entity included in these financial statements.

The Authority includes the Cities of Campbell, Monte Sereno, and Saratoga and the Town of Los Gatos. The City of Campbell (the City) maintains the financial records and provides accounting services for the Authority.

**Measurement Focus and Basis of Accounting**

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Authority's financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less. The City's cash and investments are in the California Local Agency Investment Fund ("LAIF"). The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The City valued its investments in LAIF at June 30, 2023, by multiplying its balance by a fair value factor determined by LAIF (.987125414). This fair value factor was calculated by dividing the total fair value for all participants by the total amortized cost.

### **Fair Value Measurements**

The Authority categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The Authority's investment in the City of Campbell investment pool is not subject to the fair value hierarchy.

### **Classification of Revenues**

*Operating revenues* consist of charges to member agencies, franchise fees, and reimbursements charged to West Valley Collection and Recycling. *Nonoperating revenues* consist of investment income.

### **Net Position Flow Assumption**

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then use unrestricted resources as they are needed.

### **Prior-Year Data**

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's prior-year financial statements from which this selected financial data was derived.

### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimates.

**Cash and Investments**

The Authority does not have a separate bank account, however, pools its cash with the City's portfolio of investments. Investments are stated at fair value. The Authority is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis. At June 30, 2023, the Authority had a cash balance of \$454,661.

Pooled cash consists of investments authorized by the California Government Code and the City of Campbell's investment policy. Allowable investment instruments are defined in the California Government Code Section 53600, et. seq., as amended. If the Code is further revised to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to these changes, excluding those changes that may be prohibited by this policy. Where the Government Code specifies a percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase. The City's pool is not rated and is not registered with the SEC. The average maturity of its investments is less than one year. Additional disclosures about the City's pooled cash and investments may be found in the City's annual comprehensive financial report.

**Franchise Agreement**

On March 1, 2014, the Authority entered into a franchise agreement with West Valley Collection and Recycling. Under this agreement, the Authority will receive a payment of \$450,000 annually for the right to continue to hold the franchise for the collection of solid waste, recyclable materials, green waste, food scraps, and construction and demolition debris within the Authority; the transportation of such material to appropriate places of processing, recycling, composting, and/or disposal; and the processing of recyclable materials and food scraps for a period of 10 years ending February 28, 2024. The Authority has recorded the fee revenues of \$450,000 from this agreement in the accompanying statement of revenues, expenses, and changes in net position.

## West Valley Solid Waste Management Authority

Notes to Financial Statements

June 30, 2023

---

On May 1, 2014, the Authority agreed that the proceeds from the franchise agreements would be distributed to each member agency based on the population. Accordingly, the Authority has recorded distributions to member agencies of \$450,000 in operating expenses in the accompanying statement of revenues, expenses, and changes in net position. The distributions were as follows:

	<u>Amount</u>
City of Campbell	\$ 175,460
Town of Los Gatos	130,270
City of Monte Sereno	15,225
City of Saratoga	<u>129,045</u>
Total distributions	<u>\$ 450,000</u>

At June 30, 2023, there was no balance due to these member agencies.





**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
of the West Valley Solid Waste Management Authority  
Campbell, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of West Valley Solid Waste Management Authority (the Authority) , as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 27, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Menlo Park, California  
February 27, 2024



# WEST VALLEY

Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Agenda Item No. 9

Meeting Date: May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: Amended and Restated Collection Agreement

## AGENDA ITEM REPORT

### Recommended Action

Approve Resolution 2024-04 authorizing the Board Chair to enter into an Amended and Restated Franchise Agreement with West Valley Collection & Recycling (WVC&R).

### Discussion

The West Valley Solid Waste Management Authority (Authority) has an agreement with West Valley Collection and Recycling, LLC (WVC&R) for the collection of solid waste, recyclable materials, and organic materials; and processing of recyclable materials and organic materials (Collection Agreement). The Authority Board approved the Collection Agreement at the December 5, 2022 Board Meeting and WVC&R commenced services on March 1, 2024. The Collection Agreement was made effective more than a year prior to the commencement of services to allow WVC&R sufficient time to prepare for the new programs including, but not limited to, ordering new vehicles, and hiring additional staff.

The Authority identified the need to amend the Collection Agreement to align with the street sweeping and construction and demolition (C&D) debris programs developed during this implementation period.

- **Non-Exclusive C&D Debris Program.** In response to the Board's direction, the Authority developed and implemented a non-exclusive C&D debris program that commenced March 1, 2024. Currently, WVC&R has elected to not participate in this program. As a result, the amended Collection Agreement removes C&D debris collection from the services provided by WVC&R. If WVC&R becomes a C&D hauler in the future, the non-exclusive system adopted by the Board in November 2023 will govern WVC&R's provision of those services.
- **Street Sweeping Program.** The cities of Campbell, Monte Sereno, Saratoga; and the Town of Los Gatos (Member Agencies) currently procure or provide street sweeping services themselves. The Authority included street sweeping services in the Request for Proposal (RFP) process that resulted in the selection of WVC&R and their street sweeping



subcontractor. The Collection Agreement, approved by the Board in December 2022, provided time for the Member Agencies to scope the services after execution of the Collection Agreement and prior to the start of services in July 2024, based on the per-mile costs included in the Collection Agreement. The amended Collection Agreement includes such provisions and scope.

## **Documents Attached**

Resolution 2024-04

## **Fiscal Impact**

None



# WEST VALLEY

Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

## RESOLUTION NO. 2024-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDED AND RESTATED FRANCHISE AGREEMENT BETWEEN THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY AND WASTE CONNECTIONS OF CALIFORNIA INC., D/B/A WEST VALLEY COLLECTION & RECYCLING FOR ORGANIC MATERIALS, RECYCLABLE MATERIALS, AND SOLID WASTE COLLECTION SERVICES AND ORGANIC MATERIALS AND RECYCLABLE MATERIALS PROCESSING**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY (Authority) that the document entitled "AMENDED AND RESTATED FRANCHISE AGREEMENT BETWEEN WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY AND WASTE CONNECTIONS OF CALIFORNIA INC., D/B/A WEST VALLEY COLLECTION & RECYCLING FOR ORGANIC MATERIALS, RECYCLABLE MATERIALS, AND SOLID WASTE COLLECTION SERVICES AND ORGANICS MATERIALS AND RECYCLABLE MATERIALS PROCESSING" a copy of which is attached hereto and incorporated herein by reference, is hereby approved and the Executive Director is authorized to execute same.

The Board of Directors of the Authority passed and adopted this resolution, at a special Board Meeting held on May 22, 2024, by the following vote:

	Count	Member Names
AYES:	_____	_____
NOES:	_____	_____
ABSENT:	_____	_____
ABSTAIN:	_____	_____

Approved: \_\_\_\_\_  
Bryan Mekechuk, Chairperson

Attest: \_\_\_\_\_  
Rob Hilton, Executive Director

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**AMENDED AND RESTATED FRANCHISE AGREEMENT**

**BETWEEN**

**WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY**

**AND**

**WASTE CONNECTIONS OF CALIFORNIA INC., D/B/A WEST VALLEY  
COLLECTION & RECYCLING**

**FOR**

**ORGANIC MATERIALS, RECYCLABLE MATERIALS, AND SOLID  
WASTE COLLECTION SERVICES**

**AND**

**ORGANICS MATERIALS AND RECYCLABLE MATERIALS  
PROCESSING**

**APRIL 16, 2024 DRAFT**

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- B. Direct Services
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**FRANCHISE AGREEMENT  
BETWEEN  
WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY  
AND  
WASTE CONNECTIONS OF CALIFORNIA, INC., D/B/A WEST VALLEY COLLECTION  
& RECYCLING FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS, AND SOLID  
WASTE COLLECTION SERVICES AND RECYCLABLE MATERIALS AND ORGANICS  
MATERIALS PROCESSING**

THIS FRANCHISE AGREEMENT is made and entered into as of \_\_\_\_\_, 2024 between the West Valley Solid Waste Management Authority of Santa Clara County, California, a Joint Powers Authority organized under the laws of the State of California (hereinafter "Authority"), and Waste Connections of California, Inc., d/b/a West Valley Collection & Recycling (hereinafter referred to as the "Contractor").

**RECITALS**

---

This Agreement is entered into with reference to the following facts and circumstances:

**WHEREAS**, effective October 1, 1997, the Cities of Campbell, Monte Sereno, and Saratoga, and the Town of Los Gatos formed the Authority pursuant to Government Code Section 6500 et. Seq. to manage and oversee the Franchised Services originating in the Cities of Campbell, Monte Sereno and Saratoga and the Town of Los Gatos; and

**WHEREAS**, among the powers granted the Authority is the power to arrange for the Franchised Services; and

**WHEREAS**, pursuant to California Public Resources Code Section 40059(a)(2), the Board of Directors of the Authority has determined that the public health, safety, and well-being require that an exclusive Franchise be awarded to a qualified company for the Franchised Services; and

**WHEREAS**, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (AB 939) (California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste Collection within their jurisdiction; and

**WHEREAS**, the State of California has found and declared that the amount of refuse generated in California, coupled with diminishing Disposal capacity and potential adverse 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 Diversion and to maximize the use of feasible waste

reduction, reuse, Recycling, and Composting options in order to reduce the amount of refuse that must be Disposed; and

**WHEREAS**, the Authority further declares its intent to approve and maintain reasonable Rates for the Collection, Recycling, Processing, Composting, and/or Disposal of Recyclable Materials, Organic Materials, and Solid Waste; and

**WHEREAS**, the Authority desires, having determined that Contractor, by demonstrated experience, reputation and capacity is qualified to provide for both the Collection of Recyclable Materials, Organic Materials, and Solid Waste within the corporate limits of the Authority and the Transportation of such material to appropriate places of Processing, Recycling, Composting, and/or Disposal, that Contractor be engaged to perform such services on the basis set forth in this Agreement; and

**WHEREAS**, the Authority and Contractor have attempted to address conditions affecting their performance of services under this Agreement but recognize that reasonably unanticipated conditions may occur during the Term of this Agreement that will require the Parties to meet and confer to reasonably respond to such changed conditions; and

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, and conditions contained in this Agreement and for other good and valuable consideration, the Parties agree as follows:

## **ARTICLE 1.**

### **GRANT AND ACCEPTANCE OF FRANCHISE**

---

#### **1.1 GRANT AND ACCEPTANCE OF FRANCHISE**

By the signing of this Agreement, the Authority grants to Contractor and Contractor accepts an exclusive franchise within the Authority. The franchise granted to Contractor shall be for the scope of services described in this Agreement, subject to the limitations described in Section 1.2 and except where otherwise precluded by Federal, State, and local laws and regulations.

#### **1.2 LIMITATIONS TO THE FRANCHISE**

The award of this Agreement shall not preclude the categories of Recyclable Materials, Organic Materials, Solid Waste, and C&D listed below from being delivered to and Collected and Transported by others, provided that nothing in this Agreement is intended to or shall be construed to excuse any Person from obtaining any authorization from the Authority which is otherwise required by law:

- A. **Recyclable and Organic Materials.** Collection and Transport of Recyclable Materials and Organic Materials other than Edible Food that have been Source Separated from Solid Waste by the Generator and that: (1) Generator sells or donates to any other Person, provided that there is no net payment made by the Generator to such other Person; or, (2) have a value equal to or more than the cost of Collection.
- B. **Self-Hauled Materials.** A Commercial Business Owner or Resident may Collect and Transport Recyclable Materials, Organic Materials, Solid Waste, and Construction and Demolition Debris for Processing generated in or on their own Premises with their own vehicle. However, the Owner or Resident shall be required to subscribe to and pay for the minimum required level of Solid Waste,

Recyclable Materials, and Organic Materials Collection services provided by the Contractor in accordance with Exhibit B.

- C. **Construction and Demolition Debris (C&D).** Collection and Transport of Construction and Demolition Debris (C&D) from a permitted construction or demolition project consistent with the Member Agencies' Municipal Code and other Applicable Law.
- D. **Donated or Sold Materials.** Any items which are Source Separated at any Premises by the Generator and sold or donated to other Persons, including youth, civic, or charitable organizations.
- E. **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 which is Transported by the Generator to another Person(s), such as a Person from 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.
- F. **Food Scraps.** Food Scraps that are separated by the Generator and used by the Generator or distributed to other Person(s) for lawful use as animal feed, in accordance with 14 CCR Section 18983.1(b)(7). Food Scraps intended for animal feed may be Self-Hauled by Generator or hauled by another party.
- G. **Beverage Containers.** Containers delivered for Recycling under the California Beverage Container Recycling and Litter Reduction Act, Section 14500, et seq. California Public Resources Code.
- H. **Materials Removed by Customer's Contractor as Incidental Part of Services.** Recyclable Materials, Organic Materials, Solid Waste, C&D, and Bulky Items removed from a Premises by a contractor (e.g., gardener, landscaper, tree-trimming service, construction contractor, Residential clean-out service) as an incidental part of the service being performed, rather than as a separately contracted or subcontracted hauling service; or if such contractor is providing a service which is not included in the scope of this Agreement.
- I. **On-Site Composting or Community Composting.** Organic Materials Composted on a Residential Premise or otherwise legally managed at the site where it is generated or at a Community Composting site.
- J. **Animal and Grease Waste.** Animal waste and remains from slaughterhouse or butcher shops, or grease.
- K. **Sewage Treatment By-Product.** By-products of sewage treatment, including sludge, sludge ash, grit, and screenings.
- L. **Excluded Materials.** Excluded Materials regardless of its source.
- M. **Materials Generated by State and County Facilities.** Materials generated by State and County facilities located in the Authority, including but not limited to public schools, provided that the facility Self-Hauls, has arranged services with other Persons, or has arranged services with the Contractor through a separate agreement.

Contractor acknowledges and agrees that the Authority may permit other Persons besides the Contractor to Collect any and all types of materials excluded from the scope of this Franchise, as set forth above, without seeking or obtaining approval of Contractor. If Contractor can produce evidence that other Persons are servicing Collection Containers or are Collecting and Transporting Recyclable Materials, Organic Materials, and/or Solid Waste in a manner that is not consistent with this Agreement or the Cities' Codes, it shall report the location, the name and phone number of the Person or company to the Authority Contract Manager along with Contractor's evidence. In such case, Contractor shall have the primary right and duty to take legal action to enforce its rights under this Agreement. Authority's duty to enforce the exclusivity of this Agreement shall be limited to providing written confirmation of Contractor's exclusive rights under this Agreement to Generators, collection companies, and/or the court, as requested by Contractor.

This Agreement and scope of this franchise shall be interpreted to be consistent with Applicable Law, now and during the Term of the Agreement. If future judicial interpretations of current law or new laws, regulations, or judicial interpretations limit the ability of the Authority to lawfully contract for the scope of services in the manner consistent with all provisions as specifically set forth herein, Contractor agrees that the scope of the Agreement will be limited to those services and materials which may be lawfully included herein and that the Authority or Member Agencies shall not be responsible for any lost profits or losses claimed by Contractor to arise out of limitations to the scope or provisions of the Agreement set forth herein. In such an event, it shall be the responsibility of Contractor to minimize the financial impact of such future judicial interpretations or new laws and the Contractor may meet and confer with Authority and may petition for a Rate adjustment pursuant to Section 8.3.

### **1.3 OBLIGATIONS OF PARTIES**

In addition to the specific performance required under the Agreement, Authority and Contractor shall:

- A. Use their reasonable efforts to enforce the exclusive nature of the franchise by the Contractor's identification and documentation of violations of the franchise Agreement and the Authority's notification of Generators, collection companies, and/or the court reasonably believed to be violating the franchise regarding the terms of this Agreement.
- B. Provide timely notice to one another of a perceived failure to perform any obligations under this Agreement and access to information demonstrating the Party's failure to perform.
- C. Provide timely access to the Authority Contract Manager and the Contractor's designated representative, and complete and timely responses to requests of the other Party.
- D. Provide timely notice of matters which may affect either Party's ability to perform under the Agreement.



## **ARTICLE 2.**

### **TERM OF AGREEMENT**

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#### **2.1 TERM AND OPTION TO EXTEND**

The Term of this Agreement shall commence March 1, 2024 (Commencement Date) and continue in full force for a period of ten (10) years and one (1) month, through and including March 31, 2034, unless the Agreement is extended in accordance with this Section or terminated pursuant to Section 10.2.

Upon the Authority's sole discretion, this Agreement may be extended by one (1) or more times without amendment for a total period not to exceed two (2) years. If the Authority desires to extend the Agreement, Authority shall provide the Contractor with written notice of its decision to extend the Agreement as least one (1) year before the expiration of the initial Term. Such notice by Authority shall specify the duration of the extension. In the event of an extension, all terms and conditions of this Agreement shall remain in full force and effect throughout the extended Term of the Agreement.

Upon the Parties' mutual agreement, this Agreement may be extended one (1) or more times without amendment for a total period not to exceed three (3) years. If Authority desires to extend the Agreement, Authority shall provide the Contractor with written notice of its request to extend the Agreement at least one (1) year before the expiration of the initial or extended Term. Such notice by Authority shall specify the duration of the extension. In the event of an extension, all terms and conditions of this Agreement shall remain in full force and effect throughout the extended Term of the Agreement, except as otherwise agreed to by the Parties, and the Contractor's Compensation shall be adjusted pursuant to Exhibit E2.

This Agreement may be extended for no more than five (5) years cumulatively for extensions at the Authority's sole discretion and at Parties mutual agreement.

Between the Effective Date and Commencement Date, Contractor shall perform all activities necessary to prepare itself to start providing services required by this Agreement on the Commencement Date.

If applicable, before expiration or earlier termination of this Agreement pursuant to this Section 2.1, Contractor will take direction from the Authority Contract Manager and reasonably cooperate with the subsequent Contractor to assist in a timely and orderly transition of services from Contractor to subsequent contractor.

#### **2.2 CONDITIONS TO EFFECTIVENESS OF AGREEMENT**

The obligation of Authority to permit this Agreement to become effective and to perform its undertakings provided for in this Agreement is subject to the satisfaction of all the conditions below, each of which may be waived, in written form only, in whole or in part by Authority.

- A. Accuracy of Representations.** The Contractor's representations and warranties made in Contractor's Proposal and Article 11 of this Agreement are true and correct on and as of the Effective Date.
- B. Furnishings of Insurance and Performance Bond.** Contractor has furnished evidence of the insurance and performance bond required by Article 9 that is satisfactory to the Authority.

- C. Absence of Litigation.** To the best of Contractor's knowledge, after reasonable investigation, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality decided, pending or threatened against Contractor wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would:
1. Materially adversely affect the performance by Contractor of its obligations hereunder;
  2. Adversely affect the validity or enforceability of this Agreement; or
  3. Have a material adverse effect on the financial condition of Contractor, or any surety or entity guaranteeing Contractor's performance under this Agreement.
- D. Permits Furnished.** Contractor has provided Authority with copies of all permits necessary for operation of all Approved Facilities owned or operated by Contractor or any Subcontractor for use under the terms of this Agreement.
- E. Legal Challenge.** Contractor understands and acknowledges that the award of this Agreement may be subject to review and repeal by the Authority's citizens through a referendum or similar petition, and to various types of legal and environmental challenges (such referenda, similar petition and legal and environmental challenges being referred to collectively as "Legal Challenges"). Accordingly, this Agreement shall not become effective until the Authority Contract Manager reasonably determines that (i) any Legal Challenges that had been initiated as of the time of such determination have been resolved in favor of the Authority's award of this Agreement to Contractor; and, (ii) the deadline to initiate any additional Legal Challenges has expired. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the Authority, its board, and the Member Agencies, its Mayor, Council, officers, representatives, agents, employees and volunteers, harmless against any and all liability, claims, losses, damages, or expenses including reasonable attorney's fees, arising from any Legal Challenges. In the event of any election regarding a Legal Challenge and Referendum, Authority shall meet and confer with Contractor to determine if the Authority will hold an election on the Referendum. Contractor shall have the option of either (1) funding the cost to contest the Referendum or (2) rescinding its proposal to enter into the Franchise Agreement. If Contractor and the Authority do not reach an agreement on the costs of an election, the Authority may elect in its sole discretion to rescind its approval of the Franchise Agreement to avoid the need for an election.

## **ARTICLE 3.**

### **SCOPE OF AGREEMENT**

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#### **3.1 SUMMARY SCOPE OF SERVICES**

The Contractor or its Subcontractor(s) shall be responsible for the following:

- A. Collecting Recyclable Materials, Organic Materials, and Solid Waste (with the exception of materials excluded under Article 1) generated by and placed for Collection by Customers pursuant to the requirements of Article 4 and Exhibit B;
- B. Transporting Collected materials to the Designated Facilities or Approved Facilities pursuant to requirements of Article 4 and Exhibit B;

- C. Compensating Post-Collection Services Contractor on a per-Ton basis for all delivered Discarded Materials at the then applicable Authority-approved per-Ton rates for each Rate Period. The initial per-Ton rates are as shown in Exhibit G2, subject to annual adjustment as provided in Section 8.2 of the Post-Collection Services Agreement;
- D. Performing all other services required by this Agreement including, but not limited to, Customer billing, public education, Customer service, record keeping, and reporting pursuant to Articles 4 and 6 and Exhibits C (Public Education & Outreach Requirements) and D (Reporting Requirements);
- E. Furnishing all labor, supervision, vehicles, Containers, other equipment, materials, supplies, and all other items and services necessary to perform its obligations under this Agreement;
- F. Paying all expenses related to provision of services required by this Agreement including, but not limited to, taxes, regulatory fees (including Member Agency Reimbursements and Franchise Fees), and utilities;
- G. Performing or providing all services necessary to fulfill its obligations in substantial conformance with the Contractor's Proposal, and in full accordance with this Agreement, and the performance standards contained within, at all times using best industry practice for comparable operations; and
- H. Complying with all Applicable Laws.

The enumeration and specification of particular aspects of service, labor, or equipment requirements shall not relieve Contractor of the duty to perform all other tasks and activities necessary to fulfill its obligations under this Agreement, regardless of whether such requirements are enumerated elsewhere in the Agreement, unless excused in accordance with Section 10.7.

### **3.2 USE OF APPROVED FACILITIES**

The Contractor, without constraint and as a free-market business decision in accepting this Agreement, agrees to Transport all materials Collected under this Agreement to the Designated Facility(ies) and Approved Facility(ies) described in this Agreement for the purposes of Transfer, Processing and/or Disposal. Such decision by Contractor in no way constitutes a restraint of trade notwithstanding any Change in Law regarding flow control limitations or any definition thereof.

### **3.3 SUBCONTRACTING**

Contractor is solely responsible for management and oversight of the activities of all Subcontractors. Contractor shall require that all Subcontractors or Affiliates comply with all material terms of this Agreement. Contractor shall be subject to Liquidated Damages and/or considered to be in breach or default should the activities of any Subcontractor trigger such Liquidated Damages or constitute a breach or event of default under this Agreement. The Authority Contractor Manager may, in their reasonable discretion, determine that the Contractor's relationship with a third-party constitutes a Subcontractor under this Agreement.

Contractor shall not engage any Subcontractors for any activity involving direct interaction with Customers, operation of vehicles within the Authority, nor the Collection, Transportation, or Processing of Recyclable Materials, Organic Materials, and Solid Waste services without the prior written consent of Authority Contract Manager, which may be granted in their sole discretion. As of the Effective Date of this

Agreement, Authority has approved Contractor's use of those Subcontractors and Subcontractors identified in Contractor's Proposal, included herein as Exhibit G4.

If the Contractor plans to engage an Affiliate or a Subcontractor in the provision of services, Contractor shall provide Authority Contract Manager with thirty (30) days written notification of its plans and provide an explanation of any potential impacts related to the quality, timeliness, or cost of providing services under this Agreement. Contractor shall require that all Subcontractors provide insurance coverage and file certificates with the Authority consistent with the coverage types, levels, and endorsements included in Article 9 of this Agreement. The Authority Contract Manager may waive or excuse these insurance requirements in their sole discretion and a waiver of requirements for one Subcontractor shall not provide precedent regarding future waivers.

### **3.4 RESPONSIBILITY FOR MATERIALS**

Once Recyclable Materials, Organic Materials, and/or Solid Waste are placed in Containers serviced by the Contractor and at the Collection location, the responsibility for their proper handling shall transfer directly from the Generator to Contractor, with the exception of Excluded Materials if the Contractor can identify the Generator pursuant to Section 5.3.B. Once Recyclable Materials, Organic Materials, and/or Solid Waste are deposited by Contractor at the appropriate Designated Facility or Approved Facility, such materials shall become the responsibility of the Owner or operator of the Designated Facility or Approved Facility with the exception of Excluded Materials pursuant to Section 5.3.

Responsibility for Transporting Excluded Materials that have been inadvertently Collected by the Contractor to an appropriate Disposal Facility shall remain with the Contractor if it cannot identify the Generator, and Contractor shall assume responsibility only for ensuring it is Transported to an appropriate Disposal Facility that can manage such Excluded Material.

### **3.5 AUTHORITY-DIRECTED CHANGES TO SCOPE**

Authority shall require a proposal from Contractor to establish the scope of any modification to existing services (which may include use of Approved Facilities) that Authority wishes to have provided under this Agreement. In such case, Contractor shall present, within thirty (30) calendar days of Authority's request, unless an alternate schedule is mutually agreed-upon, a written proposal to provide such modified or additional services, including adjustments in Contractor's Compensation ("Contractor's modification proposal"). Authority shall review the Contractor's Proposal for the change in scope of services. The Parties shall negotiate Contractor's proposed revisions and costs and shall amend this Agreement, as appropriate, to reflect the mutually agreed-upon changes in scope. If the Authority and Contractor are unable to agree on terms and conditions, including compensation adjustments, of such services within one hundred twenty (120) calendar days from Authority receipt of Contractor's Proposal for such services, the Authority may permit other Persons to provide such services. Nothing herein shall prevent the Authority from soliciting cost and operating information from other Persons in order to inform the Authority's evaluation of Contractor's Proposal.

## **ARTICLE 4. SCOPE OF SERVICES**

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Contractor shall perform the Recyclable Materials, Organic Materials, Solid Waste, and Bulky Item Collection and Transport services described in this Article 4. This Article 4 describes the general

requirements for the services to be provided. More specific requirements for how each service shall be provided to each Customer Type are described in Exhibit B. Failure to specifically require an act necessary to perform the service does not relieve Contractor of its obligation to perform such act.

#### **4.1 RECYCLABLE MATERIALS**

- A. Collection.** Contractor shall provide Recyclable Materials Collection services as described in Exhibit B.
- B. Transfer.** Contractor plans to Transport Recyclable Materials to the Approved Transfer Facility where the materials will be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Recyclable Materials Processing Facility. Contractor shall keep all existing permits and approvals necessary for use of the Approved Transfer Facility in full regulatory compliance. Upon request, Contractor shall provide copies of facility permits and/or notices of violations (obtained from its Approved Transfer Facility operator if necessary) to Authority Contract Manager. If the Contractor is unable to use the Approved Transfer Facility due to circumstances outside the Contractor's control, then the Contractor shall be responsible for making other Transportation arrangements. In such event, Contractor shall not be compensated for any additional costs. If the Contractor plans to change its Transfer method, Contractor shall obtain written approval from the Authority prior to making the change.
- C. Delivery to Approved Facility.** Contractor shall Transport and deliver all Source Separated Recyclable Materials placed by Customers in Recyclable Material Containers in the Authority to the Approved Recyclable Materials Processing Facility.

Contractor shall observe and comply with all regulations in effect at the Approved Recyclable Materials Processing Facility and cooperate with and take direction from the operator thereof with respect to delivery of Recyclable Materials. Contractor shall actively work with the Approved Recyclable Materials Processing Facility operator throughout the Term of this Agreement to ensure that contamination of the Recyclable Materials Collected under this Agreement delivered to the Processing Facility remains below any limits established by Applicable Law.

- D. Processing.** Contractor shall Transport and deliver all Source Separated Recyclable Materials placed in Recyclable Material Containers in the Authority to the Approved Recyclable Materials Processing Facility. All tipping fees and other costs associated with Transporting to, and Processing of, such Recyclable Materials at the Approved Recyclable Materials Processing Facility and Disposing of the Residue as required in Section 4.1.G below shall be paid by Contractor.

Contractor guarantees sufficient capacity at the Approved Recyclable Materials Processing Facility to Process all Source Separated Recyclable Materials Collected by Contractor under this Agreement throughout the Term of the Agreement.

Contractor shall keep all existing permits and approvals necessary for use of the Approved Recyclable Materials Processing Facility in full regulatory compliance. Upon request, Contractor shall provide copies of facility permits and/or notices of violations (obtained from its Processing Facility operator if necessary) to Authority Contract Manager.

- E. Alternative Facilities.** If Contractor is unable to use the Approved Recyclable Materials Processing Facility due to an emergency or sudden and unforeseen closure of the Approved Recyclable

Materials Processing Facility that is outside the control of the Contractor, Contractor may use an alternative Processing Facility provided that the Contractor provides written notice to Authority Contract Manager. Within forty-eight (48) hours of such emergency or sudden and unforeseen closure, the Contractor shall provide a written description of the reasons the use of the Approved Recyclable Materials Processing Facility is not feasible, and the period of time Contractor proposes to use the alternative Processing Facility. Such a change in Processing Facility shall be temporarily permitted until such time as the Authority Contract Manager is able to consider and respond to the use of the proposed alternative Processing Facility. If the use of the proposed alternative Processing Facility is anticipated to or actually does exceed thirty (30) days in a consecutive twelve (12) month period, the use of such Processing Facility shall be subject to approval by the Authority Contract Manager. The Authority Contract Manager may, in their sole discretion, approve, conditionally approve, temporarily approve, or disapprove of the use of the proposed alternative Processing Facility. In the event that the Authority disapproves the use of the proposed alternative Processing Facility, the Parties shall meet and confer to determine an acceptable Processing Facility.

If the need to use the alternative Processing Facility is discretionary or for reasons within Contractor's reasonable control, Contractor's Compensation shall not be adjusted for any change in Transportation and Processing costs associated with use of the alternative Processing Facility. If the need to use the alternative Processing Facility results from reasons beyond Contractor's, or its Subcontractor's, reasonable control, Authority shall adjust, either up or down, Contractor's Compensation for changes in Transportation and Processing costs associated with use of the alternative Processing Facility. In the event that a change in the Processing Facility results in increased costs, Authority Contract Manager may identify and direct Contractor to an alternative Processing Facility that results in less cost than the Contractor-identified alternative.

- F. Marketing.** The Contractor shall be responsible for marketing Recyclable Materials Collected in Authority that are delivered for Processing at Contractor's Approved Recyclable Materials Processing Facility. Contractor's marketing strategy shall promote the highest and best use of materials presented in the waste management hierarchy established by AB 939. Where practical, the marketing strategy should include use of local, regional, and domestic markets for Recyclable Materials.
- G. Residue Disposal.** Residue from the Processing of Source Separated Recyclable Materials Collected under this Agreement at Contractor's Approved Recyclable Materials Processing Facility, which cannot be marketed, shall be Disposed of by Contractor, or the Approved Recyclable Materials Processing Facility operator. Residue delivered for Disposal shall not include any Excluded Waste.
- H. Minimizing Prohibited Container Contaminants.** Contractor shall make best efforts, including those measures specifically identified in this Agreement as well as effective industry practices that may be identified during the Term of this Agreement, to reduce Prohibited Container Contaminants. Contractor shall use information resulting from the Prohibited Container Contaminant monitoring program and any material characterization studies performed on Member Agency Discarded Materials to propose education and outreach campaigns, as required in Exhibit C, that target specific problem materials.
- I. Authority Right to Redirect Recyclable Materials.** The Authority may, at any time during the Term of this Agreement, require Contractor to deliver Recyclable Materials Collected under this Agreement to a Processing Facility other than the Recyclable Materials Processing Facility selected

by the Contractor. In the event the Authority makes such a requirement, the Authority shall provide written notice to Contractor no less than six (6) months prior to the date the Contractor shall commence use of the Authority-Designated Facility. Contractor's Compensation and Rates will be adjusted for increases or decrease in Transportation and/or Processing costs in accordance with Sections 3.5 and 8.2.

## **4.2 ORGANIC MATERIALS**

- A. Collection.** Contractor shall provide Organic Materials Collection services as described in Exhibit B.
- B. Transfer.** Contractor plans to Transport Multi-Family and Commercial Organic Materials to the Designated Transfer Facility where the materials will be unloaded from Collection vehicles and loaded into large-capacity vehicles and Transported to the Approved Organic Materials Processing Facility. Contractor shall keep all existing permits and approvals necessary for use of the Designated Transfer Facility in full regulatory compliance.
- C. Delivery of Single-Family Organic Materials.** Contractor shall Transport and deliver all Source Separated materials placed by Single-Family Customers in Organic Materials Containers in the Authority to the Designated Organic Materials Processing Facility.
- D. Delivery of Commercial Organic Materials.** Contractor shall Transport and deliver all Source Separated Organic Materials placed by Commercial Customers in Organic Material Containers in the Authority to the Approved Organic Materials Processing Facility. Tipping fees associated with use of the Designated Facility shall be paid by Contractor to the Post-Collection Services Contractor as provided in Article 8 and Exhibit E.
- E. Delivery of Multi-Family Organic Materials.** Contractor shall Transport and deliver all Source Separated Organic Materials placed by Multi-Family Customers in Organic Material Containers in the Authority to the Designated Organic Materials Processing Facility or Approved Organic Materials Processing Facility. Authority reserves the right to require Contractor to Transport and deliver all Source Separated Organic Materials placed by Multi-Family Customers in Organic Material Containers in the Authority to the Approved Organic Materials Processing Facility if excessive Prohibited Container Contaminants are delivered to the Designated Organic Materials Processing Facility. Tipping fees associated with use of the Designated Facility shall be paid by Contractor to the Post-Collection Services Contractor as provided in Article 8 and Exhibit E.
- F. Cooperation with Organic Materials Processing Facility operators.** Contractor shall observe and comply with all regulations in effect at the Designated Organic Materials Processing Facility and Approved Organic Materials Processing Facility and cooperate with and take direction from the operators thereof with respect to delivery of Organic Materials. Contractor shall actively work with the Post-Collection Services Contractor throughout the Term of this Agreement to ensure that contamination of the Organic Materials Collected under this Agreement delivered to the Processing Facility remains below any limits established under the Post-Collection Services Agreement with the Designated Organic Materials Processing Facility and Applicable Law. Contractor shall actively work with the Approved Organic Materials Processing Facility operator throughout the Term of this Agreement to work to keep contamination of the Organic Materials Collected under this Agreement and delivered to the Processing Facility below the limits established by Applicable Law.



**G. Processing.**

1. Contractor shall arrange for Processing of all Multi-Family and Commercial Customer Source Separated Organic Materials at a facility that recovers Organic Materials 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, including Organic Materials, at a landfill or use of Organic Waste, including Organic Materials, as Alternative Daily Cover (ADC) or Alternative Intermediate Cover (AIC). All tipping fees and other costs associated with Transporting such Organic Materials to the Approved Organic Materials Processing Facility and Disposing of the Residue as required in Section 4.2.I below shall be paid by Contractor.
2. Company shall arrange for Organic Materials Processing at the Approved Organic Materials Processing Site, which shall be a 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 Materials Collected under this Agreement:
  - 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 Materials in the materials sent to Disposal is:
    - On and after January 1, 2022, less than 20 percent (20%); and,
    - 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:
    - On and after January 1, 2022, less than 20 percent (20%); and,
    - 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, which 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).
3. Contractor guarantees sufficient capacity at the Approved Organic Materials Processing Facility to Process all Multi-Family and Commercial Customer Source Separated Organic Materials Collected by Contractor under this Agreement throughout the Term of the Agreement.
4. Contractor shall keep all existing permits and approvals necessary for use of the Approved Organic Materials Processing Facility in full regulatory compliance. Upon request, Contractor shall provide copies of facility permits and/or notices of violations (obtained from its Approved Organic Materials Processing Facility operator if necessary) to Authority Contract Manager.



- H. Alternative Facilities.** If Contractor is unable to use the Designated Organic Materials Processing Facility or Approved Organic Materials Processing Facility due to an emergency or sudden and unforeseen closure of the Designated Organic Materials Processing Facility or Approved Organic Materials Facility that is outside the control of the Contractor, Contractor may use an alternative Processing Facility as consistent with the provisions of the Post-Collection Services Agreement and provided that the Contractor provides written notice to Authority Contract Manager. Within forty-eight (48) hours of emergency or sudden and unforeseen closure, the Contractor shall provide a written description of the reasons the use of the Designated Organic Materials Processing Facility or Approved Organic Materials Processing Facility is not feasible, and the period of time Contractor proposes to use the alternative Processing Facility. Such a change in Processing Facility shall be temporarily permitted until such time as the Authority Contract Manager is able to consider and respond to the use of the proposed alternative Processing Facility. If the use of the proposed alternative Processing Facility is anticipated to or actually does exceed thirty (30) days in a consecutive twelve (12) month period, the use of such Processing Facility shall be subject to approval by the Authority Contract Manager. The Authority Contract Manager may, in their sole discretion, approve, conditionally approve, temporarily approve, or disapprove of the use of the proposed alternative Processing Facility. In the event that the Authority Contract Manager disapproves the use of the proposed alternative Processing Facility, the Parties shall meet and confer to determine an acceptable Processing Facility.

If the need to use the alternative Processing Facility is discretionary or for reasons within Contractor's reasonable control, Contractor's Compensation shall not be adjusted for any change in Transportation and Processing costs associated with use of the alternative Processing Facility. If the need to use the alternative Processing Facility results from reasons beyond Contractor's, or its Subcontractor's, reasonable control, Authority shall adjust, either up or down, Contractor's Compensation for changes in Transportation and Processing costs associated with use of the alternative Processing Facility. In the event that a change in the Processing Facility results in increased costs, Authority Contract Manager may identify and direct Contractor to an alternative Processing Facility that results in less cost than the Contractor-identified alternative.

Except for the emergency conditions described in this section, Contractor shall not change its selection of the Approved Organic Materials Processing Facility without Authority Contract Manager's written approval, which may be withheld in the Authority's sole discretion. If Contractor elects to use an Organic Materials Processing Facility that is different than the initial Approved Organic Materials Processing Facility, it shall request written approval from the Authority Contract Manager sixty (60) calendar days prior to use of the site and obtain Authority Contract Manager's written approval no later than ten (10) calendar days prior to use of the site. Failure to meet the requirements of this Section shall result in Liquidated Damage as identified in Exhibit F.

- I. Residue Disposal.** Residue from the Processing of Source Separated Organic Materials Collected under this Agreement at Contractor's Approved Organic Materials Processing Facility, which cannot be marketed, shall be Disposed of by Contractor, or the Processing Facility operator. Residue delivered for Disposal shall not include any Excluded Materials.
- J. Minimizing Prohibited Container Contaminants.** Contractor shall make best efforts, including those measures specifically identified in this Agreement as well as effective industry practices that may be identified during the Term of this Agreement, to reduce Prohibited Container Contaminants. Contractor shall use information resulting from the Prohibited Container Contaminant monitoring

program and any material characterization studies performed on Member Agency Discarded Materials to propose education and outreach campaigns, as required in Exhibit C, that target specific problem materials.

- K. **Authority Right to Redirect Organic Materials.** The Authority may, at any time during the Term of this Agreement, require Contractor to deliver Organic Materials Collected under this Agreement to a Processing Facility other than the Organic Materials Processing Facility selected by the Contractor. In the event the Authority makes such a requirement, the Authority shall provide written notice to Contractor no less than six (6) months prior to the date the Contractor shall commence use of the Authority-Designated Facility. Contractor's Compensation and Rates will be adjusted for increases or decrease in Transportation and/or Processing costs in accordance with Sections 3.5 and 8.2.

#### 4.3 SOLID WASTE

- A. **Collection.** Contractor shall provide Solid Waste Collection services as described in Exhibit B.
- B. **Delivery to Designated Facility.** Contractor shall Transport and deliver all Solid Waste placed by Single-Family Customers in Solid Waste Containers in the Authority to the Designated Disposal Facility. Contractor shall observe and comply with all regulations and posted rules in effect at the Designated Disposal Facility and cooperate with and take direction from the operator thereof with respect to delivery of Solid Waste.
- C. **Alternative Facilities.** If Contractor is unable to use the Designated Disposal Facility due to an emergency or sudden and unforeseen closure of the Designated Disposal Facility that is outside the control of the Contractor, Contractor may use an alternative Disposal Facility as consistent with the provisions of the Post-Collection Services Agreement and provided that the Contractor provides written notice to Authority Contract Manager. Within forty-eight (48) hours of emergency or sudden and unforeseen closure, the Contractor shall provide a written description of the reasons the use of the Designated Disposal Facility is not feasible, and the period of time Contractor proposes to use the alternative Disposal Facility. Such a change in Disposal Facility shall be temporarily permitted until such time as the Authority Contract Manager is able to consider and respond to the use of the proposed alternative Disposal Facility. If the use of the proposed alternative Disposal Facility is anticipated to or actually does exceed thirty (30) days in a consecutive twelve (12) month period, the use of such Processing Facility shall be subject to approval by the Authority Contract Manager. The Authority Contract Manager may, in their sole discretion, approve, conditionally approve, temporarily approve, or disapprove of the use of the proposed alternative Disposal Facility. In the event that the Authority Contract Manager disapproves the use of the proposed alternative Disposal Facility, the Parties shall meet and confer to determine an acceptable Disposal Facility.

If the need to use the alternative Disposal Facility is discretionary or for reasons within Contractor's reasonable control, Contractor's Compensation shall not be adjusted for any change in Transportation costs associated with use of the alternative Disposal Facility. If the need to use the alternative Disposal Facility results from reasons beyond Contractor's, or its Subcontractor's, reasonable control, Authority shall adjust, either up or down, Contractor's Compensation for changes in Transportation costs associated with use of the alternative Disposal Facility. In the event that a change in the Disposal Facility results in increased costs, Authority Contract Manager may identify and direct Contractor to an alternative Processing Facility that results in less cost than the Contractor-identified alternative.

- D. Diversion from Disposal.** Contractor acknowledges that Authority is committed to Diverting materials from Disposal through the implementation of Source Reduction, reuse, Recycling, and other programs, and that Authority may implement new programs, with the involvement of the Contractor, subject to the provisions of Section 3.5, or without the Contractor (which would not be subject to the provisions of Section 3.5) that may impact the overall quantity or composition of Solid Waste to be Collected by Contractor. In addition, Contractor acknowledges that the quantity and composition of Discarded Materials changes over time and accepts all risks associated with those changes. Contractor shall not be entitled to any compensation or other relief resulting from a decline in Solid Waste volumes or Tonnage or from a change in the composition of Solid Waste.

#### **4.4 DROP OFF CENTER**

Contractor shall provide E-Waste, Universal Waste, Used Motor Oil, and Used Oil Filters Collection at a permanent drop-off site. Customers may drop off the materials mentioned in this Section 4.4 during operating hours at the Approved E-Waste Drop-Off Facility.

#### **4.5 USED COOKING OIL**

Contractor shall provide used cooking oil Collection services to Single-Family Customers in accordance with Section 4 of Exhibit B1.

#### **4.6 BULKY ITEM AND ABANDONED WASTE**

- A. Bulky Items and Reusable Materials.** Contractor shall offer Bulky Item and Reusable Materials Collection services for Single-Family Customers, Multi-Family Customers, and Member Agency facilities, as described in Exhibit B. On-call Bulky Item and Reusable Materials Collection services shall be offered to Customers within five (5) Working Days of Contractor's receipt of such a Customer request for service. Pursuant to Exhibit B, Contractor shall make reasonable efforts to schedule on-call Bulky Item and Reusable Materials Collections on a day that is convenient to the Customer. Pursuant to the provisions of Exhibit B, Contractor shall pay all costs associated with Transporting and Processing Bulky Items and Reusable Materials. Contractor shall observe and comply with all regulations in effect at the Approved Facility or reuse Vendor(s), and cooperate with and take direction from the operator(s) thereof with respect to delivery of Bulky Items and/or Reusable Materials.
- B. Abandoned Waste.** In the event a Contractor's Bulky Item Collection Route has less Bulky Item and Reusable Materials Collection pickups scheduled than the maximum daily capacity, the Authority or a Member Agency can direct the additional capacity to Collection Abandoned Waste. The maximum daily capacity for each Bulky Item Collection Route is forty (40) Collections per day. In instances when the Contractor has received verbal or written request from the Member Agency to Collect Abandoned Waste at a specific location, Contractor shall Collect Abandoned Waste from such location within twenty-four (24) hours of receiving the verbal or written request (on Monday for requests received Friday) unless special circumstances warrant a longer period, in which case Contractor shall notify the Member Agency of such circumstances and the need for additional time to Collect materials within twenty-four (24) hours of the Member Agencies' notice to Collect Abandoned Waste. Contractor shall be responsible for Collection, Transportation, and Disposal of such material. Contractor shall record the date, time, location, and description of material Collected including estimated volume of such material; location where such material was Disposed; and cost of Disposal. Copies of receipts from Disposal site for Disposal of Abandoned Waste shall be made

available by Contractor upon request by the Member Agency. Tonnage or volume of material Collected shall be separately recorded and reported to the Authority as described in Exhibit D.

#### **4.7 SPECIAL EVENTS**

Contractor shall provide Recyclable Materials, Organic Materials, and Solid Waste services as described in Exhibit B at no cost to the event or Member Agency. Contractor shall provide the special event services to other events that are sponsored by Member Agency upon thirty (30) calendar days' advance request by the Member Agency. If so directed by Member Agency, Contractor shall coordinate and cooperate with Member Agency or its designees as necessary to facilitate recovery of Edible Food from special events.

Contractor shall Transport all Discarded Materials from special events to the Designated Facility and/or Approved Facility.

#### **4.8 STREET SWEEPING**

Contractor, or its Subcontractor, shall provide the street sweeping services described in Exhibit G at no additional cost to the Authority and/or Member Agencies. Contractor shall make reasonable efforts to always coordinate Solid Waste Collection Route schedules with the street sweeping schedule to maximize the effectiveness of street sweeping operations, including scheduling street sweeping on days following Collection services so that Containers do not impede street sweeping and any litter resulting from Collection activity can be swept. Contractor shall provide all street sweeping Routes and Route schedules to Authority and Member Agencies and work with Authority and/or Member Agency to resolve conflicts between Discarded Materials Collection schedules, Member Agency street parking rules, and street sweeping schedules. Contractor shall modify street sweeping schedules, Routes, and frequencies at the direction of Member Agencies, subject to sixty (60) day notice and adjustment of compensation from the Member Agency or adjustment of Rates that compensate Contractor for the service. Contractor, or its Subcontractor, shall also perform on-call street sweeping services at the request of Member Agencies and subject to the per-curb mile rate for on-call street sweeping services. The per-curb mile rate for Rate Period Zero and Rate Period One is \$43.31.

#### **4.9 PUBLIC EDUCATION AND OUTREACH**

The Authority places the utmost importance on effective public outreach and education in helping residents, businesses, and visitors fully understand options for, and benefits of, Source Reduction, reuse, repair, Recycling, and Composting. The Contractor shall be responsible for designing and implementing a comprehensive, multimedia public education and outreach program. The required public education and outreach activities to be provided by Contractor are specified in Exhibit C.

#### **4.10 EDIBLE FOOD RECOVERY**

- A.** Contractor shall assist the Authority in annually updating the Authority's list of all Commercial Customers that meet the definition of Commercial Edible Food Generator, which shall include: Customer name; service address; contact information; and, type of business (as it relates to the Commercial Edible Food Generator definitions). Contractor shall post the list on its website and make such list available for the Authority's website.
- B.** Annually, Contractor shall cooperate with Authority, County, and/or their designees as they conduct inspections of Commercial Edible Food Generators, Food Recovery Organizations, and Food Recovery Services to assess compliance with the requirements of 14 CCR Chapter 12 Article 10.

- C. At least annually, the Contractor shall provide Commercial Edible Food Generators with public education and outreach materials pursuant to Section 4.9 and Exhibit C.

#### **4.11 BILLING**

Contractor shall bill all Customers and be solely responsible for collecting billings at Authority approved Rates as established under this Agreement and set in accordance with Article 8. Billing shall be performed on the basis of services rendered and this Agreement shall create no obligation on the part of any Person on the sole basis of the Ownership of property. Individual contracts between Contractor and a Customer for services provided under this Agreement shall be prohibited unless otherwise approved in writing by the Authority Contract Manager on a case-by-case basis.

- A. **Billing Schedule.** Contractor shall bill all Residential Customers quarterly during the second month of the billing period, thereby billing one month in arrears, one month in advance, and one month currently. Contractor shall bill all Commercial Customers for scheduled and regularly recurring services on a monthly basis in advance of services provided. Contractor shall bill Customers for any on-call and/or non-recurring services as well as applying any adjustments, rebates, or credits in arrears. Contractor may require pre-payment arrangements for Drop Box service. For advance billing, Contractor shall remit invoices to Customers no earlier than the first (1st) day of the month for which service is being billed. Quarterly billing shall be on the calendar quarter (January-March, April-June, July-September, October-December). Contractor shall notify Customers of Rate changes thirty (30) days prior to the effective date of the new Rates.
- B. **Customer Database and Documentation.** Contractor shall develop and maintain a database of Customer contact information, which shall include an email address for each Customer account that provides an email address. Contractor shall maintain and make such database available upon request from the Authority Contract Manager, in accordance with Sections 4.13 and 6.1.

Contractor shall maintain copies of all billings and receipts, each in chronological order, for the Term of this Agreement, for inspection and verification by the Authority Contract Manager at any reasonable time but in no case more than thirty (30) calendar days after receiving a request to do so.

- C. **Invoicing and Payment.** Contractor shall bill Customers electronically using paperless invoices; however, Contractor shall bill Customers who decline or are otherwise unable to provide email contact information by standard mail, using standard (printed) invoices. Contractor shall permit Customers the ability to pay their bills through an electronic check or credit card and include the ability for Customer billings to be automatically charged on a recurring basis. Customers that pay using credit cards shall be reminded by Contractor two (2) months before their credit card is to expire to update their billing information. Contractor shall prepare, mail, and collect bills from Customers who decline to use such internet-based billing system. Contractor shall make arrangements to allow such Customers to pay bills by cash, check, electronic check, money order, and credit card. Contractor shall send the Authority an example electronic invoice for each Customer Type during each billing cycle. Example invoices shall be itemized to include all services provided to Member Agencies' facilities (Exhibit B4) and list all charges as zero dollars (\$0). Contractor shall send the mailed invoices to the address specified by the Authority Contract Manager.

- D. Bill Inserts.** Contractor shall include bill inserts with both paper and electronic billing as described in Exhibit C.
- E. Reimbursements and Under-Charges.** If Contractor fails to invoice a Customer, or otherwise under-charges a Customer for services provided for more than eighteen (18) months, Contractor may not subsequently attempt to collect the under-charged amount for more than eighteen (18) months of service. If Contractor over-charges a Customer, Contractor shall reimburse or credit the Customer; provided, however, if Contractor over-charges a Customer for a period of more than six (6) months, Contractor shall reimburse or credit the Customer for at least six (6) months of the over-charged service, but is not required by this Agreement to reimburse or credit the Customer for more than twenty-four (24) months of overcharges. This Agreement also does not prohibit Contractor from reimbursing or crediting a Customer for more than twenty-four (24) months of overcharges.
- F. Timeliness of Payments.** Quarterly Customer invoices shall be due thirty (30) calendar days after the end of the billing period. Monthly Customer invoices shall be due thirty (30) calendar days after the first day of the billing period. In the event that any account becomes more than thirty (30) calendar days past due, Contractor shall notify such Customer of the delinquency via written correspondence, instructing the Customer that unpaid bills that become more than forty-five (45) calendar days delinquent may be assessed late fees approved by the Authority. Contractor shall provide a second written notice of delinquency to any account that becomes more than sixty (60) calendar days past due, and a third written notice of delinquency to any account that becomes more than ninety (90) calendar days past due. In addition, Contractor shall be entitled to suspend service on any account that becomes more than ninety (90) calendar days past due unless and until all past due amounts are paid. Any suspensions shall be separately recorded and reported to the Authority as described in Exhibit D.
- G. Bad Debt.** Contractor shall be responsible for collection of payment from Customers with past due accounts (“bad debt”) in accordance with this Section 4.11. Contractor shall make reasonable efforts to obtain payment from delinquent accounts through issuance of late payment notices, telephone requests for payments, assistance from collection agencies, and filing collection actions. Under no circumstances shall the Authority or Member Agencies have any responsibility for Contractor’s bad debt.

## **4.12 CUSTOMER SERVICE PROGRAM**

### **4.12.1 Program Requirements**

- A. Availability of Representatives.** A representative of the Contractor who is knowledgeable of the service area, services, and Rates shall be available during business office hours to communicate with the public by telephone, virtual method (including email, live chat, or other electronic method as mutually agreed between Authority Contract Manager and Contractor), and the Authority’s authorized Customer relationship management system (as further described in Section 4.13).

Contractor shall also maintain an after-hours telephone number allowing twenty-four (24) hour per day access to Contractor management by Authority Contract Manager in the event of an emergency involving Contractor’s equipment or services including, but not necessarily limited to, fires, blocked access, or property damage. Contractor’s primary Customer service representatives shall be located no more than thirty (30) miles from the Authority. Contractor shall maintain Customer service



staffing levels consistent with the levels stated in Exhibit G, unless otherwise approved by the Authority Contract Manager.

- B. Telephone.** Contractor shall secure, use, pay all costs incurred by, and maintain during the Term of this Agreement, a local toll-free phone number which shall serve as the primary point of contact between Contractor and the public during normal business hours.

Contractor shall maintain a telephone system in operation from 7:00 a.m. to 6:00 p.m. and shall have sufficient equipment in place and staff a representative, or an answering service available to handle the volume of calls experienced on the busiest days and such telephone equipment shall be capable of recording the responsiveness to calls, including but not limited to on-hold time per call and average on-hold time. Contractor may stagger shifts in order to maintain the telephone system operation hours in an effort to prevent paying overtime to Customer service representatives. Contractor's telephone system shall offer Customers who have been placed on-hold the option of leaving a voice message or maintaining their place in the queue and being called back when their position in the queue is reached, rather than remaining on-hold. The average amount of time that the Customer is left on-hold during any given month, including the amount of time a Customer is left on hold after a Customer service representative has answered the call, shall not exceed three (3) minutes, and no Customer shall be left on-hold for more than ten (10) minutes. The Contractor's telephone system must have the capability to record outgoing messages and must provide an easily-navigated menu with programmed responses to common service questions related to the Authority. In the event that Contractor's telephone Customer service performance falls below the performance standards established in Exhibit F for three (3) or more consecutive months, the Authority Contract Manager and Contractor shall meet and confer regarding existing staffing levels and Customer service system capacities. Following such meet and confer period, the Authority Contract Manager shall have the right to require Contractor to increase its staffing levels and/or call handling capacity, if the Authority Contract Manager reasonably determines that such capacity was directly related to the performance shortfall, without requirement for any additional compensation to the Contractor. Recording of Contractor's responsiveness to calls shall include, at a minimum, all items included in the "Service Quality and Reliability" and "Customer Service" performance standards listed in Exhibit F. An answering machine or voicemail service shall record Customer calls and voice messages between 4:30 p.m. and 8:00 a.m. Contractor shall provide a live, not automated, call back on the same day to all Customers who leave voice messages by 4:30 p.m. on Working Day and shall provide a live call back by noon of the following Working Day for any voice messages left after 4:30 p.m.

- C. Website and Email Access.** Contractor shall develop and maintain content on a website owned by the Authority that is accessible by the public. The website shall include all public education and outreach materials described in Exhibit C, highlight program successes, provide Diversion statistics, and provide the public the ability to e-mail Contractor questions, service requests, or Complaints. The site shall have web page(s) dedicated to the administrative operations of the Authority that the Authority Contract Manager and their designee(s) can access and maintain as needed. The site shall have links to the Member Agencies' web sites. The website shall be reviewed and updated at least once per quarter, or more frequently as directed by the Authority Contract Manager. Substantive changes to the website shall be pre-approved by the Authority Contract Manager, and changes requested by the Authority or Authority Contract Manager shall be made within twenty-four (24) hours of the request.

Contractor shall respond the same day to all Customers who leave e-mail messages and direct messages through social media platforms utilized by the Contractor by 2:00 p.m. on a Working Day and shall respond by noon of the following Working Day for any e-mail messages and direct messages through social media platforms utilized by the Contractor left after 2:00 p.m. (for purposes of this Section 4.12.1.C, Saturdays shall be excluded from the definition of “Working Day”). Contractor may respond to Customer e-mails either via e-mail or phone. Contractor may respond to Customer direct messages through social media platforms utilized by the Contractor either via direct message through the social media platform through which the message was received or phone. In the event that during the Term of this Agreement Contractor obtains or develops a mobile device web application which may be used by Customers, Contractor shall notify Authority, and shall make such application available for Customer use.

- D. Training.** Customer service representatives shall receive training during each quarter of the calendar year on Authority-specific Collection programs and service requirements. During the training, Customer service representatives shall participate in a ride-a-long on a Collection vehicle servicing the Authority to allow for greater understanding of Authority’s community-specific needs. An Authority-specific Collection service and Rate information sheet, training agenda, and associated documentation shall be provided to and discussed with employees during the training. Information sheet, training agenda, and associated documentation shall be forwarded by Contractor to the Authority Contract Manager each quarter after the training in accordance with reporting requirements of Section 6.2. The Authority Contract Manager may review the training materials and request changes.

The Contractor shall notify the Authority Contract Manager of the date and time of the scheduled Customer service training sessions and the Authority Contract Manager may, at its option, attend the meetings.

Upon request by the Authority Contract Manager but not more than two (2) times per Rate Period, Contractor shall arrange and host a meeting to include the Authority Contract Manager, Contractor’s contract manager, Contractor’s Customer service representatives, and any other Member Agency or Authority staff requested by the Authority Contract Manager. The purpose of such meeting shall be to discuss topics including (by way of example but not limitation): Customer questions, Complaints, and/or service issues, or other topics identified by the Authority Contract Manager.

#### **4.12.2 Service Requests, Compliments, Complaints**

Contractor shall be responsible for the prompt and courteous attention to, and prompt and reasonable resolution of, all Customer service requests and Complaints. Contractor shall record, in its computer system or a separate log, as directed by Authority Contract Manager, all Complaints, noting the name and address of Complainant, date and time of Complaint, nature of Complaint, and nature and date of resolution. The Contractor shall retain this Complaint log for the Term. Upon request by the Authority Contract Manager, Contractor shall compile and submit a summary statistical table of the Complaint log.

Contractor shall respond to all Complaints received in accordance with the requirements of Section 4.12.1.B and 4.12.1.C. Complaints related to missed Collections shall be addressed in accordance with Section 5.11. Complaints related to repair or replacement of Carts or Bins, shall be addressed in accordance with Section 5.7.E.



For Complaints received in which the Person alleges that an entity is in violation of SB 1383 requirements, Contractor shall document the information listed in Exhibit D. Contractor shall provide this information in a brief Complaint report to the Authority for each SB 1383-noncompliance Complaint within seven (7) days of receipt of such Complaint, and a monthly summary report of SB 1383-non-compliance Complaints in accordance with Exhibit D. Upon Authority request, Contractor shall conduct follow-up inspections and/or outreach to the violating entity, and shall document the information in the reports provided pursuant to Exhibit D.

#### **4.13 ACCESS TO CUSTOMER SERVICE AND BILLING SYSTEMS**

- A. Information System Training.** Contractor shall provide access and any necessary training to the Authority Contract Manager and one (1) or more designee(s) regarding the use of Contractor information systems as described in this Section. Contractor shall designate one (1) member of Contractor staff to work directly with the Authority Contract Manager and their designee(s).
- B. Information System Integration.** Authority Contract Manager, their designee(s), and Contractor employee shall cooperate to ensure that the Contractor's information systems are integrated with the Member Agencies' and Authority's Customer service systems, or are otherwise able to receive information from such Member Agency and Authority systems on a regular basis and without manual input. Contractor shall have access to the Member Agencies' and Authority's automated Customer Response Management System (CRM) or any subsequent similar system and shall respond to Customer requests transmitted to Contractor through the Member Agencies' and Authority's CRM system and enter resolutions to Customer requests directly into the Member Agencies' and Authority's CRM system.
- C. Access to Information.** Contractor shall provide Authority and their designees with read-only access to Contractor's Customer service, call center, and operations information systems in order to validate Contractor performance standards, and recommend changes to Customer Service Levels to resolve service issues as approved by Customer, or otherwise address Customer needs. In the event that recommended Service Level changes are made, Authority Contract Manager's designee will work with Contractor's designated representative to make such changes, which shall not be denied by Contractor except for reasons related to Customer, Route driver, and/or equipment safety, in which cases Contractor shall provide similar volumes of service by material type to the Customer in some alternate configuration.
- D. Access to Billing and Contact Information.** Contractor shall provide read-only access to Customer contact information (including email addresses) for purposes of Authority-provided public education and outreach activities; provided, however, Authority acknowledges and agrees that any Customer information shared with Authority shall not be shared or sold to any third-party to the extent permitted by law. In addition, Contractor shall ensure that the Authority Contract Manager and their designees have read-only access to all service order and billing records in Contractor's internal information systems. Such read-only access is intended to provide the Member Agencies and Authority the ability to review notes related to Customer service and/or billing issues.
- E. Confidentiality.** Authority shall keep confidential the nature and structure of all of Contractor's information systems and databases it is granted access to under the terms hereof to the extent permitted by law.

## 4.14 SERVICE EXEMPTIONS

A. **Generator Waivers.** Authority may elect to provide for one or more of the following types of Generator waivers to the Collection requirements of this Agreement as described in this Section to Generators that impact the scope of Contractor's provision of services for those Customers. Waivers shall be subject to compliance with SB 1383 Regulatory requirements, pursuant to 14 CCR Section 18984.11, or other requirements specified by the Authority or applicable Member Agency. Granting of waivers shall be done by the Authority, in consultation with the Member Agencies, in accordance with this Section and Exhibit I.

### 1. Types of Generator Waivers.

- a. **De Minimis Waivers and Physical Space Waivers.** The Authority, in consultation with the Member Agencies, may waive a Multi-Family's, Commercial Business', or its Owner's obligation to comply with some or all of the Source Separated Recyclable Materials and Organic Materials requirements set forth in this Agreement, and SB 1383 Regulations, consistent with rules published by the Authority, as they may be amended from time to time.
- b. **Collection Frequency Waivers.** The Authority may allow Contractor to provide Collection of Recyclable Materials Containers, Solid Waste Containers, or both once every fourteen (14) days, rather than once per week, for Customers that have been granted a Collection frequency waiver from the Authority.

2. **Contractor Waiver Request on Behalf of Generator.** Upon reasonable belief that a Generator may qualify for a waiver, Contractor may submit a request to the Authority to grant a waiver to the Generator, provided that adequate evidence of the de minimis, physical space, or Collection frequency waiver requirements is included with the request. Authority Contract Manager, in consultation with the Member Agencies, shall review and approve or deny the waiver request, in their sole discretion. Contractor's request for consideration of a waiver shall include the Generator's name and address, type of Commercial Business or number of Multi-Family Dwelling Units if Customer is a Multi-Family Premises, number of employees on site, 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. **Contractor Review of Generator Waiver Requests.** Generators may submit requests for de minimis waivers or physical space waivers to the Contractor. Contractor shall, within seven (7) days, review the Generator's waiver application and send the application to the Authority, including the Contractor's recommendation to approve or deny the application. The Authority Contract Manager ultimately retains the right to approve or deny any application in their sole discretion, regardless of the Contractor's recommendation. Contractor shall report information regarding waivers reviewed on a monthly basis, in accordance with Exhibit D.
4. **Contractor Change in Customer's Service Levels.** When the Authority Contract Manager grants a waiver to a Generator, the Authority Contract Manager shall notify the Contractor within seven (7) days of the waiver approval with information on the Customer and any changes to the Service Level or Collection service requirements for the Customer. Contractor shall have seven (7) days to modify the Customer's Service Level and billing statement, as needed.

5. **Waiver Reverification.** It shall be the responsibility of the Contractor to verify that the Generators with de minimis waiver, physical space constraint, or Collection frequency waivers continue to meet the waiver requirements set forth in this Section. Contractor 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 waiver and physical space constraint waivers. Pursuant to Exhibit D, Contractor shall maintain a record of each waiver verification and provide a monthly report to the Authority documenting the waiver reverifications performed and recommendations to the Authority on those waivers that Contractor concludes are no longer warranted. The Authority Contract Manager shall make a final determination of the waiver eligibility of Generators.
  6. **Contractor Recordkeeping of Generators Granted Waivers.** Upon Contractor request, no more than four (4) times per year, the Authority Contract Manager shall provide Contractor an updated listing of waivers approved by the Authority Contract Manager, including the Generators' names, mailing address, service address, and type of waiver. Contractor shall maintain waiver-related records and report on waiver verifications pursuant to Exhibit D. Upon Authority Contract Manager request, no more than four (4) times per year, the Contractor shall provide Authority an updated listing of waivers approved by the Contractor, including the Generators' names, mailing address, service address, and type of waiver.
- B. Service Exemptions.** Contractor acknowledges that there is no obligation for any parcel of land to receive Contractor's services as a function of the existence of that property. As such, Contractor shall have no expectation of providing service to undeveloped or vacant properties which do not produce Discarded Materials. Upon Customer request Contractor shall cease providing (and shall make appropriate billing adjustments and prorations for) Collection services to a Premises which is anticipated to be vacant for no less than thirty (30) days.
- C. Alternative Service Locations.** Persons that have a qualifying health issue, as determined in accordance with this subsection, who are Occupants of Single-Family Premises shall be permitted to receive Collection services at a location other than Curbside at no extra charge. Customers requesting such exemption shall submit a request to the Contractor, including a note from a physician or healthcare provider verifying that the Customer has a health issue that prevents the Customer from moving their Containers to the Curb, and a statement from the Customer certifying that there are no other permanent residents of the household over the age of twelve (12) that are able to move Containers to the Curb on a weekly basis. Contractor shall be required to review all requests made by Customers and shall grant exemptions upon verification of Customer's provided documentation. With regards to all requirements of this subsection, the Contractor shall provide Collection services at locations other than Curbside at no additional cost to the Customer, provided that Contractor shall not be required to service Containers from locations on a Customer Premises determined to be unsafe for Collection. Contractor may make such alternative service locations available to Single-Family Customers that do not have a qualifying health issue (as determined in accordance with this subsection) for an additional, Authority-approved Rate.

## **4.15 CONTAMINATION MONITORING**

### **4.15.1 Ongoing Contamination Monitoring**

- A. Contamination Threshold.** Contractor shall issue Customer Notice in accordance with Section 4.17 upon finding Prohibited Container Contaminants in a Container in excess of the following thresholds.

Container	Prohibited Container Contaminants Threshold
Solid Waste Containers	10%
Recyclable Materials Containers	10%
Organic Materials Containers to the Designated Organic Materials Processing Site	5%
Organic Materials Containers to the Approved Organic Materials Processing Site	10%

**B. Contamination Notification.** Upon first, second, and third instance of identification of Prohibited Container Contaminants in a Customer's Container in any twelve (12) month period, as determined by the Route auditor or Collection driver, Contractor shall provide the Customer with a Courtesy Collection Notice in accordance with Section 4.17. Upon fourth and subsequent instances of identified Prohibited Container Contaminants in a Customer's Container in any twelve (12) month period, Contractor shall provide the Customer with a notice of contamination in the form of a Non-Collection Notice accordance with Section 4.17.

**C. Assessment of Contamination Processing Fees.** If the Contractor has issued four (4) or more Customer Notices in the same twelve (12) month period, as appropriate, the Contractor may impose a contamination Processing fee as approved by the Authority Contract Manager for that Customer's Service Level, if and only if Contractor has provided a Contamination Processing Fee Notice in accordance with Section 4.17. The intent of contamination Processing fee is to provide a behavioral tool to educate and promote proper Source Separation.

Contamination Processing fees are to be used for the intended purposes and not as a form of revenue generation. Contractor agrees that contamination fees shall not exceed one percent (1%) of Contractor's Gross Receipts in any calendar quarter. In the event that contamination fees exceed one percent (1%) of Contractor's Gross Receipts in any calendar quarter, the assessment of contamination fees shall be suspended immediately and indefinitely pending a program assessment by the Authority and Contractor. Upon program suspension or at the request of the Authority Contract Manager at any time during the Term of the Agreement, Authority and Contractor shall meet and confer regarding the application and effectiveness of contamination fees in accomplishing the behavior change. If the program is suspended due to excessive revenue generation, the Authority may require Contractor to either: i) modify the program parameters; ii) modify the amount of the contamination fee; or, iii) return to the Authority any funds generated by the contamination fee which exceed one percent (1%) of Contractor's Gross Receipts for a given period of time.

**D. Recordkeeping and Reporting Requirements.** Contractor shall maintain records of each annual Route review conducted and report results in accordance with Exhibit D.

#### 4.15.2 Annual Route Reviews

- A. **Methodology.** The Contractor shall, at its sole expense, conduct annual Route reviews of Containers for Prohibited Container Contaminants in a manner that meets the requirements of this Section; is approved by the Authority; and, results in all Routes being reviewed at least annually.

Contractor's Route review shall include all Container types in service for all Customer Types. The Containers shall be randomly selected prior to beginning the Route review through use of a random number generator; and the minimum number of Containers to be sampled shall be based on weekly Route size, as follows:

1. For weekly Routes with less than 1,500 Generators, the Contractor shall sample a minimum of twenty-five (25) Containers;
2. For weekly Routes with 1,500-3,999 Generators, the Contractor shall sample a minimum of thirty (30) Containers;
3. For weekly Routes with 4,000-6,999 Generators, the Contractor shall sample a minimum of thirty-five (35) Containers; and,
4. For weekly Routes with more than 7,000 Generators, the study shall include a minimum of forty (40) samples.

Contractor shall develop a specific 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). Contractor shall submit its proposed Route review methodology for the coming year to the Authority Contract Manager no later than January 15 of each year describing its proposed methodology for the calendar year and schedule for performance of each Route's annual review. Contractor's proposed Route review methodology shall include not only its plan for Container inspections, but shall also include its plan for prioritizing the inspection of Customers that are more likely to be out of compliance. Contractor's proposed Route review methodology and schedule shall not interfere with Member Agencies' posted street sweeping schedules. The Authority Contract Manager will review and approve the proposed methodology. Contractor may commence with the proposed methodology upon approval by the Authority Contract Manager.

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

The Authority Contract Manager may request, and Contractor shall accept, modifications to the schedule to permit observation of the Route reviews by the Authority. In addition, Contractor shall provide an email notice to the Authority Contract Manager no less than ten (10) Working

Days prior to each scheduled Route review that includes the specific time(s), which shall be between 8:00 am and 5:00 pm, and location(s) in the Authority.

- B. **Contamination Notification.** Upon identification of Prohibited Container Contaminants in a Customer's Container, Contractor shall provide the Customer with a Customer Notice, per Section 4.17, as determined by the Route auditor.

#### **4.16 WASTE CHARACTERIZATION AND PILOT STUDIES**

- A. **Design and Performance.** If Authority requires Contractor to participate in a waste characterization and/or pilot study, Contractor and Authority Contract Manager shall mutually agree on the scope of services to be provided by Contractor.

Contractor acknowledges that Authority, Member Agencies, CalRecycle, or other governmental agencies may wish to perform generation and characterization studies periodically with respect to materials covered under this Agreement. Contractor agrees to participate and cooperate with Authority and its agents and to perform studies and data collection exercises, as needed, to determine weights, volumes and composition of materials generated, Disposed, Diverted or otherwise Processed. In any event, Contractor shall permit and in no way interfere with the Collection and handling of the subject materials by other Persons for such purposes. Contractor shall make all efforts to support the study design and performance.

Contractor that acknowledges that the County, in coordination with the Authority, is required by SB 1383 to conduct Organic Waste and Edible Food capacity planning studies. The Contractor shall provide information to the Authority Contract Manager as needed for the Authority's participation in such capacity planning studies. This information and/or participation may include, but is not limited to, conducting or supporting waste characterization studies; providing information regarding existing and potential new or expanded capacity in the Contractor's operations for the Collection, Transport, or Processing of Recyclable and Organic Materials; and any other information deemed necessary by the Authority or County for purposes of the study. The Contractor shall respond to any request for information from the Authority within thirty (30) days, unless another timeframe is otherwise specified or authorized by the Authority Contract Manager.

Contractor acknowledges that the Authority may, wish to conduct and/or participate in pilot studies related to the Customers and materials that are the subject of this Agreement. In any event, Contractor shall coordinate in a timely manner with the Authority Contract Manager or other Authority representative as requested, permit, and in no way interfere with the Collection and handling of the subject materials by other Persons for such purposes.

- B. **Scheduling and Observation of Studies.** Contractor shall, within forty-five days of Authority Contract Manager's request, provide the Authority with a proposed methodology for each type of study and a schedule of studies for the calendar year for review and approval by the Authority Contract Manager. The Authority shall be notified at least thirty (30) days in advance of each study and the Authority, or the Authority's designated third party, maintains the right to observe all aspects of the study. The studies shall be scheduled between 8:00 am to 5:00 pm, and the Authority Contract Manager may request, and Contractor shall accept, modifications to the schedule to permit observation by the Authority.

- C. Recordkeeping and Reporting.** Contractor shall maintain records of each study conducted and report results directly to the Authority within fourteen (14) days of completing the study as well as include the results in the Contractor's annual report, in accordance with Exhibit D.
- D. Delegation Options.** This section in no way precludes the Authority or its designee from performing the inspections specified in this Section in lieu of or in addition to the Contractor's inspections. Contractor shall support any inspections or reviews conducted by the Authority or its designee through actions including, but not limited to, providing information or data requested by the Authority or its designee. Authority may determine the cost of a third-party to design and conduct a waste characterization and/or pilot study. The amount of compensation for Contractor, if any, may be determined as an "Other Adjustment" provided that it is reflected in the Rate application form, pursuant to Exhibit E.

#### **4.17 CUSTOMER NOTICES**

- A. Customer Noticing.** Prior to the Commencement Date, Contractor shall develop, and submit to the Authority Contract Manager for review and approval:
1. A template Courtesy Collection Notice, for use in instances of improper set-out of Discarded Materials, which the Contractor, at its sole option, elects or is otherwise required by this Section to Collect as a courtesy to the Customer; and,
  2. A template Non-Collection Notice, for use in instances of acceptable non-Collection of Discarded Materials, as determined by this Section.
- Contractor may propose an alternative to a paper Customer Notice left at Customer Premises (e.g., Customer notification via a phone call or e-mail) subject to Member Agency approval. Such an alternative must involve pro-active communication with Customer, initiated by Contractor.
- B. Noticing Location.** Contractor may leave a Customer Notice at a Customer's door or gate, on a Customer's Container, or, subject to Authority's approval, may deliver the Customer Notice by mail, e-mail, or text message. Such an alternative must involve pro-active and timely communication with Customer, initiated by Contractor.
- C. Courtesy Collection Notice.** In the event that Contractor encounters circumstances described in Figure 1 as provided in subsection E, Contractor shall Collect the material and leave a Courtesy Collection Notice at the Customer Premises clearly explaining how the Customer failed to comply. The Courtesy Collection Notice shall, at a minimum:
1. Inform the Customer of the observed failure;
  2. Include the date and time the failure was observed;
  3. Include information on the Customer's requirement to properly participate in Collection service (e.g., separate materials into the appropriate Containers and the accepted and prohibited materials for Collection in each Container, proper set-out procedure, Overages);
  4. Inform the Customer of the courtesy Collection on this occasion with information that the Contractor may assess contamination Processing fees, if applicable, and/or issue a Non-Collection Notice in the future; and,



5. Include time-stamped photographic evidence.

For Containers with identified Prohibited Container Contaminants in excess of the contamination thresholds described in Section 4.15, Contractor shall Collect the Discarded Materials and either Transport the material to the appropriate Designated Facility or Approved Facility or, Contractor may Collect the contaminated Recyclable Materials or Organic Materials with the Solid Waste and Transport the contaminated materials to the Designated Disposal Facility. A courtesy Collection of contaminated Recyclable Materials or Organic Materials where the materials are sent to the Designated Disposal Facility may be made with a Solid Waste Collection vehicle, provided that the contaminants may safely and lawfully be Collected as Solid Waste.

- D. Non-Collection Notices.** In the event that Contractor encounters circumstances at a Customer Premises which prevents the Contractor from Collecting Discarded Materials which have been placed for Collection, such as those described in Figure 1 below, Contractor shall leave a Non-Collection Notice at the Customer Premises clearly explaining Contractor's reason for refusal to Collect the Discarded Materials. If Contractor intentionally refuses to Collect Discarded Materials (including Cardboard Overages), but does not leave a Non-Collection Notice, it shall be considered a missed Collection per Section 5.11, and provisions of Section 5.12 shall apply.

1. The Non-Collection Notice shall, at a minimum:
  - a. Inform the Customer of the reason(s) for non-Collection;
  - b. Include the date and time the notice was left or issued;
  - c. Describe the premium charge to Customer for Contractor to return and Collect the Container after Customer corrects the issue;
  - d. Provide a warning statement that a contamination Processing fee may be assessed, if applicable; and,
  - e. Include photographic evidence of the violation(s).

- E. Noticing Examples** By way of example, and not limitation, the Authority and Contractor agree to the manner in which the following common occurrences will be addressed with regard to Customer Notices provided under this Agreement:



**Figure 1. Noticing Examples**

<b>Collect</b> <b>Leave Courtesy Collection Notice</b>	<b>Refuse Collection</b> <b>Leave Non-Collection Notice</b>
<ul style="list-style-type: none"> <li>• Container set-out               <ul style="list-style-type: none"> <li>○ Too close to another Container</li> <li>○ Too close to a car, mailbox</li> <li>○ Under tree, basketball hoop, or overhang</li> <li>○ Wheels not against Curb</li> <li>○ Cart facing the wrong way</li> <li>○ Carts placed in front of one another</li> <li>○ Lid open</li> </ul> </li> <li>• 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> instance of non-hazardous and/or Prohibited Container Contaminants or Overages in 12 months</li> <li>• Cardboard outside of the Recyclable Materials Container, not flattened and/or not cut down, but can still be safely Collected</li> </ul>	<ul style="list-style-type: none"> <li>• Not safe to Collect</li> <li>• Contains Excluded Waste</li> <li>• 4<sup>th</sup> or more instance of non-hazardous and/or Prohibited Container Contaminants or Overages in 12 months</li> <li>• Container is overweight and may break if lifted</li> </ul>

**F Communications with Customer.** Whenever a Container at the Premises of a Commercial or a Multi-Family Customer is not Collected, Contractor shall contact the Customer on 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 encourage the Customer to adopt proper Discarded Materials preparation and separation procedures.

**G. Contamination Processing Fee Notice.** Per Section 4.15, Contractor shall leave a Contamination Processing Fee Notice attached to Generators' contaminated Container(s). Contractor must also deliver notice by mail to the bill-payer's address within twenty-four (24) hours of assessing the contamination Processing fee. Contamination Processing Fee Notices shall be in a format approved by the Authority Contract Manager. Contractor shall notify the Authority in its monthly report of Customers for which contamination Processing fees were assessed per Section 4.15. Each Contamination Processing Fee Notice shall, at a minimum:

1. Describe the specific material(s) of issue;
2. Explain how to correct future set outs;
3. List all previous notices provided to the Customer within the same twelve (12) month period; and,

4. Indicate that the Customer will be charged a contamination Processing fee on their next bill.

#### **4.18 SERVICE IN UNINCORPORATED COUNTY AREAS**

At Authority direction, Contractor shall meet and confer with Authority and County representatives regarding the feasibility of providing service as defined in this Agreement to Generators in one or more unincorporated areas located within, or directly adjacent to the Authority service area. Upon mutual agreement for Contractor to provide such service, the three parties will agree on the date on which such service shall commence and on the nature of, and timing of noticing the affected Generators of the new service. Generators in the unincorporated County receiving service under this Agreement shall be billed Authority-approved Rates for such services. Contractor shall document and provide all requirements listed in Exhibit D for unincorporated area Generators separately from Authority reports.

### **ARTICLE 5. STANDARD OF PERFORMANCE**

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#### **5.1 GENERAL**

Contractor shall at all times comply with Applicable Law and provide services in a manner that is safe to the public and the Contractor's employees. Except to the extent that a higher performance standard is specified in this Agreement, Contractor shall perform services in accordance with Organic Materials, Recyclable Materials, and Solid Waste management practices common to the San Francisco Bay Area.

#### **5.2 OPERATING HOURS AND SCHEDULES**

**A. Hours of Collection.** Unless otherwise authorized by the Authority Contract Manager, Contractor's days and hours for Collection operations shall be as follows:

1. **Residential Premises.** Collection from Residential Premises shall only occur between the hours of 6:00 a.m. and 6:00 p.m., Monday through Friday, with the exception that for those Complaints related to missed Collections that are received after 12:00 p.m. from Bin or Drop Box Customers, or after 3:00 p.m. from Cart Customers on a Friday, Collections shall occur on Saturdays between the hours of 6:00 a.m. and 6:00 p.m.
2. **Commercial Premises.** Collection from Commercial Premises shall only occur between the hours of 3:00 a.m. and 10:00 p.m., Monday through Saturday. For Commercial Premises within two hundred (200) feet or less of Residential Premises, Collection shall occur between the hours of 6:00 a.m. and 6:00 p.m.
3. **Exceptions.** In the event of an unforeseen and/or extraordinary circumstance, the Contractor may Collect from Residential Premises or Commercial Premises that are two hundred (200) feet or less from Residential Premises during alternative hours, upon prior written approval from the Authority Contract Manager.

In the event the Authority receives repeated noise Complaints resulting from Collection in some geographic area, the Authority Contract Manager may require Contractor to re-sequence the service schedule for one or more Customer(s) to accommodate later Collection in such areas.

- B. Holiday Collection Schedule.** Contractor, at its sole discretion, may choose not to provide Collection services on a Holiday. In such event, Contractor shall provide Single-Family Collection services on the day following the Holiday thereby adjusting subsequent work that week with normally scheduled Friday Collection services being performed on Saturday; however, Customer service days shall be returned to the normal schedule within one (1) week of the Holiday. Multi-Family, Commercial, and Member Agency Collection services shall be adjusted as agreed between the Contractor and the Customer but must meet the minimum frequency requirement of one (1) time per week. The Contractor shall provide Customers notice of Holiday-related changes in Collection schedules at least two (2) weeks prior to the change.
- C. Collection Route Schedules.** Contractor shall provide Authority Contract Manager with Route maps and daily Collection schedules for each Collection service. Such maps and schedules shall not change regularly scheduled Collection days for more than five percent (5%) of Customers relative to the regularly scheduled Collection days of Customers immediately prior to the Commencement Date. In addition, such maps and schedules shall be reviewed and approved by the Authority Contract Manager. Contractor may not change its regularly scheduled Residential Collection days without prior written approval from the Authority Contract Manager, or its regularly scheduled Commercial Collection days without prior consent from each impacted Customer. Such written approval shall be obtained from the Authority Contract Manager thirty (30) calendar days before the effective date of the schedule change. Once approved, Contractor shall notify any Residential Customer four (4) weeks prior to any Collection schedule changes. Contractor shall not permit any Customer to go more than seven calendar days without service during a Collection schedule change.

### **5.3 HAZARDOUS WASTE INSPECTION AND HANDLING**

- A. Inspection Program and Training.** Contractor shall develop a load inspection program that includes the following components: (i) personnel and training; (ii) load checking activities; (iii) management of wastes; and, (iv) record keeping and emergency procedures.

Contractor's load checking personnel, including its Collection vehicle drivers, shall be trained in: (i) the effects of Hazardous Substances on human health and the environment; (ii) identification of prohibited materials; and, (iii) emergency notification and response procedures. Collection vehicle drivers shall inspect Containers before Collection when practical.

- B. Response to Excluded Materials Identified During Collection.** If Contractor determines that material placed in any Container for Collection is Excluded Materials or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such material. The Generator shall be contacted by the Contractor and requested to arrange proper Disposal. If the Generator cannot be reached immediately, the Contractor shall, before leaving the Premises, leave a Non-Collection Notice, which indicates the reason for refusing to Collect the material and lists the phone number of a facility that accepts the Excluded Materials or a phone number of an entity that can provide information on proper Disposal of the Excluded Materials. Under no circumstances shall Contractor's employees knowingly Collect Excluded Materials or remove unsafe or poorly containerized Excluded Materials from a Collection Container.

If Excluded Materials are found in a Collection Container or Collection area that could possibly result in imminent danger to people or property, the Contractor shall immediately notify the Fire Department.

## 5.4 COLLECTION STANDARDS

- A. Servicing Containers.** Contractor shall Collect and return each Container to the location where the Occupant properly placed the Container for Collection provided that Contractor shall not replace Containers in such a manner that blocks the public right-of-way or bicycle lanes, regardless of how the Containers were placed for Collection. Contractor shall place the Containers upright with lids properly secured. For Customers other than Single-Family Residential Customers, Contractor shall, without additional charge to the Customer, pull or push Containers up to twenty-five (25) feet from the location where the Occupant placed the Container for Collection to the Collection vehicle for service. Contractor shall direct its employees not to Collect Solid Waste beyond each Customer's subscription level of service unless otherwise specified in this Agreement, or business office of Contractor has granted prior authorization to make such Collection.

Contractor, at the request of Customers, may provide special services including: (i) unlocking Containers; (ii) accessing Container enclosures with a key; (iii) pulling or pushing Containers distances greater than twenty-five (25) feet; or, (iv) providing sliding lids for Drop Boxes. Contractor may charge Customers for such extra services at the Rates approved by Authority for such services.

Contractor shall provide hard-to-service Collection as necessary, at the Authority Contract Manager's request, to safely and efficiently service Customers in areas of the Member Agencies that are difficult to access, do not have space to make turnarounds, or where Contractor is otherwise unable to provide service meeting the highest safety standards.

Contractor may require Customers on private roads to sign road damage liability waivers prior to operating on such private streets. Additionally, Contractor may require Customers (including groups of Customers and homeowners' associations) requesting Collection service from on-property motor-courts to sign damage liability waivers indicating the Customer's choice to receive Collection services in such manner, prior to operating on such private streets or motor-courts. If Customers requesting service on private roads or on-property motor-courts fail to sign such waivers, Contractor may, upon approval, which may or may not be conditional, from the Authority Contract Manager, require them to receive service at the nearest public right of way.

- B. Litter Abatement and Stormwater Management.** Contractor shall use due care to prevent spills or leaks of material placed for Collection, fuel, and other vehicle fluids while providing services under this Agreement. If any solid materials are spilled during Collection and Transportation, the Contractor shall clean up all spills or leaks before leaving the site of the spill. If any fluids are spilled during Collection and Transportation, the Contractor shall clean up all spills or leaks within one (1) Business Day. Contractor's vehicles shall be equipped at all times with spill kits, including but not limited to a broom, shovel, and absorbent. The Authority Contract Manager reserves the right to require modifications to Collection vehicle equipment (e.g., tarping, screening material) to prevent litter from falling from vehicles. If spills or leaks enter Member Agency storm drains, Contractor must immediately notify the Member Agency Fire Department. Contractor shall clean up litter in the direct vicinity of Containers that is spilled during the course of Collection.

All Containers provided to the Member Agency corporation yards listed in Exhibit B4 shall have covered sliding tops. Contractor shall cover all open Drop Boxes at the pickup location before Transporting materials to the Approved Facility. Contractor shall not Transfer loads from one vehicle to another on any Public Street, unless it is necessary to do so because of mechanical failure, combustion of material in the truck, or accidental damage to a vehicle.

Contractor shall conduct public outreach and staff training to Customers on best management practices for litter abatement as part of the public outreach program. Such best management practices include, without limitation:

1. Closing Container lids and right-sizing service: Contractor staff will tag overfull Containers with Courtesy Collection Notices, which will serve as outreach and education to the Customer. Photos of the Container will be taken by Contractor staff, attached to the Customer's account, and will be available to outreach and Customer service staff in order to demonstrate to the Customer where a problem exists.
  2. Outreach to Customer on importance of bagging lightweight materials such as plastic bags, film plastics, foam peanuts, and other materials that can easily become litter due to their lightweight nature.
  3. Driver training on litter reduction techniques and litter removal best management practices.
  4. Affixing signage to the back of Contractor trucks that provides a phone number for residents to report material spills.
- C. Development and Review of Collection Specifications.** Contractor shall work with each Member Agency's planning department to develop standard specifications for Collection Container enclosures at Commercial and Multi-Family Premises. These specifications shall be developed to ensure that the Collection Container enclosures are built to provide adequate space and suitable configuration to allow the Contractor to service Organic Materials, Recyclable Materials, and Solid Waste Containers safely and efficiently. Contractor's Operations Manager or other appropriately qualified staff shall, upon request by the Authority Contract Manager, provide a review of plans for new Single-Family, Multi-Family, Commercial, or other development or project design drawings. Contractor shall provide comments and recommendations resulting from the review in writing within ten (10) Business Days of receipt of the documents for review. In each review report, Contractor shall comment on the acceptability of the proposed enclosure arrangements in terms of: (i) the adequacy of space for Organic Materials, Recyclable Materials, and Solid Waste Containers; (ii) the accessibility of the Containers for Collection including whether additional charges (e.g., Push/Pull Charges, lock/unlock charges) would apply; and, (iii) ease of use by Occupants.
- D. No Commingling of Materials.** Contractor shall Collect materials generated in the Authority in Collection vehicles separately from other materials generated outside the Authority service area, unless otherwise approved by the Authority Contract Manager. Contractor shall not commingle materials that have been Source Separated with other material types (for example, Source Separated Recyclable Materials that have been properly placed for Collection shall not be combined with Solid Waste or Source Separated Organic Materials).

## **5.5 TRANSFER AND PROCESSING STANDARDS**

### **5.5.1 Equipment and Supplies**

Contractor shall equip and operate the Approved Transfer Facility and the Approved Processing Facilities in a manner adequate to fulfill Contractor's obligations under this Agreement. Contractor is solely responsible for the adequacy, safety, and suitability of the Approved Processing Facilities. Contractor shall modify, enhance, and/or improve the Approved Processing Facilities as needed to fulfill Services under this Agreement.

Contractor shall provide all rolling stock, stationary equipment, material storage containers, spare parts, maintenance supplies, Transfer, Transport, and Processing equipment, and other consumables as appropriate and necessary to operate the Approved Transfer Facility and the Approved Processing Facilities and provide all services required by this Agreement. Contractor shall place the equipment in the charge of competent operators. Contractor shall repair and maintain all equipment at its own cost and expense.

### **5.5.2 Scales and Weighing**

Contractor is solely responsible for ensuring accurate weighing of all materials entering and leaving the Approved Transfer Facility and Approved Processing Facilities.

- A. Facility Scales.** Contractor shall maintain State-certified motor vehicle scales in accordance with Applicable Law. All scales shall be linked to a centralized computer recording system at the Approved Transfer Facility and Approved Processing Facilities to record weights for all incoming and outgoing materials. Contractor shall provide back-up generator(s) capable of supplying power to the scales in the event of a power outage. Contractor shall promptly arrange for use of substitute portable scales should its usual scales not be available for whatever reason. Pending substitution of portable scales, Contractor shall, as necessary, estimate the Tonnages of materials delivered to, and Transported from, the Approved Transfer Facility and Approved Processing Facilities, on the basis of delivery vehicle and Transfer trailer volumes, tare weights, and/or other available facility weight records. These estimates shall take the place of actual weights while scales are inoperable, and shall be identified as estimates in electronic records and reporting.
- B. Tare Weights.** No less than thirty (30) calendar days prior to the Commencement Date, Contractor shall ensure that all vehicles used by Contractor to deliver Organic Materials, Recyclable Materials, and Solid Waste to the Approved Transfer Facility and Approved Processing Facilities are weighed to determine unloaded (“tare”) weights. Contractor shall electronically record the tare weight, identify vehicle as Contractor owned, and provide a distinct vehicle identification number for each vehicle. Contractor shall provide Authority with a report listing the vehicle tare weight information upon request. Contractor shall promptly weigh additional or replacement vehicles prior to placing them into service. Contractor shall check tare weights at least annually, or within fourteen (14) calendar days of an Authority request and shall re-tare vehicles immediately after any major maintenance or service event.
- C. Testing.** Contractor shall test and calibrate all scales in accordance with Applicable Law, but at least one (1) test and recalibration per scale every twelve (12) months or upon Authority request.
- D. Records.** Contractor shall maintain computerized scale records and reports that provide information including date of receipt, inbound time, inbound and outbound weights of vehicles, and vehicle identification number. Contractor shall also maintain computerized scale records and reports providing historical vehicle tare weights for each vehicle and the date and location for each tare weight recorded.
- E. Upon-Request Reporting.** If vehicle receiving and unloading operations are recorded on video cameras at the Approved Transfer Facility and Approved Processing Facilities, Contractor shall make those videos available for Authority review during the Approved Transfer Facility's and Approved Processing Facility's operating hours, upon request of the Authority, and shall provide the vehicle number and Route number.

## 5.6 COLLECTION VEHICLE REQUIREMENTS

- A. Vehicle Requirements.** Contractor shall provide a fleet of Collection vehicles sufficient in number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. Contractor shall have available sufficient back-up vehicles for each type of Collection vehicle used to respond to scheduled and unscheduled maintenance, service requests, Complaints, and emergencies.
1. All such vehicles shall have watertight bodies designed to prevent leakage, spillage, or overflow. All such vehicles shall meet the California Air Resources Board's On-Road Heavy Duty Vehicle emissions requirements for model year 2020, regardless of the actual model year of Contractor's vehicles, and generally comply with all Federal, State, and local laws and regulations. Contractor's vehicles shall utilize Recycled motor oil to the extent practicable.
  2. All Collection vehicles used by Contractor under this Agreement, except for two flatbed and one roll-off vehicles, shall be powered by Renewable Natural Gas. If Contractor purchases SB 1383 Qualified Renewable Natural Gas (RNG) from a publicly-owned treatment works in-vessel digestion facility or powered by RNG that is purchased through a wheeling agreement with a party(ies), provided that the wheeling agreement is for purchase of gas derived from Organic Waste that has been Diverted from a landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to Recycle Organic Waste and meets SB 1383 requirements, Contractor shall obtain and provide the Authority with a written certification by an authorized representative of the publicly-owned treatment works or the wheeling agreement service provider certifying that the in-vessel digestion facility produces the RNG consistent with the requirements of 14 CCR Section 18993.1(h). Contractor shall maintain records of the amount of SB 1383 Qualified RNG purchased and shall report this information in accordance with Exhibit D. Contractor shall agree to the Authority right to report this RNG usage toward the Authority's and its Member Agencies' fulfillment of its annual recovered Organic Waste product procurement target in accordance with 14 CCR Section 18993.1.
  3. Collection vehicles shall have the capability of carrying and safely Transporting empty and full Used Oil Recovery Kits, as well as the capacity to Collect and Transport loose Cardboard Overages, to ensure that Contractor is capable of complying with Exhibit B.
- B. Vehicle Display.** Vehicles used in the Collection of Organic Materials, Recyclable Materials, and Solid Waste shall be thoroughly washed a minimum of one (1) time per week or more frequently if necessary, so as to present a clean appearance of the exterior and interior compartment of the vehicle under this Agreement. Contractor's name and local telephone number shall be displayed on all vehicles in at least four (4) inch characters. Vehicles shall be equipped with sign board holders or other hardware to allow public education signage of no less than thirty-six (36) by forty-eight (48) inches to be displayed on both sides of the vehicle. The Authority has right to promote events and programs on vehicles signs at no charge to Authority.

Contractor shall not place the Member Agencies' or Authority's logos on its vehicles. Contractor shall not use vehicles identified for use in the Authority in any other jurisdiction, or use vehicles labeled for use in other jurisdictions in the Authority without prior approval from the Authority Contract Manager, excluding incidental and weekend use.



- C. Vehicle Inspection.** Contractor 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. Contractor 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. Authority Contract Manager may inspect vehicles at any reasonable time, and within three (3) calendar days of such a request, to determine compliance with sanitation requirements.
- D. Vehicle Operations.** All Collection operations shall be conducted as quietly as possible and shall conform to applicable Federal, State, County, and Member Agency noise level regulations. The Authority Contract Manager may request Contractor to check any piece of equipment for conformance with the noise limits in response to Complaints and/or when the Authority Contract Manager believes it is reasonable to do so. In the event that Contractor's Collection activities are the subject of noise Complaints from Residents that are near non-Residential service locations, Contractor shall meet and confer with the Authority Contract Manager to identify whether alternative Collection times or methods could be used to mitigate the noise concerns and shall alter Routes upon request by the Authority Contract Manager in accordance with Section 5.2.A.
- E. Vehicle Inventory.** Contractor shall furnish the Authority Contract Manager a written (electronic) inventory of all vehicles, including Collection vehicles, used in providing service, and shall update the inventory report annually. The inventory shall list all vehicles by manufacturer, ID number, date of acquisition, fuel type, capacity, and decibel rating.

## **5.7 CONTAINER REQUIREMENTS**

- A. Containers Provided to Customers.** All Carts, Bins, and Drop Boxes shall be provided by Contractor to all Customers as part of services provided by Contractor, with the exception of public litter and public Organic Materials and Recyclable Materials cans that shall be provided by the Member Agencies. Contractor shall offer Customers the option to purchase or lease Compactors either through Contractor or an outside Vendor.

Contractor shall adhere to the Authority-approved provisions for Container assembly, delivery, and swap-out as specified in a Container deployment plan to be submitted and approved by the Authority at least sixty (60) days prior to the date of the first Container purchase scheduled, as indicated in Exhibit G3 Implementation Plan. Contractor shall provide Containers for storage and Collection of Organic Materials, Recyclable Materials, and Solid Waste. Contractor shall provide Containers to new Customers requesting service initiation, or existing Customers requesting a Used Oil Recovery Kit within five (5) Working Days of Contractor's first receipt of the Customer request. Contractor-provided Containers shall be new or clean used Containers, and Carts and Bins shall be designed and constructed to be watertight and prevent the leakage of liquids.

All Containers shall display the Authority's name, Container capacity (yards or gallons) and some identifying inventory or serial number. Contractor shall cooperate with the previous Authority Collection contractor to ensure that all existing Bins and Drop Boxes are replaced with Contractor-provided Bins and Drop Boxes within thirty (30) calendar days following the Commencement Date. In addition, Contractor shall cooperate with the previous Authority Collection contractor to ensure that the previous Authority Collection contractor's Cart inventory for the Authority is transferred to the Contractor.



Contractor shall provide all Customers with Collection Containers that comply with the Container color requirements specified in this Section. At least sixty (60) days in advance of Contractor Container purchases or repainting of metal Containers, Contractor shall present proposed colors to the Authority Contract Manager for review and approval. If an existing Container breaks or is otherwise rendered non-functional, the Contractor shall replace the non-functional Container with a Container that complies with the color requirements of this Section.

**B. Container Color Requirements.** Contractor shall differentiate Discarded Materials Containers based on color with different colors for Organic Materials, Recyclable Materials, and Solid Waste Containers that are readily identifiable by Customers and Generators. Containers must be in bright, readily identifiable colors to facilitate Customers' ready recognition of Organic Materials, Recyclable Materials, and Solid Waste, and are subject to Authority Contract Manager's written approval.

1. **Carts.** Solid Waste Carts provided to Customers shall have gray bodies and gray lids; Recyclable Materials Carts provided to Customers shall have blue bodies and blue lids; and, Organic Materials Carts provided to Customers shall have green bodies and green lids. No later than December 31, 2035, Contractor shall provide all Customers with Carts that comply with the Cart 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 Cart breaks or is otherwise rendered non-functional on or after the Commencement Date, the Contractor shall replace the non-functional Cart with a Container that complies with the color requirements of this Section.
2. **Bins.** Solid Waste Bins shall have gray bodies and gray lids, Recyclable Materials Bins shall have blue bodies and blue lids, and Organic Materials Bins shall have green bodies and green lids.
3. **Drop Boxes.** Solid Waste Drop Boxes shall have gray bodies; Recyclable Materials Drop Boxes shall have blue bodies; and, Organic Materials Drop Boxes shall have green bodies.

**C. Container Standards**

1. All Carts shall be manufactured by injection or rotational molding methods and shall be of a standard that is greater or equivalent to that of the Carts currently in use. Contractor-provided Containers shall be designed and constructed to be watertight and prevent the leakage of liquids. Carts provided to Customer shall have a useful life of ten (10) or more years as evidenced by a manufacturer's warranty or other documentation acceptable to the Authority Contract Manager, and shall be depreciated over ten (10) years.
2. All Containers with a capacity of one (1) cubic yard or more shall meet applicable Federal, State, and local regulations for Bin safety and be covered with industry-standard attached lids.
3. Drop Boxes with sliding tops shall be available to Customers upon request.
4. Contractor shall obtain the Authority Contract Manager's written approval of Container specifications, colors, and labeling before acquisition, painting, and labeling occurs.
5. When purchasing plastic Collection Containers, Contractor shall purchase Containers that contain a minimum of thirty percent (30%) post-consumer Recycled plastic content.
6. All such Containers shall be one hundred percent (100%) Recyclable at the end of their useful life.

7. Prior to ordering Containers for use under this Agreement, Contractor and Authority Contract Manager shall meet and confer to ensure the proposed Container specifications and labels comply with Applicable Law, including the final SB 1383 Regulations.

- D. Container Labeling.** All markings on the Containers shall be approved by the Authority Contract Manager in advance of ordering such Containers. On the lid of each Cart, and the body of each Bin, and Drop Box, Contractor shall label each material as follows: “LANDFILL” for Solid Waste; “RECYCLE” for Recyclable Materials; and, “ORGANICS” for Organic Materials. On the body of each Cart, Bin, and Drop Box, Contractor shall label the Container capacity (in gallons for Carts, and cubic yards for Bins and Drop Boxes). Container body labeling shall be positioned on the side of each Container, so it is always visible to the Customer. Each Cart shall be stamped with the Authority’s name and an Authority owned web address and phone number, and no Container shall be stamped or labeled with Contractor’s name or logo.

All Containers shall be labeled in accordance with the requirements of SB 1383. Recyclable Materials and Organic Materials Container labels shall include at least three (3) graphic examples of materials that are accepted in the Container, and at least two (2) graphic examples of materials that are prohibited from being placed in the Container, clearly displaying that the prohibited materials are prohibited (using recognizable symbols). Solid Waste Container labels must include at least two (2) graphic examples of materials that are prohibited from being placed in the Container, clearly displaying that the prohibited materials are prohibited (using recognizable symbols), and a statement that proper separation of Recyclable Materials and Organic Materials is mandatory.

All Carts shall include a high-quality educational information label using in-mold technology with full color, such that all labeling shall be integral to the lid, through the use of injection molding, and shall not be affixed to any part of the Cart or lid with adhesives, unless otherwise approved in advance by the Authority Contract Manager. Notwithstanding the provisions of this Section, or the requirements of SB 1383, the in-mold lid label shall include: information about the Collection program; acceptable materials; prohibited materials; notification forbidding Hazardous Waste and describing proper Disposal thereof; notification forbidding scavenging (through words and international symbols) and describing the penalties therefore under California law or Member Agency resolution; and the Member Agencies’ name and logo.

Contractor shall provide Drop Boxes containing permanent, fully SB 1383 compliant labeling and color specifications to Customers subscribing to regular, ongoing Drop Box service.

**E. Repair and Replacement of Containers; Inventory.**

1. Contractor shall be responsible for repairing or replacing Containers when Contractor determines the Container is no longer suitable for service; or when a Member Agency, Authority Contract Manager, or Customer requests replacement of a Container that does not properly function, leaks, is damaged, or is otherwise not fit for service, at no additional charge. Contractor shall be responsible for acquiring and providing the replacement Containers. Contractor shall repair or replace all lost, stolen, missing, damaged, or broken Containers within one (1) week of Customer, Authority Contract Manager, or Member Agency request. Any such replacements are in addition to replacements requested by a Customer under Section 5.7.E.3 below. If Contractor has reason to believe that a Customer may be abusing the repair/replacement requirement of this Section, Contractor may present the basis for their

belief to the Authority Contract Manager who may, in their sole discretion, modify the obligations of this Section with respect to such Customer.

2. Contractor shall maintain a sufficient inventory of Containers to accommodate new Customer requests for service, requests for change in Service Levels (size, type, or number of Containers) from current Customers, and requests for replacement due to damage.
3. Contractor shall provide to Single-Family Customers at least one (1) free Cart replacement per any twelve (12) month period for any reason, upon Customer request. If Customer requests more than one (1) Cart replacement per any twelve (12) month period, Contractor shall make Carts available at the Authority-established Rate for such services. In addition, Customers may also request Container size exchanges at no charge. All such Containers shall be provided on or before Customer's next regular Collection date. Contractor's failure to comply with the Container requirements may result in assessment of Liquidated Damages pursuant to Section 10.6 and Exhibit F.
4. Contractor shall provide all Single-Family Premises and all Multi-Family Dwelling Units a kitchen pail as part of initial service rollout or a Multi-Family Move-in Kit.

**F. Maintenance, Cleaning, Painting.** All Containers shall be maintained in a safe, serviceable, and functional condition and present a clean appearance, with the exception of public litter and public Recycling and Organic Materials cans that shall be maintained by the Member Agencies. Such maintenance shall include, but not be limited to, ensuring that Bins have operational wheels if equipped. Contractor shall repair or replace all Containers damaged by Collection operations in accordance with standards specified in Section 5.7.E, unless damage is caused by Customer's gross negligence, in which case, the Customer will be billed for repair or replacement of Container at an Authority-approved Rate for such service. All Containers shall be maintained in a functional condition.

Contractor to provide clean and repainted Containers as needed (other than Carts) to present a clean appearance. Contractor shall, or contract with a third party to, offer steam cleaning service (or clean Container exchange) to Customers requesting such service and shall charge Customers for such cleaning (or Container exchange) at the Authority-established Rate for such service. Contractor will provide to Customers one (1) free Organic Materials Container steam cleaning service or Container exchange per Rate Period.

Contractor shall remove graffiti from Containers within one (1) Working Day of identification by Contractor or notice by Member Agency or Customer if such graffiti includes any written or pictorial obscenities and otherwise within a forty-eight (48) hour period.

Upon request from the Authority Contract Manager, Contractor shall provide the Authority with a list of Containers and the date each Container was painted and maintained.

**G. Authority Ownership of Containers at End of Term.** Upon expiration or early termination of Agreement, all Containers purchased under this Agreement shall become property of the Authority at no cost to the Authority, if such Containers are fully depreciated. Upon expiration or early termination of Agreement, all Containers purchased under this Agreement that have not been fully depreciated shall be available to the Authority, at the Authority's option, at a cost reflecting the net book value. Depreciation for purposes of this Section 5.7.G will be calculated as used for determining Contractor's Compensation under this Agreement.

At its sole discretion, the Authority may elect not to exercise its rights with regard to this Section and, in such case, the Containers shall remain the property of the Contractor upon the date of this Agreement's expiration or earlier termination. In such case, Contractor shall be responsible for outstanding depreciation and for removing all Containers in service from Premises within fourteen (14) Working Days of the expiration date or early termination date of this Agreement or within a different timeframe mutually agreed to by the Parties. Contractor shall arrange for reuse or Recycling of Containers removed from the Authority, provided that Contractor does not place Containers labeled for use in the Authority into service in any other jurisdiction without prior written approval from the Authority Contract Manager.

## **5.8 PERSONNEL**

- A. General.** Contractor shall furnish such qualified personnel as may be necessary to provide the services required by this Agreement in a safe and efficient manner. Contractor shall designate at least one (1) qualified employee as Authority's primary point of contact with Contractor who is principally responsible for Collection operations and resolution of service requests and Complaints. Such individual shall be empowered to negotiate on behalf of, and bind, Contractor with respect to any changes in scope, dispute resolution, compensation adjustments, and service-related matters which may arise during the Term of this Agreement.

Contractor shall use its best efforts to ensure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall not permit its employees to accept, demand, or solicit, directly or indirectly, any additional compensation or gratuity from Customers or members of the public.

- B. Hiring of Displaced Employees.** Contractor is aware of, and shall comply with, the requirements of and duties imposed by Sections 1072 and 1075 of the California Labor Code regarding offers of employment to any displaced employees resulting from a change in service provider, if any, resulting from this Agreement or upon the expiration of this Agreement.

The number of staffing positions to be provided by Contractor to perform the services described herein to the Authority are identified in Exhibit G. Contractor shall provide the Authority Contract Manager with monthly status reports on or before the tenth (10<sup>th</sup>) day of each month during the period between the Effective Date and Commencement Date related to the hiring of all positions proposed by Contractor under this Agreement. This report shall include specific tracking of offers and hires of any employees displaced as a result of the award of this Agreement that were hired by Contractor.

- C. Driver Qualifications.** All drivers must have in effect a valid driver's license, of the appropriate class, issued by the California Department of Motor Vehicles. Contractor shall use the Class II California Department of Motor Vehicles employer "Pull Notice Program" to monitor its drivers for safety.
- D. Employee Behavior.** If any Contractor manager, supervisor, or employee is found to be discourteous or not to be performing services in the manner required by this Agreement, Contractor shall take all necessary corrective measures, including, but not limited to, transfer, discipline, or termination. If Authority has notified Contractor of a Complaint related to discourteous or improper behavior, Contractor will consider reassigning the employee to duties not entailing contact with the public within the Authority while the Contractor is pursuing its investigation and corrective action process.

- E. **Safety Training.** Contractor shall provide suitable operational and safety training for all of its employees who operate Collection vehicles or equipment. Contractor shall train its employees involved in Collection to identify, and not to Collect, Excluded Materials. Upon the Authority Contract Manager's request, Contractor shall provide a copy of its safety policy and a summary description of its safety training program, the name of its safety officer, and the frequency of its trainings.
- F. **Key Personnel.** Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff assigned to perform the services required under this Agreement. Contractor shall notify the Authority Contract Manager of any changes in Contractor's key staff to be assigned to perform the services required under this Agreement. Authority may request the Contractor to reassign proposed key staff members if Liquidated Damages levied against the Contractor exceed ten thousand dollars (\$10,000) in any consecutive three (3) month period; provided, however, all employment decisions of the Contractor's employees are entirely at the sole discretion of the Contractor. Contractor shall invite Authority Contract Manager to review resumes, participate in interviews with, and provide input about final candidates for these positions prior to hiring. Contractor shall consider the input of the Authority Contract Manager in such hiring decisions, however Contractor shall make all final hiring decisions and the Authority shall have no responsibility for the ultimate selection by Contractor.

Notwithstanding Authority Contract Manager's approval of Contractor's personnel, Contractor shall not be relieved from any liability resulting from the work to be performed under this Agreement, nor shall Contractor be relieved from its obligation to ensure that its personnel maintain all requisite certifications, licenses, and the like, and Contractor shall at all times ensure that its personnel fully comply with Applicable Law.

Failure to consistently maintain these staffing levels, by position, during the Term of the Agreement shall be considered a material breach, provided that prior to such action being determined a breach, Contractor and Authority Contract Manager shall meet and confer to determine whether staffing levels may be adjusted. If Authority and Contractor agree to a reduction in Contractor staffing levels, the resulting cost savings shall be reflected as an "Other Adjustment" during the next scheduled Rate adjustment, in accordance with Exhibit E.

At any point during the Term of this Agreement, the Authority Contract Manager may request in writing, followed by a meet and confer with Contractor senior management, that any of Contractor's employees be reassigned such that they no longer perform work directly relating to this Agreement. Such request by Authority shall provide a statement describing the reasonable cause for such request. Following such meet and confer period, if the Contractor agrees that such employee may be reassigned or legally terminated, Contractor shall remove the identified employee(s) from performing work directly related to this Agreement; the vacated position(s) must be filled by Contractor with a suitable replacement within ten (10) calendar days and Contractor shall immediately fill the vacated position with a temporary replacement, if required to perform without delay, all services required under this Agreement. If during the process, the Contractor is unable to find a suitable replacement and the performance has been accurately performed, the Authority may waive Liquidated Damages.

1. **Field Operations Supervisor.** Contractor shall designate a qualified full-time employee as supervisor of field operations. The designated field supervisor will work full time dedicated to

the Authority, in the field checking on Collection operations, including responding to Customer requests, inquiries, and Complaints. The field operations supervisor shall provide their cell phone number to the Authority Contract Manager and shall be reachable by cell phone or text at any time during normal business hours by the Authority Contract Manager or their designee.

**2. Diversion Coordinator.**

Contractor shall provide three (3) full-time Diversion Coordinator(s), not including the Contractor's contract manager, and maintain staff in such position through the Term of the Agreement. The duties of the Diversion Coordinator(s) will be focused on public education, community outreach, Commercial and Multi-Family site visits, and technical assistance, and will be substantially as described in Exhibit C Public Education and Outreach Requirements. The Diversion Coordinator(s) shall be full-time, regular, professional positions, compensated in accordance with the wages shown in Contractor's Proposal for such positions (which may also be called "Sustainability Specialists" or "Recycling Coordinators"). Contractor acknowledges that the Diversion Coordinator role is not intended to be an internship, or entry-level role, and that the role shall not include serving as regular support for other internal or administrative Contractor functions. Authority shall have the option to participate in the hiring and training process of Contractor's Diversion Coordinator(s). Authority may designate a staff member to work in partnership with Contractor's Diversion Coordinator(s).

3. **Personnel Vacancies.** In the event that Contractor fails to provide the required number of full-time equivalent key personnel, including the General Manager, Field Operations Supervisor, Diversion Coordinator, and Customer Service Manager, for more than two (2) months (nine (9) consecutive weeks), Contractor shall remit to the Authority seven thousand dollars (\$7,000) per un-provided key personnel for every month (in excess of four (4) months) such employee is not provided. Such amount shall be adjusted annually by the same percentage used to adjust Rates in accordance with Exhibit E. For example, if for six (6) months Contractor fails to provide one (1) key personnel employee, Contractor would remit to the Authority a minimum of fourteen thousand dollars (\$14,000) (assuming no annual adjustment of the amount has occurred). Contractor shall remit such payment within fifteen (15) Business Days of a written request by the Authority Contract Manager. The intent of this payment is for the Authority to utilize the funds to separately procure equivalent public education services and ensure the contractually agreed-upon levels of technical assistance and outreach are provided to Customers.

- G. Route Supervisors.** Contractor shall employ two (2) full-time Route Supervisors and maintain staff in such position through the Term of the Agreement. Subject to the provisions of Section 3.5, the Authority may request the Contractor employ an additional Route Supervisor.

## **5.9 CONTRACT MANAGEMENT**

Authority has designated staff, the Authority Contract Manager, to be responsible for the monitoring and administration of this Agreement, in consultation with other Authority and Member Agency staff as Authority deems necessary. Contractor shall designate an employee to serve as Contractor's contract manager(s), to be responsible for working closely with the Authority Contractor Manager in the monitoring and administration of this Agreement. At any point during the Term of this Agreement, the Authority Contract Manager may require that Contractor's contract manager not be involved in the management, operations, administration, marketing, or other activities of Contractor other than under this Agreement and up to one (1) other community's franchise agreement if Contractor's contract



manager is unable to devote the necessary time to Contractor's obligations under this Agreement, provided that Contractor's contract manager may be involved with up to (2) other communities in order to respond to temporary, short-term staffing turnover as needed. In such case, Contractor shall be responsible for notifying the Authority Contract Manager of such other community(ies), the length Contractor's contract manager's involvement therewith, and any change in assignments. In the event the Contractor's contract manager(s) is not providing satisfactory responsiveness to Authority Contract Manager requests, Authority Contract Manager may require Contractor to designate a new Contractor's contract manager at no additional cost to the Authority.

The Contractor's contract manager shall meet and confer with the Authority Contract Manager to resolve differences of interpretation and implement and execute the requirements of this Agreement in an efficient and effective manner that is consistent with the stated objectives of this Agreement.

From time to time, the Authority Contract Manager may designate other agents of the Authority to work with Contractor on specific matters. In such cases, those individuals should be considered designates of the Authority Contract Manager for those matters to which they have been engaged. Such designates shall be afforded all of the rights and access granted thereto. In the event of a dispute between the Authority Contract Manager's designate and Contractor, the Authority Contract Manager's determination shall be conclusive.

In the event of dispute between the Authority Contract Manager and the Contractor regarding the interpretation of or the performance of services under this Agreement, the Authority Contract Manager's determination shall be conclusive, except where such determination results in a material impact to the Contractor's revenue and/or cost of operations. In the event of a dispute between the Authority Contract Manager and the Contractor results in such material impact to the Contractor, the provisions of Section 10.9 shall apply. For the purposes of this Section 5.9, "material impact" is an amount equal to or greater than one percent (1%) of Contractor's Gross Receipts as estimated in Contractor's Proposal or the most recent twelve (12) months of operating results, whichever is higher.

Authority Contract Manager or their designate shall have the right to observe and review Contractor operations and Processing Facilities and enter Premises for the purposes of such observation and review, including review of Contractor's records, during reasonable hours with reasonable notice. In no event shall Contractor prevent access to such Premises for a period of more than three (3) calendar days after receiving such a request. Authority Contract Manager shall be granted read-only access to Contractor's Customer service, call center, and operations information systems and Customer service order and billing information systems in accordance with Section 4.13 of this Agreement.

## **5.10 DIVERSION REQUIREMENTS**

- A. General.** Contractor shall perform services under this Agreement in a manner that supports the Authority's environmental goals. This includes, but is not limited to, providing services, education, and outreach to Customers and in the community that promote Source Reduction, reuse, Recycling, Composting, and other methods to reduce landfill Disposal and overall environmental impact. Contractor is expected, wherever appropriate, to suggest opportunities for Customers to reduce their Solid Waste subscription levels and increase the level of Recyclable Materials and Organic Materials service received. Contractor's management, operations, and Customer service personnel shall, as part of every technical assistance Customer interaction, promote the principles of zero waste, and identify and recommend opportunities for Customers to increase the relative level of Recyclable Materials and Organic Materials service received compared to the level of Solid Waste

service received through downsizing their Solid Waste subscription level, and to reduce the overall amount of Discarded Materials.

- B. Annual Diversion Goals.** Contractor shall endeavor to improve Diversion rates, while working to maintain the minimum Diversion rates specified in Figure 5.2. During a Cost-Based Rate Adjustment, described in Exhibit E2, the Authority and Contractor shall meet and confer to establish appropriate Diversion metrics and continuous improvement targets for the subsequent 4-year period. Such revised metrics shall be agreed upon in writing by the Parties prior to the inception of Rate Periods 4 and 8.

The minimum Diversion rate shall be calculated as total Tons Diverted divided by total Tons Collected for the applicable sector. Total Tons Diverted does not include Processing Residue that is Disposed.

**Figure 5.2: Minimum Diversion Rate**

Rate Period	City of Campbell	City of Monte Sereno	City of Saratoga	Town of Los Gatos
X	33%	56%	54%	42%
1	34%	57%	55%	43%
2	35%	58%	56%	44%
3	36%	59%	57%	45%
4	37%	60%	58%	46%

**C. Continuous Improvement**

Authority and Contractor agree that in order to meet the Diversion target percentages indicated in Figure 5.2, Contractor shall endeavor to improve each of the following metrics annually until the target values stated for each metric are met, at which point Contractor shall make ongoing efforts to maintain such targets:

1. **Increasing Participation.** Increasing the relative total Service Level volume for Organic Materials and Recyclable Materials Collection as compared to the total Service Level volume for Solid Waste Collection from Residential Customers and from Commercial Customers. Target measure is to achieve 100% participation or Authority-approved waivers (as described in Section 4.14).
2. **Increasing Capture Rate.** Increasing the average pounds Collected per cubic yard of subscribed Organics Materials capacity from Multi-Family Customers and Commercial Customers. The target measure shall be for Residential Organic Materials to capture greater than 100 pounds per cubic yard; for Commercial Organic Materials to capture greater than 220 pounds per cubic yard; and, for Recyclable Materials from all sectors to capture greater than 50 pounds per cubic yard
3. **Decreasing Contamination.** Decreasing the weight of contamination as a percentage of the weight of total Recyclable Materials and Organic Materials as set-out, as measured by the waste characterization studies pursuant to Section 4.16 of the Agreement. At the direction of Authority Contract Manager, the methodology for decreasing contamination may be altered upon mutual agreement between Authority and Contractor.



Assessing progress for Items 1 and 2 above shall be based on comparing the annual calendar year data for each metric as reported in the annual report as provided in Exhibit D with the comparable data for the previous calendar year.

For Item 3 above, Contractor shall not be obligated to demonstrate continuous annual improvement unless the Authority Contract Manager directs the Contractor to conduct a waste characterization study of Organics Materials, Recyclable Materials, and Solid Waste as defined in Section 4.16 of the Agreement to define the baseline level of contamination for assessing Contractor progress over time in reducing contamination.

## **5.11 MISSED COLLECTIONS**

- A. Missed Collection Complaints.** In the event that Contractor believes a Customer has a pattern of inaccurately reporting missed Collections and the Customer has reported two (2) Customer Complaints related to missed or incomplete pickups, then Contractor may refrain from complying with the Collection schedule set forth in Section 5.11.B below. In the event Contractor elects to exercise its rights from the preceding sentence, Contractor shall submit supporting documentation of such claim to the Authority Contract Manager including, but not be limited to: a statement explaining why Contractor believes the missed Collections were inaccurately reported; documentation of the Customer's prior Complaints and resolution thereof; and, call center notes taken during the Complaint calls.
- B. Schedule for Resolution.** Contractor shall resolve each and every Customer Complaint of a missed or incomplete Collection by returning to the Customer address and completing the Collection. For all Complaints related to missed Collections that are received by 12:00 p.m. from Bin or Drop Box Customers, or that are received by 3:00 p.m. from Cart Customers on a Working Day, the Contractor shall return to the Customer address and Collect the missed materials on the same Working Day on which the missed Collection was reported. For those Complaints related to missed Collections that are received after 12:00 p.m. from Bin or Drop Box Customers, or after 3:00 p.m. from Cart Customers on a Working Day, the Contractor shall have until the end of the following Working Day to resolve the Complaint.

Contractor shall not be required to return and complete a Collection in response to a Complaint if the Contractor's driver has left a Non-Collection Notice due to Prohibited Container Contaminants, or if Customer had not placed their Container out in a timely manner, as evidenced by Contractor's records.

- C. Courtesy Collections for Late Set-Outs.** In the event that a Customer places their Container for Collection after Contractor's Collection vehicle has already passed the Premises for regularly scheduled Collection, Contractor shall return to the Customer Premises and provide a courtesy Collection at no charge to the Customer. Contractor is not required to provide more than one (1) courtesy Collection for late set-outs per Customer per calendar year. For Residential Customers, one (1) courtesy Collection represents Collection of up to three (3) Carts (Organic Materials, Recyclable Materials, and Solid Waste) per incident. Contractor shall complete the courtesy Collection by the end of the following Working Day. The provisions of this Section shall only apply if the Customer acknowledges, and/or Contractor documents with evidence satisfactory to the Authority Contract Manager, that the event did not constitute a missed or incomplete Collection event by the Contractor.

- D. **Disposal of Contaminated Discarded Materials.** In the event a Discarded Materials Container is not Collected due to presence of Prohibited Container Contaminants, as identified pursuant to the approved methodology under Section 4.15, Contractor shall Transport Discarded Materials to the Approved Facility for Disposal in accordance with Section 4.17.

## 5.12 CUSTOMER REBATES FOR FAILURE TO PROVIDE SERVICE

- A. **General.** Contractor and Authority agree that Contractor's failure to provide service in accordance with Articles 4 and 5 of this Agreement will result in the impacted Customer receiving a lower level of service than is anticipated by the Customer's subscribed Rate and creates additional burdens on the impacted Customer. To account for this, Contractor shall issue rebates to Customers for specific events of non-performance, in accordance with this Section 5.12. Such rebates shall be assessed for each calendar day the issue remains unresolved. Contractor shall issue such rebates automatically, regardless of whether or not the impacted Customer requests a rebate. If Rebates are issued to Customers as described in this Section 5.12, Authority shall not be entitled to any Liquidated Damages or other remedies associated with Contractor's failure to perform.
- B. **Missed Collection Rebate.** For each first failure per Customer, per Working Day for the Contractor to resolve a missed or incomplete Collection on the scheduled Collection day, Contractor shall remit to the Customer a Missed Collection Rebate. The Missed Collection Rebate amount shall be equivalent to the Rate paid by the Customer for the missed Collection multiplied by the number of Working Days the missed Collection Complaint was left unresolved. The Rate paid by the Customer for each Working Day of each missed Collection shall be calculated as the total bill amount during the bill period during which the missed Collection occurred divided by the number of regularly scheduled Collections were scheduled to occur during that bill period. For example, if a total bill was forty dollars (\$40) and four (4) regularly scheduled Collections were scheduled to occur during that bill period, the Missed Collection Rebate per Working Day for a missed Collection during that bill period would be ten dollars (\$10), and the total Missed Collection Rebate for such a missed Collection that was resolved in two (2) Working Days would be twenty dollars (\$20).

For each second failure per Customer, per Rate Period for the Contractor to resolve a missed or incomplete Collection on the scheduled Collection day that occurs for a Customer, the Missed Collection Rebate amount shall be equivalent to the Customer's total bill for the month in which the failure occurred.

The Missed Collection Rebate applies to missed Collections of all material types, including but not limited to Bulky Items and Reusable Materials, used cooking oil, Household Batteries, and Cardboard Overages.

- C. **Late Container Delivery Rebate.** For each failure to deliver a Container to a new or existing Customer in accordance with the schedule provided in Section 5.7, Contractor shall remit to the Customer a Late Container Delivery Rebate. The Late Container Delivery Rebate amount shall be five dollars (\$5) per calendar day per Container in Rate Period Zero and Rate Period One, and shall be adjusted annually thereafter by the same percentage used to adjust Rates in accordance with Exhibit E. Contractor shall continue to remit the Late Container Delivery Rebate each calendar day until the Container(s) in question have been delivered. The Late Container Delivery Rebate applies to all approved Containers, including but not limited to a Used Oil Recovery Kits, if an empty Used Oil Recovery Kit is not left when the full kit is Collected, in accordance with Section 4 of Exhibit B1.

## **ARTICLE 6.**

### **RECORD KEEPING AND REPORTING**

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#### **6.1 RECORD KEEPING**

Contractor shall maintain Customer contact, Customer service, accounting, statistical, operational, and other data records related to its performance as shall be necessary to provide reporting under this Agreement, Applicable Law, and to demonstrate compliance with this Agreement. Unless otherwise required in this Article, Contractor shall retain all records and data required to be maintained by this Agreement in an accessible location and condition (which may include the cloud) for the Term of this Agreement plus three (3) years after its expiration or earlier termination. Records and data shall be stored in digital format that is sortable, indexed, and readily and easily interpreted. Where records contain internal coding, Contractor shall provide a legend to facilitate the interpretation of any such coding. Upon request, any such records shall be retrieved within ten (10) Working Days of a request by the Authority Contract Manager and made available to the Authority Contract Manager. Contractor shall maintain adequate record security to preserve records from events that can be reasonably anticipated such as a fire, theft, and earthquake. Electronically-maintained data and records shall be protected and backed-up. Contractor shall, on a monthly basis, save all system-generated reports supporting the record keeping and reporting requirements in PDF format in order to provide an audit trail for all data required.

To adjust Contractor's Compensation in the event of Authority-directed changes in accordance with Section 3.5 or in the event of special Rate review in accordance with Section 8.3, Contractor must maintain accurate, detailed, financial, and operational information in a consistent format, and must make such information available to the Authority in a timely fashion.

Authority 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, Authority regards its ability to prove where Collected Recyclable Materials, Organic Materials, and Solid Waste are taken for Transfer, Processing, or Disposal. Contractor shall maintain records to establish delivery of loads to the Approved Facility(ies). This provision shall survive the expiration or earlier termination of this Agreement. Contractor shall maintain these records for a minimum of ten (10) years beyond expiration or earlier termination of the Agreement. Contractor shall provide these records to Authority Contract Manager (upon request or at the end of the record retention period) in an organized and indexed manner rather than destroying or Disposing of them.

It is not possible to accurately anticipate all of the conditions giving rise to the need for information; therefore, to the extent such requirements are set out in this and other Articles of this Agreement, they shall not be considered limiting or necessarily complete. In particular, this Article is intended to only highlight the general nature of records and reports and their minimum content and is not meant to comprehensively define what the records and reports are to be and their content. Further, with the written direction by or approval of the Authority Contract Manager, the records and reports to be maintained and provided by Contractor in accordance with this and other Articles of the Agreement shall be adjusted in number, format, or frequency. If such adjustment results in additional costs to the Contractor over twenty thousand dollars (\$20,000) per year, Contractor shall submit a proposal for a change in scope consistent with the requirements of Section 3.5 and, if approved, the Authority shall compensate Contractor for its increased record keeping and reporting costs.

## **6.2 REPORT SUBMITTAL REQUIREMENTS**

Contractor shall submit monthly reports no later than twenty (20) calendar days after the end of the calendar month. Contractor shall submit annual reports no later than thirty (30) calendar days after the end of each calendar year. Quarterly and annual reports shall, at a minimum, include all data and information as described in Exhibit D. Additionally, upon request by the Authority, Contractor shall provide any data, described in Exhibit D, required to respond to requests by local, regional, or State agencies within five (5) Business Days.

Contractor may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be approved by the Authority Contract Manager, in their sole discretion. Authority Contract Manager may, from time to time during the Term, review and request changes to Contractor's report formats and content and Contractor shall not unreasonably deny such requests.

Contractor shall submit all reports to the Authority Contract Manager electronically via e-mail using software acceptable to the Authority Contract Manager. The Authority reserves the right to require Contractor to maintain records and submit the reports required herein through use of an Authority-selected web-based software platform or cloud-based reporting system, at Contractor's expense.

## **6.3 PERFORMANCE REVIEW AND AUDIT**

The Authority Contact Manager shall conduct, and Contractor shall cooperate with, a performance review and audit during Rate Periods Three, Seven, and Eleven, if applicable. The purpose of such review and audit shall be, without limitation, to review Complaints, billings, and fee payments to Authority, and to determine if Contractor has met the performance standards described in this Agreement (including, without limitation, performance standards established in Exhibit F). Authority may choose to enlist professional service providers to perform such review and audit, and Contractor shall be required to pay Authority's actual costs for such services up to one hundred twenty five thousand dollars (\$125,000) per event (such amounts shall be adjusted annually by the annual percentage change in CPI-U, calculated in accordance with Exhibit E).

Contractor shall not attempt to influence or control the Authority's selection of professional service providers nor the specific review items covered by the review or audit. Contractor shall cooperate with the Authority and its agents during the review and audit process, including by providing a thorough, complete, and accurate response to any requests for information within ten (10) Business Days of the Authority's request. Contractor shall not request a confidentiality agreement from the Authority or its agents in order to conduct the performance review and audit, nor shall it claim privilege over any record or documents that the Authority Contract Manager is entitled to under this Agreement unless this Agreement already specifically acknowledges some privilege related to that record.

If any partial compliance or noncompliance with the Agreement is found, the Authority may elect any remedy available under the Agreement including, but not limited to, assessing Liquidated Damages, determining that a breach or default has occurred, and/or directing the Contractor to correct the inadequacies in accordance with Article 10 of this Agreement.

## **ARTICLE 7.**

### **AUTHORITY FEES AND REIMBURSEMENTS**

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#### **7.1 FRANCHISE FEE**

The Contractor shall pay a Franchise Fee to the Authority each month. Contractor has proposed and Authority has agreed that the amount of the Franchise Fee shall be equal to \$0 per year for all services performed under this Agreement and shall be paid in equal monthly installments by Electronic Funds Transfer (EFT) or check. Contractor and Authority agree the Franchise Fee is a negotiated amount that is reasonably related to the value of the rights granted to Contractor under this Agreement. The Authority and Member Agencies may use the Franchise Fee for any lawful purpose. The Franchise Fee is a cost paid solely by Contractor from its profits. Accordingly, the Franchise Fee shall be considered a reduction to Contractor's profit and not reflected in the calculations performed in Exhibit E. The Franchise Fee amount shall be increased annually by the same percentage as the Total Costs Before Member Agency Reimbursements Adjustment Factor calculated for that Rate Period. The reimbursement amount shall be determined by the Authority annually by 30 days prior to the Rate application for that Rate Period.

#### **7.2 ADMINISTRATIVE REIMBURSEMENT**

The Contractor shall pay an Administrative Reimbursement to the Authority each month. The Authority shall use the Administrative Reimbursement to reimburse program expenses or Authority, Member Agency, or other third-party staffing costs, including but not limited to Authority or Member Agency programs, pilot studies, education and outreach campaigns, technical assistance to Customers, reporting, compliance, capacity planning, organics procurement, or other activities related to the management of this Agreement. Contractor acknowledges that Administrative Reimbursements are a cost of doing business not eligible for profit and that Administrative Reimbursements shall not be passed directly through to Customers as a line item on a Customer billing statement. Both Parties acknowledge that all Administrative Reimbursements are an allowable cost of business similar to any license or permit required by the Contractor to perform the services required under this Agreement and will be recovered by Contractor through the Rates as described in Exhibit E. The reimbursement amount shall be determined by the Authority annually by June 30 for the subsequent year.

#### **7.3 VEHICLE IMPACT MITIGATION REIMBURSEMENT**

The Contractor shall pay a Vehicle Impact Mitigation Reimbursement to Member Agencies each month. The amount of the Vehicle Impact Mitigation Reimbursement at the time of execution of this Agreement is as follows: four hundred seventy-seventy thousand six hundred dollars (\$477,600) annually for the City of Campbell; zero dollars (\$0) annually for the City of Monte Sereno; four hundred fifty-four thousand eight hundred eighteen dollars (\$454,818) annually for the City of Saratoga; and, eight hundred seventy-eight thousand three hundred eighty-one dollars (\$878,381) annually for the Town of Los Gatos. The amount of the Vehicle Impact Mitigation Reimbursement for Rate Period shall be determined prior to the establishment of Rate Period One Rates. This payment is to reimburse the Member Agencies for street maintenance costs incurred from Collection vehicles traveling on Member Agency streets. Contractor acknowledges that Vehicle Impact Mitigation Reimbursements are a cost of doing business not eligible for profit and that Vehicle Impact Mitigation Reimbursements shall not be passed directly through to Customers as a line item on a Customer billing statement. Both Parties acknowledge that all Vehicle Impact Mitigation Reimbursements are an allowable cost of business similar to any license or permit required by the Contractor to perform the services required under this Agreement and will be recovered by Contractor through the Rates as described in Exhibit E.

## **7.4 STREET MAINTENANCE REIMBURSEMENT**

The Contractor shall pay a Street Maintenance Reimbursement to Member Agencies each month. The amount of the Street Maintenance Reimbursement is as follows at the time of execution of this Agreement: two hundred seventy-eight thousand nine hundred five dollars (\$278,905) annually for the City of Campbell; zero dollars (\$0) annually for the City of Monte Sereno; one hundred thousand dollars (\$100,000) annually for the City of Saratoga; and, four hundred fifty nine thousand three hundred ninety-five dollars (\$459,395) annually for the Town of Los Gatos. The amount of the Street Maintenance Reimbursement for Rate Period shall be determined prior to the establishment of Rate Period One Rates. The payment is to reimburse the Member Agencies for costs related to the maintenance of streets including, but not limited to, costs for tree trimming. Contractor acknowledges that Street Maintenance Reimbursements are a cost of doing business not eligible for profit and that Street Maintenance Reimbursements shall not be passed directly through to Customers as a line item on a Customer billing statement. Both Parties acknowledge that all Street Maintenance Reimbursements are an allowable cost of business similar to any license or permit required by the Contractor to perform the services required under this Agreement and will be recovered by Contractor through the Rates as described in Exhibit E.

## **7.5 HHW REIMBURSEMENTS**

The Contractor shall pay a HHW Reimbursement to Member Agencies each month. The amount of the HHW Fee is as follows at the time of execution of this Agreement: fifty-two thousand four hundred eighty-nine dollars (\$52,489) annually for the City of Campbell; twelve thousand two hundred forty-five dollars (\$12,245) annually for the City of Monte Sereno; fifty thousand four hundred eleven dollars (\$50,411) annually for the City of Saratoga; and, sixty-four thousand five hundred fifty-two dollars (\$64,552) annually for the Town of Los Gatos. The payment is to reimburse the Member Agencies for the costs related to participation in the Santa Clara County Household Hazardous Waste Program. Contractor acknowledges that the HHW Reimbursements are a cost of doing business not eligible for profit and that HHW Reimbursements shall not be passed directly through to Customers as a line item on a Customer billing Statement. Both Parties acknowledge that all HHW Reimbursements are an allowed cost of doing business similar to any license or permit required by the Contractor to perform services required under this Agreement and will be recovered by the Contractor through the Rates as described in Exhibit E.

## **7.6 OTHER REIMBURSEMENTS**

Member Agencies and/or Authority reserves the right to set "other" reimbursements, as it deems necessary. The amount, time and method of payment and adjustment process will be set in a manner similar to that for other reimbursements described in this Article. Contractor acknowledges that Member Agency Reimbursements are a cost of doing business not eligible for profit and that Member Agency Reimbursements shall not be passed directly through to Customers as a line item on a Customer billing statement. Both Parties acknowledge that all Member Agency Reimbursements are an allowable cost of business similar to any license or permit required by the Contractor to perform the services required under this Agreement and will be recovered by Contractor through the Rates as described in Exhibit E.

## **7.7 ADJUSTMENTS**

Member Agencies and/or Authority may set other payments or adjust the payments established in this Article from time-to-time during the Term of this Agreement and such other payments and adjustments shall be considered an allowable cost of business not subject to profit mark-up and included in the adjustment of Rates as described in Exhibit E.



## **7.8 PAYMENT SCHEDULE AND LATE FEES**

Within twenty-five (25) calendar days of the end of each calendar month, during the Term of this Agreement, Contractor shall remit to Member Agencies and Authority all fees and reimbursements as described in this Article. Such fees and reimbursements shall be remitted to Member Agencies and sent or delivered to the Authority Contract Manager. If such remittance is not paid to Member Agencies or Authority on or before the twenty-fifth (25<sup>th</sup>) calendar day following the end of a calendar month, all fees due shall be subject to a delinquency penalty of two percent (2%), or maximum permitted by law, which attaches on the first day of delinquency. The delinquency penalty shall be increased an additional two percent (2%), or maximum permitted by law, for each additional month the payment remains delinquent.

Each monthly remittance to Member Agencies and Authority shall be accompanied by a statement listing the amount of each fee paid; and the calculation of each fee. Authority Contract Manager may, at any time during the Term, request a detailed calculation of Gross Receipts which may include, but is not necessarily limited to, the number of Customers charged at each Service Level and Rate for each billing period. Contractor shall maintain all supporting documents and calculations for each payment made to Member Agencies as required by Section 6.1.

Authority Contract Manager may, at any time during the Term, perform an audit of Contractor's billings and payment of fees. Contractor shall cooperate with the Authority Contract Manager in any such audit. Should Authority or its agent perform this review and identify errors in payment of fees valued at one (1) percent or more for the period reviewed, Contractor shall, in addition to compensating Authority for lost fees, reimburse the Authority's actual cost of the review.

## **7.9 PROCUREMENT REIMBURSEMENT**

Within (5) Business Days of the Effective Date of this Agreement, Contractor shall pay the Authority three hundred thirty-three thousand and six hundred ninety dollars (\$333,690) to reimburse the Authority for the cost of preparing the RFP, reviewing Contractor's Proposal, and negotiating this Agreement. The Contractor shall not recover this payment through Contractor's Compensation.

# **ARTICLE 8. CONTRACTOR'S COMPENSATION AND RATE SETTING**

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## **8.1 GENERAL**

The Contractor's Compensation for performance of all its obligations under this Agreement shall be Gross Receipts. Contractor's Compensation provided for in this Article shall be the full, entire, and complete compensation due to Contractor pursuant to this Agreement for all labor, equipment, materials, and supplies for Transfer, Processing and Disposal costs, Member Agency Reimbursements, taxes, insurance, bonds, overhead, operations, profit, and all other things necessary to perform all the services required by this Agreement in the manner and at the times prescribed. Nothing herein shall obligate Authority to provide any compensation to Contractor beyond Gross Receipts.

If Contractor's actual costs, including fees due to Member Agencies and Authority, are more than Gross Receipts, Contractor shall not be compensated for the difference between actual costs and actual Gross Receipts. If Contractor's actual costs are less than the actual Gross Receipts, Contractor shall retain the

difference, provided that Contractor has paid all costs necessary to fulfil Contractor's obligations under this Agreement.

Under this Agreement, Contractor shall have the right to charge and collect from Customers, the maximum Rates in Exhibit G2 that are established by the Authority for provision of services to Customers. The Rates for Rate Period Zero were continued from the prior agreement. The Rates for Rate Period One are based on the Contractor's Proposal. Contractor's proposed costs and operating assumptions for Rate Period One are presented in Exhibit G1. Rate Period One Rates in Exhibit G2 are subject to the adjustment of the Administrative Reimbursement, as described in Section 7.2, approved by the Authority prior to the Commencement Date.

## **8.2 RATES AND ANNUAL ADJUSTMENTS**

- A. General.** The Authority Contract Manager shall be responsible for ratifying Rates as described in this Article. If at any time during the Term of the Agreement, the Contractor determines the need for a Rate that does not appear on the Authority established Rate schedule in Exhibit G2, Contractor shall immediately notify the Authority Contract Manager and request establishment of such Rate. For example, if a Customer requires Collection of Organic Materials in a fifteen (15) cubic yard Compactor five (5) times per week and the Authority-ratified Rate schedule does not include this level of service, the Contractor must request that the Authority Contract Manager establish a Rate for this level of service. Rates for an individual service that do not appear on the Authority-ratified Rate schedule may be established by the Authority Contract Manager on a temporary basis for up to one Rate Period until the next normally-scheduled consideration by the Authority Board of Directors.
- B. Rates for Rate Period One.** The Rates for Rate Period One, which are presented as an addendum to Exhibit G1, were determined by Contractor and Authority and were established along with this Agreement. The Rates for Rate Period One shall be effective from July 1, 2024 through June 30, 2025, a twelve (12) month period. Rate Period One Rates in Exhibit G2 are subject to the adjustment of the Administrative Reimbursement, as described in Section 7.2, approved by the Authority prior to the Commencement Date.
- C. Rates for Subsequent Rate Periods.** Rates for subsequent Rate Periods shall be adjusted annually in accordance with this Section 8.2 and Exhibit E using the annualized Rate Period One costs, as presented in Exhibit G1. Rates for Rate Periods Two, Three, Five, Six, Seven, Nine, Ten, and if applicable, Eleven, Thirteen, Fourteen, and Fifteen, shall be adjusted in accordance with Exhibit E1, Index-Based Rate Adjustment Methodology. Rates for Rate Periods Four, Eight, and Twelve, if applicable, shall be adjusted in accordance with Exhibit E2, Cost-Based Rate Adjustment Methodology.

The index-based adjustment, which is described in Exhibit E1, involves use of various cost adjustment factors (such as the percentage change in the consumer price index and changes in Tonnage and tipping fees) to calculate adjusted Rates. Such Rate adjustment calculations shall be performed in strict conformance to the procedures described in Exhibit E1.

The cost-based methodology, which is described in Exhibit E2, involves a review of Contractor's actual costs and revenues and projection of costs and revenues for the coming Rate Period. This cost-based Rate adjustment shall be performed instead of the index-based Rate adjustment for Rate



Periods Four, Eight, and Twelve. Such Rate adjustment calculations shall be performed in strict conformance to the procedures described in Exhibit E2.

- D. Rate Structure.** The Authority may, at any time during the Term of this Agreement and in its sole discretion, change the relationship of individual Rates in comparison with other Rates. Any such changes would occur in conjunction with the annual Rate adjustment process described in Section 8.2.C or in conjunction with a Rate adjustment resulting from an extraordinary Rate adjustment in accordance with Section 8.3. Changes to the Rates charged under the new structure shall be calculated in such a way that the revised Rate structure generates at least the same amount of total revenue when the current number of accounts at each Service Level are multiplied by the Rates charged for each Service Level and the total for all Service Levels are summed.

### **8.3 EXTRAORDINARY RATE ADJUSTMENTS**

It is understood that the Contractor accepts the risk for changes in the cost of providing services and the Service Levels requested by Customers and, therefore, the extraordinary adjustments to Rates shall be limited to a Change in Law or an Authority-directed change in scope. If a Change in Law or Authority-directed change in scope (pursuant to Section 3.5) occurs, the Contractor may petition Authority for an adjustment to the Rates in excess of the annual adjustment described in Section 8.2.

Contractor shall prepare an application for the extraordinary Rate increase. Such submittal shall be prepared in compliance with the procedures described in Exhibit E2 and shall provide all information requested by Authority Contract Manager specific to the nature of the request being made. Contractor shall pay all reasonable costs incurred by Authority, including the costs of outside accountants, attorneys, and/or consultants, in order to make a determination of the reasonableness of the requested Rate adjustment. The application shall clearly document the reason for the proposed adjustment, include calculation of the proposed Rate adjustments, and provide supporting documentation.

In the event of such an application for extraordinary Rate increase, it is understood that the Contractor shall have the burden of demonstrating, to the reasonable satisfaction of the Authority Contract Manager, that the failure of Authority to ratify the Rates will result in the Contractor's failure to achieve the operating ratio stipulated in Contractor's Proposal and described in Exhibit E due to the Change in Law or Authority-directed change in scope. The Contractor shall the burden of demonstrating its failure to achieve the operating ratio by allowing for Authority Contract Manager review of financial statements and supporting documentation.

The Authority Contract Manager shall have the right to request any other information that they, in their reasonable judgment, determine is necessary to establish the reasonableness or accuracy of Contractor's request for an extraordinary Rate increase. Contractor's failure to fully cooperate in a timely manner with any reasonable request for information by the Authority Contract Manager may result in either the denial of or a delay in the approval of the request for an extraordinary Rate increase.

In no case shall Contractor undertake significant cost reduction efforts that, in the Authority's reasonable determination, negatively impact the services provided under this Agreement without the prior written approval of the Authority. Contractor may, at any time during the Term of this Agreement, present to Authority opportunities for reducing costs. Upon Contractor's presentation of their cost saving proposal, Authority may request, and Contractor shall provide, such information as may be reasonably necessary to fully understand the proposed change. Should Contractor propose and Authority accept an approach to reducing costs, the Parties shall establish the portion of the cost savings that will accrue to the benefit of

the Contractor and the portion that will accrue to the benefit of the Customers through a reduction in the Rates. Should no other mutually-acceptable apportionment be agreed upon, the Contractor shall retain fifty percent (50%) of the projected cost savings and the Customers shall gain the benefit of the other fifty percent (50%). Such cost savings shall be reflected as a negative value in the “Other Adjustment” portion of the Rate application submitted pursuant to Exhibit E1 or Exhibit E2, depending on the type of Rate adjustment procedure used in that Rate Period.

## **8.4 COMPENSATION OF POST-COLLECTION SERVICES CONTRACTOR**

Contractor is solely responsible for compensating the Post-Collection Services Contractor for actual Tons of each type of Discarded Material delivered at the then-current per-Ton rate. The then-current per-Ton rate, as adjusted by the Post-Collection Services Agreement and as incorporated into the Authority established Rates as provided in Exhibit E, shall be the only form of compensation due to the Post-Collection Services Contractor, including for Disposal of Residue. Contractor shall be invoiced for and shall pay for Processing and Disposal of actual Tons delivered to, the Approved Facility regardless of material type; there are no minimum or maximum Tonnage requirements. Contractor and Post-Collection Services Contractor shall meet and confer no less than sixty (60) days prior to the Commencement Date to finalize the invoicing process. Contractor shall provide payment to Post-Collection Services Contractor within thirty (30) days of receipt of complete invoices. Contractor’s failure to pay the Post-Collection Services Contractor timely, completely, and accurately shall be considered a material breach of the terms of the Agreement and may subject Contractor to Liquidated Damages, default, claim(s) against Contractor’s Performance Bond, or other remedies available to the Authority and/or Post-Collection Services Contractor.

# **ARTICLE 9. INDEMNITY, INSURANCE, AND PERFORMANCE BOND**

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## **9.1 INDEMNIFICATION**

- A. General.** Contractor shall indemnify, defend with counsel reasonably acceptable to Authority, and hold harmless (to the full extent permitted by law) Authority and its officers, officials, employees, consultants, volunteers, agents, and Member Agencies (collectively the “indemnitees”) from and against any and all claims, liability, loss, injuries, damage, expense, and costs (including without limitation costs and fees of litigation, including reasonable attorneys’ and expert witness fees) (collectively, “Damages”) of every nature arising out of or in connection with Contractor’s performance under this Agreement, or its failure to comply with any of its obligations contained in the Agreement, except to the extent such loss or damage was caused by the negligence or willful misconduct of any indemnitee.
- B. Excluded Materials Responsibilities.** Contractor acknowledges that it is responsible for compliance during the entire Term of this Agreement with all Applicable Laws. Contractor shall not store, Transport, use, or Dispose of any Excluded Materials except in strict compliance with all Applicable Laws.

In the event that Contractor negligently or willfully mishandles Excluded Materials in the course of carrying out its activities under this Agreement, Contractor shall at its sole expense promptly take all investigatory and/or remedial action reasonably required for the remediation of such

environmental contamination. Prior to undertaking any investigatory or remedial action, however, Contractor shall first obtain Authority's approval of any proposed investigatory or remedial action. Should Contractor fail at any time to promptly take such action, Authority may undertake such action at Contractor's sole cost and expense, and Contractor shall reimburse Authority for all such expenses within thirty (30) calendar days of being billed for those expenses, and any amount not paid within that thirty (30) calendar day period shall thereafter be deemed delinquent and subject to the delinquent fee payment provision of Section 7.8. These obligations are in addition to any defense and indemnity obligations that Contractor may have under this Agreement. The provisions of this Section shall survive the termination or expiration of this Agreement.

Notwithstanding the foregoing, Contractor's duties under this subsection shall not extend to any claims arising from the Disposal of Solid Waste at the Designated Disposal Facility, including, but not limited to, claims arising under CERCLA unless such claim is a direct result of Contractor's negligence or willful misconduct.

- C. Excluded Materials Indemnification.** Contractor shall indemnify, defend with counsel acceptable to the Authority, protect and hold harmless the Authority, officers, employees, consultants, volunteers, agents, and Member Agencies (collectively, "indemnitees") from and against all claims, damages (including, but not limited to, special, consequential, natural resources and punitive damages), injuries, costs, (including, without limitation, any and all response, remediation and removal costs), losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties, and expenses (including, without limitation, attorneys' expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity), (collectively, "Damages") of any kind whatsoever paid, incurred or suffered by, or asserted against, indemnitees to the extent arising from or attributable to the acts or omissions of Contractor in Transporting Excluded Materials that have been intentionally or inadvertently Collected by the Contractor in connection with or related to the performance of this Agreement, whether or not negligent or otherwise culpable, including without limitation, damages arising from or attributable to any operations, repair, clean-up or detoxification, or other plan (regardless of whether undertaken due to governmental action) concerning such Excluded Materials, Collected under this Agreement. Notwithstanding the foregoing, however, Contractor shall not be required to indemnify the Authority for the costs for any claims arising from the Disposal of Solid Waste at the Designated Disposal Facility, including, but not limited to, claims arising under CERCLA. Furthermore, notwithstanding the foregoing, Contractor shall have no obligation to indemnify, defend, or hold harmless the indemnitees to the extent such loss or damage was caused by the negligence or willful misconduct of any indemnitee.

The foregoing indemnity is intended to operate as an agreement pursuant to §107(e) of CERCLA, 42 USC. §9607(e) and California Health and Safety Code §25364, to defend, protect, hold harmless, and indemnify Authority and Member Agencies from liability.

This provision is in addition to all other provisions in this Agreement and is intended to survive the expiration or earlier termination of this Agreement. Nothing in this paragraph shall prevent Authority from seeking indemnification or contribution from Persons or entities other than indemnitees, for any liabilities incurred by Authority, or the indemnitees

- D. Related to CalRecycle Regulations.** Contractor's duty to defend and indemnify herein includes all fines and/or penalties imposed by CalRecycle, if the requirements of AB 939, AB 341, AB 1826, SB

1383, and/or any other regulation under CalRecycle's authority for which the Authority has delegated responsibility to the Contractor are not met by Authority with respect to the waste stream Collected under this Agreement, and such failure is: (i) due to the failure of Contractor to meet its obligations under this Agreement; or, (ii) due to Contractor delays in providing information that prevents Contractor, Authority, or Member Agencies from submitting reports to regulators in a timely manner.

Notwithstanding any other provision in this Agreement, Contractor's obligations in this subsection D with respect to AB 939, AB 341, AB 1826, and/or SB 1383 shall be subject to the provisions of Section 40059.1 of the Public Resources Code, and Contractor shall not be liable for any indemnity obligations or penalties under this Agreement in respect of any such requirements except to the extent that indemnity obligations by Contractor are enforceable under said Section.

- E. Related to Proposition 218.** Should there be a Change in Law or a new judicial interpretation of Applicable Law, including, but not limited to, Article XIII A, C and D of the California Constitution (commonly known as Proposition 218), which impacts the Rates for the Collection services established in accordance with this Agreement, Contractor agrees to meet and confer with Authority to discuss the impact of such Change in Law on either Party's ability to perform under this Agreement. Any adjustment of Rates is contingent on Member Agencies' use of such Proposition 218 process as deemed necessary or advisable by the Authority.

If, at any time, the existing Rates or a Rate adjustment determined to be appropriate by both Authority and Contractor to compensate Contractor for costs or increases in costs as described in this Agreement cannot be maintained or implemented for any reason, Contractor shall be granted the option to negotiate with Authority, in good faith, a reduction of services equal to the value of the Rate or Rate adjustment that cannot be implemented. If Authority and Contractor are unable to reach agreement about such a reduction in services, then Contractor may terminate this Agreement upon 180 days' prior written notice to Authority, in which case the Contractor and Authority shall each be entitled to payment of amounts due for contract performance through the date of termination but otherwise will have no further obligation to one another pursuant to this Agreement after the date of such termination. Should a court of competent jurisdiction determine that the Contractor cannot charge and/or increase its Rates for any amount of charges related to Franchise Fees and/or Member Agency Reimbursements and/or other charges, Contractor shall reduce the Rates it charges Customers by a corresponding amount and shall be relieved from paying the amount of such Franchise Fees and/or Member Agency Reimbursements and/or other charges, provided said Franchise Fees and/or Member Agency Reimbursements and/or other charges disallowed by the court were determined not to be lawful or related to the cost of providing service hereunder and had been incorporated in the Rates charged by Contractor to its Customers.

Nothing herein is intended to imply that California Constitution, Articles XIII C or XIII D, apply to the Rates established for services provided under this Agreement; rather this Section is provided merely to allocate risk of an adverse judicial interpretation between the Parties.

This provision (i.e., Section 9.1) will survive the expiration or earlier termination of this Agreement and shall not be construed as a waiver of rights by Authority to contribution or indemnity from third parties.

## 9.2 INSURANCE

- A. General Requirements.** Contractor shall, at its sole cost and expense, maintain in effect at all times during the Term of this Agreement not less than the following coverage and limits of insurance:
- B. Coverages and Requirements.** During the Term of this Agreement, Contractor shall at all times maintain, at its expense, the following coverages and requirements. The comprehensive general liability insurance shall include broad form property damage insurance.
1. Minimum Coverages. Insurance coverage shall be with limits not less than the following:
    - Comprehensive General Liability** – \$10,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.
    - Automobile Liability** – \$10,000,000 combined single limit per accident for bodily injury and property damage (include coverage for Hired and Non-owned vehicles).
    - Workers’ Compensation – Statutory Limits/Employers’ Liability** - \$1,000,000/accident for bodily injury or disease.
    - Commercial Crime Insurance** – \$500,000 per employee loss covering dishonesty, forgery, alteration, theft, disappearance, and destruction (inside or outside).
    - Pollution Legal Liability** – \$5,000,000 for bodily injury, property damage, and remediation of contaminated site.
    - Cyber Liability** – Contractor will maintain cyber liability insurance with a combined single limit of not less than \$1,000,000 per event. Contractor’s cyber policy must include language related to Contractor data breach.
  2. Additional Insured. Authority, its officers, agents, employees, volunteers, and Member Agencies shall be named as additional insured on all but the workers’ compensation and professional liability coverages.
  3. Said policies shall remain in force through the life of this Agreement and, with the exception of pollution legal liability, shall be payable on a “per occurrence” basis unless Authority’s Risk Manager specifically consents in writing to a “claims made” basis. For all “c” coverage, in the event that the Contractor changes insurance carriers Contractor shall purchase “tail” coverage or otherwise provide for continuous coverage covering the Term of this Agreement and not less than three (3) years thereafter. Proof of such “tail” or other continuous coverage shall be required at any time that the Contractor changes to a new carrier prior to receipt of any payments due.
  4. The Contractor shall upon request declare all aggregate limits on the coverage before commencing performance of this Agreement, and Authority’s Risk Manager reserves the right to require higher aggregate limits to ensure that the coverage limits required for this Agreement as set forth above are available throughout the performance of this Agreement. In the event that the Authority’s Risk Manager requests a change in accordance with this Section 9.2.B.4 that results in increased costs to Contractor, such change shall be addressed in accordance with Section 3.5.

5. The deductibles or self-insured retentions are for the account of Contractor and shall be the sole responsibility of the Contractor.
  6. Each insurance policy shall provide or be endorsed to state that coverage shall not be suspended, voided, canceled by either Party, reduced in coverage or in limits except after thirty (30) calendar days prior written notice by certified mail, return receipt requested, has been given to Authority Contract Manager ten (10) Business Days for delinquent insurance premium payments).
  7. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by Authority.
  8. The policies shall cover all activities of Contractor, its officers, employees, agents, and volunteers arising out of or in connection with this Agreement.
  9. For any claims relating to this Agreement, the Contractor's insurance coverage shall be primary, including as respects Authority, its officers, agents, employees, volunteers, and Member Agencies. Any insurance maintained by Authority shall apply in excess of, and not contribute with, insurance provided by Contractor's liability insurance policy.
  10. The Contractor shall waive all rights of subrogation against, its officers, employees, agents, volunteers, and Member Agencies.
- C. Endorsements.** Prior to the Effective Date pursuant to this Agreement, Contractor shall furnish Authority Contract Manager with certificates or original endorsements reflecting coverage required by this Agreement. The certificates or endorsements are to be signed by a Person authorized by that insurer to bind coverage on its behalf. All certificates or endorsements are to be received by, and are subject to the approval of, Authority Risk Manager before work commences.
- D. Renewals.** During the Term of this Agreement, Contractor shall furnish Authority Contract Manager with certificates or original endorsements reflecting renewals, changes in insurance companies, and any other documents reflecting the maintenance of the required coverage throughout the entire Term of this Agreement. The certificates or endorsements are to be signed by a Person authorized by that insurer to bind coverage on its behalf.
- E. Workers' Compensation.** Contractor shall provide workers' compensation coverage as required by State law and shall comply with Section 3700 of the State Labor Code.

### **9.3 PERFORMANCE BOND**

Within seven (7) calendar days of the Authority's notification to Contractor that the Authority has executed this Agreement, Contractor shall file with the Authority a bond, payable to the Authority and in a format approved by the Authority Contract Manager, securing the Contractor's performance of its obligations under this Agreement and such bond shall be renewed annually if necessary, so that the performance bond is maintained at all times during the Term. The principal sum of the bond shall be nine million dollars (\$9,000,000), which is an amount set to equal twenty-five percent (25%) of Contractor's proposed Rate Period One Gross Receipts and shall be adjusted every three (3) years, commencing with Rate Period Three, to equal three (3) months of the prior Rate Period's annual Gross Receipts. The bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of California that has a rating of A or better in the most recent edition of Best's Key Rating Guide, and that has a record of service and financial condition satisfactory to the Authority.



In lieu of a performance bond, Authority and Contractor may agree that Contractor will provide for the issuance of an irrevocable stand by letter of credit (the "Letter of Credit") by a bank approved by Authority in its sole discretion (the "Bank") for the benefit of Authority. Under the Letter of Credit, Authority may draw, in one or more drawings, an aggregate amount up to nine million dollars (\$9,000,000) (the "Stated Amount", equivalent to that provided above in this Section 9.3 for a performance bond) upon the occurrence of: (1) an Event of Default defined in Section 10.1; (2) Contractor's failure to timely pay any monies due Member Agencies; (3) Contractor's inability to regularly pay its bills as they become due; or, (4) Contractor's failure to timely pay any Solid Waste management facility for Recyclable Materials Processing, Composting or Disposal services provided under this Agreement, as evidenced to the satisfaction of Authority. Authority and Contractor may agree that Contractor will increase the aggregate amount of the Letter of Credit in conjunction with the adjustment of Rates in accordance with Article 8. Any incremental costs or savings incurred by Contractor to secure the increased aggregate amount will be included in the calculation of Rates for the next Rate Period.

The expiration date of the Letter of Credit must be sooner than the Term of this Agreement provided in Section 2.1 (the "Stated Expiration Date"), unless it provides that it will not be terminated, modified, or not renewed except after prior written notice by certified mail, return receipt requested, to Authority 60 days in advance of termination or failure to renew. The Letter of Credit may expire on the date on which the Bank receives a certificate from Authority saying that the Term has expired, or this Agreement has been terminated and Contractor owes Authority no money under this Agreement, or that Contractor has substituted an alternative letter of credit or other security document acceptable to Authority in Authority's sole discretion. The form of the Letter of Credit, including the procedures for and place of demand for payment and drawing certificate attached thereto, is subject to approval of Authority in its sole discretion, following the notice procedures defined in Section 12.9. The Letter of Credit must be transferable to any successor or assignee of Authority.

## **ARTICLE 10.**

### **DEFAULT AND REMEDIES**

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#### **10.1 EVENTS OF DEFAULT**

All provisions of the Agreement are considered material. Each of the following shall constitute an event of default.

- A. Fraud or Deceit.** Contractor, its Affiliates, any Subcontractor, or any other Person employed by or with an ownership interest in Contractor, its Affiliates or any Subcontractor practices, or attempts to practice, any fraud or deceit upon the Authority, including but not limited to any representation or disclosure made to the Authority by Contractor 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 or disclosure appears as part of this Agreement; and, any Contractor-provided report containing a misstatement, misrepresentation, data manipulation, or an omission of fact or content explicitly defined by the Agreement, excepting non-numerical typographical and grammatical errors.
- B. Acts or Omissions.** Any other act or omission by Contractor that violates the terms, conditions, or requirements of this Agreement, or Applicable Law and that is not corrected or remedied within the

time set in the written notice of the violation or, if Contractor cannot reasonably correct or remedy the breach within the time set forth in such notice, if Contractor should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.

- C. Insolvency, Bankruptcy, Seizure, or Attachment.** Contractor becomes insolvent, unable, or unwilling to pay its debts, upon entry of an order for relief in favor of Contractor in a bankruptcy proceeding, or upon a seizure of, attachment of, or levy on, some or all of Contractor's operating equipment, including without limits its equipment, maintenance or office facilities, Approved Facility(ies), or any part thereof.
- D. Violations of Regulation.** Contractor violates any orders or filings of any regulatory body having authority over Contractor relative to this Agreement, provided that Contractor may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach or default of this Agreement shall be deemed to have occurred.
- E. Violations of Applicable Law.** Contractor has been found by a court of proper jurisdiction to be in violation of Applicable Law (other than criminal law) directly or indirectly related to the performance of this Agreement, provided that Contractor may contest any such allegation or finding by appropriate proceedings conducted in good faith, in which case no breach or default of this Agreement shall be deemed to have occurred.
- F. Criminal Activity.** Contractor, its officers, managers, or employees are found guilty of Criminal Activity related directly or indirectly to performance of this Agreement or any other agreement held with a public agency.
- G. Failure to Complete Transition.** Contractor fails to complete the tasks identified in Contractor's Implementation Plan as specified in Exhibit G3.
- H. Failure to Perform Direct Services.** Contractor ceases to provide Collection, Transportation, Processing, or other services as required under this Agreement for a period of two (2) consecutive calendar days or more, for any reason within the control of Contractor including, but not limited to, labor unrest including strike, work stoppage or slowdown, sick-out, picketing, or other concerted job action.
- I. Failure to Provide Proposal or Implement Change in Service.** Contractor fails to provide a proposal for new services or changes to services, or fails to implement a change in service as agreed-upon by the Authority as specified in Section 3.5.
- J. Failure to Pay or Report.** Contractor fails to make any payments to Authority, Member Agencies, or the contractor for the Post-Collection Services Agreement required under this Agreement including payment of Franchise Fees or Member Agency Reimbursements or Liquidated Damages and/or refuses to provide Authority with required information, reports, and/or records in a timely manner as provided for in this Agreement.
- K. Failure to Maintain Coverage.** Contractor fails to provide or maintain in full force and affect the Workers' Compensation, liability, or indemnification coverage as required by this Agreement.



- L. Assignment without Approval.** Contractor transfers or assigns this Agreement without the express written approval of the Member Agencies and Authority unless the assignment is permitted without Authority approval pursuant to Section 12.6.
- M. Failure to Perform Any Obligation.** Contractor fails to perform any obligation established under this Agreement.

Authority shall provide Contractor written notice of default within seven (7) calendar days of the Authority's first knowledge of the Contractor's default.

## **10.2 RIGHT TO TERMINATE UPON EVENT OF DEFAULT**

Contractor shall be given ten (10) Business Days from written notification by Authority to cure any default that, in the Authority Contract Manager's sole opinion, creates a potential public health and safety threat.

Contractor shall be given ten (10) Business Days from written notification by Authority to cure any default arising under subsections A, C, E, H, and K in Section 10.1 provided, however, that the Authority shall not be obligated to provide Contractor with a notice and cure opportunity if the Contractor has committed the same or similar breach/default within a twenty-four (24) month period, if Contractor has committed the same activity giving rise to default.

Contractor shall be given thirty (30) calendar days from written notification by Authority to cure any other default (which is not required to be cured within ten (10) Business Days); provided, however, that the Authority shall not be obligated to provide Contractor with a notice and cure opportunity if the Contractor has committed the same or similar breach/default within a twenty-four (24) month period, if Contractor has committed the same activity giving rise to default.

## **10.3 AUTHORITY'S REMEDIES IN THE EVENT OF DEFAULT**

Upon Contractor's default, Authority has the following remedies:

- A. Waiver of Default.** Authority may waive any event of default or may waive Contractor's requirement to cure a default event if Authority determines that such waiver would be in the best interest of the Authority. Authority's waiver of an event of default is not a waiver of future events of default that may have the same or similar conditions.
- B. Suspension of Contractor's Obligation.** Authority may suspend Contractor's performance of its obligations if Contractor fails to cure default in the time frame specified in Section 10.2 until such time the Contractor can provide assurance of performance in accordance with Section 10.8.
- C. Liquidated Damages.** Authority may assess Liquidated Damages or require a Corrective Action Plan for Contractor's failure to meet specific performance standards pursuant to Section 10.6 and Exhibit F.
- D. Termination.** In the event that Contractor should default, and subject to the right of the Contractor to cure, in the performance of any provisions of this Agreement, and the default is not cured for any default within in ten (10) calendar days if the default creates a potential public health and safety threat or arises under Section 10.1. A, C, E, H, or K, or otherwise thirty (30) calendar days after receipt of written notice of default from the Authority, then the Authority may, at its option, terminate this Agreement and/or hold a hearing at its Authority Board meeting to determine

whether this Agreement should be terminated. In the event Authority decides to terminate this Agreement, the Authority shall serve twenty (20) calendar days' written notice of its intention to terminate upon Contractor. In the event Authority exercises its right to terminate this Agreement, the Authority may, at its option, upon such termination, either directly undertake performance of the services, or arrange with other Persons to perform the services with or without a written agreement. This right of termination is in addition to any other rights of Authority upon a failure of Contractor to perform its obligations under this Agreement.

Contractor shall not be entitled to any further revenues from Collection operations authorized hereunder from and after the date of termination.

- E. Other Available Remedies.** Authority's election of one (1) or more remedies described herein shall not limit the Authority from any and all other remedies at law and in equity including, but not limited to, injunctive relief.

#### **10.4 POSSESSION OF RECORDS UPON TERMINATION**

In the event of termination for an event of default, the Contractor shall furnish Authority Contract Manager, within ten (10) Business Days of such termination, with all records related to its Customers, Collection Routes, and billing of accounts for Collection services serviced under this Agreement.

#### **10.5 AUTHORITY'S REMEDIES CUMULATIVE; SPECIFIC PERFORMANCE**

Authority's rights to terminate the Agreement under Section 10.2 and to take possession of the Contractor's records under Section 10.4 are not exclusive, and Authority's termination of the Agreement and/or the imposition of Liquidated Damages shall not constitute an election of remedies. Instead, these rights shall be in addition to any and all other legal and equitable rights and remedies that Authority may have.

By virtue of the nature of this Agreement, the urgency of timely, continuous, and high-quality service, the lead time required to effect alternative service, and the rights granted by Authority to the Contractor, the remedy of damages for a breach hereof by Contractor is inadequate and Authority shall be entitled to injunctive relief (including, but not limited to, specific performance).

#### **10.6 PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**

- A. General.** The Parties 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 that shall be incurred by Authority as a result of a breach by Contractor 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 that 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 impractical or 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 that make the public whole for past breaches.

- B. Service Performance Standards; Liquidated Damages for Failure to Meet Standards.** The Parties further acknowledge that consistent, reliable Collection services are of utmost importance to Authority and that Authority has considered and relied on Contractor's representations as to its quality-of-service commitment in awarding the Agreement to Contractor. The Parties recognize that some quantified standards of performance are necessary and appropriate to ensure consistent and reliable service and performance. The Parties further recognize that if Contractor fails to achieve the performance standards or fails to submit required documents in a timely manner, Authority 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 that Authority will suffer. Therefore, without prejudice to Authority's right to treat such non-performance as an event of default under this Section, the Parties agree that the Liquidated Damages amounts established in Exhibit F of this Agreement and the Liquidated Damage amounts therein 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 Authority that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or impractical.

Contractor agrees to pay (as Liquidated Damages and not as a penalty) the amounts set forth in the Performance Standards and Liquidated Damages, Exhibit F.

Before assessing Liquidated Damages, Authority shall give Contractor notice of its intention to assess such damages. The notice will include a brief description of the incident(s) and non-performance. Authority may review and make copies of all information in the possession of Contractor relating to incident(s) and/or non-performance. Authority Contract Manager may, within ten (10) Business Days after issuing the notice, request a meeting with Contractor. If Contractor does not agree to meet within ten (10) Business Days of Authority Contract Manager's request for a meeting with Contractor, the Authority Contract Manager may, at their sole discretion, impose such Liquidated Damages without any further opportunity for the Contractor to cure. Authority Contract Manager may present evidence of non-performance in writing and through testimony of its employees and others relevant to the incident(s) and non-performance. Authority Contract Manager will provide Contractor with a written explanation of their determination on each incident(s) and non-performance prior to authorizing the assessment of Liquidated Damages under this Section 10.6. Any Liquidated Damages that were assessed and not rescinded after the meet and confer period shall be final and not subject to further appeal.

- C. Amount.** Authority Contract Manager may assess Liquidated Damages for each calendar day or event, as appropriate, that Contractor is determined to be liable in accordance with this Agreement in the amounts specified in Exhibit F, subject to annual adjustment described below.
- D. Timing of Payment.** Contractor shall pay any Liquidated Damages assessed by Authority within ten (10) Business Days of the date the Liquidated Damages are assessed. If they are not paid within the ten (10) Business Day period, Authority may proceed against the performance bond required by the Agreement, order the termination of the rights or "franchise" granted by this Agreement, or all of the above.

## **10.7 EXCUSE FROM PERFORMANCE**

The Parties understand and agree herein that the services provided under this Agreement are critical to the protection of public health and safety and that Contractor is expected to perform these services

despite the occurrence of events that may otherwise give rise to Force Majeure conditions. A Party shall be excused from performing their obligations hereunder and from any obligation to pay Liquidated Damages if they are prevented from so performing by reason of acts of God, floods, earthquakes, other acts of nature, war, civil insurrection, epidemic or pandemic, riots, acts of any domestic government (including judicial action), and other similar events that are beyond the control of and not the fault of the Party claiming excuse from performance hereunder. Performance shall be excused if the Party requesting relief from performance can demonstrate that the performance of a its obligation is impossible or impracticable and shall only be excused from those requirements that are demonstrated to be impossible or impracticable.

In the event that an uncontrollable circumstance makes it impossible to provide service in the manner contemplated in this Agreement, but Contractor can perform service in an alternate manner, Contractor shall present an accommodated services plan to the Authority Contact Manager. Such submittal shall provide a description of the accommodated services, a schedule showing the impacts (positive and negative) to costs and revenues, and all other information reasonably requested by the Authority Contract Manager. Authority has no obligation to accept Contractor's accommodated services plan. In the event Authority rejects the accommodated services plan and the event is, in fact, a Force Majeure Event, Contractor shall be excused from performance related to those aspects of service for Customers where performance is impossible.

In the case of labor unrest or job action directed at a third party over whom Contractor has no control, the inability of Contractor to provide services in accordance with this Agreement due to the unwillingness or failure of the third party to: (i) provide reasonable assurance of the safety of Contractor's employees while providing such services; or, (ii) make reasonable accommodations with respect to Container placement and point of Delivery, time of Collection, or other operating circumstances to minimize any confrontation with pickets or the number of Persons necessary to make Collections shall, to that limited extent, excuse performance. The foregoing excuse shall be conditioned on Contractor's cooperation in performing Collection services at different times and in different locations. Further, in the event of labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the Contractor's employees or directed at the Contractor, or a subsidiary, the Contractor shall not be excused from performance. In such case, Contractor shall continue to provide a reasonably satisfactory level of performance during the pendency thereof, but the Contractor shall not be required to adhere strictly to the specific requirements of this Agreement regarding Routes, Collection times, or similar matters; provided, however, that in no event shall more than seven (7) calendar days elapse between pickups for Residential and Commercial Customers. Any labor action initiated by Contractor including, but not limited to, a lock-out, shall not be grounds for any excuse from performance and Contractor shall perform all obligations under this Agreement during the pendency of such Contractor-initiated labor action.

The Party claiming excuse from performance shall, within five (5) Business Days after such Party has notice of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Section.

If either Party validly exercises its rights under this Section, the Parties hereby waive any claim against each other for any damages sustained thereby.

The partial or complete interruption or discontinuance of Contractor's services caused by one (1) or more of the events described in this Article shall not constitute a default by Contractor under this Agreement.

Notwithstanding the foregoing, however, if Contractor is excused from performing substantially all of its obligations hereunder for any of the causes listed in this Section for a period of thirty (30) calendar days or more, either Party shall have the right, in its sole discretion, to terminate this Agreement by giving ten (10) Business Days' notice to the other Party, in which case the provisions of Section 10.4 shall apply.

## **10.8 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE**

The Parties acknowledge that it is of the utmost importance to Authority and the health and safety of all those members of the public residing or doing business within Authority who will be adversely affected by interrupted Discarded Materials management service, that there be no material interruption in services provided under this Agreement.

If Contractor: (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 Authority, 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 Authority believes in good faith that Contractor's ability to perform under the Agreement has thereby been placed in substantial jeopardy, Authority may, at its sole option, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as Authority believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by Authority, such failure or refusal shall be an event of default for purposes of Section 10.1.

## **10.9 DISPUTE RESOLUTION**

In the event of dispute between the Authority Contract Manager and the Contractor regarding the interpretation of, or the performance of services under, this Agreement that results in a material impact to the Contractor's revenue and/or cost of operations, as defined in Section 5.9, the provisions of this Section 10.9 shall apply.

- A. **Meet and Confer.** The Authority Contract Manager and Contractor agree that they promptly will meet and confer to attempt to resolve the matter between themselves.
- B. **Mediation.** In the event that disputes arise under this Agreement and cannot be resolved satisfactorily between the Parties in accordance with Section 10.9.A, the Authority and Contractor agree that such disputes shall be submitted to mandatory, non-binding thirty (30) day mediation by a mutually agreed upon independent third party.
- C. **Period of Time.** Insofar as allowed by Applicable Law, the period of time otherwise applicable for filing claims against the Authority under Applicable Law shall be tolled during the period of time for which meet and confer or mediation procedures are pending, in accordance with Sections 10.9.A and 10.9.B.
- D. **Litigation.** Litigation may be commenced only after all reasonable efforts to resolve the dispute(s) pursuant to Sections 10.9.A and 10.9.B have failed and any necessary claim(s) have been denied.

## **ARTICLE 11. REPRESENTATIONS AND WARRANTIES OF THE PARTIES**

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The Parties, by acceptance of this Agreement, represents and warrants the conditions presented in this Article.

### **11.1 CONTRACTOR'S CORPORATE STATUS**

Contractor is a corporation duly organized, validly existing and in good standing under the laws of the State. It is qualified to transact business in the State and has the power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

### **11.2 CONTRACTOR'S CORPORATE AUTHORIZATION**

Contractor has the authority to enter this Agreement and perform its obligations under this Agreement. The Board of Directors of Contractor (or the shareholders, if necessary) has taken all actions required by law, its articles of incorporation, its bylaws, or otherwise, to authorize the execution of this Agreement. The Person signing this Agreement on behalf of Contractor represents and warrants that they have authority to do so. This Agreement constitutes the legal, valid, and binding obligation of the Contractor.

### **11.3 AGREEMENT WILL NOT CAUSE BREACH**

To the best of Contractor's and Authority's knowledge after reasonable investigation, the execution or delivery of this Agreement or the performance by such Party of its respective obligations hereunder does not conflict with, violate, or result in a breach: (i) of any Applicable Law; or, (ii) any term or condition of any judgment, order, or decree of any court, administrative agency or other governmental authority, or any agreement or instrument to which Contractor or Authority is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default hereunder.

### **11.4 NO LITIGATION**

To the best of Contractor's and Authority's knowledge after reasonable investigation, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental authority, commission, board, agency or instrumentality decided, pending or threatened against either Party wherein an unfavorable decision, ruling or finding, in any single case or in the aggregate, would:

- A. Materially adversely affect the performance by such Party of its obligations hereunder;
- B. Adversely affect the validity or enforceability of this Agreement; or
- C. Have a material adverse effect on the financial condition of Contractor, or any surety or entity guaranteeing Contractor's performance under this Agreement.

### **11.5 NO ADVERSE JUDICIAL DECISIONS**

To the best of Contractor's and Authority's knowledge after reasonable investigation, there is no judicial decision that would prohibit this Agreement or subject this Agreement to legal challenge.

## **11.6 NO LEGAL PROHIBITION**

To the best of each Party's knowledge, after reasonable investigation, there is no Applicable Law in effect on the date that Party signed this Agreement that would prohibit the performance of that Party's obligations under this Agreement and the transactions contemplated hereby.

## **11.7 CONTRACTOR'S ABILITY TO PERFORM**

Contractor possesses the business, professional, and technical expertise to perform all services, obligations, and duties as described in and required by this Agreement including all Exhibits thereto. Contractor possesses the ability to secure equipment, facility, and employee resources required to perform its obligations under this Agreement.

# **ARTICLE 12. OTHER AGREEMENTS OF THE PARTIES**

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## **12.1 RELATIONSHIP OF PARTIES**

The Parties intend that Contractor shall perform the services required by this Agreement as an independent Contractor engaged by Authority and neither as an officer nor employee of Authority, nor as a partner or agent of, or joint venturer with, Authority. No employee or agent of Contractor shall be, or shall be deemed to be, an employee or agent of Authority. Contractor shall have the exclusive control over the manner and means of performing services under this Agreement, except as expressly provided herein. Contractor shall be solely responsible for the acts and omissions of its officers, employees, Subcontractors and agents. Neither Contractor nor its officers, employees, Subcontractors, and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to Authority employees by virtue of their employment with Authority.

## **12.2 COMPLIANCE WITH LAW**

Contractor shall at all times, at its sole cost, comply with all Applicable Laws now in force and as they may be enacted, issued or amended during the Term.

## **12.3 GOVERNING LAW**

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State.

## **12.4 JURISDICTION**

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Santa Clara County in the State of California, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in Santa Clara County.

## **12.5 BINDING ON SUCCESSORS**

The provisions of this Agreement shall inure to the benefit to and be binding on the successors and permitted assigns of the Parties.



## 12.6 ASSIGNMENT

Neither Party shall assign its rights nor delegate or otherwise transfer its obligations under this Agreement to any other Person without the prior written consent of the other Party. Any such assignment made without the consent of the other Party shall be void and the attempted assignment shall constitute a material breach of this Agreement.

For purposes of this Section, "assignment" shall include, but not be limited to: (i) a sale, exchange or other transfer of substantially all of Contractor's local, regional, and/or corporate assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange or other transfer of ten (10) percent or more of the local, regional, and/or corporate stock or ownership of Contractor to a Person (other than a transfer of shares in Contractor by the Owner of such shares to members of the Owner's family or a trust for the benefit of the Owner's family, to Contractor or to another Owner of shares in Contractor) except that no cumulative sale, exchange, or transfer of shares may exceed twenty percent (20%) during the Term of the Agreement (other than a transfer of shares in Contractor by the Owner of such shares to members of the Owner's family or a trust for the benefit of the Owner's family, to Contractor or to another Owner of shares in Contractor); (iii) any reorganization, consolidation, merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which Contractor or any of its shareholders is a party which results in a change of ownership or control of ten (10) percent or more of the value or voting rights in the local, regional, and/or corporate stock of Contractor (excluding as the result of changes in ownership or control between an Owner of shares in Contractor and Contractor, members of the Owner's family, or a trust for the benefit of the Owner's family); (iv) any reorganization, consolidation, merger, recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation or other transaction to which Contractor or any of its shareholders is a party which results in a change of ownership or control of ten (10) percent or more of the value or voting rights in the local, regional, and/or corporate stock of Contractor that results from changes in ownership or control between an Owner of shares in Contractor and another Owner of shares in Contractor unless Contractor engages a professional manager to oversee this Agreement; (v) divestiture of an Affiliate (e.g., trucking company, materials recovery facility, Transfer station) used by Contractor to fulfill its obligations under this Agreement; and, (vi) any combination of the foregoing (whether or not in related or contemporaneous transactions) that has the effect of any such transfer or change of local, regional, and/or corporate ownership and/or control of Contractor. For purposes of this Section, the term "proposed assignee" shall refer to the proposed transferee(s) or other successor(s) in interest pursuant to the assignment.

Contractor acknowledges that this Agreement involves rendering a vital service to Authority's residents and businesses, and that Authority has selected Contractor to perform the services specified herein based on: (i) Contractor's experience, skill, and reputation for conducting its Recyclable Materials, Organic Materials, and Solid Waste management operations in a safe, effective, and responsible fashion, at all times in keeping with applicable waste management laws, regulations, and good waste management practices; and, (ii) Contractor's financial resources on a local, regional, and/or corporate level to maintain the required equipment and to support its indemnity obligations to Authority under this Agreement. Authority has relied on each of these factors, among others, in choosing Contractor to perform the services to be rendered by Contractor under this Agreement.

If Contractor requests Authority's consideration of and consent to an assignment, Authority may deny or approve such request in its sole and complete discretion. No request by Contractor for consent to an assignment need be considered by Authority unless and until Contractor has met the following requirements. The Authority may, in its sole discretion, waive one (1) or more of these requirements.



- A. On the date Authority approves Contractor's written request for the Authority's written consent to an assignment and the assignment occurs, Contractor shall pay the Authority a transfer fee in the amount of one (1) percent of the Gross Receipts for the most-recently completed Rate Period.
- B. Contractor shall pay Authority its actual expenses for attorneys', consultants', accountants' fees, staff time, and investigation costs necessary to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment. Such payment shall be required regardless of the ultimate determination of the Authority with regard to the approval or denial of the assignment. Upon submittal of Contractor's request for assignment to Authority, Contractor shall submit an initial deposit of one hundred thousand dollars (\$100,000) for this purpose.
- C. Contractor shall furnish Authority with reviewed financial statements of the proposed assignee's operations for the immediately preceding three (3) operating years.
- D. Contractor shall furnish Authority with satisfactory proof: (i) that the proposed assignee has at least ten (10) years of Recyclable Materials, Organic Materials, and Solid Waste management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) that in the last five (5) years, the proposed assignee has not suffered any citations or other censure from any Federal, State or local contractor having jurisdiction over its waste management operations due to any significant failure to comply with State, Federal or local waste management laws and that the assignee has provided the Authority with a complete list of such citations and censures; (iii) that the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) that the proposed assignee conducts its operations and management practices in accordance with sound waste management practices in full compliance with all Federal, State, and local laws regulating the Collection, Transportation, Processing and Disposal of Recyclable Materials, Organic Materials, and Solid Waste including Hazardous Waste; and, (v) that any other information required by Authority demonstrates that the proposed assignee can fulfill the terms of this Agreement in a timely, safe and effective manner.
- E. Contractor shall provide the Authority with any and all additional records or documentation which, in the Authority Contract Manager's sole determination, would facilitate the review of the proposed assignment.

Under no circumstances shall any proposed assignment be considered by Authority if Contractor is in default at any time during the period of consideration. If, in the Authority's sole determination, there is any doubt regarding the compliance of the Contractor with the Agreement, Authority may require conduct of a performance review and audit of the Contractor's compliance and the costs of such performance review and audit shall be paid by Contractor in advance of the conduct of said performance review and audit.

## **12.7 NO THIRD-PARTY BENEFICIARIES**

This Agreement is not intended to, and will not be construed to, create any right on the part of any third party to bring an action to enforce any of its terms.

## **12.8 WAIVER**

The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either Party of any monies which become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by the other Party of any provision of this Agreement.

## **12.9 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:

If to Authority:

West Valley Solid Waste Management Authority  
Attn: Executive Director  
590 Ygnacio Road, Suite 105  
Walnut Creek, CA 94596

with copy to:

West Valley Solid Waste Management Authority  
Attn: Authority Counsel  
Logan & Powell, LLP  
15466 Los Gatos Blvd., Suite 109  
Los Gatos, CA 95032

If to Contractor:

Adam Gooderham  
Division Vice President  
Waste Connections of California, Inc., d/b/a West Valley Collection & Recycling  
1333 Old Oakland Road  
San Jose, CA 95112

With copy to:

Waste Connections, Inc.  
Attn: Legal Department  
3 Waterway Square Place, Suite 110  
The Woodlands, Texas 77380

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section. Notice shall be deemed given on the day it is personally delivered or, if mailed, three (3) calendar days from the date it is deposited in the mail. Either Party may choose to

provide email notification to the other Party that notice has been deposited in the mail, however such email notification shall not constitute official notice.

## **12.10 REPRESENTATIVES OF THE PARTIES**

References in this Agreement to the “Authority” shall mean the Authority’s elected body and all actions to be taken by Authority except as provided below. The Authority may delegate, in writing, authority to the Authority Contract Manager and/or to other Authority officials and may permit such officials, in turn, to delegate in writing some or all of such authority to subordinate officers. The Contractor may rely upon actions taken by such delegates if they are within the scope of the authority properly delegated to them.

The Contractor shall, by the Effective Date, designate in writing a responsible officer who shall serve as the representative of the Contractor in all matters related to the Agreement and shall inform Authority in writing of such designation and of any limitations upon his or her authority to bind the Contractor. Authority may rely upon action taken by such designated representative as actions of the Contractor unless they are outside the scope of the authority delegated to him/her by the Contractor as communicated to Authority.

## **ARTICLE 13. MISCELLANEOUS AGREEMENTS**

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### **13.1 ENTIRE AGREEMENT**

This Agreement is the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. Each Party has cooperated in the drafting and preparation of this Agreement and this Agreement shall not be construed against any Party on the basis of drafting. This Agreement may be amended only by an agreement in writing, signed by each of the Parties hereto.

### **13.2 SECTION HEADINGS**

The article headings and section headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

### **13.3 REFERENCES TO LAWS**

All references in this Agreement to laws and regulations shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided herein.

### **13.4 AMENDMENTS**

This Agreement may not be modified or amended in any respect except in writing signed by the Parties.

### **13.5 SEVERABILITY**

If any non-material provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement, which shall be enforced as if such invalid or unenforceable provision had not been contained herein.

### 13.6 COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be considered an original.

### 13.7 EXHIBITS

Each of the Exhibits identified as Exhibit "A" through "I" is attached hereto and incorporated herein and made a part hereof by this reference. In the event of a conflict between the terms of this Agreement and the terms of an Exhibit, the terms of this Agreement shall control.

IN WITNESS WHEREOF, this Agreement is entered into by the Parties hereto in Santa Clara County, California on the day and year first above written.

**West Valley Solid Waste Management  
Authority "AUTHORITY"**

\_\_\_\_\_  
Authority Board Chair

\_\_\_\_\_  
Date

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Authority Attorney

\_\_\_\_\_  
Date

**Waste Connections of California, Inc., d/b/a  
West Valley Collection & Recycling  
"CONTRACTOR"**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Adam Gooderham  
Print Name of Signatory

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name of Signatory

\_\_\_\_\_  
Vice President Deputy General Counsel  
Title of Signatory

**ATTEST:**

\_\_\_\_\_  
Secretary of the Board

\_\_\_\_\_  
Date

## **EXHIBIT A: DEFINITIONS**

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## EXHIBIT A DEFINITIONS

For purposes of this Agreement, unless a different meaning is clearly required, the following words and phrases shall have the following meanings respectively ascribed to them by this Exhibit and shall be capitalized throughout this Agreement:

**"Abandoned Waste"** means Bulky Items which have been abandoned in the public right of way or on Member Agency property, excluding materials generated at homeless encampments and incidental litter.

**"AB 1826"** 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.

**"AB 341"** 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.

**"AB 939"** means the California Integrated Waste Management Act of 1989 (Division 30 of the California Public Resources Code), also commonly referred to as "AB 939," as amended, supplemented, superseded, and replaced from time to time.

**"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. They shall be deemed to be "Affiliated with" Contractor and included within the term "Affiliates" as used herein. An Affiliate shall include: (i) a business in which Contractor has a direct or indirect Ownership interest; (ii) a business that has a direct or indirect Ownership interest in Contractor; and/or, (iii) 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 the purposes of this definition, "Ownership" means ownership as defined in the constructive ownership provisions of Section 318(a) of the Internal Revenue Code of 1986, as in effect on the date here, provided that 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 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 of value that the ownership interest represents.

**"Agreement"** means this Agreement between Authority and Contractor, including all exhibits, and any future amendments hereto.

**"Alternative Daily Cover" or "ADC"** means Disposal Facility cover material, other than Compostable material and at least six (6) inches of earthen material, placed on the surface of the active face of the refuse fill area at the end of each operating day to control vectors, fires, odors, blowing litter, and scavenging, as defined in 20690 of Title 27 of the California Code of Regulations.

**"Alternative Intermediate Cover" or "AIC"** has the same meaning as in 27 CCR Section 20700 of Title 27 of the California Code of Regulations.

## EXHIBIT A DEFINITIONS

**“Appliances”** means discarded household Appliances such as refrigerators, stoves, clothing washers and dryers, water heaters, dishwashers, and similar items discarded by Residential Generators.

**“Applicable Law”** means all Federal, State, County, and local laws, regulations, rules, orders, judgments, degrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, and Processing of Recyclable Materials, Organic Materials, and Solid Waste 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.

**“Approved E-Waste Drop-Off Facility”** means GreenWaste Recovery, 575 Charles Street, San Jose.

**“Approved Facility(ies)”** means any one (1) of or any combination of the Approved Recyclable Materials Processing Facility, Approved Organic Materials Processing Facility, Approved E-Waste Drop-off Facility, each of which are defined in this Exhibit A.

**“Approved Organic Materials Processing Facility”** means the facility designated and approved by the Authority for the receipt, Processing, and Transfer of the Organic Materials Collected under the terms of this Agreement. As of the Effective Date, the Z-Best Composting Facility at 980 State Highway 25, Gilroy, California, owned and operated by GreenWaste Recovery, LLC is the Approved Organic Materials Processing Facility.

**“Approved Processing Facility(ies)”** means any one (1) of or both of the: Approved Recyclable Materials Processing Facility or Approved Organic Materials Processing Facility.

**“Approved Recyclable Materials Processing Facility”** means the facility designated and approved by the Authority for the receipt, Processing, and Transfer of the Recyclable Materials Collected under the terms of this Agreement. As of the Effective Date, the Pacific Recycling Solutions Materials Recovery Facility at 3515 Taylor Drive in Ukiah California, operated by C&S Waste Solutions, and owned by Waste Connections is the Approved Recyclable Processing Facility.

**“Approved Transfer Facility”** means the facility designated and approved by the Authority for the receipt and Transfer of the Recyclable Materials Collected under the terms of this Agreement. As of the Effective Date, the Garden City Sanitation, at 1080 Walsh Avenue Santa Clara, CA 95050 owned and operated by Garden City Sanitation, Inc. and Pacific Recycling Solutions, at 3515 Taylor Drive, Ukiah, CA 95482 owned and operated by C&S Waste Solutions are the Approved Transfer Facilities.

**“Authority”** means the West Valley Solid Waste Management Authority and the geographic area of the Member Agencies.

**“Authority Contract Manager”** means the Authority Executive Director, or their designee, who is responsible for the administrative management of this Agreement.

**“Back-Haul”** means generating and Transporting Organic Waste to a destination owned and operated by the Generator using the Generator’s own employees and equipment, or as otherwise defined in 14 CCR Section 18982(a)(66)(A).

**“Bin”** means a Container with capacity of approximately one (1) to eight (8) cubic yards with a hinged lid and with wheels (where appropriate) that is serviced by a front end-loading Collection vehicle.



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**"Bulky Item"** means discarded Appliances (including refrigerators), furniture, tires, carpets, mattresses, E-Waste, and similar large items that can be handled by two (2) people, weigh no more than one hundred fifty (150) pounds, and require special Collection due to their size or nature, but can be Collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. Bulky Items must be generated by the Customer and at the service address wherein the Bulky Items are Collected. Bulky Items do not include abandoned automobiles, large auto parts, trees, Construction and Demolition Debris, or items herein defined as Excluded Materials.

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

**"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" refers to Title 14 of CCR).

**"Cardboard"** means corrugated fiberboard consisting of a fluted corrugated sheet and one (1) or two (2) flat linerboards, as is often used in the manufacture of shipping containers and corrugated boxes. Cardboard is a subset of Recyclable Materials.

**"Cart"** means a plastic Container with a hinged lid and wheels that is serviced by an automated or semi-automated Collection vehicle. A Cart has capacity of twenty (20), thirty-two (32), sixty-four (64), or ninety-six (96) gallons (or similar volumes).

**"Change in Law"** means any of the following events or conditions that has a material and adverse effect on the performance by either Party or any Subcontractor of its respective obligations under this Agreement (except for payment obligations), as defined monetarily in Section 5.9, or on the activities of any Approved Facility in connection with this Agreement:

- A. The enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation of any Applicable Law on or after the Effective Date; or
- B. The order or judgment of any Federal, State, or local governmental body, on or after the Effective Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission, or lack of reasonable diligence of Authority or of Contractor (or Subcontractor), whichever is asserting the occurrence of a Change in Law; provided however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission, or lack of reasonable diligence.

**"Clean Alternative Fuel Vehicle"** means a vehicle that runs on any fuel used as the certification fuel in a low-emission vehicle, other than the primary gasoline or diesel fuel used in exhaust emission certification testing pursuant to the California Air Resources Board's "California Exhaust Emission Standards and Test Procedures for 1988 through 2000 Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles" as incorporated by reference in Title 13, California Code of Regulations, Section 1960.1, or "California Exhaust Emission Standards and Test Procedures for 2001 and Subsequent Model Passenger Cars, Light-Duty Trucks and Medium-Duty Vehicles" as incorporated by reference in Title 13, California Code of Regulations, Section 1961; where low-emission vehicle means any vehicle certified to the transitional low-emission vehicle, low-emission vehicle, ultra-low emission vehicle, super ultra-low emission vehicle, or

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zero-emission vehicle standards established by the California Air Resources Board as described in Title 13, California Code of Regulations.

**“Clean Wood”** means wood that is not painted, stained, coated, pressure treated, or chemical treated. Clean Wood may include dimensional lumber, pallets, crates, chop sticks, toothpicks, stir sticks, and wooden utensils. Clean Wood excludes creosote, lumber treated with chromated copper arsenate (CCA), melamine-coated furniture, and manufactured wood products such as plywood, particle board, oriented strand board, and medium-density fiberboard. The Parties agree that materials may be added to or subtracted from this list from time to time by mutual consent. Contractor shall not add or subtract materials to or from this list without approval from the Authority Contract Manager, and such approval shall not be unreasonably withheld. Clean Wood is a subset of Organic Materials.

**“Collect or Collection (or any variation thereof)”** means the act of Collecting Recyclable Materials, Organic Materials, Solid Waste, Bulky Items, and other material at the place of generation in the Authority.

**“Commencement Date”** means the date specified in Section 2.1 when Collection, Transportation, and Processing services required by this Agreement shall be provided.

**“Commercial or Commercial Business”** means a non-Residential Premises including a firm, partnership, proprietorship, joint- stock company, corporation, or association where business activity is conducted including, but not limited to, retail sales, services, wholesale operations, manufacturing, and industrial operations, but excluding businesses conducted upon Residential property that are permitted under applicable zoning regulations and are not the primary use of the property, 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.

**“Commercial Edible Food Generators”** has the same meaning as 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.

**“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 one hundred (100) cubic yards and seven hundred fifty (750) square feet, as specified in 14 CCR Section 6 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

**“Compactor”** means a mechanical apparatus that compresses materials together with the Container that holds the compressed materials or the Container that holds the compressed materials if it is detached from the mechanical compaction apparatus. Compactors include one (1) to seven (7) cubic yard Bin Compactors serviced by front-end loader Collection vehicles and six (6) to fifty (50) cubic yard Drop Box Compactors serviced by roll-off Collection vehicles. Contractor shall support Customers in locating options for purchase or lease of Compactors through an outside Vendor(s).

**“Complaint”** shall mean each written or orally communicated statement made by any Person, whether to Authority, Member Agencies, or Contractor, alleging: (i) non-performance or deficiencies in Contractor’s performance of its duties under this Agreement; or, (ii) a violation by Contractor of this Agreement.

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**“Compostable Plastics” or “Compostable Plastic”** means plastic materials that meet the ASTM D6400 standard for Compostability. Compostable Plastic shall be a subset of Organic Materials, if directed by the Authority.

**“Composting or Compost (or any variation thereof)”** has the same meaning as in 14 CCR Section 17896.2(a)(4) that 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 that are separated at a centralized facility.

**“Construction and Demolition Debris (C&D)”** includes discarded building materials, packaging, debris, and rubble resulting from construction, alteration, remodeling, repair or demolition operations on any pavements, excavation projects, houses, Commercial buildings, or other structures, excluding Excluded Materials. Construction and Demolition Debris includes rocks, soils, tree remains, and other Yard Trimmings that result from land clearing or land development operations in preparation for construction.

**“Container(s)”** mean Bins, Carts, Compactors, and Drop Boxes, provided however, that Contractor shall not be required to provide Compactors to Customers, but shall be required to provide Collection service to Customer-provided Compactors, provided that such Customer-provided Compactors are compatible with Contractor’s existing Collection equipment and processes.

**“Contamination Processing Fee Notice”** means a form developed by Contractor and approved by the Authority Contract Manager to be provided to Customers at Contractor’s cost in accordance with Section 4.18.G.

**“Contractor”** means Waste Connections of California Inc., d/b/a West Valley Collection & Recycling organized and operating under the laws of the State through its officers, directors, employees, agents, companies, Affiliates, subsidiaries, and Subcontractors.

**“Contractor’s Compensation”** means the monetary compensation received by Contractor in return for providing services in accordance with this Agreement as described in Article 8.

**“Contractor’s Proposal”** means the proposal submitted to Authority by Contractor on August 10, 2022 for provision of Solid Waste, Recyclable Materials, and Organic Materials Collection services and certain supplemental written materials, which are included as Exhibit G to this Agreement and are incorporated by reference.

**“Corrective Action Plan”** means the document described in Exhibit F, Section 4 specifying the roles of the Authority and the Contractor in resolving Contractor noncompliance issues with any provision(s) of this Agreement.

**“County”** means the County of Santa Clara, California.

**“Courtesy Collection Notice”** means a form developed by Contractor and approved by the Authority Contract Manager to be provided at Contractor’s cost to Generators in accordance with Section 4.18 as applicable to the cause of the courtesy Collection.

**“Criminal Activity”** means the approval of a plea of nolo contendere or the entry against Contractor or any of its employees of a criminal conviction or a permanent mandatory or prohibitory injunction from a

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court, municipality, or regulatory agency of competent jurisdiction, based, in the case of any of Contractor's employees, on acts taken in his or her official capacity on behalf of Contractor with respect to:

- A. Fraud or criminal offense in connection with obtaining, attempting to obtain, procuring, or performing a public or private agreement; or
- B. Bribery or attempting to bribe a public officer or employee of a local, State, or Federal agency; or
- C. Embezzlement, extortion, racketeering, false claims, false statements, forgery, falsification or destruction of records, obstruction of justice, knowingly receiving stolen property, theft, or misprision (failure to disclose) of a felony; or
- D. Unlawful Disposal of Hazardous Waste or Designated Waste the occurrence of which Contractor knew or should have known; or
- E. Violation of antitrust laws, including laws relating to price-fixing, bid-rigging, and sales and market allocation, and of unfair and anti-competitive trade practices laws, including with respect to inflation of Solid Waste Collection, Transportation, Processing fees, or Disposal Fees; or
- F. Violation of securities laws; or
- G. Felonies or misdemeanors involving moral turpitude.

**"Curb or Curbside (or any variation thereof)"** means the cornered edging between the street and sidewalk. Curb or Curbside also means and describes the location of a Collection Container for pick-up, where such Container is placed on the street or alley against the face of the Curb or, where no Curb exists, the Container is placed not more than five (5) feet from the outside edge of the street or alley nearest the property's entrance.

**"Customer"** means the Person whom Contractor submits its billing invoice to and collects payment from for Collection services provided to a Premises. The Customer may be either the Occupant or Owner of the Premises. For purposes of Contractor's requirement to provide services (other than billing services), "Customer" shall mean an occupied Residential or Commercial Premises.

**"Customer Notice"** means a Courtney Notice, Non-Collection Notice, or Contamination Fee Notice provided to a Customer.

**"Customer Type"** means the Customer's sector category including, but not limited to, Single-Family, Multi-Family, Commercial, Drop Box, and Member Agency.

**"Designated Disposal Facility"** means the Guadalupe Landfill at 15999 Guadalupe Mines Road in San Jose, which is owned and operated by Waste Management of the South Bay, Incorporated, unless the Authority designates, in writing, a different Disposal Facility.

**"Designated Facility(ies)"** means any one of or any combination of the Designated Disposal Facility and Designated Organic Materials Processing Facility, each of which are defined in this Exhibit A.

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**“Designated Organic Materials Processing Facility”** means the Altamont Covered Aerated Static Pile (CASP) Composting Facility, which is owned and operated by Waste Management of Alameda County, Incorporated, unless the Authority designates, in writing, a different Disposal Facility. For the purposes of delivery location, the Contractor shall deliver material to the Guadalupe Landfill at 15999 Guadalupe Mines Road in San Jose where it shall be Transferred to the Altamont Covered Aerated Static Pile Composting Facility.

**“Designated Waste”** means non-Hazardous Waste that may pose special Disposal problems because of its potential to contaminate the environment and that 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, in California Code of Regulations Title 23, Section 2522 as may be amended from time to time.

**“Discarded Materials”** means Organic Materials, Recyclable Materials, and Solid Waste placed by a Generator in a receptacle and/or at a location for the purposes of Collection by Contractor, excluding Excluded Materials, pursuant to the Member Agencies’ Municipal Codes.

**“Disposal or Dispose (or any variation thereof)”** means the final disposition of Solid Waste or Processing Residue at a Disposal Facility.

**“Disposal Facility”** means a landfill or other facility for ultimate Disposal of Solid Waste.

**“Divert or Diversion (or any variation thereof)”** means to prevent Discarded Materials from Disposal at landfill or transformation facilities (including facilities using incineration, pyrolysis, distillation, gasification, or biological conversion methods) through Source Reduction, reuse, Recycling, Composting, anaerobic digestion, or other method of Processing, in accordance with the provisions of AB 939 and SB 1383. Diversion is a broad concept that is to be inclusive of material handling and Processing changes that may occur over the Term including, but not limited to, changes in standard industry practice or implementation of innovative (but not necessarily fully proven) techniques or technology that reduce Disposal risk, decrease costs, and/or are for other reasons deemed desirable by the Authority.

**“Drop Box”** means an open-top Container with a capacity of eight (8) to forty (40) cubic yards that is serviced by a roll-off Collection vehicle.

**“Dwelling Unit”** means any individual living unit in a Single-Family dwelling, Multi-Family dwelling, structure or building, mobile home, or motor home located on a permanent site intended for, or capable of being utilized for, Residential living other than a hotel or motel.

**“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 Food 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.

**“Effective Date”** means the date on which the latter of the two Parties signs this Agreement, subject to the provisions of Section 2.2.

**“E-Waste”** means discarded electronic equipment including, but not limited to, televisions, computer

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monitors, cathode ray tubes (CRTs), central processing units (CPUs), laptop computers, computer peripherals (including external hard drives, keyboards, scanners, and mice), printers, copiers, facsimile machines, radios, stereos, stereo speakers, VCRs, DVDs, camcorders, microwaves, telephones, cellular telephones, and other electronic devices. Some E-Waste or components thereof may be Hazardous Waste or include Hazardous Substances and thus require special handling, Processing, or Disposal.

**“Excluded Materials”** means Hazardous Substance, Hazardous Waste, Infectious Waste, Designated Waste, volatile, corrosive, biomedical, infectious, biohazardous, toxic substances or material, and waste that Contractor reasonably believes would, as a result of or upon 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, waste that in Contractor’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor, Authority, or Member Agencies to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after implementation of programs for the safe Collection, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code. Excluded Materials does not include used cooking oil or Household Batteries when properly placed for Collection by Customer as set forth in this Agreement.

**“Federal”** means belonging to or pertaining to the Federal government of the United States.

**“Food Recovery”** means actions to Collect and distribute food for human consumption that otherwise would be Disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

**“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:

1. A food bank as defined in Section 113783 of the Health and Safety Code;
2. A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,
3. 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.

**“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).

**“Food Scraps”** means those Discarded Materials that will decompose and/or putrefy including: (i) all kitchen and table Food Waste; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking, or handling of food stuffs; (iii) fruit waste, grain waste, dairy waste, meat, and fish waste; and, (iv) vegetable trimmings, houseplant trimmings, flowers, and other Compostable Organic Waste common to the occupancy of Residential Dwelling Units or Commercial Businesses involved in food production, preparation, or sales. The Parties agree that materials may be added to or



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subtracted from this list from time to time, by mutual consent. Contractor shall not add or subtract materials to or from this list without approval from the Authority Contract Manager, and such approval shall not be unreasonably withheld. Food Scraps are a subset of Food Waste.

**“Food-Soiled Paper”** means pre- and post-consumer Compostable paper material that has come in contact with food or liquid such as, but not limited to, Compostable paper plates, paper coffee cups, coffee filters, napkins, pizza boxes, and milk cartons. Food-Soiled Paper is a subset of Food Waste.

**“Food Waste”** means Source Separated Food Scraps and Food-Soiled Paper. Food Waste is a subset of Organic Materials.

**“Franchise Fee”** means the fee paid by Contractor to the Authority as described in Section 7.1.

**“Generator”** means any Person whose act or process produces Discarded Materials as defined in the Public Resources Code, or whose act first causes Discarded Materials to become subject to regulation.

**“Gross Rate Revenues”** means total Customer billings by the Contractor for the provision of services pursuant to this Agreement, without any deductions.

**“Gross Receipts”** means total cash receipts collected from Customers by the Contractor for the provision of services pursuant to this Agreement, without any deductions. Gross Receipts do not include revenues from the sale of Recyclable Materials.

**“Hazardous Substance”** means any of the following: (a) any substances defined, regulated, or listed (directly or by reference) as "Hazardous Substances," "Hazardous Materials," "Hazardous Wastes," "toxic waste," "pollutant," "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 (CERCLA) of 1980, 42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, and 25316; (vi) the Clean Air Act, 42 USC §7901 et seq.; and, (vii) California Water Code §13050; (b) any amendments, rules, or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter 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 Law including, without limitation, friable asbestos, polychlorinated biphenyl's (PCBs), petroleum, natural gas, and synthetic fuel products and by-products.

**“Hazardous Waste”** means any waste that 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.

**“Holidays”** are defined as New Year's Day, Thanksgiving Day, and Christmas Day.

**“Household Battery(ies)”** means Disposable or rechargeable dry cells (e.g., A, AA, AAA, B, C, D, 9-volt, button-type) commonly used as power sources for household or consumer products including, but not limited to, nickel-cadmium, nickel metal hydride, alkaline, mercury, mercuric oxide, silver oxide, zinc oxide, nickel-zinc, nickel iron, lithium, lithium ion, magnesium, manganese, and carbon-zinc batteries, but excluding automotive lead acid batteries or other batteries Contractor is prohibited from carrying by

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Applicable Law. This excludes cell phone batteries and laptop batteries.

**“Household Hazardous Waste”** or **“HHW”** means Hazardous Waste generated at Residential Premises within the Member Agencies. HHW includes: paint, stain, varnish, thinner, adhesives, auto products such as old fuel, Used Motor Oil and Filter, batteries, fluorescent bulbs, tubes, cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and lancets.

**“Infectious Waste”** means biomedical waste generated at hospitals, public or private medical clinics, dental offices, research laboratories, pharmaceutical industries, blood banks, mortuaries, veterinary facilities, and other similar establishments that are identified in Health and Safety Code Section 25117.5 as may be amended from time to time.

**“In-Home Recycling Container”** refers to a small, easily portable tote bag with a capacity of at least three (3) gallons to be included by Contractor in the Multi-Family Move-in Kit to facilitate convenient accumulation of Recyclable Materials within a Multi-Family Dwelling Unit.

**“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 two thousand (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.

**“Large Multi-Family”** means a Multi-Family Premise, used for Residential purposes (regardless of whether residence therein is temporary or permanent), with sixteen (16) or more Dwelling Units, including such Premises when combined in the same building with Commercial Businesses.

**“Large Venue”** means a permanent venue facility that annually seats or serves an average of more than two thousand (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, 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.

**“Late Container Delivery Rebate”** means the rebate payment to be provided by Contractor to a Customer in accordance with Section 5.12 for failure to deliver one or more Container(s) to a Customer Premises.

**“Liquidated Damages”** means the amounts due by Contractor for failure to meet specific quantifiable standards of performance as described in Section 10.6 and Exhibit F.

**“Member Agency(ies)”** means the cities of Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos, collectively, and includes all of the territory lying within their boundaries as presently existing or as such boundaries may be modified during the Term of this Agreement.



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**“Member Agency Reimbursements”** means all payments payable to the Member Agencies identified and referenced in Article 7 of this Agreement, excluding Franchise Fees.

**“Missed Collection Rebate”** means the rebate payment to be provided by Contractor to a Customer in accordance with Section 5.12 for failure to Collect materials from a Customer Premises.

**“Move-in Kit”** refers to a pre-prepared and standardized collection of useful items to be given by property managers or Owners of Multi-Family Premises to new Multi-Family tenants upon move-in to a Multi-Family Dwelling Unit. At a minimum, Move-in Kits shall include a Multi-Family Recycling guide and stickers or refrigerator-magnets that clearly define the accepted and prohibited materials in the Recycling program. Contractor shall make In-Home Recycling Containers and kitchen pails available to Multi-Family property managers and Owners upon request at Contractor’s office.

**“Move-out Kit”** means a pre-prepared and standardized collection of useful items to be given by property managers or Owners of Multi-Family Premises to existing tenants upon move-out from a Multi-Family Dwelling Unit. At a minimum, Move-out Kits shall include a move-out reuse guide to promote donating and reusing slightly used items (e.g., furniture, clothing), as well as other helpful information for Multi-Family residents that are moving out of the complex.

**“Mulch”** means a layer of material applied on top of soil, and, for the purposes of the Agreement, Mulch shall conform with the following conditions, or conditions as otherwise specified in 14 CCR Section 18993.1(f)(4):

- A. Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land applications specified in 14 CCR Section 17852(a)(24.5)(A)(1) through (3).
- B. Was produced at one or more of the following types of Facilities:
  - 1. A Compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under Division 7 of Title 14 of the CCR, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10);
  - 2. A Transfer/Processing Facility or Transfer/Processing operation as defined in 14 CCR Section 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR, Division 7, Chapter 12; or,
  - 3. A Solid Waste landfill as defined in PRC Section 40195.1 that is permitted under 27 CCR, Division 2.

**“Multi-Family”** means any Residential Premises, other than a Single-Family Premises, used for Residential purposes (regardless of whether residence therein is temporary or permanent), with five (5) or more units, including such Premises when combined in the same building with Commercial Businesses. Multi-Family includes Large Multi-Family Premises and Small Multi-Family Premises that receive centralized, shared, Collection service for all units on the Premises. Customers residing in townhouses, mobile homes, condominiums, or other structures who receive individual service shall not be considered Multi-Family.

**“Multi-Family Dwelling Unit”** means an individual Residential unit of a Multi-Family complex.

**“Non-Collection Notice”** means a form developed by Contractor and provided to Customers at

## EXHIBIT A DEFINITIONS

Contractor's cost.

**"Occupant"** means the Person who occupies a Premises.

**"Organic Materials"** means Yard Trimmings, Food Waste, and Clean Wood, individually or collectively. As of the Effective Date, Organic Materials do not include Compostable Plastic products; however, if requested by the Authority during the Term of the Agreement, Contractor shall Collect Compostable Plastics with the Organic Materials. No Discarded Material shall be Organic Materials, however, unless it is separated from Recyclable Material and Solid Waste. The Parties agree that materials may be added to or subtracted from the list of Organic Materials from time to time by mutual consent. Contractor shall not add or subtract materials to or from this list without approval from the Authority Contract Manager, and such approval shall not be unreasonably withheld. Organic Materials are a subset of Organic Waste.

**"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.

**"Overage"** means Discarded Materials exceeding the Container's intended capacity such that the Container's lid is lifted by at least one (1) inch (or would be lifted by at least one (1) inch if there was a lid); or, (ii) Discarded Materials placed on top of or in the immediate vicinity of the Container, excluding allowed Cardboard as permitted in Exhibit B.

**"Owner"** means the Person(s) holding legal title to real property and/or any improvements thereon and shall include the Person(s) listed on the latest equalized assessment roll of the County Assessor, or as otherwise defined in 14 CCR Section 18982(a)(57).

**"Party or Parties"** refers to the Authority and Contractor, individually or together.

**"Person(s)"** means any individual, firm, association, organization, partnership, consortium, corporation, trust, joint venture, Commercial entity, governmental entity, public entity, or any other legal Person.

**"Post-Collection Services Agreement"** means the "Processing, Transfer, and Disposal Service Agreement" between the Authority and Waste Management of South Bay, Incorporated effective January 1, 2022 through December 31, 2036, unless extended or earlier terminated.

**"Post-Collection Services Contractor"** means Waste Management of South Bay, Incorporated who is under contract to the Authority as provided in the Processing and Disposal Agreement.

**"Premises"** means any land or building in the Authority where Recyclable Materials, Organic Materials, or Solid Waste are generated or accumulated.

**"Processing"** means the controlled separation, recovery, volume reduction, conversion, or Recycling of Discarded Materials 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).

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**“Processing Facility” or “Processing Site”** means any plant or site used for the purpose of sorting, cleansing, treating, or reconstituting Recyclable Materials or Reusable Materials for the purpose of making such material available for Recycling or reuse; or the facility for the Processing and/or Composting of Organic Materials.

**“Prohibited Container Contaminants”** means: (i) Discarded Materials placed in the Recyclable Materials Container that are not identified as acceptable Recyclable Materials for the Recyclable Materials Container; (ii) Discarded Materials placed in the Organic Materials Container that are not identified as acceptable Organic Materials for the Organic Materials Container; (iii) Discarded Materials placed in the Solid Waste Container that are acceptable Recyclable Materials and/or Organic Materials to be placed in Organic Materials Container and/or Recyclable Materials Container; and, (iv) Excluded Materials placed in any Container.

**“Projected Gross Rate Revenues”** means projected Gross Rate Revenues calculated by multiplying the most-recent Customer subscription levels by then-current Rates.

**“Public Street”** means all Member Agency-owned and maintained paved areas between the normal Curb line of a roadway, including public parking lots, roadway dividers, and medians.

**“Push/Pull Charges”** means Authority-approved charges associated with the Contractor bringing and/or returning a Commercial Cart or Bin from a location on the Customer’s Premises to the public right-of-way (Push Charge) and/or returning the Container to said Premise (Pull Charge) so that the Container may be serviced.

**“Rate”** means the maximum amount, expressed as a dollar unit, approved by the Authority that the Contractor may bill a Customer for providing 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 Exhibit G2. The Rates approved by Authority are the maximum Rates that Contractor may charge a Customer and Contractor may, in its sole discretion, charge any amount up to and including the maximum Rate approved by the Authority or ratified by the Authority Contract Manager.

**“Rate Adjustment Factor”** means the amount determined under Exhibit E1 Section 3 or Exhibit E2 Section 4, whichever applies for a particular Rate Period.

**“Rate Period”** means a twelve (12) month period, commencing July and concluding June 30, with the exception that Rate Period Zero shall begin on the Commencement Date, and end June 30, 2024 (i.e., four-month period).

**“Recyclable Materials”** means those Discarded Materials that the Generators set out in Recyclable Materials Containers for Collection for the purpose of Recycling by the Contractor and that exclude Excluded Materials. No Discarded Materials shall be considered Recyclable Materials unless such material is separated from Organic Materials and Solid Waste. Contractor shall not add or subtract materials to or from this list without approval from the Authority Contract Manager. Recyclable Materials shall include, at a minimum, the following:

- A Metals: aerosol cans, aluminum foil, aluminum pans, beverage cans, can lids, car parts, doors and screens, electrical motors, food and soup cans, furniture, hangers, keys, lids and caps, nuts and bolts, paint cans, pet food cans, pipes, plumbing fixtures, pots and pans, empty propane tanks, scrap

## EXHIBIT A DEFINITIONS

metal, screws and nuts, tools, toys, umbrellas, and utensils.

- B. Paper: aseptic packaging, books, carbonless paper, Cardboard, catalogs, cereal boxes, coffee cups, colored paper, computer paper, construction paper, coupons, egg cartons, envelopes, frozen food boxes, gift wrap, juice boxes, junk mail, magazines, mailers, milk cartons, newspapers (including inserts), office paper, paper bags, clean pizza boxes, shoe boxes, bagged shredded paper, and telephone books.
- C. Plastic: baby wipe containers, baskets, beverage bottles, bleach/ detergent bottles, buckets, coffee cup lids, crates, flowerpots, food containers, furniture, hangers, household cleaner bottles, mouthwash bottles, pet carriers, HDPE pipes, plastics (numbers one (1) through seven (7)), prescription bottles, shampoo bottles, shelving, squeeze bottles, swimming pools, take-out containers, and toys.
- D. Clean Clear Film Plastics: bread bags, bubble wrap, cellophane bags, dry cleaning bags, frozen food bags, newspaper bags, pallet wrap, plastic liners, plastic wrap, produce bags, and shrink wrap.
- E. Glass: clear beverage and food bottles and containers, whole or broken glass from beer bottles, fruit juice bottles, food jars, and wine bottles. Does not include glass bakeware, Pyrex or ceramics.
- F. Miscellaneous: No textiles in Recycle Bin.

**“Recycle or Recycling (or any variation thereof)”** means the process of sorting, cleansing, treating, and reconstituting, at a Recyclable Materials Processing Facility, materials that would otherwise be Disposed of at a landfill for the purpose of returning such materials to the economy in the form of raw materials for new, reused, or reconstituted products. 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.

**“Related-Party Entity”** (whether capitalized or not) means any Affiliate that has financial transactions with Contractor pertaining to this Agreement. For the purposes of this Agreement, Related-Party Entities shall include, but are not limited to Pacific Recycling Solutions, Inc. and Garden City Sanitation, Inc.

**“Renewable Natural Gas”** or **“RNG”** means gas derived from Organic Waste.

**“Residential”** shall mean of, from, or pertaining to a Single-Family Premises or Multi-Family Premises including Single-Family homes, apartments, condominiums, townhouse complexes, mobile home parks, and cooperative apartments.

**“Residue”** or **“Residual”** means those materials that, after Processing, are Disposed rather than Recycled, Composted, or otherwise recovered due to either the lack of markets for materials or the inability of the Processing Facility to capture and recover the materials.

**“Reusable Materials”** means items that are capable of being used again after minimal Processing. Reusable Materials may be Collected Source Separated or recovered through a Processing Facility and using reuse markets developed by Contractor. Reusable Materials may include, but are not limited to, textiles, furniture, and/or sporting equipment.

## EXHIBIT A

### DEFINITIONS

**“Route”** means the designated itinerary or sequence of stops for each segment of the Authority’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

**“SB 1383”** means Short-Lived Climate Pollutants Act of 2016 (an act to add Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and 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.

**“SB 1383 Regulations or SB 1383 Regulatory”** means 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., as they may be amended.

**“SB 1383 Qualified Renewable Natural Gas” or “SB 1383 Qualified RNG”** means gas derived from Organic Waste that has been Diverted from a landfill and Processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in 14 CCR Section 18982(a)(62).

**“Self-Haul(er)”** means a Person who hauls Discarded Materials, recovered material, or any other 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.

**“Service Level”** refers to the size of a Customer’s Container(s) and the frequency of Collection service.

**“Service Opportunity”** shall mean each individual scheduled opportunity the Contractor has to Collect from a Container at a Customer’s location. For example, a Commercial Customer receiving Recyclable Materials Collection service two (2) times per week from two (2) Containers, Organic Materials Collection service two (2) times per week from (2) Containers, and Solid Waste Collection service two (2) times per week from two (2) Containers would have a total of twelve (12) Service Opportunities each week. Service Opportunities shall be calculated based on the subscription levels presented in Contractor’s most recent monthly report to Authority and Member Agencies.

**“Single-Family”** means of, from, or pertaining to any Residential Premises with one (1) to four (4) units; notwithstanding any contrary definition in the Member Agencies’ Municipal Code, and any detached or attached house or residence designed or used for occupancy by one (1) or two (2) families, provided that Collection service can feasibly be and is provided to such Premises as an independent unit. Customers residing in townhouses, mobile homes, condominiums, or other structures who receive individual service shall be considered Single-Family.

**“Small Multi-Family”** means a Multi-Family Premise, used for Residential purposes (regardless of whether residence therein is temporary or permanent), with five (5) to fifteen (15) Dwelling Units, including such Premises when combined in the same building with Commercial Businesses.

**“Solid Waste”** means Solid Waste as defined in California Public Resources Code, Division 30, Part 1, Chapter 2, §40191 and regulations promulgated hereunder. Excluded from the definition of Solid Waste are Excluded Materials, C&D, Source Separated Recyclable Materials, Source Separated Organic Materials, and radioactive waste. Notwithstanding any provision to the contrary, Solid Waste may include de minimis volumes or concentrations of waste of a type and amount normally found in Residential Solid Waste after

## EXHIBIT A DEFINITIONS

implementation of programs for the safe Collection, Recycling, treatment, and Disposal of Household Hazardous Waste in compliance with Section 41500 and 41802 of the California Public Resources Code, as may be amended from time to time. Solid Waste includes salvageable materials only when such materials are included for Collection in a Solid Waste Container, not Source Separated from Solid Waste at the site of generation.

**“Source Reduction”** means and refers to the reduction in overall volume of Discarded Materials generated.

**“Source Separated”** means the segregation, by the Generator, of materials designated for separate Collection for some form of Recycling, Composting, recovery, or reuse.

**“State”** means the State of California.

**“Subcontractor”** means a Person other than the Contractor, who has been engaged to perform an act that is necessary for, and directly related to, Contractor’s fulfillment of a substantial portion of its obligations for providing service under this Agreement. Notwithstanding any other provision in this Agreement, Vendors providing materials, supplies, or professional services to Contractor shall be considered Subcontractors for any purpose under this Agreement (except as explicitly provided in Section 3.3 of this Agreement). Subcontracted activities would include, but are not limited to, Collection, Processing, Container delivery, and any activity that involves direct contact with Customers or operation of vehicles within the Authority. As of Effective Date, Subcontractors are listed in Exhibit G4.

**“Term”** means the Term of this Agreement, including extension periods if granted or agreed, as provided for in Article 2.

**“Ton” or “Tonnage”** means a unit of measure for weight equivalent to two thousand (2,000) standard pounds per each Ton where each pound contains sixteen (16) ounces.

**“Total Service Opportunities”** shall mean the sum of all Service Opportunities in a given time period.

**“Transfer”** means the act of Transferring the materials Collected by Contractor in its Route vehicles into larger vehicles for Transport to other facilities for the purpose of Recycling, Processing, or Disposing of such materials.

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

**“Universal Waste (U-Waste)”** means all wastes as defined by 22 CCR Subsections 66273.1 through 66273.9. These include, but are not limited to, batteries, fluorescent light bulbs, mercury switches, and E-Waste.

**“Used Motor Oil and Filter”** means used oil fluids for vehicles including motor and engine oil, transmission and hydraulic oil, crankcase and differential oils, lubricating oils for vehicles, and oil filters from automobiles, boats, motorcycles, and light trucks.

**“Used Oil Recovery Kit”** means a kit containing one (1) reusable plastic jug of at least one (1) gallon capacity with a leak-proof watertight screw-on top to contain used cooking oil and a flyer, brochure, or

## EXHIBIT A DEFINITIONS

other informational media approved by the Authority Contract Manager intended to educate Customers about the used cooking oil Collection program and the benefits resulting from the proper handling of used cooking oil. The Used Oil Recovery Kit is to be provided to Single-Family residents.

**“Vendor”** means a Person who has entered into a contract with Contractor for performance of an act that is necessary for Contractor’s fulfillment of an unsubstantial portion of its obligations for providing service under this Agreement. Vendors include, but are not limited to, printers of public education and outreach materials, document translators, material and supply providers, and professional service providers.

**“Working Days”** means days on which the Contractor is required to provide regularly scheduled Collection services under this Agreement.

**“Yard Trimmings”** means those Discarded Materials that will decompose and/or putrefy including, but not limited to, green trimmings, grass, weeds, flowers, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, and other types of Organic Materials resulting from normal yard and landscaping maintenance that may be specified in Member Agency legislation for Collection and Processing as Organic Materials under this Agreement. The Parties agree that materials may be added to or subtracted from this list from time to time by mutual consent. Contractor shall not add or subtract materials from this list without approval from the Authority Contract Manager, and such approval shall not be unreasonably withheld. Yard Trimmings does not include items herein defined as Excluded Materials. Yard Trimmings are a subset of Organic Materials. Yard Trimmings placed for Collection must fit within the Contractor-provided Container.

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**EXHIBIT B:**  
**DIRECT SERVICES**

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## **EXHIBIT B DIRECT SERVICES**

The following Exhibits (B1 through B6) describe the programs that, in aggregate, represent the direct services to be performed under this Agreement by the Contractor.

Each of the following Exhibits (B1 through B6) present the programs to be provided to each Customer Type by Contractor. Within each program description are specific requirements for the:

- Type and size of Containers or Service Level to be offered by Contractor under each program;
- Frequency of service to be offered by Contractor to Customers;
- Location of service, including an indication of whether or not additional charges may apply if a Customer selects a location that is more costly to serve (e.g., back-yard service);
- Materials that are acceptable or prohibited within the program;
- Provision of additional services to the Customer if the standard Service Levels are inadequate, either on a regular or periodic basis, and an indication of whether or not additional charges may apply; and/or,
- Other requirements and considerations of the program.

Contractor shall provide the services for each program described in accordance with the specific program requirements detailed in Exhibits B1 through B6 and Contractor shall promote such programs using the public education and outreach methods described in Exhibit C.

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**EXHIBIT B1:**  
**SINGLE-FAMILY RESIDENTIAL SERVICE**

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# EXHIBIT B1

## SINGLE-FAMILY RESIDENTIAL SERVICES

### 1. Recyclable Materials Collection

Contractor shall Collect Recyclable Materials placed in Contractor-provided Containers (or otherwise placed in accordance with this Section) one (1) time per week from Single-Family Customers and Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility.

**Containers:** Carts.

**Container Sizes:** 20, 35-, 65-, and 95-gallons (or comparable sizes approved by the Authority Contract Manager).

**Service Frequency:** One (1) time per week on the same day as Organic Materials and Solid Waste Collection services.

**Service Location:** Curbside. Non-Curbside Collection available for free for those physically unable to use Curbside service, or at an additional charge as described in Section 4.15.C of the Agreement.

**Acceptable Materials:** Recyclable Materials.

**Prohibited Materials:** Solid Waste, Organic Materials, C&D, Excluded Materials.

**Additional Service:** For Single-Family Customers requesting Recyclable Materials Containers beyond one (1), Contractor shall provide the additional Recyclable Materials Carts at Rates approved by the Authority.

Contractor shall allow Single-Family Customers to place flattened Cardboard (pieces no larger than 4' x 4') adjacent to the Recyclable Materials Cart on their regularly scheduled Collection day at no additional charge to the Customer.

**Other Requirements:** None.

### 2. Organic Materials Collection

Contractor shall Collect Organic Materials placed in Contractor-provided Carts (or otherwise placed in accordance with this Section) one (1) time per week from Single-Family Customers and Transport all Organic Materials to the Designated Organic Materials Processing Facility.

**Containers:** Carts.

**Container Sizes:** 20-, 35-, 65-, and 95-gallons (or comparable size approved by the Authority Contract Manager).

**Service Frequency:** One (1) time per week on the same day as Recyclable Materials and Solid Waste Collection service.

**Service Location:** Curbside Non-Curbside Collection available for free for those physically unable to use Curbside service, or at an additional charge as described in Section 4.15.C of the Agreement.

**Acceptable Materials:** Organic Materials (including Yard Trimmings, Food Scraps, and Compostable Paper). Contractor shall accept Compostable Plastic unless otherwise directed by Authority Contract Manager.

Single-Family Customers may place Organic Materials in Compostable Plastic bags

## **EXHIBIT B1**

### **SINGLE-FAMILY RESIDENTIAL SERVICES**

and then place the bagged Organic Materials into their Organic Materials Carts for Collection.

Organic Materials placed for Collection in Carts may not exceed six (6) inches in diameter and three (3) feet in length and must fit in the provided Cart.

**Prohibited Materials:** Recyclable Materials, Solid Waste, C&D, Excluded Materials.

**Additional Service:** Up to one (1) additional Cart shall be made available for no additional charge upon Customer request for Customers residing in the City of Campbell, the City of Saratoga, or the Town of Los Gatos. Up to two (2) additional Carts shall be made available for no additional charge upon Customer request for Customers residing in the City of Monte Sereno. For Single-Family Customers requesting Organic Materials Containers beyond three (3), Contractor shall provide the additional Organic Materials Carts to Single-Family Customers upon request and may charge at Rates approved by the Authority.

Contractor shall allow Single-Family Customers to place bundled and tied Yard Trimmings of up to thirty-two (32) gallons in volume adjacent to the Organic Materials Cart on their regularly scheduled Collection day at no additional charge to the Customer up to six (6) times per calendar year.

**Other Requirements:** Contractor shall purchase and distribute one (1) small kitchen pail designed to contain Food Scraps prior to placement in the Customer's Organic Materials Cart to each new Single-Family Customer at no additional charge. Contractor shall also purchase and provide each Single-Family Customer no more than one (1) small kitchen pail annually at no additional charge upon request by Customer and as directed by the Authority Contract Manager.

### **3. Solid Waste Collection**

Contractor shall Collect Solid Waste placed in Contractor-provided Carts one (1) time per week from Single-Family Customers and Transport all Solid Waste to the Designated Disposal Facility.

**Containers:** Carts.

**Container Sizes:** 20-, 35-, 65-, and 95-gallons (or comparable sizes approved by the Authority Contract Manager) as requested by Customer, or Customer purchased additional Solid Waste Collection bags.

**Service Frequency:** One (1) time per week on the same day as Recyclable Materials and Organic Materials Collection service.

**Service Location:** Curbside. Non-Curbside Collection available for free for those physically unable to use Curbside service, or at an additional charge as described in Section 4.15.C of the Agreement.

**Acceptable Materials:** Solid Waste.

**Prohibited Materials:** Recyclable Materials, Organic Materials, C&D, and Excluded Materials.

**Additional Service:** Contractor shall provide additional Solid Waste Carts to Single-Family Customers upon request and may charge the appropriate Rate approved by the Authority.



## **EXHIBIT B1**

### **SINGLE-FAMILY RESIDENTIAL SERVICES**

Contractor shall accept Household Batteries in the Collection program provided that those batteries have been separately packaged in a sealed fluorescent bag, provided by the Contractor and placed on top of the Solid Waste Cart.

**Other Requirements:** Contractor shall provide every Single-Family Customer with at least two (2) fluorescent bags per calendar year. Contractor shall deliver fluorescent bags in conjunction with educational mailers as part of Contractor's annual public education and outreach plan approved in accordance with Exhibit C, or other method approved by the Authority Contract Manager.

#### **4. Used Cooking Oil Collection**

Contractor shall Collect used cooking oil generated through Residential use placed in a Contractor-provided Used Oil Recovery Kit from Single-Family Customers and shall Recycle all used cooking oil Collected pursuant to this Agreement. Contractor shall provide service at the frequency requested by Customers or Occupants, up to the maximum service frequency.

**Containers:** Used Oil Recovery Kit.

**Container Sizes:** One (1)-gallon translucent plastic Containers with screw-on top jugs, and six- (6) mil plastic sealable bags.

**Service Frequency:** Up to one (1) time per week and up to three (3) gallons per Single-Family Customer per week of used cooking oil on the same day as Solid Waste Collection service.

**Service Location:** Curbside.

**Acceptable Materials:** Used cooking oil.

**Prohibited Materials:** Recyclable Materials, Organic Materials, Solid Waste, C&D, and Excluded Materials.

**Additional Service:** Not applicable.

**Other Requirements:** Contractor shall provide a Used Oil Recovery Kit to a Customer upon Customer's request on the Customer's next regularly scheduled Collection day. Upon Collection of used cooking oil from a Customer, Contractor shall leave a clean and empty Used Oil Recovery Kit adjacent to the Recyclable Materials Cart.

Contractor shall Recycle the used cooking oil only with Persons who are authorized by the State of California to Recycle such materials. In the event the used cooking oil Collected pursuant to this Agreement is contaminated to the extent that the materials require Disposal as a Hazardous Waste, Contractor shall Dispose of such materials at Contractor's own cost and expense in accordance with Applicable Law.

Contractor shall notify the Authority Contract Manager of any contamination that renders the used cooking oil unacceptable for Recycling or that requires Disposal as a Hazardous Waste.

Contractor shall keep all used cooking oil Collected pursuant to this Agreement segregated from other materials.

## **EXHIBIT B1**

### **SINGLE-FAMILY RESIDENTIAL SERVICES**

Contractor may refuse to Collect used cooking oil if it is not contained in an approved Used Oil Recovery Kit, provided that Contractor leaves a Non-Collection Notice that explains the reason for non-Collection, and also leaves a clean and empty Used Oil Recovery Kit adjacent to the refused used cooking oil set out. Contractor may refuse to Collect a Used Oil Recovery Kit that contains liquid other than used cooking oil, provided that Contractor leaves a Non-Collection Notice that explains the reason for non-Collection.

#### **5. Bulky Item Collection**

Contractor shall Collect Bulky Items, Reusable Materials, and other materials described herein from Single-Family Customers and Transport all Bulky Items and Reusable Materials to the applicable Designated Facility, Approved Facility, or reuse Vendor(s). Contractor shall provide service at the frequency requested by Customers or Occupants, up to the maximum service frequency.

During the first two (2) complete calendar weeks of January each year, Contractor may offer limited Collection of Bulky Items, Reusable Materials, and other materials while offering holiday tree Collection service in accordance with Exhibit B1 Section 6, if needed. Under no circumstances shall the Contractor cease Collection service for Abandoned Waste in accordance with Section 4.7 and Exhibit B4.

<b>Containers:</b>	Not applicable.
<b>Service Level:</b>	For each Collection event, up to three (3) cubic yards of Reusable Materials, Recyclable Materials, and Solid Waste; and, up to three (3) Bulky Items of which up to one (1) may be an E-Waste item, and two (2) may be an Appliance.
<b>Service Frequency:</b>	Upon Customer or Occupant request, up to three (3) times per calendar year per Single-Family Customer at no additional cost to the Customer.  Additional on-call service upon Customer or Occupant request at Rates approved by the Authority.
<b>Service Location:</b>	Curbside, in front of each individual Premises, or other location on or adjacent to Customer's Premises, as arranged by Customer and Contractor, to reduce safety concerns of Collecting Bulky Items along busy streets.
<b>Acceptable Materials:</b>	Reusable Materials, Bulky Items, Source Separated Recyclable Materials, Source Separated Yard Trimmings, clean unfinished wood, Solid Waste, and E-Waste.
<b>Prohibited Materials:</b>	Food Scraps, Hazardous Materials, liquids, sludge, rocks, cement, dirt, bundled wood exceeding five (5) feet in length or wood that is painted or stained, abandoned automobiles, automobile batteries, commercial tires, Excluded Materials, Infectious Waste, or any single item (e.g., large auto parts) that exceeds one hundred fifty (150) pounds in weight, excluding Appliances (unless Customer has paid an additional fee for service).
<b>Additional Service:</b>	Contractor shall Collect additional acceptable materials (as described herein) that exceed the required Service Level (as requested by Customer) and may charge the appropriate Rate approved by the Authority for such additional material Collected.
<b>Other Requirements:</b>	Contractor shall design the Bulky Item Collection program to include the

## **EXHIBIT B1**

### **SINGLE-FAMILY RESIDENTIAL SERVICES**

participation of reuse Vendor(s) to accept donated clothes or other reusable items and to Recycle or Divert as much of the material as possible. Mattresses shall be delivered to a recycler. Contractor shall not Dispose of materials Collected through the Bulky Item Collection program unless the materials cannot be Diverted. Contractor shall Process and Dispose of Bulky Items and Reusable Materials Collected from Customers in accordance with the following hierarchy: (1) reuse as is (where energy efficiency is not compromised); (2) disassemble for reuse or Recycling; (3) Recycle; and if none of the other options are practicable, (4) Dispose.

Appliances and E-Waste items shall be reused, Recycled, or Disposed by Contractor in accordance with requirements of Applicable Law and in accordance with the State Department of Toxic Substance Controls regulations. In the event Contractor Collects Appliances that contain freon, Contractor shall handle such Appliances in a manner that the Appliances are not subject to regulation as Hazardous Waste under applicable State and Federal laws or regulations.

If Contractor determines that material placed for Collection is Hazardous Waste, Designated Waste, or other material that may not legally be Disposed of at the Designated Disposal Facility, handled at the Processing Sites, or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such material, provided that Contractor leaves a Non-Collection Notice in accordance with Section 4.18 of this Agreement.

#### **6. Holiday Tree Collection**

Contractor shall Collect holiday trees from all Single-Family Customers annually to supplement but not replace the Collection program offered by youth programs (including but not limited to the Boy Scouts) in the Authority. Contractor's Collection of holiday trees shall begin at the Customer's Curbside during the first Monday in January and end on the first regularly scheduled Organic Materials Collection day of February for each specific Route. Contractor shall publicize to Customers that the holiday tree Collection service is available from the first Monday in January until the first regularly scheduled Organic Materials Collection day of the last week of February for each specific Route. On the first regularly scheduled Organic Materials Collection day of February for each specific Route, Contractor shall offer a courtesy Collection of holiday trees for Customers who did not receive a holiday tree Collection in January. Holiday trees shall be routed consistent with Organic Materials Collection Routes and shall be Collected on the Customer's regular Collection day.

Holiday trees shall be delivered to the Approved Facility(ies) where they will be used to produce Mulch or Diverted from landfill Disposal in an alternative manner to count as Diversion in accordance with the AB 939 and SB 1383, with the exception that holiday trees may not be used as ADC, AIC, or for transformation fuel without prior written approval from the Authority Contract Manager. Trees that are flocked and contain tinsel and/or other decorations may not be Collected for Diversion purposes but shall be Collected and Disposed by Contractor.

Holiday tree Collection services shall be provided at no additional cost to the Authority or the Customer. Contractor may require that holiday trees be cut into sections no greater than six (6) feet.

## **EXHIBIT B1**

### **SINGLE-FAMILY RESIDENTIAL SERVICES**

#### **7. Drop Boxes and Compactors**

Contractor shall allow for a Single-Family Customer to use a Drop Box for temporary Collection to meet the Customer's needs. In such case, Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards with lids and covers. Contractor shall provide Drop Box Containers. Contractor shall ensure that Drop Boxes containing putrescible materials are Collected at least one (1) time per week. Contractor shall ensure the designated pick-up area shall be in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**EXHIBIT B2:**  
**MULTI-FAMILY RESIDENTIAL SERVICES**

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## **EXHIBIT B2**

### **MULTI-FAMILY RESIDENTIAL SERVICES**

#### **1. Recyclable Materials Collection**

Contractor shall Collect Recyclable Materials placed in Contractor-provided Containers from Multi-Family Customers and shall Transport all Recyclable Materials to the Approved Recyclable Materials Processing Facility for Processing. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

**Containers:** Carts, Bins.

**Container Sizes:** 35-, 65-, and 95-gallon (or comparable size Carts approved by the Authority Contract Manager); and,

1-, 1.5-, 2-, 3-, 4-, 6-, and 8-cubic yard Bins. As requested by Customer.

Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

**Service Frequency:** Up to five (5) times per week, as scheduled by Customer, but not less than one (1) time per week.

**Service Location:** Curbside, enclosure, or other location agreed upon by Customer and Contractor. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Recyclable Materials.

**Prohibited Materials:** Organic Materials, Solid Waste, C&D, Excluded Materials.

**Additional Service:** Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to five (5) days per week total service.

**Other Requirements:** Contractor 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 may charge Authority-approved Rates for such service.

Contractor shall provide no less than twenty (20) gallons for each Dwelling Unit.

#### **2. Organic Materials Collection**

Contractor shall Collect Organic Materials in Contractor-provided Containers not less than one (1) time per week from Multi-Family Customers and Transport all Organic Materials to the Approved Organic Materials Processing Facility for Processing. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

## **EXHIBIT B2**

### **MULTI-FAMILY RESIDENTIAL SERVICES**

<b>Containers:</b>	Carts, Bins.
<b>Container Sizes:</b>	<p>35-, 65-, and 95-gallon (or comparable size Carts approved by the Authority Contract Manager); and,</p> <p>1-, 1.5-, 2-, 3-, 4-, and 6-cubic yard Bins, as requested by Customer.</p> <p>If a Customers with 3-, 4-, or 6-cubic yard Organic Materials Bins are anticipated to be or found to have consistently overweight Bins of such sizes, Contractor shall work with the Customer to provide Collection service in smaller Bins.</p> <p>Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.</p>
<b>Service Frequency:</b>	Up to five (5) times per week but not less than one (1) time per week (as requested by Customer).
<b>Service Location:</b>	<p>Curbside, enclosure, or other location agreed upon by Contractor and Customer. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface. Containers shall be shared by Occupants and centralized.</p> <p>Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.</p>
<b>Acceptable Materials:</b>	<p>Organic Materials (including Yard Trimmings, Food Scraps, and Compostable Paper). Compostable Plastics are acceptable materials unless otherwise directed by Authority Contract Manager.</p> <p>Multi-Family Customers may place Organic Materials in Compostable Plastic bags and then place the bagged Organic Materials into their Organic Materials Containers for Collection.</p> <p>Organic Materials 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.</p>
<b>Prohibited Materials:</b>	Recyclable Materials, Solid Waste, C&D, Excluded Materials.
<b>Additional Service:</b>	Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to five (5) days per week total service.
<b>Other Requirements:</b>	<p>Contractor shall purchase and distribute one (1) small kitchen pail designed to contain Food Scraps prior to placement in the Customer's Organic Materials Cart to each new Multi-Family Dwelling Unit Customer or Occupant at no additional charge.</p> <p>Contractor 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 may charge Authority-approved Rates for such service.</p>



## **EXHIBIT B2**

### **MULTI-FAMILY RESIDENTIAL SERVICES**

Contractor shall provide no less than ten (10) gallons of Container capacity for every Dwelling Unit.

#### **3. Solid Waste Collection**

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

**Containers:** Carts, Bins.

**Container Sizes:** 35-, 65-, and 95-gallon Carts (or comparable size Carts approved by the Authority Contract Manager); and,

1-, 1.5-, 2-, 3-, 4-, 6-, and 8-cubic yard Bins, as requested by Customer.

Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

Contractor to provide no less than ninety-five (95) gallons of Container capacity for every five (5) Dwelling Units.

**Service Frequency:** Up to five (5) times per week, but not less than one (1) time per week (as requested by Customer).

**Service Location:** Curbside, enclosure, or other location agreed up by Contractor and Customer. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Solid Waste.

**Prohibited Materials:** Recyclable Materials, Organic Materials, C&D, and Excluded Materials.

**Additional Service:** Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks ups can be scheduled equating to up to five (5) days per week total service.

Contractor shall accept Household Batteries in the Collection program from Small Multi-Family Premises provided that tenants of Small Multi-Family Premises place Household Batteries in a sealed fluorescent bag, provided by the Contractor, and place on top of a centrally located Solid Waste Container.

Contractor shall accept Household Batteries in the Collection program from Large Multi-Family Premises provided that the Household Batteries are placed in a Contractor-provided Collection Container and placed in a mutually-determined

## **EXHIBIT B2**

### **MULTI-FAMILY RESIDENTIAL SERVICES**

location for Collection.

**Other Requirements:** Contractor shall open and close gates, push and/or pull Containers, lock and unlock Containers, and/or perform other services as reasonably necessary to access and service Bins, and may charge the Authority-approved Rates for such services.

Contractor shall provide every Multi-Family Customer with at least two (2) fluorescent bags per Multi-Family Dwelling Unit per calendar year. Contractor shall deliver fluorescent bags in conjunction with Diversion opportunity assessments as part of Contractor's annual public education and outreach plan, approved in accordance with Exhibit C, or other method approved by the Authority Contract Manager.

#### **4. Bulky Item Collection**

Contractor shall Collect Bulky Items, Reusable Materials, and other materials described herein from Multi-Family Customers and shall Transport all Bulky Items and Reusable Materials to the applicable Designated Facility, Approved Facility, or reuse Vendor(s). Contractor shall provide service at the frequency requested by Customers or Occupants, up to the maximum service frequency.

**Containers:** Not applicable.

**Service Level:** Per Multi-Family Dwelling Unit: Up to three (3) cubic yards of Reusable Materials, Recyclable Materials, Yard Trimmings, and Solid Waste; and, up to three (3) Bulky Items of which one (1) may be an E-Waste item.

**Service Frequency:** Collection provided one (1) time per calendar year per Dwelling Unit on an on-call basis (e.g., a Multi-Family Premises with ten (10) Dwelling Units is entitled to a total of ten (10) total Collection requests per calendar year for the Premises at no charge, regardless of which Dwelling Unit receives the service).

Additional on-call service upon Customer or Occupant request at Rates approved by the Authority.

**Service Location:** For Small Multi-Family Customers, Contractor shall Collect from a designated location at the Multi-Family Premises mutually agreed upon between Contractor and the Occupant requesting service.

For Large Multi-Family Customers, Contractor shall Collect from a designated location at the Multi-Family Premises mutually agreed upon between Contractor and the property Owner or manager.

**Acceptable Materials:** Appliances (maximum of two (2) per Dwelling Unit), Reusable Materials, Bulky Items, Source Separated Recyclable Materials, clean unfinished wood, Solid Waste, tires (four (4) per Dwelling Unit; removed from rims) and E-Waste.

**Prohibited Materials:** Food Scraps, Hazardous Materials, liquids, sludge, rocks, cement, dirt, bundled wood exceeding five (5) feet in length or wood that is painted or stained, abandoned automobiles, automobile batteries, commercial tires, Excluded Materials, Infectious Waste, or any single item (e.g., large auto parts,) that

## **EXHIBIT B2**

### **MULTI-FAMILY RESIDENTIAL SERVICES**

exceeds one hundred fifty (150) pounds in weight, excluding Appliances (unless Customer has paid an additional fee for service).

**Additional Service:** Contractor shall Collect additional Acceptable Materials (as described herein) that exceed the required Service Level (as requested by Customer) and may charge the appropriate Rate, approved by the Authority, for such additional material Collected.

**Other Requirements:** Contractor shall design the Bulky Item Collection program to include the participation of reuse Vendor(s) to accept donated clothes or other reusable items and to Recycle or Divert as much of the material as possible. Mattresses shall be delivered to a recycler. Contractor shall not Dispose of materials Collected through the Bulky Item Collection program unless the materials cannot be Diverted. Contractor shall Process and Dispose of Bulky Items and Reusable Materials Collected from Customers in accordance with the following hierarchy: (1) reuse as is (where energy efficiency is not compromised); (2) disassemble for reuse or Recycling; (3) Recycle; and if none of the other options are practicable, (4) Dispose.

Appliances and E-Waste items shall be reused, Recycled, or Disposed by Contractor in accordance with requirements of Applicable Law and in accordance with the State Department of Toxic Substance Controls regulations. In the event Contractor Collects Appliances that contain freon, Contractor shall handle such Appliances in a manner that the Appliances are not subject to regulation as Hazardous Waste under applicable State and Federal laws or regulations.

If Contractor determines that material placed for Collection is Hazardous Waste, Designated Waste, or other material that may not legally be Disposed of at the Designated Disposal Facility, handled at the Processing Sites, or presents a hazard to Contractor's employees, the Contractor shall have the right to refuse to accept such material, provided that Contractor leaves a Non-Collection Notice in accordance with Section 4.18 of this Agreement.

#### **5. Holiday Tree Collection**

Contractor shall Collect holiday trees from all Multi-Family Customers annually to supplement, but not replace, the Collection program offered by youth programs (including but not limited to the Boy Scouts) in the Authority.

For Small Multi-Family Customers, Contractor's Collection of holiday trees shall occur at the Customer's Curbside. For Large Multi-Family Customers, Contractor shall contact the property manager or Owner to arrange for a Collection location. Contractor shall offer to provide Large Multi-Family Customers a Drop Box at no additional cost for holiday tree Collection.

Contractor shall publicize to Customers that the holiday tree Collection service is available from the first Monday in January until the first regularly scheduled Organic Materials Collection day of the last week of February for each specific Route. On the first regularly scheduled Organic Materials Collection day of February for each specific Route, Contractor shall offer a courtesy Collection of holiday trees for Customers who did not receive a holiday tree Collection in January.

## **EXHIBIT B2**

### **MULTI-FAMILY RESIDENTIAL SERVICES**

Holiday trees shall be delivered to the Approved Facility(ies) where they will be used to produce Mulch or Diverted from landfill Disposal in an alternative manner to count as Diversion in accordance with AB 939 and SB 1383, with the exception that holiday trees may not be used as ADC, AIC, or for transformation fuel without prior written approval from the Authority Contract Manager. Trees that are flocked and contain tinsel and/or other decorations may not be Collected for Diversion purposes but shall be Collected and Disposed by Contractor.

Holiday tree Collection services shall be provided at no additional cost to the Authority or the Customer. Contractor may require that Christmas trees be cut into sections no greater than six (6) feet.

#### **6. Move In and Move Out Kits**

Contractor shall provide Move-in Kits and Move-out Kits to Multi-Family Customers.

For Large Multi-Family Customers, Contractor shall provide Move-in Kits and Move-out Kits to the property manager or Owner, upon request, for the property manager or Owner to provide to tenants. Contractor shall provide additional Move-in Kits and Move-out Kits annually during Diversion opportunity assessments described in Exhibit C, Section 4.

For Small Multi-Family Customers, Contractor shall provide Move-in Kits upon request of a new tenant, property manager, or Owner. In addition, Contractor shall contact each tenant once per calendar year to notify them of the availability of the Move-out Kits and encourage tenants to contact the Contractor when they would like to receive a Move-out Kit.

#### **7. Multi-Family Container Sharing**

Upon approval by the Authority Contract Manager and the Contractor, the Contractor shall permit Multi-Family Customers to share Discarded Materials service with other geographically proximate Multi-Family Customers. Such shared service shall be performed and billed as if it were being provided to a single Customer, with the exception that Contractor shall require all Customers sharing a single service account to identify a "Primary Responsible Party" that will serve as the singular point of contact for communication and billing from Contractor and the Authority, along with a list of all addresses with which the Primary Responsible Party will share service.

**EXHIBIT B3:**  
**COMMERCIAL SERVICES**

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## **EXHIBIT B3**

### **COMMERCIAL SERVICES**

#### **1. Recyclable Materials Collection**

Contractor shall Collect Recyclable Materials placed in Contractor-provided Containers from Commercial Customers and Transport all Recyclable Materials to the Approved Facility for Processing. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

**Containers:** Carts, Bins.

**Container Sizes:** 35-, 65-, and 95-gallon Carts (or comparable size Carts approved by the Authority Contract Manager); and,  
1-, 1.5-, 2-, 3-, 4-, and 6-, and 8-cubic yard Bins, as requested by Customer.

Contractor shall provide Customer with a choice of Drop Box and Compactor capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

**Service Frequency:** Up to six (6) times per week but not less than one (1) time per week (as requested by Customer).

**Service Location:** Curbside, enclosure, or location agreed upon by Contractor and Customer at the Commercial Premises. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Recyclable Materials.

**Prohibited Materials:** Organic Materials, Solid Waste, C&D, Excluded Materials.

**Additional Service:** Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to six (6) days per week total service.

**Other Requirements:** Contractor 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 may charge the Authority-approved Rate for such service.

Contractor to provide no less than sixty-four (64) gallons of Container capacity per week per Commercial Generator with shared service at the Commercial Premises.

#### **2. Organic Materials Collection**

Contractor shall Collect Organic Materials placed in Contractor-provided Containers not less than one (1) time per week from Commercial Customers and Transport all Organic Materials to the Approved Facility for Processing. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

## **EXHIBIT B3**

### **COMMERCIAL SERVICES**

<b>Containers:</b>	Carts, Bins.
<b>Container Sizes:</b>	<p>35-, 65, and 95-gallon (or comparable size Carts approved by the Authority Contract Manager); and,</p> <p>1-, 1.5-, 2-, 3-, 4-, and 6-cubic yard Bins, as requested by Customer.</p> <p>If a Customers with 3-, 4-, or 6-cubic yard Organic Materials Bins are anticipated to be or found to have consistently overweight Bins of such sizes, Contractor shall work with the Customer to provide Collection service in smaller Bins.</p> <p>Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.</p>
<b>Service Frequency:</b>	Up to six (6) times per week but not less than one (1) time per week (as requested by Customer). Saturday service requires three (3) service days during the week (Monday through Friday).
<b>Service Location:</b>	<p>Curbside, enclosure, or location agreed upon by Contractor and Customer at the Commercial Premises. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.</p> <p>Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.</p>
<b>Acceptable Materials:</b>	<p>Organic Materials (including Yard Trimmings, Food Scraps, Compostable Paper, and Compostable Plastics).</p> <p>Commercial Customers may place Organic Materials in Compostable Plastic bags and then place the bagged Organic Materials into their Organic Materials Containers for Collection.</p> <p>Organic Materials 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.</p>
<b>Prohibited Materials:</b>	Recyclable Materials, Solid Waste, C&D, Excluded Materials.
<b>Additional Service:</b>	Contractor shall provide additional Organic Materials Collection capacity to Commercial Customers upon request and may charge the appropriate Rate approved by the Authority. Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to six (6) days per week total service.
<b>Other Requirements:</b>	<p>Contractor 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 may charge the Authority-approved Rate for such service.</p> <p>Contractor to provide no less than ten (10) gallons of Container capacity per week</p>



## **EXHIBIT B3**

### **COMMERCIAL SERVICES**

per Commercial Generator with shared service at the Commercial Premises.

#### **3. Solid Waste Collection**

Contractor shall Collect Solid Waste placed in Contractor-provided Containers not less than one (1) time per week from Commercial Customers and Transport all Solid Waste to the Designated Disposal Facility. Contractor shall provide service at the frequency requested by Customers, up to the maximum service frequency.

**Containers:** Carts, Bins.

**Container Sizes:** 35-, 65-, and 95-gallon Carts (or comparable size Carts approved by the Authority Contract Manager); and,

1-, 1.5-, 2-, 3-, 4-, and 6-, and 8-cubic yard Bins, as requested by Customer.

Contractor shall provide Customer with a choice of Container capacities ranging from eight (8) to forty (40) cubic yards. Contractor shall offer the Customer the option to purchase or lease Compactors through either the Contractor or an outside Vendor.

**Service Frequency:** Up to six (6) times per week but not less than one (1) time per week (as requested by Customer). Saturday service requires three (3) service days during the week (Monday through Friday).

**Service Location:** Curbside, enclosure, or location agreed upon by Contractor and Customer at the Commercial Premises. Authority-approved charges may apply if the service location is greater than twenty-five (25) feet from the nearest point that a Collection vehicle can access from a paved surface.

Contractor shall ensure the designated pick-up area for Drop Boxes and Compactors are in accordance with all Applicable Laws and permit conditions and does not impede the flow of traffic.

**Acceptable Materials:** Solid Waste.

**Prohibited Materials:** Recyclable Materials, Organic Materials, C&D, Excluded Materials.

**Additional Service:** Contractor shall provide additional Solid Waste Collection capacity to Commercial Customers upon request and may charge the appropriate Rate approved by the Authority. Special pick-ups requested by a Customer, on days other than their regularly scheduled Collection day, will be available at an approved additional charge. Such additional picks-ups can be scheduled equating to up to six (6) days per week total service.

Contractor shall make contact with each and every Commercial Customer in advance of the Commencement Date to determine appropriate Container sizes and service frequency.

**Other Requirements:** Contractor 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 may charge the Authority-approved Rate for such service.

## **EXHIBIT B3**

### **COMMERCIAL SERVICES**

Contractor to provide no less than twenty (20) gallons of Container capacity per week per Commercial Generator with shared service at the Commercial Premises.

#### **4. Commercial Container Sharing**

Upon approval by the Authority Contract Manager and the Contractor, the Contractor shall permit Commercial Customers to share Discarded Materials service with other geographically-proximate Commercial Customers. Such shared service shall be performed and billed as if it were being provided to a single Customer, with the exception that Contractor shall require all Customers sharing a single service account to identify a "Primary Responsible Party" that will serve as the singular point of contact for communication and billing from Contractor and the Authority, along with a list of all addresses with which the Primary Responsible Party will share service.

**EXHIBIT B4:**  
**MEMBER AGENCY SERVICES**

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## **EXHIBIT B4**

### **MEMBER AGENCY SERVICES**

#### **1. Commercial Customer Services to Member Agency Facilities**

Contractor shall Collect Organic Materials, Recyclable Materials, and Solid Waste from Member Agency facilities in the same manner as those services are provided to Commercial Customers. Contractor shall provide service to all existing Member Agency facilities identified in Exhibit B4, as well as any future Member Agency facilities established after the Commencement Date, in the Container sizes and at the frequency requested by the Member Agencies. The cost of providing such service shall be an allowable cost of business, included in the adjustment of Rates as described in Exhibit E.

Contractor shall work with the Member Agencies to ensure that each Member Agency facility (including but not limited to public spaces such as parks) receives service that adequately meets the generation needs of that facility. Contractor shall ensure that all Member Agency facility Service Levels are reviewed and updated every three (3) years during the Term.

#### **2. List of Member Agency Facilities**

Contractor will Collect Recyclable Materials, Organic Materials, and Solid Waste from Member Agency facilities (including parks) in the same manner as those services are provided to Commercial Customers. Contractor shall provide service to all Member Agency facilities, present and future, at no additional cost to the Member Agency. However, such costs shall be allowable during cost-based Rate adjustments pursuant to Exhibit E2. Contractor shall provide special event services pursuant to Section 4.8 of the Agreement. Listed below are the current and planned Member Agency facilities to receive Collection services.

Contractor shall provide Solid Waste, Recyclable Materials, and Organic Materials Collection services to the Member Agencies' public facilities, parks, public litter cans, and public Recycling and Organics cans as listed below. The Member Agency may, at any time, modify the service requirements to increase the volume Collected or the frequency of Collection, and add locations serviced.

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## EXHIBIT B4 MEMBER AGENCY SERVICES

City of Campbell					
Location/Facility Name	Address	Solid Waste	Recyclable Materials	Organic Materials	Drop Box On Call
City Hall	70 N. First Street	1 x 3 yard 3x/week			
Community Center	1 W. Campbell Avenue	2 x 3 yard 2x/week			1 x 18 Yard 1 x 30 Yard
Corporation Yard	290 Dillon Avenue				1 x 18 Yard 1 x 30 Yard

Town of Los Gatos					
Location/Facility Name	Address	Solid Waste	Recyclable Materials	Organic Materials	Drop Box On Call
Police Department	110 E. Main Street	1 x 3 yard 3x/week			
Recreation Center	123 E. Main Street	1 x 2 yard 1x/week			
Neighborhood Center	Main Street & Fiesta	1 x 2 yard 3x/week			
Museum	4 W. Main Street	1 x 1.5 yard 1x/week			
Corporation Yard	41 Miles Avenue				1 x 18 Yard 1 x 30 Yard
Oak Meadows Park	233 Blossom Hill Road				1 x 18 Yard 1 x 30 Yard

City of Monte Sereno					
Location/Facility Name	Address	Solid Waste	Recyclable Materials	Organic Materials	Drop Box On Call
City Hall	18041 Saratoga Los Gatos Road				

City of Saratoga					
Location/Facility Name	Address	Solid Waste	Recyclable Materials	Organic Materials	Drop Box On Call
City Hall	13777 Fruitvale Avenue	1 x 3 yard 3x/week			
Senior Center	19655 Allendale Avenue	1 x 3 yard 3x/week			
Museum	20460 Saratoga-Los Gatos Road	2 x 1.5 yard 1x/week			
Corporation Yard	Allendale Avenue				1 x 18 Yard

### 3. Public Litter Module Service

Contractor shall provide Collection, Transportation, and Processing or Disposal service to all public litter modules in place or placed by the Member Agencies on sidewalks, at bus stops, in parks, and other Member Agency properties as set forth in Exhibit B4 during the Term of this Agreement. Frequency of Collection may be designated by the Member Agency, not to exceed seven (7) times per week per public litter module.

In the event that public litter modules are designed and able to separately contain Source Separated Recyclable Materials and/or Source Separated Organic Materials, Contractor shall Process such materials in accordance with Sections 4.1 and 4.2 of the Agreement and shall not commingle such materials with

## EXHIBIT B4 MEMBER AGENCY SERVICES

Solid Waste. In the event Organics and/or Recycling Collection is to be added, Contractor shall submit a proposal for a change in scope consistent with the requirements of Section 3.5.

Listed below are the current and planned Member Agency public litter modules to receive Collection services.

City of Campbell		
Location/Facility Name	Address	Service Level
Bus stop	Bascom Avenue & Campbell Avenue	1 can 3x/week
Bus stop	Bascom Avenue & Campbell Avenue	1 can 3x/week
Bus stop	Bascom Avenue & Campbell Avenue	1 can 3x/week
Bus stop	Budd Avenue & Winchester Boulevard	1 can 3x/week
Bus stop	Campbell Avenue & Winchester Boulevard	1 can 3x/week
Bus stop	Campbell Avenue & Winchester Boulevard	1 can 3x/week
Bus stop	Civic Center Drive & Central Avenue	1 can 3x/week
Bus stop	Hamilton Avenue & Winchester Boulevard	1 can 3x/week
Bus stop	Hamilton Avenue & Winchester Boulevard	1 can 3x/week
Bus stop	Hamilton Avenue & Winchester Boulevard	1 can 3x/week
Bus stop	Hamilton Avenue & Winchester Boulevard	1 can 3x/week
Bus stop	Orchard City Drive & Central Avenue	1 can 3x/week
Public litter can	1265 Burrows Road	1 can 3x/week
Public litter can	175 E. Campbell Avenue	1 can 3x/week
Public litter can	1800 Winchester Boulevard	1 can 3x/week
Public litter can	1825 Winchester Boulevard	1 can 3x/week
Public litter can	1976 Bascom Avenue	1 can 3x/week
Public litter can	2020A E. Campbell Avenue	1 can 3x/week
Public litter can	2071 Winchester Boulevard	1 can 3x/week
Public litter can	2120 Winchester Boulevard	1 can 3x/week
Public litter can	2157 Winchester Boulevard	1 can 3x/week
Public litter can	2270 Bascom Avenue	1 can 3x/week
Public litter can	2523 Winchester Boulevard	1 can 3x/week
Public litter can	276 E. Campbell Avenue	1 can 3x/week
Public litter can	347 E. Campbell Avenue	1 can 3x/week
Public litter can	360 E. Campbell Avenue	1 can 3x/week
Public litter can	378 E. Campbell Avenue	1 can 3x/week
Public litter can	415 E. Campbell Avenue	1 can 3x/week
Public litter can	566 E. Campbell Avenue	1 can 3x/week
Public litter can	Bascom Avenue & Campisi Way	1 can 3x/week
Public litter can	Bascom Avenue at Hamilton Plaza	1 can 3x/week
Public litter can	Budd Avenue at 7-11	1 can 3x/week
Public litter can	Across from 1265 Burrows Road	1 can 3x/week
Public litter can	E. Campbell Avenue & Union Avenue	1 can 3x/week
Public litter can	E. Campbell Avenue at Ainsley Park	1 can 3x/week
Public litter can	E. Campbell Avenue at Bank of America	1 can 3x/week
Public litter can	E. Campbell Avenue at Bradley Video	1 can 3x/week
Public litter can	E. Campbell Avenue at Subway	1 can 3x/week
Public litter can	E. Campbell Avenue at Subway	1 can 3x/week
Public litter can	E. Campbell Avenue between Dillon Avenue & Poplar Avenue	5 cans 3x/week
Public litter can	Hamilton Avenue at Winchester Plaza	1 can 3x/week
Public litter can	Pollard Road & Bracebridge Court	1 can 3x/week
Public litter can	Winchester Boulevard & Friar Way	1 can 3x/week
Public litter can	Winchester Boulevard at Community Center	1 can 3x/week
Public litter can	Winchester Boulevard at Safeway	1 can 3x/week
Public litter can	Winchester Boulevard at Winchester Hardware	1 can 3x/week
Public litter can	Winchester Boulevard at Woolworth Garden	1 can 3x/week
Public litter can	W. Campbell Avenue & Kim Louise Drive	1 can 3x/week
Public litter can	W. Hamilton Avenue & Llewellyn Avenue	1 can 3x/week

## EXHIBIT B4 MEMBER AGENCY SERVICES

Town of Los Gatos		
Location/Facility Name	Address	Service Level
Bus stop	131 E. Main Street	1 can 3x/week
Bus stop	230 University Avenue	1 can 3x/week
Bus stop	291 E. Main Street	1 can 3x/week
Bus stop	300 E. Main Street	1 can 3x/week
Bus stop	316 N. Santa Cruz Avenue	1 can 3x/week
Bus stop	332 N. Santa Cruz Avenue	1 can 3x/week
Bus stop	333 N. Santa Cruz Avenue	1 can 3x/week
Bus stop	375 Knowles Drive	1 can 3x/week
Bus stop	440 N. Santa Cruz Avenue	1 can 3x/week
Bus stop	5157 Union Avenue	1 can 3x/week
Bus stop	555 Knowles Drive	1 can 3x/week
Bus stop	657 N. Santa Cruz Avenue	1 can 3x/week
Bus stop	664 N. Santa Cruz Avenue	1 can 3x/week
Bus stop	80 University Avenue	1 can 3x/week
Bus stop	815 Pollard Road	1 can 3x/week
Bus stop	E. Main Street at Civic Center	1 can 3x/week
Bus stop	E. Main Street at Police Station	1 can 3x/week
Bus stop	Lark Avenue and Oka Road	1 can 3x/week
Bus stop	Lark Avenue and Oka Road	1 can 3x/week
Bus stop	Los Gatos-Almaden Road & National Avenue	1 can 3x/week
Bus stop	Los Gatos-Almaden Road & Peach Blossom Lane	1 can 3x/week
Bus stop	Los Gatos-Almaden Road & Verde Court	1 can 3x/week
Bus stop	Los Gatos Boulevard at Anderson Chevy	1 can 3x/week
Bus stop	Los Gatos Boulevard at New Town	1 can 3x/week
Bus stop	Los Gatos Boulevard at Village Square	1 can 3x/week
Bus stop	Across from 371 Los Gatos Boulevard	1 can 3x/week
Bus stop	Los Gatos Boulevard at Calvary Church	1 can 3x/week
Bus stop	Los Gatos-Saratoga Road & Montgomery Street	1 can 3x/week
Bus stop	Winchester Boulevard at AAA	1 can 3x/week
Bus stop	Winchester Boulevard at Elks Parking Lot	1 can 3x/week
Bus stop	100 S. Santa Cruz Avenue	1 can 3x/week
Public litter can	100 W. Main Street	1 can 3x/week
Public litter can	101 W. Main Street	1 can 3x/week
Public litter can	101 S. Santa Cruz Avenue	1 can 3x/week
Public litter can	105 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	130 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	133 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	137 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	14 E. Main Street	1 can 3x/week
Public litter can	145 W. Main Street	1 can 3x/week
Public litter can	150 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	151 N. Santa Cruz Avenue	1 can 3x/week



## EXHIBIT B4 MEMBER AGENCY SERVICES

Town of Los Gatos (Continued)		
Location/Facility Name	Address	Service Level
Public litter can	15695 Los Gatos Boulevard	1 can 3x/week
Public litter can	15780 Los Gatos Boulevard	1 can 3x/week
Public litter can	15951 Los Gatos Boulevard	1 can 3x/week
Public litter can	16 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	160 W. Main Street	1 can 3x/week
Public litter can	1990 Los Gatos-Almaden Road	1 can 3x/week
Public litter can	2 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	20 Park Avenue	1 can 3x/week
Public litter can	20 S. Santa Cruz Avenue	1 can 3x/week
Public litter can	201 N. Santa Cruz	1 can 3x/week
Public litter can	204 Los Gatos Boulevard	1 can 3x/week
Public litter can	207 Los Gatos Boulevard	1 can 3x/week
Public litter can	208 Bachman Avenue	1 can 3x/week
Public litter can	208 Bachman Avenue	1 can 3x/week
Public litter can	208 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	21 E. Main Street	1 can 3x/week
Public litter can	21 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	224 E. Main Street	1 can 3x/week
Public litter can	227 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	236 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	244 E. Main Street	1 can 3x/week
Public litter can	27 E. Main Street	1 can 3x/week
Public litter can	301 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	34 E. Main Street	1 can 3x/week
Public litter can	37 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	40 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	420 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	470 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	49 E. Main Street	1 can 3x/week
Public litter can	51 N. Santa Cruz Avenue	1 can 3x/week
Public litter can	51 University Avenue	1 can 3x/week
Public litter can	51 University Avenue	1 can 3x/week
Public litter can	51 University Avenue	1 can 3x/week
Public litter can	51 University Avenue	1 can 3x/week
Public litter can	51 University Avenue	1 can 3x/week
Public litter can	51 University Avenue	1 can 3x/week
Public litter can	55 N. Santa Cruz	1 can 3x/week
Public litter can	55 N. Santa Cruz	1 can 3x/week
Public litter can	61 E. Main Street	1 can 3x/week
Public litter can	7 Montebello Way	1 can 3x/week
Public litter can	88 W. Main Street	1 can 3x/week
Public litter can	9 N. Santa Cruz	1 can 3x/week
Public litter can	E. Main Street & High School Court	1 can 3x/week
Public litter can	E. Main Street & High School Court	1 can 3x/week

## EXHIBIT B4 MEMBER AGENCY SERVICES

City of Saratoga		
Location/Facility Name	Address	Service Level
Bus stop	14363 Saratoga Avenue	1 can 3x/week
Bus stop	Saratoga Avenue at Federated Church	1 can 3x/week
Bus stop	Saratoga Avenue & Seagraves Way	1 can 3x/week
Bus stop	Big Basin Way at Corinthian Corners	1 can 3x/week
Bus stop	Prospect Road at High School	1 can 3x/week
Bus stop	Saratoga Avenue and Cox Avenue	1 can 3x/week
Bus stop	Saratoga-Los Gatos Road & Oak Street	1 can 3x/week
Bus stop	Saratoga-Sunnyvale Road & Blauer Drive	1 can 3x/week
Bus stop	Saratoga-Sunnyvale Road & Prospect Road	1 can 3x/week
Public litter can	14288 Big Bason Way	1 can 3x/week
Public litter can	14429 Big Bason Way	1 can 3x/week
Public litter can	14445 Big Bason Way	1 can 3x/week
Public litter can	14471 Big Bason Way	1 can 3x/week
Public litter can	14495 Big Bason Way	1 can 3x/week
Public litter can	14500 Big Bason Way	1 can 3x/week
Public litter can	14501 Big Bason Way	1 can 3x/week
Public litter can	14510 Big Bason Way	1 can 3x/week
Public litter can	14510 Big Bason Way	1 can 3x/week
Public litter can	14523 Big Bason Way	1 can 3x/week
Public litter can	14531 Big Bason Way	1 can 3x/week
Public litter can	14550 Big Bason Way	1 can 3x/week
Public litter can	14554 Big Bason Way	1 can 3x/week
Public litter can	14555 Big Bason Way	1 can 3x/week
Public litter can	14567 Big Bason Way	1 can 3x/week
Public litter can	14572 Big Bason Way	1 can 3x/week
Public litter can	14573 Big Bason Way	1 can 3x/week
Public litter can	14583 Big Bason Way	1 can 3x/week
Public litter can	Big Bason Way & 3rd Street	1 can 3x/week
Public litter can	Big Bason Way & 4th Street	1 can 3x/week
Public litter can	Bid Bason Way at Bank of America	1 can 3x/week
Public litter can	Bid Bason Way at Drug Store	1 can 3x/week
Public litter can	Bid Bason Way at Saratoga Village Court	1 can 3x/week
Public litter can	Bid Bason Way at Saratoga Village Court	1 can 3x/week
Public litter can	Saratoga Avenue at Post Office	1 can 3x/week
Public litter can	Saratoga-Sunnyvale Road at Saratoga High School	2 cans 3x/week

#### 4. On-Call Clean Up Service

Contractor shall provide Collection and Transportation service for on-call clean-up service requests upon Member Agency request. At each Member Agency's sole option, the Member Agency may direct the Contractor to provide such clean-up capacity in the form of temporary Drop Box service for community events, creek vegetation removal, large clean-up events at locations throughout the Member Agencies, Member Agency Facility Bulky Item Collection, Abandoned Waste Collection, or any other arrangement

## **EXHIBIT B4**

### **MEMBER AGENCY SERVICES**

deemed appropriate. Contractor will provide and Collect a maximum of twenty (20) Drop Box hauls per calendar year at no charge to each Member Agency. The Parties acknowledge that the intent of this program is not to support the ongoing, regular Collection needs associated with new developments in the Member Agencies, but rather to support the Member Agencies through targeted, short-term, clean-up events or Collection service.

Contractor shall, in response to a written request from a Member Agency, deliver to and Collect Drop Boxes from locations not designated as City facilities. The request to Contractor shall specify the date of delivery and Collection of the Drop Box Containers, the location(s) for delivery, and the number of and size of the Drop Box Containers to be delivered. Contractor shall deliver Drop Boxes by the next Working Day following Member Agency request. Contractor shall Collect, empty, and return Drop Boxes by the next Working Day following Member Agency request. Contractor shall remove and not return Drop-Boxes by the next Working Day following Member Agency request.

#### **5. Emergency Services**

Contractor shall provide emergency services (i.e., special Collections, Transport, Processing, and Disposal) at the request of the Member Agency in the event of major accidents, disruptions, or natural calamities. Contractor shall be capable of providing emergency services within twenty-four (24) hours of notification by the Member Agency or as soon thereafter as is reasonably practical in light of the circumstances. For any services that exceed the scope of services under this Agreement, Contractor shall be entitled to compensation at the emergency service Rates approved under this Agreement. The Member Agency shall have discretion in the method of such compensation between direct payments by the Member Agency and allowing such costs to be considered in the adjustment of Rates for the following Rate Period.

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**EXHIBIT B5:  
SPECIAL EVENTS**

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## EXHIBIT B5 SPECIAL EVENTS

### 1. Special Events

Contractor shall provide Recyclable Materials, Organic Materials, and Solid Waste services for up to forty-eight (48) special event days cumulatively for all Member Agencies per calendar year. Examples of special event days are listed on the following page. Special event services will be provided at no cost to the event, Authority, or Member Agency. Special event services include:

- A. Event Collection Stations.** Contractor shall provide and set-up an adequate number and type of event Collection stations for Collection of Recyclable Materials, Organic Materials, and Solid Waste at Member Agency-sponsored special events. Contractor shall cooperate with the recovery of Edible Food from special events in accordance with Section 4.8 and 14 CCR Chapter 12 Section 18991.3. Contractor acknowledges that efforts to recover Edible Food at special events may be conducted by others; and, Contractor agrees not to interfere with such activities.
- B. Collection Station Monitors.** Upon request, Contractor shall provide up to six (6) Collection station monitors who shall be present for the duration of each special event. Contractor shall require Collection station monitors to monitor event Collection stations and educate event attendees and Vendors about the materials that are acceptable in each Collection station Cart. The Member Agency shall be responsible for Transporting materials contained in event Collection stations to Drop Boxes, which will subsequently be Collected by the Contractor. Station monitors will also sort materials, both at the Collection stations and at the Drop Boxes, to ensure that they are properly separated.
- C. Consolidation Containers.** Upon request, Contractor shall provide Containers for the aggregation of material removed from event Collection stations during the course of the event. Contractor shall provide Containers in sufficient number of appropriate type(s) for the needs of the event (which shall include consideration of needs of the Vendors for discarded packing materials) as determined by Contractor in cooperation with the event organizer. Contractor shall service Containers, as agreed-upon with the event organizer, and deliver Collected materials to the appropriate Approved Facility for Processing and/or Disposal.
- D. Public Education Booth.** Upon request of either the Member Agency or the event organizer, Contractor shall staff a booth or exhibit at the event for the purpose of educating the public about the services and programs provided by Contractor under this Agreement and the benefits of Source Reduction, reuse, Recycling, and Composting.
- E. Reporting.** Within ten (10) Business Days following the end of the event (unless otherwise requested by Member Agency on an event-by-event basis), Contractor shall submit a report to the Member Agency, event organizer, and Authority Contract Manager. The report shall include, at a minimum: the number of event Collection stations deployed at the event; the number of Collection station monitors; the Tonnage of each material type (i.e., Recyclable Materials, Organic Materials, and Solid Waste) Collected; a description of the public education provided at the event; and, any suggestions Contractor proposes for the next event.

Contractor may, at its sole discretion and expense, coordinate with event sponsors, local youth, community, or charitable organizations to provide some or all of the required services. Regardless

## EXHIBIT B5 SPECIAL EVENTS

of Contractor's use of such an organization, Contractor shall be responsible for ensuring that service is provided to the Customer in a professional and timely manner.

For special events that are not identified in this Exhibit B5 or otherwise hosted or sponsored by the Member Agency requested in addition to the allowed forty-eight (48) special event days as described in this section, Contractor shall provide the above-described special event services at the request of the event organizer and may negotiate the charges for such services with the event organizer based on the specific needs of the event.

**Table 1. Example Special Event Days**

City of Campbell		
Special Event	Estimated Annual Date	# of Days
Fun Run	February	1
Fun Run	October	1
Summer Concert Series	Summer	8
Octoberfest	October	2
Boogie Festival	May	2
Town of Los Gatos		
Special Event	Estimated Annual Date	# of Days
Spring into Green	April	1
4th of July	July	1
City of Monte Sereno		
Special Event	Estimated Annual Date	# of Days
City Picnic	August	1
City of Saratoga		
Special Event	Estimated Annual Date	# of Days
Saratoga Blossom Festival	May	1
Classic Car Show	July	1



**EXHIBIT B6:  
STREET SWEEPING**

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## EXHIBIT B6 STREET SWEEPING

### 1. Commercial, Arterial, and Residential Roadway Sweeping

- A. **General.** The Contractor is responsible for the provision of street sweeping, including all materials and labor to sweep Residential streets, Commercial streets, and main arterial streets, utilizing approved vacuum and/or regenerative air sweepers.

The Contractor shall provide sweeping services for the eight (8) foot area that is measured from the normal Curb lines, whether such Curb exists or not, of every Public Street in the scope of work towards the center of such streets, along with all public parking lots, roadway dividers and medians, as such areas exist as of July 1, 2024 or are added to the Member Agencies limits during the Term of this Agreement.

- B. **GPS Tracking.** The Contractor shall provide GPS units in all sweeper vehicles. The Contractor shall provide the Member Agencies with access to the GPS software directly in real-time and to on-line reports of past activity, which will confirm streets swept, routes completed, and verify miles per hour speed limit.
- C. **Route Maps and Parking Lot Sweeping Schedule.** No later than March 1, 2024, Contractor shall provide street sweeping route maps and a parking lot sweeping schedule to the Member Agencies in both electronic format and hardcopy. If Contractor changes the route maps or parking lot schedule at any time throughout the Term of the Agreement, Contractor shall provide the updated route maps and/or parking lot schedules to the Member Agencies in both electronic and hardcopy form. Contractor shall provide annual parking lot sweeping schedules by December 1 of each calendar year. Contractor may not change the number of times per year that a parking lot is swept, the day that a street is swept, or the hours (day versus night) that a street is swept, without prior approval from the affected Member Agencies.
- D. **Work Schedules and Shifts.** In the performance of this Agreement, the Contractor must follow Applicable Law, including all applicable labor codes and laws and Department of Transportation regulations, which govern the number of hours that an employee can work without rest, and will schedule employees with sufficient rest between shifts to ensure safe and effective operations.
- E. **Sweeping Day Schedule.** Contractor must conform to the sweeping day schedule in place on the Effective Date, which follows Residential Discarded Materials Collection days.

Table 1. Street Sweeping Collection Day

Weekly Discarded Materials Collection Day	Street Sweeping Day
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Monday

## EXHIBIT B6 STREET SWEEPING

Maps showing the sweeping day schedule for all Public Streets are included in this Exhibit B6. These maps also specify the weeks of the month that each street shall be swept during bi-weekly sweeping months (e.g., first and third Monday of each month). Contractor must receive prior written authorization from the affected Member Agencies and Authority to change this schedule.

Contractor shall sweep all streets on the Business Day immediately following Discarded Materials Collection. If Contractor experiences a breakdown, or other situation that prevents the completion of daily scheduled street sweeping services, Contractor shall notify the Member Agency immediately and provide a plan for completing the sweeping as soon as possible.

- F. Working Days and Holidays.** Normal Working Days shall be Monday through Friday, five (5) days a week, except for Holidays. Any other work done on weekends or Holidays must be approved in advance by the Member Agency. Contractor shall provide a make-up sweep for any streets that are not swept on a Holiday. The make-up sweep shall be provided on a day mutually agreed to by the Contractor and Member Agency. Contractor shall recognize the same Holidays for both street sweeping and Discarded Materials Collection.
- G. Working Hours.** Residential streets shall be swept between 6:00 a.m. and 6:00 p.m., and Commercial/arterial streets and parking lots shall be swept between the hours of 10:00 p.m. and 3:00 a.m. in the City of Campbell, 5:00 a.m. and 10:00 p.m. in the Town of Los Gatos, 5:00 a.m. and 10:00 p.m. in the City of Monte Sereno, and 5:00 a.m. and 10:00 p.m. in the City of Saratoga, unless within two hundred (200) feet or less of Residential Premises or otherwise approved by the Member Agency. Throughout the Term of this Agreement, each Member Agency may adjust sweeping hours and may update streets to a daytime or nighttime schedule in order to respond to resident concerns regarding noise, and to ensure that the sweepers can avoid heavy traffic and operate safely and efficiently at no additional cost.

In instances of rainy weather, a Member Agency may postpone or cancel sweeping services during heavy and persistent rainstorms. The Contractor shall work with the affected Member Agency to agree upon a make-up schedule for missed areas.

- H. Parking Regulations.** As of the Effective Date, the Member Agency does not have an ordinance that generally prohibits parking on scheduled street sweeping days. On-street parking is only prohibited where posted.

Contractor shall sweep all streets with permanent posted “No Parking for Street Sweeping” signs per the schedule indicated on the sign.

**Table 2. Parking Regulations Requirements**

Member Agency	Municipal Code Section
City of Campbell	10.24.050 – Emergency parking signs and 10.24.145 – Signs.
City of Saratoga	9-20.010 - Generally and 9-20.035 - Designation of no parking areas by City Engineer.

## EXHIBIT B6 STREET SWEEPING

City of Monte Sereno	4.06.090 – Violations and 4.10.020 – Parking regulation
Town of Los Gatos	15.40.015. – Parking regulation.

- I. **Street Sweeping Frequency.** Contractor shall sweep the following total curb miles listed in Table 3 for each Member Agency during Rate Period One, as documented in the annual street sweeping scope of services document provided to Contractor, and in subsequent rate periods, unless otherwise directed by the Authority and Member Agencies to change the total number of curb miles. Prior to subsequent Rate Periods, the Authority and Member Agencies will annually evaluate street sweeping service needs for the following Rate Period and update the annual street sweeping scope of services document, as appropriate.

**Table 3. Rate Period One Curb Miles**

Member Agency	Curb Miles
City of Campbell	7,200
City of Saratoga	6,660
City of Monte Sereno	216
Town of Los Gatos	3,824

- J. **Street Sweeping Staffing.** Contractor's operators shall be fully licensed, trained, qualified, and familiar with the sweepers being used.
- K. **Vehicles and Equipment.** Vehicles shall be high-power vacuum sweepers (not regenerative air or broom sweepers, unless otherwise requested by a Member Agency) each with a hopper capacity of at least eight (8) cubic yards.

Any other sweepers used to perform services pursuant to this Agreement shall be vacuum/regenerative air sweepers no older than five (5) years. Sweeper vehicles shall always be maintained in proper working order, with sufficient back-up vehicles to ensure service coverage. Contractor shall provide Authority with a current vehicle inventory, in a format determined by the Authority, upon Authority request.

Broom sweepers will be allowed on an as-needed basis only, and only when prior approval is received from the affected Member Agency.

Street Sweepers shall comply with all current emissions and air quality requirements.

All sweeping equipment shall be numbered for identification, have proper safety markings in accordance with State Vehicle Code and approved by the affected Member Agency, and shall have the name and local telephone number of the Contractor.

## EXHIBIT B6 STREET SWEEPING

All sweepers shall be properly registered in the State of California and insured in accordance with State laws.

The Contractor shall maintain a sufficient supply of spare tires, brooms, and other parts and accessories, and reserve or replacement equipment sufficient to perform the services in a timely manner. Contractor shall provide the Authority a written (electronic) inventory of all vehicles and shall update the inventory report annually. The inventory shall list all vehicles by manufacturer, ID number, date of acquisition, fuel type, capacity, and decibel rating.

In the event a sweeper breaks down in the field, it is the responsibility of the Contractor to contact the affected Member Agency and provide a substitute within two (2) hours of the break down in order to complete the zone, as scheduled. The Contractor is responsible for towing their sweepers.

- L. Debris Removal.** Contractor shall sweep all loose debris along Curbs and bike lanes, including center median islands, intersections, and corners from cross streets intersecting the subject street to ensure free flow of water in the gutter and to maintain streets in an overall state of cleanliness. Debris includes, but are not limited to: leaves, paper, dirt, rocks, glass, bottles, cans, litter, mud, concrete, and sand along all Curbs and bike lanes. Contractor shall ensure that each Curb is debris free following provision of sweeping service. A double pass is required in the event that debris is left behind (for no additional compensation).

Contractor shall operate so as to prevent the accumulation of debris piles (“windrows” or “doglegs”) in intersections, “pork chop islands”, at the tips of medians, and other places just outside of the normal path of traffic. At least once per quarter, on a night route, Contractor shall sweep all major intersections using a “figure-eight” or similar pattern to eliminate such “windrows.”

- M. Obstructions.** Contractor will be required to log and report to each Member Agency, on a pre-determined frequency, all trees, shrubs, and/or bushes that are obstructing the public right-of-way (not limited to obstructions pertaining to the provision of street sweeping services), including but not limited to: sidewalks, streets, street signs, and traffic signals. The log should provide the date, time, address, and detailed location of the obstruction.

The Contractor shall immediately clean-up and report, or if unable to clean-up, then report to the Member Agency any and all conditions related to street sweeping that may create unsafe or hazardous conditions.

- N. Abandoned Waste.** The Municipal Code of each Member Agency prohibits anyone from placing leaves, Yard Trimmings, or other debris onto Public Streets. Residents and landscapers may not blow or rake leaves into the Public Street. Contractor shall report to Member Agency and the Authority the address and/or vehicle description/license plate number of any such suspected Abandoned Waste. The Member Agency may then initiate Code Enforcement action.

- O. Dust Control.** All sweepers must have and use water nozzles to prevent dust. At all times, the proper volume of water will be applied by the sweeper to control dust during sweeping. Contractor may not use recycled water for dust control, unless allowed by the Member Agency.

- P. Sound Control.** The noise level from the Contractor’s operation shall not exceed each Member

## **EXHIBIT B6 STREET SWEEPING**

Agency's noise standards in accordance with their Municipal Codes. Each internal combustion engine used for any purpose on the job or related to the job shall be equipped with a muffler of a type recommended by the manufacturer. No internal combustion engine shall be operated on the project without said muffler.

- Q. Call Backs.** When, at the discretion of the Member Agency, a section of street or a Member Agency's parking lot is inadequately swept, the Contractor shall, within twenty-four (24) hours of notification from the Member Agency, re-sweep the section in question for no additional compensation.
- R. Complaints from the Public.** The Contractor shall be responsible for receiving and resolving Customer calls related to street sweeping services. Contractor shall accept street sweeping Complaints and requests from the public using the same phone number and email address used for Discarded Materials Collection services. Contractor shall display this phone number on all sweepers operating in the Member Agency. The provisions of Section 4.13 of this Agreement, which apply to the handling, tracking, and reporting of Discarded Materials Collection inquiries, shall apply to street sweeping inquiries as well.

The Contractor will be required to respond to service issues via Member Agency's online Customer Request Management (CRM) system in order to maintain service levels and for quality assurance purposes. Access to e-mail with the ability to view and respond to requests within twenty-four (24) hours is required. Regular meetings may also be scheduled to evaluate the provision of services and progress per this Exhibit B6.

Complaints brought to the Contractor's attention prior to 3 p.m. shall be investigated that day. Those brought to the Contractor's attention after 3 p.m. shall be investigated before noon of the following day. A Complaint log shall be filled out for each Complaint referred to or received by Contractor. The log, which must be approved by the Member Agency, shall be filed with the Member Agency on the first Working Day following the day the Complaint was received. The Contractor shall report the actions that were necessary to resolve each Complaint.

- S. Vehicle Speed and Direction.** The Contractor shall, at all times during sweeping, operate the sweeper at no more than five (5) miles per hour.

The Contractor shall perform operations so that sweepers are traversing their routes in the normal direction of traffic, except for the quarterly "Figure 8" sweeping of intersections to prevent debris build-up ("windrows"), as provided for under Debris Removal above.

- T. Protection of Vegetation and Property.** The Contractor shall not deface, damage, or remove any trees, shrubs, or other vegetation, nor any other private or public property. Contractor shall repair or restore to their original condition trees or other landscape features scarred or damaged by equipment or operations of the Contractor. Likewise, damage to any other private and/or public property shall be the responsibility of the Contractor. The Contractor will obtain approval for repair and restoration from the Member Agency prior to the initiation of such work.
- U. Water Meter Requirement.** The Contractor shall obtain a bulk water meter within each Member Agency for its sweeping operation. Any fees or charges for the water meter and the cost of water used shall be paid by the Contractor. The Contractor's street sweepers shall be equipped with the proper spanner wrench for the opening and closing of all Member Agency water hydrants.

## **EXHIBIT B6 STREET SWEEPING**

Contractor shall not use recycled water for street sweeping operations, except when required by a Member Agency during declared droughts.

- V. New Streets.** Upon notice to proceed from the Member Agency, Contractor shall sweep any new Public Streets that are constructed and accepted by the Member Agency, in which they were constructed, during the Term of the Agreement. Contractor shall invoice Member Agency directly for sweeping the new streets until the beginning of the next Rate Period. During the annual Rate adjustment, the new street(s) will then be incorporated into the Authority-ratified Rates.

### **2. Park Lot Sweeping**

Contractor shall sweep Member Agency-owned parking lots, including underground parking lots, as defined in this Exhibit B6 at the frequencies provided in this Exhibit B6.

Parking lots shall be swept using a vehicle(s) approved in advance by the Member Agency. The Contractor will sweep the entire parking lot, conforming to all specifications as listed in, but not limited to the specifications outlined in “Commercial, Arterial, and Residential Roadway Sweeping” section above, and including all safety and legal guidelines as specified in this Exhibit B6.

Contractor’s sweeper operator shall use a blower to remove leaves (including heavy accumulation due to seasonal changes) and other debris from behind parking stops and from the Curbs and corners of each parking lot before sweeping. The quality of parking lot sweeping shall meet standards approved by the Member Agency.

Parking lots will be swept between the hours of 10:00 p.m. and 3:00 a.m. in the City of Campbell, 6:00 a.m. and 6:00 p.m. in the Town of Los Gatos, 5:00 a.m. and 10:00 p.m. in the City of Monte Sereno, and 5:00 a.m. and 10:00 p.m. in the City of Saratoga.

Contractor shall sweep any new Member Agency-owned parking lots that are constructed and accepted by the Member Agency, in which they were constructed, during the Term of the Agreement. Upon Member Agency request, Contractor shall provide Member Agency with a cost proposal to sweep a new parking lot, at the frequency requested by the Member Agency. Service shall commence upon Member Agency acceptance of Contractor’s proposal. Contractor shall invoice Member Agency directly for sweeping the new parking lot, and Member Agency shall pay Contractor at the agreed-upon Rate, until the beginning of the next Rate Period. During the annual Rate adjustment, the new parking lot will then be incorporated into the Authority-ratified Rates.

### **3. Material Disposal**

Contractor shall off-load collected street and parking lot sweeping debris at any of the following service centers.

- 290 Dillon Avenue, Campbell
- 61 Miles Avenue, Los Gatos
- 19700 Allendale Ave, Saratoga
- 390 E Gish Road, San Jose (Monte Sereno)

Contractor will be provided continuous (“24-7”) access to each service centers and given up to five (5) fobs and/or keys to open the gates or will be provided an access code to enter the Service Center. After



## EXHIBIT B6 STREET SWEEPING

Contractor off-loads street sweepings at the Service Centers, Member Agency staff would then load the street sweepings into Drop Box. As part of the Discarded Materials Collection services provided to Member Agency facilities, Contractor will deliver the street sweeping Drop Boxes to the Designated Organic Materials Processing Facility as Organic Materials. If Member Agency staff determines that a load of street sweepings is not Compostable, they will place it into a Solid Waste Drop Box, and Contractor shall, as a part of the Discarded Materials Collection services provided to Member Agencies' facilities, deliver the Drop Box to the Designated Disposal Facility, to be Disposed of as Solid Waste.

If the Contractor collects material from the streets of the Member Agency that is deemed to be hazardous or toxic by a certified testing firm or landfill operator, the Contractor will be responsible for the safe and legal Disposal of the material, including all associated costs.

**A. Terms of Facility Use.** Member Agency property is designated as the following service centers, known herein as "Premise."

- City of Campbell Service Yard (290 Dillon Ave, Campbell, CA 95008)
- Town of Los Gatos South Yard (61 Miles Avenue, Los Gatos, CA 85030)
- City of Monte Sereno (390 E Gish Road, San Jose CA 95112)
- City of Saratoga Corporation Yard (19700 Allendale Ave, Saratoga, CA 95070)

Member Agency will grant access to Premises (by providing a fob for the security gate) to street sweeping maintenance vehicles used only in daily operations within Member Agency limits for emptying of street sweeping materials. The periods of use covered by this Agreement are:

1. After-hours access for the maintenance vehicles used for daily operation of Member Agency Street Sweeping Services will be available seven (7) days a week, twenty- four (24) hours per day.
2. Use commences July 1, 2024 and is effective through the end date of this Agreement.

**B. Program Definitions.** Contractor shall be responsible for all Contractor's vehicles brought to the Premises.

Contractor shall have total responsibility for the securing and condition of the Contractor's vehicles and the conduct of its personnel while on the Premises.

Contractor is made aware that Premises is under surveillance and monitoring through a third-party security contractor.

**C. Compensation for Facility Use.** No compensation will be paid to Contractor or Member Agency for use of the facility. Use of the facility is considered included as part of the services listed above. Contractor shall compensate the Member Agency for any damages to a Member Agency's service centers.

**D. Equipment Storage.** Storage of equipment and vehicles is not included as part of the facility use.

Contractor is not entitled to the use of Member Agency water and/or other utilities on the

## EXHIBIT B6 STREET SWEEPING

Premises. Likewise, the Premises shall not be used for any maintenance practices, including but not limited to: cleaning of the maintenance vehicles and/or repairs to the maintenance vehicles.

- E. **Independent Contractor.** It is expressly agreed that in the performance of the activities necessary to carry out this Agreement, Contractor is an independent contractor, and is not an employee of the Authority or Member Agency. Contractor has, and shall retain, the right to exercise full control and supervision of the activities, and full control over the employment, direction, compensation and discharge of all Persons assisting Contractor in performance of Member Agency Street Sweeping Services, as herein stated.
- F. **Condition of the Facility.** At the beginning of each week of services, the Contractor's employee/operator shall inspect Premises and make sure that it is safe for continued access. Any potential problems should be immediately brought to the Authority.

### 4. Rate Adjustment Methodology

- A. **General.** Subject to the terms herein, the Authority Contract Manager shall ratify all rates on an annual basis. Contractor shall submit its application for a rate adjustment to the Authority Contract Manager on or before February 1 of each Rate Period. Contractor's rate application shall document all calculations and include all supporting schedules to ensure that the calculation of rate adjustments has been performed in strict conformance to the requirements of this Exhibit B6.

If street sweeping rates are not effective by July 1, as a result of Contractor's delay in submitting the rate application in a complete and accurate form, then prior rates remain in effect until such adjustment is made and Contractor shall not be entitled to a retroactive adjustment.

- B. **Definitions.** Certain terms that are specific to this Exhibit B6 are defined below.

1. **"Annual Percentage Change"** means the annual percentage change in the index defined below, calculated as described in the following paragraph.

The Annual Percentage Change for a cost index shall be calculated as the Average Index Value for the most recently available twelve- (12) month period of the then-current Rate Period minus the Average Index Value for the corresponding twelve- (12) month period of the most-recently completed Rate Period and the result of which shall be divided by the Average Index Value for the same twelve- (12) month period of the most recently completed Rate Period.

For example, if the Contractor is calculating the per-curb mile street sweeping rate in January 2026 to be effective for Rate Period Three (July 2026 through June 2027), the Annual Percentage Change for the CPI-U would be calculated as follows:

[ (Average CPI-U for January 2025 through December 2025) minus  
(Average CPI-U for January 2024 through December 2024) ] divided by  
(Average CPI-U for January 2024 through December 2024)

2. **"Average Index Value"** means the sum of the monthly index values during the most recently available twelve- (12) month period divided by twelve (12) (in the case of indices published monthly) or the sum of the bi-monthly index values divided by six (6) (in the case of indices published bi-monthly).

## EXHIBIT B6 STREET SWEEPING

3. “CPI-U” means the Consumer Price Index, All Urban Consumers, all items, not seasonally adjusted San Francisco-Oakland-Hayward Metropolitan Area compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.

Table 4 provides additional information about the index defined above.

**Table 4. Street Sweeping CPI\***

	CPI-U
Description	Consumer Price Index - All Urban Consumers
Series ID	CUURS49BSA0
Adjusted	Not seasonally adjusted
Area	San Francisco-Oakland-Hayward
Item	All items
Base Period	1982-84=100
Periodicity	Bi-monthly

\* All indices published by the U.S. Bureau of Labor Statistics with the exception of the Fuel Index, which is published by Pacific Gas and Electric Company Analysis and Rate Department.

- C. **Rate Adjustment.** The per-curb mile rate for Rate Period Zero and Rate Period One is \$43.31. The street sweeping per-curb mile rate for the coming Rate Period shall equal the current Authority-ratified per-curb mile rate multiplied by one (1) plus the Annual Percentage Change in the CPI-U rounded to the penny.

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**EXHIBIT C:**  
**PUBLIC EDUCATION AND OUTREACH REQUIREMENTS**



## **EXHIBIT C**

### **PUBLIC EDUCATION AND OUTREACH REQUIREMENTS**

#### **1. General Administration**

- A. Program Objectives.** The public education and outreach strategy shall focus on improving Generator understanding of the benefits of and opportunities for Source Reduction, reuse, and landfill Disposal reduction and supporting compliance with Applicable Laws and regulations. Contractor acknowledges that they are part of a multi-Party effort to operate and educate the public about the regional integrated waste management system. Contractor shall cooperate and coordinate with the Authority Contract Manager on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns.
- B. Transition Outreach Plan.** Within thirty (30) days of the Effective Date, Contractor shall host a meeting with the Authority Contract Manager to discuss and present options for a transition outreach plan. Such transition outreach plan options shall indicate strategies for providing targeted Customer education and outreach and highlight any changes from the services provided under the previous franchise agreement. Such transition outreach plan shall also ensure that Contractor makes contact with each and every Multi-Family Customer and Commercial Customer in advance of the Commencement Date to determine appropriate Container sizes and service frequency. Within ninety (90) days of the Effective Date, Contractor shall provide a finalized transition outreach plan for Authority Contract Manager review and approval. Contractor shall distribute instructional information, public education, and promotion materials in advance of, and following, commencement of services in accordance with the transition outreach plan approved by the Authority Contract Manager.
- C. Status Meetings.** Upon request from the Authority Contract Manager, Authority Contract Manager and Contractor's contract manager (or their respective designees) shall meet up to one (1) time per month to discuss services, outreach, and educational campaigns and request changes or adaptations to the annual public education and outreach plan.
- D. Website.** Contractor shall post all public education and outreach materials on the Authority's website, pursuant to Section 4.13 of the Agreement.
- E. Social Media.** Contractor shall create social media accounts specific to its operations in the Authority. Social media accounts shall be used to post educational materials once per month. Contractor shall use paid, targeted social media advertisements to promote the Collection program. Social media account posts and targeted social media advertisements shall be reviewed and approved by the Authority Contract Manager pursuant to the procedures in this Exhibit.
- F. Additional Materials Request.** A Commercial Business or Multi-Family Premise Owner may request that materials are provided more than once per year to educate new tenants and employees before or within fourteen (14) days of occupation of the Premises. In this case, the Commercial Business or Multi-Family Premise Owner may request delivery of materials by contacting the Contractor's Customer service department.

#### **2. Annual Public Education and Outreach Plan**

- A. General.** Each public education and outreach plan shall comply with the requirements set forth in this Exhibit C. This shall entail, at a minimum, distributing program literature to all Customers at the

## **EXHIBIT C**

### **PUBLIC EDUCATION AND OUTREACH REQUIREMENTS**

commencement of the Agreement as well as to any new Customer during the Agreement Term. Contractor shall use multiple media sources including, but not limited to, print, radio, television, electronic and social media, workshops, events, and technical assistance. Transition and ongoing sector-specific collateral materials shall be developed and distributed.

- B. Submission of Annual Public Education and Outreach Plan.** At least ninety (90) days prior to the Commencement Date and by October 1 of each year during the Term of this Agreement, Contractor shall develop and submit an annual public education and outreach plan for review by the Authority Contract Manager. The annual public education and outreach plan shall meet the requirements set forth in this Exhibit C, Section 2. Prior to the submission of the annual public education and outreach plan, Contractor shall meet with the Authority Contract Manager to present and discuss the plan, review the prior year's activities (including sponsorships and services provided to Member Agency-sponsored events) and determine appropriate campaign areas for the upcoming plan. The Authority Contract Manager shall be permitted to provide input on each annual public education and outreach plan, and the plan shall not be finalized or implemented without approval of the Authority Contract Manager. Authority Contract Manager shall be allowed up to thirty (30) calendar days after receipt of the public education plan to review and request modifications. At the direction of the Authority Contract Manager, Contractor shall revise the public education and outreach plan and submit a revised plan for final review and approval by the Authority Contract Manager at least thirty (30) days prior to the Commencement Date and by December 1 of each year during the Term of this Agreement. Any further delays may result in Liquidated Damages for failure to perform education and outreach activities as identified in Exhibit C.
- C. Campaigns.** Each annual public education and outreach plan shall include campaign(s) designed to address Authority-specific problem areas in the Collection program. Campaign descriptions shall:
1. Identify the problem that the Contractor plans to address, including the target audience for the campaign.
  2. List the activities that the Contractor will use to address the identified problem. This may include, but is not limited to, technical assistance, workshops, distribution materials, and partnerships.
  3. Provide a timeline for implementation of the campaign with specific milestones identified.
  4. Establish metrics to determine the campaign's effectiveness.
  5. Provide an estimated cost for each activity outlined in the campaign in relation to the Contractor's total annual public education and outreach budget.



## EXHIBIT C

### PUBLIC EDUCATION AND OUTREACH REQUIREMENTS

An example campaign description is provided below for illustrative purposes only.

Problem	Activity	Metrics for Success	Implementation Timeline	Estimated Cost
Complaints regarding kitchen pail program and resulting limited Organic Materials program participation	Distribute kitchen pails to each Occupant living in a Small Multi-Family or Large Multi-Family Premise with instructions on how to use, clean, and care for the kitchen pail.	Conduct a waste characterization study before and after the campaign to determine if tenants in Multi-Family Premises have increased their participation in the Organic Materials program.	Complete distribution by the end of Quarter 2.	\$15,000
	Provide in-Person, technical assistance to tenants. Identify barriers for lack of pail usage through in-Person conversations.		3-4 weeks after the Occupant receives the pail.	\$3,000

**D. Minimum Content Standards.** The Contractor shall execute the activities of each campaign in the annual public education and outreach plan to ensure compliance with Applicable Law. The minimum content standards for the information distributed through the annual public education plan include:

- Collection Programs.** Information on the Collection programs described in this Agreement and the Generator's requirements to properly separate Discarded Materials and place such materials in appropriate Containers pursuant to this Agreement, SB 1383 Regulations, and all other Applicable Laws.
- Edible Food Recovery.** Information about the County's Edible Food Recovery Collection program; Commercial Edible Food Generators requirements specified in 14 CCR, Division 7, Chapter 12, Article 10; and where a list of 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.
- Tenant and Business Outreach.** Contractor's approach to providing public education and outreach materials to property Owners and Commercial Business Owners to distribute to all employees, contractors, tenants, and Customers of the properties and businesses.
- School Outreach.** Contractor's approach to providing public education and outreach materials to schools and youth groups.
- Large Venues and Events.** Contractor's approach to providing education and outreach

## EXHIBIT C

### PUBLIC EDUCATION AND OUTREACH REQUIREMENTS

through the public events and venues served under Exhibits B4 and B5 and as required under AB 2176.

6. **Internal Commercial Business Containers.** Signage for internal Recyclable Materials and Organic Materials Containers for applicable Commercial Businesses under AB 827.
  7. **Applicable Law.** Any Federal, State, or local requirements to properly separate Discarded Materials or other necessary actions by Generators, including Applicable Law and corresponding regulations, and requirements of the Member Agencies' municipal codes.
- E. **Design, Approval, Production, and Distribution of Materials.** Requirements for production and distribution of public education and outreach materials are as follows:
1. **Material Design and Production.** The Contractor shall be responsible for the design and production of all materials under this program in accordance with this Agreement. Contractor agrees to print, produce, and distribute education materials and conduct outreach, as required by the Authority, as detailed in the Contractor's annual public education plan described in this Exhibit. All outreach and educational materials shall be: thematically branded with consistent color, graphics, font, look, and feel; produced in English and up to three (3) additional languages as the Authority may direct throughout the Term of the Agreement in response to shifting demographics in the Authority); and, photo-oriented to appeal to varied language and literacy levels. Nothing in this Agreement precludes the Authority from designing, producing, and distributing its own education and outreach materials. Prior to finalizing any collateral materials, and no fewer than four (4) weeks prior to the deadline for distribution, the draft shall be provided to the Authority for a final review. The draft shall then be sent for printing and distribution. All materials shall be printed double-sided on one hundred percent (100%) post-consumer Recycled and Recyclable paper.
  2. **Approval of Materials.** Contractor shall obtain approval from the Authority Contract Manager on all Contractor-provided, service-related advertising and promotional materials used within the Authority before publication, production, distribution, and/or release. The Authority Contract Manager, in their sole discretion, shall have the right to deny the use of any materials or content or may request that Contractor include Authority identification and contact information on all distributed education materials. If requested, Contractor shall review and comment on the materials within two (2) weeks of request from the Authority.
  3. **Material Distribution.** In addition to the material distribution requirements of the approved transition outreach plan, in accordance with Exhibit C, Section 1.B, Contractor shall distribute program literature to all Customers annually as well as targeted materials to any new Customer throughout the Term of the Agreement. Contractor shall use multiple distribution methods including, but not limited to, print, radio, television, electronic and social media, and public event participation, if applicable. All printed materials shall also be made available in digital form. Contractor shall differentiate between transition materials for new services, and ongoing collateral materials, to be distributed at the start and throughout the Term of the Agreement.
  4. **Member Agency Facilities.** All Member Agency facilities and the Authority shall receive any and all public education and outreach materials and services provided to the Commercial

## **EXHIBIT C**

### **PUBLIC EDUCATION AND OUTREACH REQUIREMENTS**

sector. Contractor shall provide all printed public education materials to Member Agency offices, facilities, and the Authority to have available for the public that visits those facilities and shall replenish the materials as requested by the Authority Contract Manager. Contractor shall mail all printed public education materials to the Authority and Member Agency public works departments at the locations specified by the Authority Contract Manager.

- F. Metrics.** Each campaign's implementation success shall be measured based on the metrics agreed-upon in the annual public education and outreach plan (e.g., changes in Diversion, contamination, social media engagement rates, and click-through rates resulting from the education and/or outreach efforts). Metrics shall be reported in the monthly report, pursuant to Exhibit D.
- G. Bill inserts.** Bill inserts shall be designed and produced by the Contractor; and the Contractor shall be responsible for printing and distributing the billing inserts to all Customers up to four (4) times per calendar year. Bill inserts shall be a sheet of paper no larger than eight and one half (8.5) inches by eleven (11) inches. The mailers shall be printed on double-sided, one hundred percent (100%) post-consumer Recycled content and Recyclable paper and shall fit in standard envelopes. Contractor shall provide electronic bill inserts (or separate email attachments) to Customers who are billed electronically, and paper bill inserts to Customers who receive paper bills. For Customers receiving electronic bills, Contractor agrees to distribute brochures, newsletters, or other information developed by the Authority as attachments to Customer invoices. Electronic bill inserts and attachments must be readily available for the Customer to view upon receipt of the invoice (attachments shall not be provided as links). Upon Authority request, Contractor agrees to insert additional information describing Authority activities with the bill inserts. Authority will provide not less than thirty (30) calendar days' notice to Contractor before the mailing date of any proposed additional mailing to permit Contractor to make appropriate arrangements for inclusion of the Authority's additional materials. Authority will provide Contractor the additional materials least fifteen (15) calendar days before the mailing date. Contractor shall perform this service with no additional requirement for compensation.
- H. Annual Budget.** In addition to staffing expenses, Contractor shall spend, for the public education and outreach services described in this Exhibit C, no less than two hundred thirty five thousand dollars (\$235,000) in Rate Period One. Contractor shall provide a start-up education and outreach budget of \$100,000 which shall be expended prior to the commencement date of this Agreement. Such amount may be depreciated over the initial term of the Agreement. The Rate Period One budget shall be adjusted annually thereafter by the same percentage used to adjust Rates pursuant to Exhibit E. Annually, Contractor shall provide to the Authority Contract Manager, for review and approval, a detailed description of how such budget will be spent as part of the annual public education plan to be developed in accordance with Section 2 of this Exhibit C. At the conclusion of each Rate Period, any unused funds shall be transferred to the Authority. Contractor shall be prohibited from expending such funds without the prior written approval of the Authority Contract Manager. Any expenditures not approved by the Authority in advance shall neither be counted in Contractor's annual public education and outreach budget, nor be recovered through Rates.

### **3. Public Education and Outreach Team**

To best achieve the highest possible level of public education and awareness, Contractor shall employ no less than three (3) full-time equivalent staff member(s), not including the Contractor's contract manager,

## **EXHIBIT C**

### **PUBLIC EDUCATION AND OUTREACH REQUIREMENTS**

to coordinate and implement all public education and outreach activities required by this Agreement throughout the Agreement Term. The public education and outreach staff shall, at a minimum, perform the following tasks:

- A. Work collaboratively with the Authority to support, supplement, or incorporate Authority programs and educational activities into Contractor activities, and vice versa;
- B. Educate Authority entities and schools on Collection and Diversion programs through presentations or events, upon request;
- C. Participate and represent Contractor in community activities;
- D. Educate Customers on all program services, as described in Exhibit B to the Agreement;
- E. Handle escalated Customer service issues related to Diversion issues that are not operational in nature;
- F. Prepare and present the annual public education and outreach plan required by Section 2 of this Exhibit C;
- G. Coordinate implementation of the annual public education and outreach plan;
- H. Perform Diversion opportunity assessments as outlined in Section 4 of this Exhibit;
- I. Educate Customers on how to make informed, environmentally-forward decisions relative to waste reduction, reuse, repair, Recycling, and Diversion activities.
- J. Monitor social media accounts and respond to comments and direct messages that are of a Customer service nature.
- K. Maximize the opportunity for initial and sustained program success by seeking to identify a "champion" (ideally a senior manager) at each Commercial Business and Multi-Family Premise who will serve as a primary contact and advocate for Diversion programs within the Customer's organization;
- L. Assist in planning service needs for special events and Large Venues with a focus on reducing the Disposal of materials resulting from such events or venues; and,
- M. Create and distribute reports as required under this Agreement and/or requested by Authority Contract Manager.

#### **4. Diversion Opportunity Assessments**

Contractor shall provide Diversion opportunity assessments to Commercial and Multi-Family Customers. Diversion opportunity assessments shall be implemented by the public education and outreach staff. Contractor shall include, in the annual public education and outreach plan, details on how Contractor will meet the below requirements for providing Diversion opportunity assessments for the coming year.

- A. Annually notify every Multi-Family and Commercial Customer of the opportunity to have a Diversion opportunity assessment performed, the benefits of such an assessment, and how to schedule the assessment.
- B. Provide assessments to every Muti-Family and Commercial Customer at least once per year over the Term of the Agreement. Contractor shall specify, in the annual public education and outreach plan, the criteria for prioritizing and/or selecting the Customers that will receive Diversion

## **EXHIBIT C**

### **PUBLIC EDUCATION AND OUTREACH REQUIREMENTS**

opportunity assessments. Customers who have not been documented as having on-going contamination issues do not need to be prioritized for Diversion opportunity assessments but must still receive all other forms of education and outreach materials. Each Multi-Family and Commercial Customer shall have an assessment within eighteen (18) months of their prior assessment.

- C. Provide assessments that include, at minimum:
1. A meeting with the property manager, Owner, or other management/facility personnel to discuss strategies to increase Diversion.
  2. A complete walkthrough of each facility, complex, or business to evaluate the Collection infrastructure, signage, placement of Containers, and capacity.
  3. An evaluation of the waste stream to identify special wastes and major contaminants.
  4. Recommendations for waste reduction, contamination prevention, staff training, and Service Level or frequency modification.
  5. Identification of a "champion" (ideally a senior manager) at each Commercial Business and Multi-Family Premise who can serve as a primary contact and advocate for Diversion programs within the Customer's organization.
  6. Distribution of educational materials including posters, Recycling guides, signage, and other collateral to promote Diversion activities, educate Generators, and meet the education requirements of AB 827, SB 1383, and other Applicable Laws.
  7. Confirmation that the property is in compliance with all local, regional, and State Recycling and organics mandates.
- D. Compile monthly reports to submit to the Authority as outlined in Exhibit D.

#### **5. News Media Relations**

Contractor shall notify the Authority Contract Manager by e-mail of all requests for news media interviews related to the Collection services program within twenty-four (24) hours of Contractor's receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Customer perception of services, Contractor will discuss Contractor's proposed response with the Contract Administrator.

Copies of draft news releases or proposed trade journal articles related to the provision of Collection services under this Agreement shall be submitted to Authority Contract Manager for prior review and approval at least five (5) Business Days in advance of provision to such Persons, except where Contractor is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case Contractor shall submit such materials to Authority Contract Manager simultaneously with Contractor's submittal to such regulatory agency.

Copies of articles resulting from media interviews or news releases shall be provided to the Authority Contract Manager within five (5) Business Days after publication.

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**EXHIBIT D:**  
**REPORTING REQUIREMENTS**

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## **EXHIBIT D**

### **REPORTING REQUIREMENTS**

Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- Determine and approve Rates and evaluate the financial efficacy of operations.
- Evaluate past and expected progress towards achieving the Contractor'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.
- Determine Customer compliance with State-mandated Recycling requirements.

#### **1. Monthly Report Content**

Monthly reports shall be presented by Contractor to show the following information for each month in the reporting period. In addition, each monthly report shall include a year-to-date summary page that includes the data submitted from the monthly report(s) submitted in the calendar year prior to the submittal of the current monthly report. Contractor shall report the information included in the following subsections.

##### **A. Tonnage Report**

1. Tonnage delivered to the Approved Facility or Designated Facility by Customer Type and material type, subtotalling and clearly identifying those Tons that are Diverted and those that are Disposed.
2. Bulky Items and Reusable Materials Tonnage reused, Tonnage Recycled, and Tonnage Disposed from non-Divertible materials and Processing Residue.
3. Monthly Diversion rate by Customer Type and in aggregate for all Customer Types under this Agreement, based on the calculation methodology described in Section 5.10.
4. The Tons of Discarded Materials removed from illegal Disposal sites.

##### **B. Diversion Report**

1. The Diversion level for each month and the cumulative year-to-date Diversion level, where Diversion level shall be calculated as: (Discarded Materials Collected – Solid Waste Collected – Processing Residue Disposed) / Discarded Materials Collection.
2. Units of used cooking oil, E-Waste, U-Waste, and Bulky Items Collected by Customer Type.
3. All information required of in Section 5.10.

## **EXHIBIT D**

### **REPORTING REQUIREMENTS**

#### **C. Contamination Monitoring Report**

1. The number of Contractor Route reviews conducted in the reporting month, if any, pursuant to Section 4.16.2 of this Agreement.
2. Description of the Contractor's process for determining contamination.
3. A record of each inspection and contamination incident that occurred in the month, if any, which shall include, at a minimum: name of Customer; address of Customer; date the contaminated Container was observed; staff who conducted the inspection; total number of violations found and a description of the action that was taken for each; copies of all notices and enforcement orders issued or taken against Generator with Prohibited Container Contaminants; any photographic documentation or supporting evidence; and, documentation of the total number of Containers with contents Disposed of due to observation of Prohibited Container Contaminants.
4. Documentation of the total number of Containers Disposed of due to observation of Prohibited Container Contaminants.
5. A list of all Customers assessed contamination Processing fees, pursuant to Section 4.16 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 that contamination fees were assessed in the month, the total dollar amount of fees collected in the month; and, any other information reasonably requested by the Authority Contract Manager or specified in contamination monitoring provisions of this Agreement.
6. A list of Customers with chronic contamination, defined as four (4) or more instances of observed Prohibited Container Contaminants within a calendar year. The list shall include: the Generator's name and address; the total number of contamination instances observed year-to-date; and, the actions taken by the Contractor to address the situation, reduce contamination, and improve Customer compliance.
7. Any other information reasonably requested by the Authority Contract Manager or specified in any contamination monitoring provisions of this Agreement.

#### **D. General Non-Collection and Courtesy Collection**

1. Number of events where Discarded Materials were tagged for non-Collection in accordance with Section 4.18, summarized by the reason for tagging (e.g., improper set-out, Hazardous Waste). Each event shall include the date of issuance of the Non-Collection Notice, Customer name, and service address.
2. List of courtesy Collections including the Customer address, material type for which the courtesy Collection was performed, and the reason for leaving a Courtesy Collection Notice in accordance with Section 4.18 (e.g., improper set-out, Hazardous Waste). Courtesy Collection Notices related to Prohibited Container Contaminants shall be reported as specified in Exhibit D.1.C.
3. List of Customers for which Contractor has performed a courtesy Collection, including the Customer address and material type for which the courtesy Collection was performed.

## **EXHIBIT D**

### **REPORTING REQUIREMENTS**

#### **E. Education Program**

1. Status report of Contractor's actual activities completed and budget expended compared to the approved annual public education and outreach plan and budget. Include content of posted social media posts, e-mail communications, or other electronic messages. For each completed item, document the results including what methods were used to accomplish the task, if different from the plan, and the agreed-upon metrics for each campaign in the annual public education and outreach plan.
2. For any mass distribution through mailings or bill inserts that occurred in the month, the Contractor shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
3. A copy of all printed education and outreach materials provided to Generators, or otherwise used for education and outreach efforts in accordance with Exhibit C of the Agreement, including, but not limited to: flyers, brochures, and newsletters. A record of the date and to whom each material was disseminated shall be included in the report, including the Generator's name or account name, the type of education or outreach received, the distribution date, and the method of distribution.
4. A copy of all electronic media, including the dates posted or sent for social media posts, e-mail communications, website banners, or other electronic messages. A summary report shall be provided for electronic marketing that itemizes each communication.
5. Summary of the public education materials and activities provided to schools in the month.
6. Dates, times, and group or event names of any site visits, meetings, and events attended in the month.
7. Diversion opportunity assessment reports, including the following:
  - a. Contact information including address, name, and telephone number of Person(s) contacted.
  - b. The total number of Diversion opportunity assessments performed for Multi-Family and Commercial Customers in accordance with Exhibit C, Section 4.
  - c. A list of each Customer provided a Diversion opportunity assessment, their Service Levels before and after the assessment, recommendations made, and any other outcomes of the assistance provided. For Multi-Family Customers, include the number of Dwelling Units.
  - d. The number of engagements per Customer (phone calls, site visits, notices, etc.)
  - e. A list of Multi-Family and Commercial Customers who have not received a Diversion opportunity assessment in the past eighteen (18) months and an explanation as to why the Customer was missed, and a plan to contact the Customer.
  - f. The total number of non-compliant Multi-Family and Commercial Customers, the number of non-compliant Customers directly targeted for technical assistance, the number of Customers brought into compliance in the reported month, and the number of non-compliant Customers escalated to Authority staff.
  - g. Any other metrics or measurements of success the Contractor deems appropriate to

## **EXHIBIT D**

### **REPORTING REQUIREMENTS**

share, or as requested by the Authority

#### **F. Customer Subscription Report**

1. List of all Customers with associated service addresses, contact information, Customer Type, Service Level, Bulky Item and Reusable Materials Collections for the month, Rates charged, Missed Collection Rebates remitted, Late Container Delivery Rebates remitted, and any new notes added to each Customer account since the prior month.
2. Number of Containers at each Service Level by Customer Type and material type. Summarize 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. The report should calculate 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; Commercial Customer; and, Drop-Box Customer.
3. Number of Bulky Item, Reusable Materials Collection, and holiday tree Collection events by Customer Type.
4. List of all Customers with suspended Collection service as a result of unpaid bills in accordance with Section 4.12.

#### **G. Service Exemptions**

1. Number of Customers subscribing to each Member Agency approved service exemption by Customer Type.
2. The number of Generator waiver reverifications performed by the Contractor pursuant to Section 4.15 of this Agreement in the month, if any, including a copy of documentation for each reverification inspection, which shall include, at a minimum: Customer'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 Contractor regarding the validity of the waiver. The Contractor shall provide a summary of recommendations to the Authority of all waivers that the Contractor concludes to no longer be warranted.

#### **H. Revenue Report**

1. Statement detailing Gross Receipts by Member Agency, Sector, and material type from all operations conducted or permitted pursuant to this Agreement as required by Article 8.
2. List of Customers that are forty-five (45) or more calendar 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 Contractor has used to attempt collection of the bad debt, including date of such attempt(s).

#### **I. Member Agency Service Report**

1. Member Agency facility Diversion rate report (i.e., volume of service by Service Type received by each Member Agency facility and the percentage of the total Service Levels that are for Diversion services relative to the total).

## **EXHIBIT D**

### **REPORTING REQUIREMENTS**

2. Summary report on the programs offered to Member Agency as described in Exhibit B4, focused on when each service was provided, summary report of Tonnage Collected as applicable, and any issues or concerns identified.

#### **J. Customer Service Report**

1. Number of Customer calls listed separately by Complaints and inquiries. Inquiries should include requests for Recycling information, Rate information, etc. Complaints should 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 non-compliance Complaints or other regulatory non-compliance Complaints.
2. Total Customer calls handled by the operator, average time to answer, average hold time after operator has answered, and average time for Customer abandoned calls.
2. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the Member Agency, presented in a graph format.
3. Number of missed or incomplete Collections reported in total, and per one thousand (1,000) Service Opportunities in the Member Agency, presented in a graph format, that compares total missed Collections in the Authority during the current report period to total missed Collections in the Authority in past reporting periods.
4. Number of new service requests for each Customer Type and program.
5. Number of events of Discarded Materials being tagged for non-Collection summarized by the reason for tagging (e.g., inclusion of non-Recyclable or non-Compostable materials, improper set-out, Hazardous Waste).
6. Number of hits and unique visitors to the Contractor's website.
7. Record of SB 1383 non-compliance Complaints received, including 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; (iii) the identity of the alleged violator, if known; (iv) a description of the alleged violation, including location(s) and all other relevant facts known to the complainant; (v) any relevant photographic or documentary evidence submitted to support the allegations in the Complaint; and, (vi) the identity of any witnesses, if known.
  - c. Copies of all SB 1383 non-compliance Complaint reports submitted to the Authority, pursuant to Section 4.13.2 of this Agreement.
  - d. Documentation of any follow-up inspections and/or outreach, if any, conducted upon Member Agency or Authority Contract Manager request pursuant to Section 4.13.2 of this Agreement, which shall include at a minimum: (i) the date the Contractor investigated the Complaint; (ii) documentation of the findings of the investigation; and (iii) any photographic or other evidence collected during the investigation.

## **EXHIBIT D**

### **REPORTING REQUIREMENTS**

- K. Special Event Reporting.** Contractor shall include a compilation of the special event reports provided for the month in accordance with Exhibit B5.
- L. Pilot and New Programs Report.** For each pilot and/or new program, provide activity-related and narrative reports on goals, milestones, and accomplishments. Describe problems encountered, actions taken, and any recommendations to facilitate progress. Describe vehicles, personnel, and equipment utilized for each program.
- M. Street Sweeping.**
1. Cubic yards of street sweeping debris collected and delivered by service area (e.g., residential) and by equipment (e.g., regenerative air sweeper) to the service center as designated in Exhibit B6.
  2. Describe if there were any changes to service frequency and location.
  3. If applicable, any new equipment used.
  4. Describe in any significant delays in service occurred.

#### **2. Annual Report Content**

The annual report shall be the final monthly report, including annual totals, summary pages, and a compilation of any materials required by the monthly reports, plus the following additional information.

- A. Summary Assessment.** Provide a summary assessment of the programs performed under this Agreement, from Contractor's perspective, relative to the financial and physical status of the program. The physical status assessment shall reflect how well the program is operating in terms of efficiency, economy, and effectiveness in meeting all the goals and objectives of this Agreement, particularly the Contractor's Diversion goals and compliance with regulatory requirements. Provide recommendations and plans to improve. Highlight significant accomplishments and problems. Results shall be compared to other similar size communities served by the Contractor in the State.
- B. Collection Report.** Contractor shall provide a summary of Collection and Transportation operations, including:
1. The total Tonnage of Discarded Materials, listed separately by Discarded Material type, removed by Contractor from illegal Disposal sites as part of an abatement activity, listing each Collection event separately by date, location, and Tonnage Collected.
  2. A record of all compliance agreements for quarantined Organic Waste that is Disposed, 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.
  3. If the Contractor Transports Collected materials to an alternative Processing Facility in the event of an unforeseen closure or emergency, in accordance with Sections 4.1.E and 4.2.H of the Agreement, Contractor shall include the following documents and information:
    - a. The number of days the Processing Facility emergency was in effect;
    - b. Copies of any notifications sent to the Authority pursuant to Sections 4.1 and 4.2 of the Agreement;

## **EXHIBIT D**

### **REPORTING REQUIREMENTS**

- c. Documentation setting forth the date of issuance of the waiver, the timeframe for the waiver; and,
- d. A record of the Tons of Recyclable Materials and/or Organic Materials redirected to an alternative Facility or Disposed as a result of the waiver, recorded by Collection vehicle or Transfer vehicle number or load, date, and weight.

#### **C. Vehicle Inventory**

- 1. Provide a listing of all vehicles used in performing services under this Agreement including the license plate number, VIN, make, model, model year, purchase date, fuel type, capacity, decibel rating, engine overhaul/rebuild date (if applicable), and mileage on June 30.
- 2. The total amount of RNG procured by the Contractor for use in Contractor vehicles, in diesel gallon equivalents (DGE), including copies of any receipts, invoices, or other similar documentation evidencing procurement. In addition to the amount procured, Contractor shall include the total amount actually used in Contractor vehicles in the calendar year, if these values are different.
- 3. The name, physical location, and contact information of each entity, operation, or facility from whom the Contractor procured RNG for Collection vehicles.

- D. Regulatory Compliance.** Provide a narrative description of the status of the Contractor's programs related to compliance with SB 1383 Regulations or other relevant regulations specified by the Authority Contract Manager. Describe any challenges or opportunities for program improvement identified in the calendar year.

#### **3. Other Reports**

- A. AB 901 Reports.** The Authority Contract Manager reserves the right to require that Contractor provide the Authority copies of the Contractor's, or their Approved Facility Subcontractor's, AB 901 reports on a regular basis (such as monthly, quarterly, or annually) or within five (5) Business Days of Authority request. If a Contractor has an agreement with an Approved Facility, the Contractor shall be required to provide AB 901 reports for those facilities.
- B. Upon Incident Reporting.** The Authority Contract Manager reserves the right to request additional reports or documents in the case of unforeseen events or additional requirements imposed upon the Member Agencies and/or Authority. Contractor 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 Authority Contract Manager, which shall not to exceed ten (10) days.
- C. Customized Reports.** The Authority Contract Manager reserves the right to request Contractor to prepare and provide customized reports from records Contractor is required to maintain; or require a specified format or submission system, such as the use of a web-based software platform.

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**EXHIBIT E:**  
**RATE ADJUSTMENT METHODOLOGY**

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# **EXHIBIT E**

## **RATE ADJUSTMENT METHODOLOGY**

### **1. General**

Subject to the terms herein, the Authority Contract Manager shall ratify all Rates on an annual basis. Contractor shall submit its application for a Rate adjustment to the Authority Contract Manager on or before February 1 of each Rate Period where Rates shall be adjusted using the index-based methodology described in Exhibit E1. Contractor shall submit its application on or before January 1 for any Rate Period where Rates shall be adjusted using the cost-based methodology described in Exhibit E2. Contractor's Rate application shall document all calculations and include all supporting schedules, documentation of City provided per-Ton charge for Disposal and Processing at the Approved Facility(ies), and any other documentation or evidence determined by the Authority Contract Manager to be reasonably necessary to ensure that the calculation of Rate adjustments has been performed in strict conformance to the requirements of this Exhibit E. The Contractor's Processing and Disposal Costs shall be paid to the Post Collections Services Contractor, as calculated using the Authority-provided per-Ton rates for the Approved Facilities for each material type and the total Tons of material provided by the Contractor, as further detailed in Exhibit E1 and E2.

The Authority Contract Manager shall make a good faith effort to ratify Rates by June 1 of each year, and such Rates shall be effective on each subsequent July 1. If Rates are not effective by July 1, due to a delay caused solely by Authority, Authority Contract Manager shall allow Contractor to retroactively bill Customers for the amount of the Rate increase for any period of said delay that is solely caused by Authority (subject to the Authority Contract Manager's approval of how the retroactive adjustment is billed) or the Authority may compensate the Contractor for lost Gross Rate Revenues. In the case of a delayed Rate adjustment, the Contractor may bill the Customer during the next billing cycle to recoup the deferred Rate increase. If Rates are not effective by July 1, as a result of Contractor's delay in submitting the Rate application in a complete and accurate form, then prior Rates remain in effect until such adjustment is made and Contractor shall not be entitled to a retroactive adjustment for lost Gross Rate Revenues.

### **2. Definitions**

Certain terms that are specific to this Exhibit (including Exhibits E1 and E2) are defined below:

- A. **"Annual Percentage Change"** means the annual percentage change in any of the indices defined above, calculated as described in the following paragraph.

The Annual Percentage Change for a cost index shall be calculated as the Average Index Value for the most recently available twelve- (12) month period of the then-current Rate Period minus the Average Index Value for the corresponding twelve- (12) month period of the most-recently completed Rate Period and the result of which shall be divided by the Average Index Value for the same twelve- (12) month period of the most recently completed Rate Period.

For example, if the Contractor is calculating the Total Calculated Costs in January 2026 to be effective for Rate Period Three (July 2026 through June 2027), the Annual Percentage Change for the CPI-U would be calculated as follows:

$$\left[ \begin{array}{l} \text{(Average CPI-U for January 2025 through December 2025)} \\ \text{minus} \\ \text{(Average CPI-U for January 2024 through December 2024)} \end{array} \right] \text{divided by} \\ \text{(Average CPI-U for January 2024 through December 2025)}$$

## EXHIBIT E

### RATE ADJUSTMENT METHODOLOGY

The calculated Annual Percentage Change shall be carried to three (3) places to the right of the decimal and rounded to the nearest thousandth.

- B. **“Average Index Value”** means the sum of the monthly index values during the most recently available twelve- (12) month period divided by twelve (12) (in the case of indices published monthly) or the sum of the bi-monthly index values divided by six (6) (in the case of indices published bi-monthly).
- C. **“CPI-U”** means the Consumer Price Index, All Urban Consumers, all items, not seasonally adjusted San Francisco-Oakland-Hayward Metropolitan Area compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.
- D. **“Processing and Disposal Costs”** means the separate, and in combination, costs of Processing and Disposing of Discarded Materials at the Designated Facility or the Approved Facility, calculated as the per-Ton fee multiplied by the total Tons of material.
- E. **“ECI”** means the Employment Cost Index, Total Compensation, Private Industry, Service-Providing Industries, seasonally adjusted, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.
- F. **“Fuel Index”** means the per-therm price for Core Natural Gas Service for Compression on Customer’s Premises, Schedule G-NGV1, compiled and published by the Pacific Gas and Electric Company Analysis and Rate Department and reported monthly in its *“Gas RateFinder”* publication (<http://www.pge.com/tariffs/GRF.SHTML>). The January 2018 Fuel Index is \$0.70874 per therm, which reflects the sum of the Customer charge, procurement charge, Transportation charge, and public purpose program (PPP) charge for natural gas service for compression on Customer’s Premises as reported by Pacific Gas and Electric Company.
- G. **“Recyclables Rebate Index”** or **“RRI”** means the Georgia Pacific historical commodity pricing for materials from the Pacific Recycling Solutions Materials Recovery Facility.
- H. **“Motor Vehicle Maintenance and Repair Index”** or **“MVI”** means the Consumer Price Index, All Urban Consumers, Motor Vehicle Maintenance and Repair, not seasonally adjusted U.S. city average, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.
- I. **“Total Calculated Costs”** means the total amount to be used as a basis for determining the Rate Adjustment Factor. The Total Calculated Costs do not reflect or in any way guarantee the Gross Rate Revenues that are to be generated by Rates or retained by the Contractor. Note that for determining Rates for Rate Period Two, the annual proposed costs for Rate Period One (July 1, 2024 to June 30, 2025) shall be used for the calculations.
- J. **“Total Calculated Costs Before Member Agency Reimbursements”** means the sum of the Total Annual Cost of Operations, Profit, and Costs Excluded from the Calculation of Profit for the coming Rate Period.
- K. **“Projected Gross Rate Revenues Excluding Member Agency Reimbursements”** means the Projected Gross Rate Revenues for the then-current Rate Period minus the Member Agency Reimbursements for all Member Agencies for the current Rate Period as ratified by the Authority

## EXHIBIT E

### RATE ADJUSTMENT METHODOLOGY

Contract Manager.

Table 1 provides additional information about the four indices defined above.

**TABLE 1\***

	CPI-U	Fuel Index	Motor Vehicle Maintenance and Repair	ECI	RRI
Description	Consumer Price Index - All Urban Consumers	Core Natural Gas for Compression at Customer's Premises for Motor Vehicles	Consumer Price Index – All Urban Consumers, Motor Vehicle Maintenance and Repair	Employment Cost Index - Total Compensation for Private Industry Workers in Service-Providing Industries.	Georgia Pacific Historical Commodity Pricing
Series ID	CUURS49BSA0	G-NGV1	CUUR0000SETD	CIS2015000000000I	N/A
Adjusted	Not seasonally adjusted	N/A	Not seasonally adjusted	Seasonally adjusted	N/A
Area	San Francisco-Oakland-Hayward	N/A	U.S. City average	N/A	Pacific Recycling Solutions Materials Recovery Facility
Item	All items	N/A	Motor vehicle maintenance and repair	Total Compensation	N/A
Base Period	1982-84=100	N/A	1982-84=100	Dec 2005 = 100	N/A
Periodicity	Bi-monthly	Monthly	Monthly	Quarterly	Monthly

\* All indices published by the U.S. Bureau of Labor Statistics with the exception of the Fuel Index, which is published by Pacific Gas and Electric Company Analysis and Rate Department.

### 3. Cost of Rate Adjustment Process

The Authority may incur costs, including consulting and legal fees, when determining adjustments to the Rates in accordance with this Exhibit and may require the Contractor to pay for such costs within sixty (60) calendar days of receipt of the Authority's invoice for such costs. The Contractor may recover such costs through the Rates by treating the costs as an allowable cost of business, not subject to profit mark-up. Regardless of Contractor's payment of costs associated with said review, the Authority shall retain full and unimpeded discretion in selection of its agents to ensure, at a minimum, that no conflict of interest arises in the review of Contractor's request. The Authority retains the right to select its agents on the basis of their qualifications and experience and without regard to cost.

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**EXHIBIT E1:**  
**INDEX-BASED RATE ADJUSTMENT METHODOLOGY**

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# EXHIBIT E1

## INDEX-BASED RATE ADJUSTMENT METHODOLOGY

### 1. General

The purpose of this attachment is to describe and illustrate the method by which the Authority will calculate the annual adjustment to Rates to reflect changes in various cost indices and changes to Processing and Disposal Costs based on Tonnages of materials Collected and changes in tipping fees. This index-based adjustment process shall be used to determine Rates for Rate Periods Two, Three, Five, Six, Seven, Nine, and Ten. If the Term is extended, subsequent Rate Periods shall be adjusted pursuant to Section 8.2.C.

The index-based adjustment involves application of indices to various costs that comprise the Total Proposed Annual Costs for Rate Period One (and to Total Calculated Costs for future Rate Periods) to determine the Total Calculated Costs for the coming Rate Period. In addition, Processing and Disposal Costs shall be adjusted to reflect actual Tonnage Collected during the most-recently completed Rate Period. A Rate Adjustment Factor is applied to the current Rates to determine the Rates for the coming Rate Period.

The Total Calculated Costs Before Member Agency Reimbursements Rate Adjustment Factor, calculated pursuant to this Exhibit E1, may not exceed five percent (5%). In the event that the calculation results in a calculated increase exceeding five percent (5%), the calculated dollar amount exceeding five percent (5%) shall be reflected as an “Other Adjustment” in the next scheduled Rate adjustment (“roll-over”). The Authority shall not be required to compensate Contractor for any cumulative “rolled-over” amounts remaining at the end of the Agreement Term.

In the event the Total Calculated Costs Before Member Agency Reimbursements, calculated pursuant to this Exhibit E1, results in a negative Total Costs before Member Agency Reimbursements Rate Adjustment Factor, the Authority reserves the right to “roll-under” the reduction to the Total Calculated Costs Before Member Agency Reimbursements, but the calculated reduction to the Total Calculated Costs Before Member Agency Reimbursements shall then be deferred to the following Rate Period as a credit against future Rate increases.

### 2. Adjustment of Total Calculated Costs

The cost categories of the main components of Total Calculated Costs are presented in detail in Exhibit G1. Adjustments to these components to calculate costs for the coming Rate Period shall be calculated as follows:

#### A. Total Annual Cost of Operations

1. **Labor-Related Costs.** The Labor-Related Costs component of Total Annual Cost of Operations for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the ECI.
2. **Vehicle-Related Costs (excluding Fuel).** The Vehicle-Related Costs component of Total Annual Cost of Operations for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the MVI.

## EXHIBIT E1

### INDEX-BASED RATE ADJUSTMENT METHODOLOGY

3. **Fuel Costs.** The Fuel Cost component of Total Annual Cost of Operation for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the Fuel Index.
  4. **Other Costs.** The Other Costs component of the Total Annual Cost of Operations for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the CPI-U.
  5. **Direct Depreciation.** Direct Depreciation is three million one hundred forty seven thousand two hundred twenty-nine dollars (\$3,147,229) per year for Rate Periods Two through Ten and is not annually adjusted. This adjusted depreciation amount shall remain fixed for Rate Periods Two through Ten. If the Agreement is extended beyond Rate Period Ten, direct depreciation shall be zero dollars (\$0) in any subsequent Rate Periods, unless Parties mutually agree to a different amount.
  6. **Allocated Costs (Labor, Vehicle, Fuel, and Other Costs).** The Allocated Costs (Labor, Vehicle, Fuel, and Other Costs) component for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the CPI-U.
  7. **Allocated Depreciation and Start-Up Costs.** The Allocated Depreciation and Start-Up Costs shall be twenty two thousand two hundred ninety-eight dollars (\$22,298) per year for Rate Period Two through Ten, and are not annually adjusted. These costs shall be zero dollars (\$0) for all subsequent Rate Periods unless Parties mutually agree to a different amount.
  8. **Total Annual Cost of Operations.** The Total Annual Cost of Operations for the coming Rate Period equals the sum of the costs calculated in subsections (1) through (7) above.
- B. Profit.** Profit for the coming Rate Period shall be calculated by dividing the Total Annual Cost of Operations for the coming Rate Period (the value calculated in Section 2.A.8 above) by an operating ratio (82%) and subtracting from the result the Total Annual Cost of Operations for the coming year.

$$\text{Profit} = \frac{\text{Total Annual Cost of Operations for Coming Rate Period}}{\text{Operating Ratio}} - \text{Total Annual Cost of Operations for Coming Rate Period}$$

**C. Costs Excluded from the Calculation of Profit**

1. **Recyclable Materials Processing Costs.** The Recyclable Materials Processing Costs, including Processing and Transportation costs, shall be zero (0) dollars at the Commencement Date for Rate Period Zero and Rate Period One. The Recyclable Materials Processing Costs, including Processing and Transportation costs, shall be calculated as follows for Rate Period Two and any subsequent Rate Periods:

Recyclable Materials Processing Costs = Per-Ton Recyclable Materials Processing fee at the Approved Facility for the coming Rate Period x Total Tons of Recyclable Materials Collected for the most-recently completed twelve- (12) month period, excluding Recyclable Materials Tonnage Collected through Drop Box.

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Recyclable Materials included in Contractor's Proposal shall be used in place of the Total Tons of Recyclable Materials Collected for the most-recently completed twelve- (12) month period.

## **EXHIBIT E1**

### **INDEX-BASED RATE ADJUSTMENT METHODOLOGY**

2. **Recyclable Materials Processing Rebate.** The Recyclable Materials Processing Rebate shall be zero (0) dollars at the Commencement Date for Rate Period Zero and Rate Period One. The Recyclable Materials Processing Rebate shall be calculated as follows for Rate Period Two and any subsequent Rate Periods:

Recyclable Materials Processing Rebate = [(Per-Ton Recyclable Materials Processing Rebate for the then-current Rate Period) x (1 + Annual Percentage Change in the Recyclables Rebate Index)] x (Total Tons of Recyclable Materials Collected for the most-recently completed twelve- (12) month period, excluding Recyclable Materials Tonnage Collected through Drop Box).

(Note: this value should be reflected as a negative number)

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Recyclable Materials included in Contractor's Proposal shall be used in place of the Total Tons of Recyclable Materials Collected for the most-recently completed twelve- (12) month period.

3. **Residential Organic Materials Processing Costs.** The Residential Organic Materials Processing Costs shall be calculated as follows:

Residential Organic Materials Processing Costs = Per-Ton Organic Materials Processing fee at the Designated Facility for the coming Rate Period x Total Tons of Residential Organic Materials Collected for the most-recently completed twelve- (12) month period, excluding Residential Organic Materials Tonnage Collected through Drop Box.

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Organic Materials included in Contractor's Proposal shall be used in place of the Total Tons of Organic Materials Collected for the most-recently completed twelve- (12) month period.

4. **Commercial Organic Materials Processing Costs.** The Commercial Organic Materials Processing Costs shall be calculated as follows:

Commercial Organic Materials Processing Costs = Per-Ton Organic Materials Processing fee at the Approved Facility for the coming Rate Period x Total Tons of Commercial Organic Materials Collected for the most-recently completed twelve- (12) month period, excluding Commercial Organic Materials Tonnage Collected through Drop Box.

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Organic Materials included in Contractor's Proposal shall be used in place of the Total Tons of Organic Materials Collected for the most-recently completed twelve- (12) month period.

5. **Disposal Costs.** The Disposal Costs shall be calculated as follows:

Disposal Costs = Per-Ton Disposal fee at the Designated Facility for the coming Rate Period x Total Tons of Solid Waste Collected for the most-recently completed twelve- (12) month period, excluding Solid Waste Tonnage Collected through Drop Box.

## **EXHIBIT E1**

### **INDEX-BASED RATE ADJUSTMENT METHODOLOGY**

In the establishment of Rates for Rate Period Two, due to the lack of Tonnage data for a twelve- (12) month period, the Tonnage of Solid Waste included in Contractor's Proposal shall be used in place of the Total Tons of Solid Waste Collected for the most-recently completed twelve- (12) month period.

6. **Interest Expense.** The Interest Expense amount is three hundred fifty seven thousand two hundred forty-two dollars (\$357,242) in Rate Period Two through Ten, is not annually adjusted, and shall be zero dollars (\$0) in any subsequent Rate Period unless Parties mutually agree to a different amount.
  7. **Direct Lease Costs.** The Direct Lease Costs amount is zero dollars (\$0) in Rate Period Two through Ten, is not annually adjusted, and shall be zero dollars (\$0) in any subsequent Rate Period unless Parties mutually agree to a different amount.
  8. **Allocated Lease Costs.** The Allocated Lease Costs amount is zero dollars (\$0) for Rate Period Two through Ten is not annually adjusted and shall remain unadjusted in any subsequent Rate Period unless Parties mutually agree to a different amount.
  9. **Total Costs Excluded from the Calculation of Profit.** Total Costs Excluded from the Calculation of Profit for the coming Rate Period are the sum of the amounts in subsections (1) through (8) above.
- D. Total Calculated Costs before Member Agency Reimbursements.** The Total Calculated Costs before Member Agency Reimbursements shall be the sum of the Total Annual Cost of Operations, Profit, and Costs Excluded from the Calculation of Profit for the coming Rate Period.
- E. Member Agency Reimbursements.** Reimbursements shall be calculated separately for each Member Agency.
1. **Administrative Reimbursement.** The Administrative reimbursement for the coming Rate Period shall equal the amount approved by the Authority for each fiscal year ended June 30.
  2. **Vehicle Impact Mitigation Reimbursement.** The Vehicle Impact Mitigation Reimbursement for the coming Rate Period shall equal the total Vehicle Impact Mitigation Reimbursement paid to the Member Agencies in the most-recently completed twelve- (12) month period multiplied by one (1) plus the Annual Percentage Change in the CPI-U, or as otherwise directed by the Member Agencies.
  3. **Street Sweeping Reimbursement.** The Street Sweeping Reimbursement for the coming Rate Period shall equal the total Street Sweeping Reimbursement paid to the Member Agencies in the most-recently completed twelve- (12) month period multiplied by one (1) plus the Annual Percentage Change in the CPI-U, or as otherwise directed by the Member Agencies.
  4. **HHW Reimbursement.** The HHW Reimbursement for the coming Rate Period shall equal the amount provided by the Authority and Member Agencies based on County program costs for each fiscal year ended June 30.
  5. **Total Member Agency Reimbursements.** The Total Member Agency Reimbursements for the coming Rate Period shall equal costs calculated in subsection (1) through (4) above; provided, however, that any adjustment in any such fee, whether pursuant to the relevant index or as the result of the decision of Member Agencies, shall be an allowable cost of business,

## **EXHIBIT E1**

### **INDEX-BASED RATE ADJUSTMENT METHODOLOGY**

excluded from the calculation of Profit, and reflected in the Total Member Agency Reimbursements.

- F. Other Adjustments.** From time to time during the Term of the Agreement, it may be necessary to make other adjustments to the compensation calculations. For example, if the Authority Contract Manager elects to roll-under a negative Rate adjustment to a future year, the dollar value of that negative adjustment shall be reflected as an adjustment. In such case, the adjustment would be a reduction to the Total Calculated Costs.
- G. Total Calculated Costs.** The Total Calculated Costs for the coming Rate Period shall equal the sum of the Total Annual Cost of Operations, Profit, Total Costs Excluded from the Calculation of Profit, Total Member Agency Reimbursements, and Other Adjustments (if applicable), for the coming Rate Period.

### **3. Rate Adjustment Factor**

A Rate Adjustment Factor shall be calculated for each Member Agency. The Rate Adjustment Factor shall be a blend of a Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor and a Member Agency Reimbursements Adjustment Factor and shall be calculated as follows:

The Total Costs Before Member Agency Reimbursements Adjustment Factor shall be the Total Calculated Costs for the coming Rate Period divided by the Total Calculated Costs for the then-current Rate Period.

The Member Agency Reimbursements Adjustment Factor shall be the Total Member Agency Reimbursements for each Member Agency for the coming Rate Period divided by the Member Agency Reimbursements for each Member Agency for the then-current Rate Period.

The Rate Adjustment Factor for each Member Agency shall be calculated as follows and shall be rounded to the nearest thousandth:

$$\text{Rate Adjustment Factor} = [ \text{Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor} \times ( \text{Total Costs before Reimbursements for the coming Rate Period} / \text{Total Calculated Costs for the coming Rate Period} ) ] + [ \text{Member Agency Reimbursements Adjustment Factor} \times ( \text{Total Member Agency Reimbursements for all Member Agencies for the coming Rate Period} / \text{Total Calculated Costs for the coming Rate Period} ) ]$$

### **4. Adjustment of Rates**

Each then-current Rate shall be multiplied by the Member Agencies' Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period. The adjustment to each Rate shall be rounded to the nearest cent.

### **5. Examples**

The following examples illustrates the index-based adjustment method for determining Rates for Rate Period Three. The dollar amounts shown are hypothetical amounts for Total Calculated Costs for Rate Period Two (July 1, 2025 through June 30, 2026) and the Rate Adjustment Factors are based on assumed changes in the various indices between the Average Index Values for the twelve (12) months ending

## **EXHIBIT E1**

### **INDEX-BASED RATE ADJUSTMENT METHODOLOGY**

December 2025 and for the twelve (12) months ending December 2024. Example A depicts a standard index-based adjustment, wherein the calculated Total Calculated Costs Before Member Agency Reimbursements increased greater than zero percent (0%) and less than five percent (5%) over the prior Rate Period. Example B depicts an index-based adjustment wherein the calculated Total Calculated Costs Before Member Agency Reimbursements resulted in a decrease from the prior Rate Period.

#### **A. EXAMPLE A**

1. Assumptions for Example Adjustment to Contractor's Compensation:
  - a. Most-Recently Completed Rate Period = Rate Period One (July 1 ,2024 through June 30, 2025)
  - b. Then-current Rate Period = Rate Period Two (July 1 ,2025 through June 30, 2026)
  - c. Coming Rate Period = Rate Period Three (July 1 ,2026 through June 30, 2027)
  - d. Recyclable Materials Processing Costs per Ton for the coming Rate Period = \$62.00 per Ton
  - e. Recyclable Materials Processing Rebate per Ton for the coming Rate Period = -\$30.63 per Ton
  - f. Residential Organic Materials Processing Costs per Ton for the coming Rate Period = \$97.00 per Ton
  - g. Commercial Organic Materials Processing Cost per Ton for the coming Rate Period = \$103.00
  - h. Disposal cost for the coming Rate Period = \$104.00 per Ton
  - i. Annual Percentage Change in the ECI = 0.045
  - j. Annual Percentage Change in the CPI-U = 0.040
  - k. Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index = 0.031
  - l. Annual Percentage Change in the Fuel Index = 0.075
  - m. Annual Percentage Change in the Recyclables Rebate Index = 0.021
  - n. Tonnages for the most-recently completed 12-month period:
    - Recyclable Materials – 17,400 Tons (900 Tons attributable to Drop Box)
    - Residential Organic Materials – 20,600 Tons (1,500 Tons attributable to Drop Box)
    - Commercial Organic Materials – 2,150 Tons (150 Tons attributable to Drop Box)
    - Solid Waste – 25,300 Tons (1,800 Tons attributable to Drop Box)

Note: All values presented in the following table are hypothetical and used for illustrative purposes only.

# EXHIBIT E1

## INDEX-BASED RATE ADJUSTMENT METHODOLOGY

### Example A Calculation of Total Calculated Costs for Rate Period Three

**Table 1. Disposal and Processing Tip Fee Adjustments**

	Rate Period Two	Adjustment Index	Adjustment Factor	Rate Period Three
<b>Disposal and Processing Tip Fee Adjustment (per Ton)</b>				
Recyclable Materials Processing Tip Fee	\$ 60.00	N.A.	N.A.	\$ 62.00
Recyclable Materials Processing Rebate	\$ (30.00)	RRI	1 + 0.021	\$ (30.63)
Residential Organic Materials Processing Tip Fee	\$ 94.00	N.A.	N.A.	\$ 97.00
Commercial Organic Materials Processing Tip Fee	\$ 102.00	N.A.	N.A.	\$ 103.00
Solid Waste Disposal Tip Fee	\$ 100.00	N.A.	N.A.	\$ 104.00

**Table 2. Total Calculated Costs before Member Agency Reimbursements**

	Rate Period Two	Adjustment Index	Adjustment Factor	Rate Period Three
<b>Annual Cost of Operations</b>				
Labor-Related Costs	\$ 10,000,000	ECI	1 + 0.045	\$ 10,450,000
Vehicle-Related Costs (excluding fuel)	\$ 1,500,000	MVI	1 + 0.031	\$ 1,546,500
Fuel Costs	\$ 300,000	FUEL	1 + 0.075	\$ 322,500
Other Costs	\$ 2,000,000	CPI-U	1 + 0.040	\$ 2,080,000
Direct Depreciation	\$ 1,500,000	N.A.	N.A.	\$ 1,500,000
Allowed Costs (Labor, Vehicle, Fuel, and Other Costs)*	\$ 3,000,000	CPI-U	1 + 0.040	\$ 3,120,000
Allocated Costs (Depreciation and Start-Up)	\$ 400,000	N.A.	N.A.	\$ 400,000
<b>Total Annual Cost of Operations</b>	<b>\$ 18,700,000</b>			<b>\$ 19,419,000</b>
<b>Profit (assuming operating ratio of 0.8)</b>	<b>\$ 4,675,000</b>			<b>\$ 4,854,750</b>
<b>Costs Excluded from the Calculation of Profit</b>				
Recyclable Materials Processing Costs	\$ 1,000,000	Tip Fee x Tons	16,500 x \$62.00	\$ 1,023,000
Recyclable Materials Processing Rebate	\$ (400,000)	Tip Fee x Tons	16,500 x \$(30.63)	\$ (505,395)
Residential Organic Materials Processing Costs	\$ 1,800,000	Tip Fee x Tons	19,100 x \$97.00	\$ 1,852,700
Commercial Organic Material Processing Costs	\$ 200,000	Tip Fee x Tons	2,000 x \$103.00	\$ 206,000
Solid Waste Disposal Costs	\$ 2,300,000	Tip Fee x Tons	23,500 x \$104.00	\$ 2,444,000
Interest Expense	\$ 400,000	N.A.	N.A.	\$ 400,000
Direct Lease Costs	\$ -	N.A.	N.A.	\$ -
Allocated Lease Costs	\$ -	N.A.	N.A.	\$ -
<b>Total Costs Excluded from the Calculation of Profit</b>	<b>\$ 5,300,000</b>			<b>\$ 5,420,305</b>
<b>Other Adjustments (as needed from time to time)</b>	N.A.	N.A.	N.A.	
<b>Total Costs Before Member Agency Reimbursements</b>	<b>\$ 28,675,000</b>			<b>\$ 29,694,055</b>

\*Fuel costs included in allocated costs shall be adjusted using the CPI-U not Fuel Index.

## EXHIBIT E1

### INDEX-BASED RATE ADJUSTMENT METHODOLOGY

**Table 3. Member Agency Reimbursements**

	Rate Period Two Monte					Adjustment Index	Adjustment Factor	Rate Period Three Monte				
	Campbell	Los Gatos	Sereno	Saratoga	Total			Campbell	Los Gatos	Sereno	Saratoga	Total
<b>Member Agency Reimbursements**</b>												
Vehicle Impact Mitigation Reimbursement	\$ 500,000	\$ 800,000	\$ -	\$ 400,000	\$ 1,700,000	CPI-U**	1 + 0.040	\$ 520,000	\$ 832,000	\$ -	\$ 416,000	\$ 1,768,000
Street Maintenance Reimbursement	\$ 300,000	\$ 400,000	\$ -	\$ 100,000	\$ 800,000	CPI-U**	1 + 0.040	\$ 312,000	\$ 416,000	\$ -	\$ 104,000	\$ 832,000
HHW Reimbursements	\$ 40,000	\$ 60,000	\$ 10,000	\$ 40,000	\$ 150,000	Actuals	N.A.	\$ 42,000	\$ 63,000	\$ 10,500	\$ 43,000	\$ 158,500
Administration Reimbursement	\$ 200,000	\$ 215,000	\$ 20,000	\$ 100,000	\$ 535,000	Actuals	N.A.	\$ 210,000	\$ 225,000	\$ 21,000	\$ 110,000	\$ 566,000
<b>Total Member Agency Reimbursements</b>	<b>\$ 1,040,000</b>	<b>\$ 1,475,000</b>	<b>\$ 30,000</b>	<b>\$ 640,000</b>	<b>\$ 3,185,000</b>			<b>\$ 1,084,000</b>	<b>\$ 1,536,000</b>	<b>\$ 31,500</b>	<b>\$ 673,000</b>	<b>\$ 3,324,500</b>

\*\* Member Agency Reimbursements shall either be increased by the Annual Percentage Change in the CPI-U, or as otherwise directed by the Member Agency or Authority.

**Table 4. Rate Adjustment Factors**

	Rate Period Two Monte					Rate Period Three Monte					Allocation
	Campbell	Los Gatos	Sereno	Saratoga	Total	Campbell	Los Gatos	Sereno	Saratoga	Total	
Total Calculated Costs Before Member Agency Reimbursements	N.A.	N.A.	N.A.	N.A.	\$28,675,000	N.A.	N.A.	N.A.	N.A.	\$29,694,055	89.93%
<b>Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor</b>										<b>1.036</b>	
Total Member Agency Reimbursements	\$ 1,040,000	\$ 1,475,000	\$ 30,000	\$ 640,000	N.A.	\$ 1,084,000	\$ 1,536,000	\$ 31,500	\$ 673,000	\$ 3,324,500	10.07%
<b>Member Agency Reimbursements Adjustment Factor</b>						<b>1.042</b>	<b>1.041</b>	<b>1.050</b>	<b>1.052</b>		
Total Calculated Costs										\$33,018,555	
<b>Rate Adjustment Factor</b>						<b>1.036</b>	<b>1.036</b>	<b>1.037</b>	<b>1.037</b>		



## **EXHIBIT E1**

### **INDEX-BASED RATE ADJUSTMENT METHODOLOGY**

2. Example Calculation of the Rate Adjustment Factors and Adjusted Rates for Rate Period Three

a. Rate Period Three Costs

Total Calculated Costs Before Member Agency Reimbursements = \$29,694,055

Total Member Agency Reimbursements = \$3,324,500

Total Calculated Costs = \$29,694,055 + \$3,324,500 = \$33,018,555

Total Calculated Costs Before Member Agency Reimbursements Percentage =  
 $\$29,694,055 / \$33,018,555 = 89.93\%$

Total Member Agency Reimbursements Percentage =  $\$3,324,500 / \$33,018,555 = 10.07\%$

b. Rate Adjustment Factors

Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor =  
 $\$29,694,055 / \$28,675,000 = 1.036$

Campbell Total Member Agency Reimbursements Adjustment Factor =  $\$1,084,000 / \$1,040,000 = 1.042$

Los Gatos Total Member Agency Reimbursements Adjustment Factor =  $\$1,536,000 / \$1,475,000 = 1.041$

Monte Sereno Total Member Agency Reimbursements Adjustment Factor =  $\$31,500 / \$30,000 = 1.050$

Saratoga Total Member Agency Reimbursements Adjustment Factor =  $\$673,000 / \$640,000 = 1.052$

c. Member Agency Rate Adjustment Factors

Campbell =  $(1.036 \times 89.93\%) + (1.042 \times 10.07\%) = 1.036$

Los Gatos =  $(1.036 \times 89.93\%) + (1.041 \times 10.07\%) = 1.036$

Monte Sereno =  $(1.036 \times 89.93\%) + (1.050 \times 10.07\%) = 1.037$

Saratoga =  $(1.036 \times 89.93\%) + (1.052 \times 10.07\%) = 1.037$

d. 20-gallon Single-Family Rate for Rate Period Three (effective July 1, 2026)

Campbell =  $\$31.25 \times 1.036 = \$32.38$

Los Gatos =  $\$33.23 \times 1.036 = \$34.43$

Monte Sereno =  $\$34.76 \times 1.037 = \$36.05$

Saratoga =  $\$33.48 \times 1.037 = \$34.72$

#### **B. EXAMPLE B**

1. Assumptions for Example Adjustment to Contractor's Compensation:

- a. Most-Recently Completed Rate Period = Rate Period One (July 1, 2024 through June 30, 2025)

## EXHIBIT E1

### INDEX-BASED RATE ADJUSTMENT METHODOLOGY

- b. Then-current Rate Period = Rate Period Two (July 1 ,2025 through June 30, 2026)
- c. Coming Rate Period = Rate Period Three (July 1 ,2026 through June 30, 2027)
- d. Recyclable Materials Processing Costs per Ton for the coming Rate Period = \$62.00 per Ton
- e. Recyclable Materials Processing Rebate per Ton for the coming Rate Period = - \$30.63 per Ton
- f. Residential Organic Materials Processing Costs per Ton for the coming Rate Period = \$97.00 per Ton
- g. Commercial Organic Materials Processing Cost per Ton for the coming Rate Period = \$103.00
- h. Disposal cost for the coming Rate Period = \$104.00 per Ton
- i. Annual Percentage Change in the ECI = - 0.045
- j. Annual Percentage Change in the CPI-U = - 0.040
- k. Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index = 0.031
- l. Annual Percentage Change in the Fuel Index = 0.075
- m. Annual Percentage Change in the Recyclables Rebate Index = 0.021
- n. Tonnages for the most-recently completed 12-month period:
  - Recyclable Materials – 17,400 Tons (900 Tons attributable to Drop Box)
  - Residential Organic Materials – 20,600 Tons (1,500 Tons attributable to Drop Box)
  - Commercial Organic Materials – 2,150 Tons (150 Tons attributable to Drop Box)
  - Solid Waste – 25,300 Tons (1,800 Tons attributable to Drop Box)

Note: All values presented in the following table are hypothetical and used for illustrative purposes only.

#### Example B Calculation of Total Calculated Costs for Rate Period Three

**Table 1. Disposal and Processing Tip Fee Adjustments**

	Rate Period Two	Adjustment Index	Adjustment Factor	Rate Period Three
<b>Disposal and Processing Tip Fee Adjustment (per Ton)</b>				
Recyclable Materials Processing Tip Fee	\$ 60.00	N.A.	N.A.	\$ 62.00
Recyclable Materials Processing Rebate	\$ (30.00)	RRI	1 + .021	\$ (30.63)
Residential Organic Materials Processing Tip Fee	\$ 94.00	N.A.	N.A.	\$ 97.00
Commercial Organic Materials Processing Tip Fee	\$ 102.00	N.A.	N.A.	\$ 103.00
Solid Waste Disposal Tip Fee	\$ 100.00	N.A.	N.A.	\$ 104.00

## EXHIBIT E1

### INDEX-BASED RATE ADJUSTMENT METHODOLOGY

**Table 2. Total Calculated Costs before Member Agency Reimbursements**

	Rate Period Two	Adjustment Index	Adjustment Factor	Rate Period Three
<b>Annual Cost of Operations</b>				
Labor-Related Costs	\$ 10,000,000	ECI	1 + -0.045	\$ 9,550,000
Vehicle-Related Costs (excluding fuel)	\$ 1,500,000	MVI	1 + 0.031	\$ 1,546,500
Fuel Costs	\$ 300,000	FUEL	1 + 0.075	\$ 322,500
Other Costs	\$ 2,000,000	CPI-U	1 + -0.040	\$ 1,920,000
Direct Depreciation	\$ 1,500,000	N.A.	N.A.	\$ 1,500,000
Allowed Costs (Labor, Vehicle, Fuel, and Other Costs)*	\$ 3,000,000	CPI-U	1 + -0.040	\$ 2,880,000
Allocated Costs (Depreciation and Start-Up)	\$ 400,000	N.A.	N.A.	\$ 400,000
<b>Total Annual Cost of Operations</b>	<b>\$ 18,700,000</b>			<b>\$ 18,119,000</b>
<b>Profit (assuming operating ratio of 0.8)</b>	<b>\$ 4,675,000</b>			<b>\$ 4,529,750</b>
<b>Costs Excluded from the Calculation of Profit</b>				
Recyclable Materials Processing Costs	\$ 1,000,000	Tip Fee x Tons	16,500 x \$62.00	\$ 1,023,000
Recyclable Materials Processing Rebate	\$ (400,000)	Tip Fee x Tons	16,500 x \$(30.63)	\$ (505,395)
Residential Organic Materials Processing Costs	\$ 1,800,000	Tip Fee x Tons	19,100 x \$97.00	\$ 1,852,700
Commercial Organic Material Processing Costs	\$ 200,000	Tip Fee x Tons	2,000 x \$103.00	\$ 206,000
Solid Waste Disposal Costs	\$ 2,300,000	Tip Fee x Tons	23,500 x \$104.00	\$ 2,444,000
Interest Expense	\$ 400,000	N.A.	N.A.	\$ 400,000
Direct Lease Costs	\$ -	N.A.	N.A.	\$ -
Allocated Lease Costs	\$ -	N.A.	N.A.	\$ -
<b>Total Costs Excluded from the Calculation of Profit</b>	<b>\$ 5,300,000</b>			<b>\$ 5,420,305</b>
<b>Other Adjustments (as needed from time to time)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	
<b>Total Costs Before Member Agency Reimbursements</b>	<b>\$ 28,675,000</b>			<b>\$ 28,069,055</b>

\*Fuel costs included in allocated costs shall be adjusted using the CPI-U not Fuel Index.

## EXHIBIT E1

### INDEX-BASED RATE ADJUSTMENT METHODOLOGY

**Table 3. Member Agency Reimbursements**

	Rate Period Two					Adjustment Index	Adjustment Factor	Rate Period Three				
	Campbell	Los Gatos	Sereno	Saratoga	Total			Campbell	Los Gatos	Sereno	Saratoga	Total
<b>Member Agency Reimbursements**</b>												
Vehicle Impact Mitigation Reimbursement	\$ 500,000	\$ 800,000	\$ -	\$ 400,000	\$ 1,700,000	CPI-U**	1 + -0.040	\$ 480,000	\$ 768,000	\$ -	\$ 384,000	\$ 1,632,000
Street Maintenance Reimbursement	\$ 300,000	\$ 400,000	\$ -	\$ 100,000	\$ 800,000	CPI-U**	1 + -0.040	\$ 288,000	\$ 384,000	\$ -	\$ 96,000	\$ 768,000
HHW Reimbursements	\$ 40,000	\$ 60,000	\$ 10,000	\$ 40,000	\$ 150,000	Actuals	N.A.	\$ 42,000	\$ 63,000	\$ 10,500	\$ 43,000	\$ 158,500
Administration Reimbursement	\$ 200,000	\$ 215,000	\$ 20,000	\$ 100,000	\$ 535,000	Actuals	N.A.	\$ 230,000	\$ 255,000	\$ 25,000	\$ 120,000	\$ 630,000
<b>Total Member Agency Reimbursements</b>	<b>\$ 1,040,000</b>	<b>\$ 1,475,000</b>	<b>\$ 30,000</b>	<b>\$ 640,000</b>	<b>\$ 3,185,000</b>			<b>\$ 1,040,000</b>	<b>\$ 1,470,000</b>	<b>\$ 35,500</b>	<b>\$ 643,000</b>	<b>\$ 3,188,500</b>

\*\* Member Agency Reimbursements shall either be increased by the Annual Percentage Change in the CPI-U, or as otherwise directed by the Member Agency or Authority.

**Table 4. Rate Adjustment Factors**

	Rate Period Two					Rate Period Three					Allocation
	Campbell	Los Gatos	Sereno	Saratoga	Total	Campbell	Los Gatos	Sereno	Saratoga	Total	
Total Calculated Costs Before Member Agency Reimbursements	N.A.	N.A.	N.A.	N.A.	\$28,675,000	N.A.	N.A.	N.A.	N.A.	\$28,069,055	89.80%
<b>Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor</b>										<b>1.000</b>	
Total Member Agency Reimbursements	\$ 1,040,000	\$ 1,475,000	\$ 30,000	\$ 640,000	N.A.	\$ 1,040,000	\$ 1,470,000	\$ 35,500	\$ 643,000	\$ 3,188,500	10.20%
<b>Member Agency Reimbursements Adjustment Factor</b>						<b>1.000</b>	<b>0.997</b>	<b>1.183</b>	<b>1.005</b>		
Total Calculated Costs										\$31,257,555	
<b>Rate Adjustment Factor</b>						<b>1.000</b>	<b>1.000</b>	<b>1.019</b>	<b>1.000</b>		

## **EXHIBIT E1**

### **INDEX-BASED RATE ADJUSTMENT METHODOLOGY**

2. Example Calculation of the Rate Adjustment Factors and Adjusted Rate for Rate Period Three

a. Rate Period Three Costs

Total Calculated Costs Before Member Agency Reimbursements = \$28,069,055

Total Member Agency Reimbursements = \$3,188,500

Total Calculated Costs = \$28,069,055 + \$3,188,500 = \$31,257,555

Total Calculated Costs Before Member Agency Reimbursements Percentage =  
 $\$28,069,055 / \$31,257,555 = 89.80\%$

Total Member Agency Reimbursements Percentage =  $\$3,188,500 / \$31,257,555 = 10.20\%$

b. Rate Adjustment Factors

Rate Period Three Total Calculated Costs Before Member Agency Reimbursements  
\$28,069,055 < Rate Period Two Total Calculated Costs Before Member Agency  
Reimbursements \$28,675,000, therefore Total Calculated Costs Before Member Agency  
Reimbursements Adjustment Factor = 1.00

Campbell Total Member Agency Reimbursements Adjustment Factor =  $\$1,040,000 /$   
 $\$1,040,000 = 1.000$

Los Gatos Total Member Agency Reimbursements Adjustment Factor =  $\$1,470,000 /$   
 $\$1,475,00 = 0.997$

Monte Sereno Total Member Agency Reimbursements Adjustment Factor =  $\$35,500 /$   
 $\$30,000 = 1.183$

Saratoga Total Member Agency Reimbursements Adjustment Factor =  $\$643,000 /$   
 $\$640,000 = 1.005$

c. Member Agency Rate Adjustment Factors

Campbell =  $(1.00 \times 89.80\%) + (1.000 \times 10.20\%) = 1.000$

Los Gatos =  $(1.00 \times 89.80\%) + (0.997 \times 10.20\%) = 1.000$

Monte Sereno =  $(1.00 \times 89.80\%) + (1.183 \times 10.20\%) = 1.019$

Saratoga =  $(1.00 \times 89.80\%) + (1.005 \times 10.20\%) = 1.000$

d. 20-gallon Single-Family Rate for Rate Period Three (effective July 1, 2026)

Campbell =  $\$31.25 \times 1.000 = \$31.25$

Los Gatos =  $\$33.23 \times 1.000 = \$33.23$

Monte Sereno =  $\$34.76 \times 1.019 = \$35.42$

Saratoga =  $\$33.48 \times 1.000 = \$33.48$

e. Subsequent Rate Period Adjustments

Cost savings to be applied as an "Other Adjustments" in the subsequent Rate Period  
adjustment calculations as an offset to Total Calculated Costs Before Member Agency  
Reimbursements =  $\$28,069,055 - \$28,675,000 = - \$605,945$

## **EXHIBIT E1**

### **INDEX-BASED RATE ADJUSTMENT METHODOLOGY**

#### **6. Other**

If an index described in Section 2 is discontinued, the successor index with which it is replaced shall be used for subsequent calculations. If no successor index is identified by the Bureau of Labor Statistics or Pacific Gas and Electric Company (if applicable), the index published by the organization that is most comparable shall be used.

**EXHIBIT E2:**  
**COST-BASED RATE ADJUSTMENT METHODOLOGY**

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## **EXHIBIT E2**

### **COST-BASED RATE ADJUSTMENT METHODOLOGY**

#### **1. General**

The Authority and Contractor shall use the cost-based Rate adjustment method described in this Exhibit to determine Rates for Rate Periods Four and Eight, and if the Contractor requests an extraordinary Rate adjustment in accordance with Agreement Section 8.3. If the Term is extended, subsequent Rate Periods shall be adjusted pursuant to Section 8.2.C. The cost-based adjustment involves review of the Contractor's actual cost of operations and operational statistics (staffing levels, Routes, Route hours, Customers, and their Service Levels, etc.) to determine the Actual Allowable Total Annual Cost of Operations for the most-recently completed Rate Period and to forecast the Total Contractor's Compensation for the coming Rate Period. A Rate Adjustment Factor is applied to the then-current Rates to determine the Rates for the coming Rate Period.

The intent of performing the cost-based adjustment is to examine the actual impact of changes in inflation or deflation, the number of Customers, and the Service Level of Customers.

The Total Calculated Costs Before Member Agency Reimbursements Rate Adjustment Factor calculated pursuant to this Exhibit E2 may not exceed ten percent (10%), the calculated dollar amount exceeding ten percent (10%) shall be reflected as an "Other Adjustment" in the next scheduled Rate adjustment ("roll-over"). The Authority shall not be required to compensate Contractor for any cumulative "roll-over" amounts remaining at the end of the Agreement Term.

In the event the Total Calculated Costs Before Member Agency Reimbursements calculated pursuant to this Exhibit E2 results in a negative Total Costs before Member Agency Reimbursements Adjustment Factor, the Authority reserves the right to "roll-under" the reduction to the Total Calculated Costs Before Member Agency Reimbursements, but the calculated reduction to the Total Calculated Costs Before Member Agency Reimbursements shall then be deferred to the following Rate Period as a credit against future Rate increases.

**A. Contractor's Rate Application.** Contractor's Rate application for any Rate Period where Rates shall be adjusted using the cost-based methodology described in this Exhibit E2, shall include the information described in this Section 1.A. With the exception of the information identified in Subsections 1 and 2 below, all other items listed may be requested by the Authority Contract Manager at any time during the Term of the Agreement and Contractor shall comply with that request in a timely fashion.

- 1. Financial Statements.** Within one hundred twenty (120) calendar days after the close of the Contractor's fiscal year (June 30), Contractor shall deliver to the Authority one (1) hard copy of the reviewed (or audited) consolidated financial statements of Contractor for the preceding fiscal year. Financial statements shall include a supplemental combining schedule showing Contractor's results of operations, including the specific revenues and expenses in connection with the operations provided for in this Agreement separate from others included in such financial statements. The financial statements and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied and fairly reflecting the results of operations and Contractor's financial condition. Annual financial statements shall be reviewed (or audited), in accordance with Generally Accepted Auditing Standards (GAAS) by a Certified Public Accountant (CPA) licensed (in good standing) to practice public accounting in the State as determined by the State Department of

## **EXHIBIT E2**

### **COST-BASED RATE ADJUSTMENT METHODOLOGY**

Consumer Affairs Board of Accountancy. The CPA's opinion on Contractor's annual financial statements shall be unqualified and shall contain the CPA's conclusions regarding the Contractor's accounting policies and procedures, internal controls, and operating policies. The CPA shall perform an evaluation and, if necessary, shall cite recommendations for improvement.

- 2. Financial Statement Reconciliation.** Contractor shall provide a schedule that clearly and accurately ties the amounts shown in Contractor's Rate application to Contractor's financial statements. Such schedule shall include any and all allocation factors and methodologies used to report cost and operating information for services provided to the Authority under this Agreement separately from Contractor obligations related to other public or private entities. Such statement of reconciliation shall include:
  - a. General explanation of the various allocation methodologies used for each Rate application line item.
  - b. Specific examples of each type of allocation used showing how an entry is reported in the general ledger and ties to the Rate application.
  - c. Statement indicating whether there have been any changes in allocation methods used since the last Rate application. If any allocation methods have changed clearly identify those changes.
- 3. Operational Information.**
  - a. Routes by Line of Business:
    - i. Number of Routes per day.
    - ii. Types of vehicles.
    - iii. Crew size per Route.
    - iv. Number of full time equivalent (FTE) Routes.
    - v. Number of accounts and cubic yards scheduled per Route.
    - vi. Total Route hours per Line of Business per year.
    - vii. Average cost per Route.
  - b. Personnel:
    - i. Organizational chart.
    - ii. Job classifications and number of employees (e.g., administrative, Customer service representatives, drivers, supervisors, educational staff).
    - iii. Wages by job classification.
    - iv. Number of FTE positions for each job classification.
    - v. Number of hours per job classification per year.
  - c. Productivity Statistics:
    - i. Average Number of accounts per Route per day by Line of Business.
    - ii. Average number of setouts per Route per day by Line of Business.
    - iii. Average Tons per Route per day by vehicle type (i.e., side-loader, front-loader, roll-off).
    - iv. Average cubic yards of Collection scheduled per Route.
  - d. Vehicles:

## **EXHIBIT E2**

### **COST-BASED RATE ADJUSTMENT METHODOLOGY**

- i. List of Collection vehicles including year purchased and mileage.
  - ii. Average age of mobile equipment with oldest and newest.
- e. Operational Changes:
  - i. Number of Routes.
  - ii. Staffing.
  - iii. Supervision.
  - iv. Collection services.
- 4. **Variance Analysis.** Provide the following variance analysis for each Line of Business. For any variances greater than five percent (5%) annually, Contractor shall provide sufficient rationale to support variance:
  - a. Variance analysis comparing current Rate Period to each of the prior Rate Periods of Agreement.
  - b. Variance analysis comparing current Rate Period to each of the future projected Rate Periods.
- 5. **Projections.** Provide the following projection data:
  - a. Provide support for the basis for projected Gross Receipts and line-item expenses, clearly indicate the supporting calculations and assumptions.
  - b. Provide support for the most-recent twelve (12) months of Tonnage data for Rate Period ending June 30. Clearly indicate the supporting calculations and assumptions.

## **2. Forecasting Total Contractor's Compensation**

The Total Contractor's Compensation for the coming Rate Period shall be forecasted in the manner described in this Section.

### **A. Forecasting Total Annual Cost of Operations**

- 1. **Determine Actual Allowable Total Annual Cost of Operations.** Contractor's financial statements, books, and records shall be reviewed to determine Contractor's "Actual Allowable Total Annual Cost of Operations" for the most-recently completed Rate Period to perform all the services in the manner required by this Agreement for each of the following cost categories:
  - a. Actual labor-related costs.
  - b. Actual vehicle-related costs (excluding fuel and depreciation).
  - c. Actual fuel costs.
  - d. Actual other costs (as defined on Form 6E of Exhibit G1).
  - e. Direct depreciation costs (in the amount specified in Exhibit E1).
  - f. Actual allocated costs (labor, vehicle, general and administrative, and other costs).
  - g. Actual allocated costs (depreciation and start-up) (in the amount stated in Exhibit E1).

## **EXHIBIT E2**

### **COST-BASED RATE ADJUSTMENT METHODOLOGY**

- 2. Non-Allowable Costs.** The following list of non-allowable costs shall be deducted from the Contractor's actual costs when determining the Actual Allowable Total Annual Cost of Operations.
- a. Labor, equipment, fuel, and start-up costs for personnel, vehicles, and facilities that are not specified in the proposal forms contained in Exhibit G1 and/or that cannot be demonstrated to have been incurred as part of the performance of services under this Agreement including, without limitation, as the result of growth in the number of Customers and/or the levels and/or types of services provided.
  - b. Payments to directors and/or Owners of Contractor, unless the amount paid is reasonable compensation for services actually rendered. Reasonableness shall be determined based on available market pricing for similar services and shall be in the reasonable discretion of the Authority Contract Manager.
  - c. Travel expenses and entertainment (above five thousand dollars (\$5,000) annually in total) expenses, unless authorized in advance by the Authority Contract Manager.
  - d. Payments to repair damage to public or private property for which Contractor is legally liable.
  - e. Fines or penalties of any nature.
  - f. Liquidated Damages assessed under this Agreement.
  - g. Federal or State income taxes.
  - h. Cash donations or value of in-kind services provided to charitable, political, youth, civic, or other community organizations unless such donation has been previously approved in writing as an allowable expense by the Authority Contract Manager.
  - i. Depreciation or interest expense for Collection vehicles, Containers, other equipment, offices, and other facilities if such items are leased as specified in Exhibit G1.
  - j. Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which the Authority and/or Member Agencies and Contractor are adverse Parties.
  - k. Attorneys' fees and other expenses incurred by Contractor arising from any act or omission in violation of this Agreement.
  - l. Attorneys' fees and other expenses incurred by Contractor in any court proceeding in which Contractor's own negligence, violation of law or regulation, or wrong doing are in issue and occasion, in whole or in part, the attorneys' fees and expenses claimed; and attorneys' fees and expenses incurred by Contractor in a court proceeding in which the legal theory or statute providing a basis of liability against Contractor also provides for separate potential liability for the Authority and/or Member Agencies derived from the action of its citizens or Rate payers (such as in a CERCLA lawsuit) unless the Contractor is found not liable in such claims and such claims arise from acts or occurrences within the Term of the Agreement.
  - m. Payments to Related-Party Entities for products or services, in excess of the market value for those products or services, provided that the Authority may use information available to it to verify market pricing for similar products and services.

## EXHIBIT E2

### COST-BASED RATE ADJUSTMENT METHODOLOGY

- n. Goodwill.
  - o. Unreasonable profit-sharing distributions.
  - p. Replacement costs for Containers that need to be replaced because the useful life of such Container was less than the Term.
  - q. Administrative costs greater than the administrative costs presented in Contractor's Proposal (Exhibit G) adjusted annually by one (1) plus the Annual Percentage Change in the CPI-U.
  - r. Bad debt write-offs in excess of two percent (2%) of annual Rate revenues.
- 3. Forecasted Total Annual Cost of Operations.** Forecasted Total Annual Cost of Operations for the coming Rate Period shall be calculated based on Actual Allowed Total Cost of Operations for the most-recently completed Rate Period determined in accordance with Sections 2.A.1 and 2.A.2 above. The forecasts shall be performed in the following manner:
- a. **Forecasted labor-related costs** shall be calculated for the coming Rate Period by the lesser of:
    - (i) multiplying the allowed labor-related costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the ECI; and,
    - (ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in the ECI; OR,

The Labor-Related Costs component of Total Calculated Costs for the then-current Rate Period is multiplied by one (1) plus the Annual Percentage Change in the ECI.
  - b. **Forecasted vehicle-related costs** (excluding fuel and depreciation costs) shall be calculated for the coming Rate Period by:
    - (i) multiplying the allowed vehicle-related costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index; and,
    - (ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in the Motor Vehicle Maintenance and Repair Index.
  - c. **Forecasted fuel costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed fuel costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in the Fuel Index, and (ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in the Fuel Index.
  - d. **Forecasted other costs** shall be calculated for the coming Rate Period by (i) multiplying the allowed other-related costs, both direct and allocated, for the most-recently completed Rate Period by one (1) plus the Annual Percentage Change in CPI-U, and (ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in the CPI-U.
  - e. **Forecasted direct depreciation expense** shall be the amount specified in in Section 2.A.5 of Exhibit E1. Direct depreciation expense is a fixed cost and is not subject to inflation.

## EXHIBIT E2

### COST-BASED RATE ADJUSTMENT METHODOLOGY

- f. **Forecasted allocated labor-related, vehicle-related, general and administrative, and other costs** shall be calculated for the coming Rate Period by:
  - (i) multiplying the allowed other-related costs for most-recently completed Rate Period by one (1) plus the Annual Percentage Change in CPI-U; and,
  - (ii) multiplying the result of step one (1) once more by one (1) plus the Annual Percentage Change in CPI-U (except in each case as provided in 3.a. above).
- g. **Forecasted allocated depreciation and start-up expense** shall be the amount specified in Section 2.A.7 of Exhibit E1.
- h. **Forecasted Total Annual Cost of Operations** for the coming Rate Period shall equal the sum of the following costs, which shall have been calculated in accordance with the procedures in this Exhibit E2:
  - i. Forecasted labor-related costs.
  - ii. Forecasted vehicle-related costs (excluding fuel and depreciation costs).
  - iii. Forecasted fuel costs.
  - iv. Forecasted other costs.
  - v. Forecasted direct depreciation expense.
  - vi. Forecasted allocated labor-related, vehicle-related, general and administrative, and other costs.
  - vii. Forecasted allocated costs for depreciation and start-up.

- B. Forecast Profit.** Contractor shall be entitled to Profit on Forecasted Total Annual Cost of Operations. Profit shall be calculated using an operating ratio as described in Exhibit E1, Section 2. Profit shall be calculated using the following formula:

Profit = (Forecasted Total Annual Cost of Operations / Operating Ratio) – Forecasted Total Annual Cost of Operations

For example:

- 1. Assuming an operating ratio of 92%
- 2. Assuming a Forecasted Total Annual Cost of Operations of \$1,000,000
- 3. Profit = (\$1,000,000 / 0.92) – \$1,000,000 = \$86,956.52

- C. Forecast Costs Excluded from the Calculation of Profit.** Costs Excluded from the Calculation of Profit for the coming Rate Period shall be forecasted in the following manner:

- 1. **Forecasted Recyclable Materials Processing Costs** shall be calculated in the manner described in Section 2.C.1 of Exhibit E1.
- 2. **Forecasted Residential Organic Materials Processing Costs** shall be calculated in the manner described in Section 2.C.3 of Exhibit E1.
- 3. **Forecasted Commercial Organic Materials Processing Costs** shall be calculated in the manner described in Section 2.C.4 of Exhibit E1.
- 4. **Forecasted Disposal Costs** shall be calculated in the manner described in Section 2.C.5 of Exhibit E1.

## **EXHIBIT E2**

### **COST-BASED RATE ADJUSTMENT METHODOLOGY**

5. **Forecasted Interest Expense** shall be calculated in the manner described in Section 2.C.6 of Exhibit E1.
  6. **Forecasted Direct Lease Costs** shall be calculated in the manner described in Section 2.C.7 of Exhibit E1.
  7. **Forecasted Allocated Lease Costs** shall be calculated in the manner described in Section 2.C.8 of Exhibit E1.
  8. **Total Costs Excluded from Calculation of Profit** shall be the sum of the amounts in subsections (1) through (7) above.
- D. **Forecast Member Agency Reimbursements.** Member Agency Reimbursements shall be calculated in the manner described in Section 2.E of Exhibit E1.

### **3. Projected Gross Rate Revenue**

Projected Gross Rate Revenue at then-current Rates shall reflect projected annual Gross Rate Revenues from all Customers based on then-current Rates and then-current Customer Service Levels, inclusive of all Rates and special charges authorized and exclusive of Gross Rate Revenue from Drop Box Collection under this Agreement. For the purposes of determining Customer Service Levels for on-call services (e.g., Drop-Box service provided less than weekly, Bin rentals) and special charges (e.g., Push/Pull Charges, lock/unlock charges), the prior twelve (12) months of billing activity for such services and special charges shall be used.

Projected Gross Rate Revenues Excluding Member Agency Reimbursements shall be calculated as the Projected Gross Rate Revenues for the then-current Rate Period minus the Member Agency Reimbursements for all Member Agencies for the current Rate Period as ratified by the Authority Contract Manager.

### **4. Rate Adjustment Factor**

A Rate Adjustment Factor shall be calculated for each Member Agency. The Rate Adjustment Factor shall be a weighted average of a Total Calculated Costs Before Member Agency Reimbursements Adjustment Factor and a Member Agency Reimbursements Adjustment Factor and shall be calculated as follows:

The Total Costs before Member Agency Reimbursements Adjustment Factor shall equal the Forecasted Total Calculated Costs for the coming Rate Period divided by the Project Gross Rate Revenues Before Member Agency Reimbursements.

The Member Agency Reimbursements Adjustment Factor shall be the Total Member Agency Reimbursements for a Member Agency for the coming Rate Period divided by the Member Agency Reimbursements for a Member Agency for the then-current Rate Period.

The Rate Adjustment Factor for each Member Agency shall be calculated in the manner described in Section 3 of Exhibit E1. The Rate Adjustment Factor shall be rounded to the nearest thousandth.

### **5. Adjustment of Rates**

Each then-current Rate shall be multiplied by the Member Agencies' Rate Adjustment Factor to calculate the effective Rate for the coming Rate Period.

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**EXHIBIT F:  
PERFORMANCE STANDARDS AND LIQUIDATED  
DAMAGES**

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## **EXHIBIT F**

### **PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**

#### **1. General**

- A. **Defined Terms.** Exhibit F relies on the terms “Complaint,” “Corrective Action Plan”, “Service Opportunity,” and “Total Service Opportunities,” as defined in Exhibit A.
- B. **Total Service Opportunities - Example Calculation.** Figure 1 specifies how “Total Service Opportunities” will be calculated for use in Section 3 Compliance Assessment.

## EXHIBIT F

### PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

**Figure 1 - Total Service Opportunities Example Calculation - Weekly, All Materials**

Container Size	Containers	Collection Frequency per Week	Service Opportunities Calculation	Service Opportunities
<b>Single Family</b>				
20 Gallon	2,164	1	2164 x 1	2164
35 Gallon	25,925	1	25925 x 1	25925
65 Gallon	7,001	1	7001 x 1	7001
95 Gallon	55,789	1	55789 x 1	55789
<b>Total Single Family Service Opportunities</b>				<b>90879</b>
<b>Multi-Family/Commercial</b>				
35 Gallon	768	1	768 x 1	768
65 Gallon	652	1	652 x 1	652
95 Gallon	2410	1	2410 x 1	2410
95 Gallon	5	2	5 x 2	10
1 Yard	8	1	8 x 1	8
1 Yard	3	2	3 x 2	6
1.5 Yard	822	1	1 x 822	822
1.5 Yard	89	2	2 x 89	178
1.5 Yard	27	3	3 x 27	81
1.5 Yard	7	5	5 x 7	35
2 Yard	534	1	1 x 534	534
2 Yard	152	2	2 x 152	304
2 Yard	41	3	3 x 41	123
2 Yard	1	4	4 x 1	4
2 Yard	9	5	5 x 9	45
3 Yard	621	1	1 x 621	621
3 Yard	351	2	2 x 351	702
3 Yard	183	3	3 x 183	549
3 Yard	17	4	4 x 17	68
3 Yard	66	5	5 x 66	330
4 Yard	93	1	1 x 93	93
4 Yard	47	2	2 x 47	94
4 Yard	30	3	3 x 30	90
4 Yard	6	4	4 x 6	24
4 Yard	20	5	5 x 20	100
6 Yard	53	1	1 x 53	53
6 Yard	44	2	2 x 44	88
6 Yard	41	3	3 x 41	123
6 Yard	4	4	4 x 4	16
6 Yard	11	5	5 x 11	55
6 Yard	2	6	6 x 2	12
<b>Total Multi-Family/Commercial Service Opportunities</b>				<b>8998</b>
<b>Total Service Opportunities</b>				<b>99877</b>

## 2. Liquidated Damages

The Authority hereby establishes specific standards of performance under the Agreement that: 1) measure compliance with varied and important aspects of Contractor performance; 2) can be easily verified with regularly collected data or observation; and, 3) have no threshold for noncompliance. The Authority Contract Manager shall review the following performance standards on a quarterly basis. In the

## EXHIBIT F

### PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

event the Authority Contract Manager determines that Contractor has failed to meet a performance standard established for any of the following, the Authority Contract Manager may in its sole discretion assess Liquidated Damages as specified below, pursuant to Section 10.6 of the Agreement. To the extent the noncompliance continues in successive quarters, the Authority Contract Manager may continue to assess Liquidated Damages. The Authority may furthermore exercise its right to terminate this Agreement in accordance with Section 10.2 of this Agreement.

Performance Area	Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
1 Service Quality and Reliability	Double Missed Collection	Each occurrence where Contractor fails to Collect Discarded Materials from the same Customer on two (2) consecutive scheduled pickups, which have been properly set out for Collection, unless Contractor leaves a Non-Collection Notice specifying the reasons for non-Collection and available remedies.	No acceptable failure level	\$200/Event
2 Customer Service	Resolve Missed Collection	Each occurrence where Contractor fails to resolve Customer Complaint of a missed pickup (for which a Container was properly set out for Collection, unless Contractor left a Non-Collection Notice specifying the reasons for non-Collection and available remedies) within two (2) Business Days of receipt of Complaint.	No acceptable failure level	\$200/Event
2 Customer Service	Failure to Commence Service	Any failure by Contractor to deliver a Container and begin providing Collection to a Customer, within seven (7) calendar days of receiving such request for new Customer receiving new service and within fourteen (14) calendar days for an existing Customer requesting a change in or addition to existing Service Levels, including delivering kitchen pails and/or Used Oil Recovery Kits to Customers upon request.	No acceptable failure level	\$200/Container/ Week

## EXHIBIT F

### PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Performance Area	Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
2 Customer Service	Failure to Replace Container	Any failure by Contractor to replace or repair a damaged Container with cosmetic damages (e.g., cracked lid) within fifteen (15) Business Days of receiving such a request from a Customer or for a Container with damages causing the Container to be non-serviceable (e.g., broken wheel) within the Customer's next regularly scheduled Collection day.	No acceptable failure level	\$100/Event
2 Customer Service	Remove Graffiti	Any failure by Contractor, on or after June 1, 2024, to remove graffiti from Containers within two (2) Working Days following identification by Contractor or notice by the Authority or Customer if such graffiti includes any written or pictorial obscenities, or if such graffiti does not include any written or pictorial obscenities, within ten (10) Business Days.	No acceptable failure level	\$25/Container
2 Customer Service	Unauthorized Hours of Operation	Each occurrence of Contractor Collecting from Customers during unauthorized hours.	No acceptable failure level	\$500/Event
5 Facilities	Non-approved facilities	Each occurrence of Delivering materials to a Facility other than the applicable Designated Facility or Approved Facility.	No acceptable failure level	\$1,000/Load
6 Reporting	Late Report	Each occurrence of a report or other plan, as required under Exhibit C and Exhibit D to this Agreement, being submitted after the due date. Reports shall be considered late until they are submitted including all requirements pursuant to Exhibit D and mutually agreed format, except that Liquidated Damages shall be waived if Contractor self-identifies the inaccuracy(ies) and submits a correction(s).	No acceptable failure level	\$250/Day

## EXHIBIT F

### PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Performance Area	Specific Performance Measure	Definition	Acceptable Performance Level	Liquidated Damage Amount
6 Reporting	Access to Records	Each occurrence of the Authority Contract Manager requesting information required to be maintained by Contractor where Contractor fails to provide such information within five (5) Business Days.	No acceptable failure level	\$1,000/Event
7 Street Sweeping	Resolve Customer Complaint	Failure or neglect to resolve each complaint to the Contractor's Subcontractor performing street sweeping services or Complaint to Authority, Member Agencies, or Contractor within the time set forth in this Agreement.	No acceptable failure level	\$500/Event
7 Street Sweeping	Damage to Property	Failure to repair damage to Customer property caused by Subcontractor or its personnel.	No acceptable failure level	\$500/Event per location plus costs of repair
7 Street Sweeping	Scheduled Sweeping	Failure or neglect to complete at least ninety percent (90%) of each route on the regularly scheduled sweeping day.	No acceptable failure level	\$500/Event
7 Street Sweeping	Delivery of Material	Delivery to a Member Agency service center, as defined in the Materials Disposal section of Exhibit B6, of any sweeping waste collected on the streets that are not the subject of this Agreement commingled with that collected as part of this Agreement.	No acceptable failure level	\$500 first delivery \$1,000 second delivery \$2,000 third and any subsequent deliveries
7 Street Sweeping	Response to Member Agency Call Backs	Failure of Contractor to re-sweep section of street within twenty-four (24) hours of notice from Member Agency or Authority Contract Manager that has been determined by the Public Works Director, or designee, to be inadequately swept.	No acceptable failure level	\$250/Event

By placing designee's initials at the places provided, each Party specifically confirms the accuracy of the statements made above and the fact that each Party has had ample opportunity to consult with legal counsel and obtain an explanation of Liquidated Damage provisions at the time that the Agreement was made.

## **EXHIBIT F**

### **PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**

**Contractor**  
Initial Here: \_\_\_\_\_

**Authority**  
Initial Here: \_\_\_\_\_

#### **3. Compliance Monitoring and Assessment**

The Authority has established standards of performance under the seven “Performance Areas” listed below. The Authority Contract Manager may at any time and with any frequency during the Term, monitor Contractor’s performance in each Performance Area based on the applicable “Performance Indicators” identified below for each Performance Area. In monitoring compliance with the performance standards specified in this Section 3, the Authority Contract Manager may assess compliance through a range of activities which may include, but not be limited to, an information request(s) to Contractor, or conduct of performance review and/or auditing activities as provided in Section 6.3 of this Agreement.

In the event the Authority Contract Manager determines that Contractor has failed to meet any performance standard established in this Section 3 and remains in noncompliance for more than twenty (20) Business Days, or has otherwise exhibited a pattern of intermittent noncompliance with provisions of the Agreement specified for each performance area, the Authority Contract Manager may initiate the corrective action process specified in subsection 4 of this Exhibit F. For the purposes of this Exhibit F, “intermittent noncompliance” is defined as three (3) or more periods of time within any twelve (12) month period in which Contractor has remained in noncompliance with one (1) or more of the performance standards defined in this subsection 3 for ten (10) or more Business Days following issuance of Authority notice. To the extent any aspect of the noncompliance constitutes or may constitute an event of default under Section 10.1, the Authority Contract Manager shall initiate the cure process defined in Section 10.2.

##### **A. Performance Area No. 1: Service Quality and Reliability**

Overall Performance Indicator: Contractor’s service quality and reliability shall be considered acceptable if the total number of calls and emails related to the performance measures in the following table received by Contractor or the Authority from Customers served under this Agreement does not exceed one (1) per one thousand (1,000) Total Service Opportunities.

<b>Specific Performance Measure</b>	<b>Definition</b>
Missed Collections	Each Service Opportunity where Contractor fails to Collect a Container from a Customer who properly placed said Container for Collection, unless Contractor leaves a Non-Collection Notice specifying the reasons for non-Collection and available remedies.
Failure to Correct Missed Collections	Each “Missed Collection” as defined above that is not Collected pursuant to Section 5.11, unless Contractor leaves a Non-Collection Notice specifying the reasons for non-Collection and available remedies.
Failure to Return Container to Location of Setout	Failure to properly return empty Carts or Bins to the Collection location, or to place Carts upright.



## EXHIBIT F

### PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Specific Performance Measure	Definition
Failure to Clean-Up Spillage	Pursuant to Section 5.4.B, each failure by Contractor to clean up, within one (1) Business Day of an observed spill, any fluids spilled or leaked from a Container or Collection vehicle. Pursuant to Section 5.4.B, each failure by Contractor to clean up prior to leaving the Collection location of an observed spill, any solid materials spilled from a Container or Collection vehicle.
Damage to Property	Each event of damage to either public or private property as a result of Collection activity, including without limitation Curbs, sidewalks, landscapes, Container enclosures and gates, signs, light fixtures, and overhead wires and cables, excluding normal wear and tear.
Discourteous Behavior	Each Complaint received that is related to the discourteous behavior of Contractor's employees.
Inaccurate Billing	Each Complaint received where Contractor billed a Customer in error, and such error is not corrected within seven (7) days of notification of such error by Customer. Inaccurate billing may include, but is not limited to: (i) either over- or under-charging of the Customer relative to the approved maximum Rates for services; (ii) charging the Customer a Rate that is not the same as other Customers with the same Service Level; (iii) charging a Customer for an increased Service Level prior to providing the service; and, (iv) not charging a Customer for reduced Service Level within seven (7) days of the date Customer requested the change, regardless of whether or not Contractor delivers the appropriate Containers or modifies the Service Level within that timeframe.
Unauthorized Hours of Operation	Each occurrence of Contractor Collecting from Customers during unauthorized hours.

#### B. Performance Area No. 2: Customer Service

Performance Indicator: The level of Customer service provided by Contractor shall be considered acceptable if the total number of Complaints regarding the performance measures specified in the following table received by the Contractor or the Authority does not exceed one (1) per one thousand (1,000) Total Service Opportunities.

Specific Performance Measure	Definition
Failure to Resolve Complaint	Any failure by Contractor to resolve or remedy a Complaint to Customer's reasonable satisfaction within seven (7) calendar days of receiving such Complaint.

## EXHIBIT F

### PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

Specific Performance Measure	Definition
Failure to Answer Phones; Respond to Emails	Any failure by Contractor during normal business hours to answer a Customer telephone call within three (3) minutes, or to respond to a Customer email in the timeframe specified in Section 4.13.1.C. A call is not considered to be answered if the Customer does not speak with a live operator and did not get their request completed through an automated system. A call is considered to be answered if the Customer hangs-up or abandons the call following a hold time of less than three (3) minutes.

#### C. Performance Area No. 3: Outreach

Performance Indicator: Contractor's outreach performance shall be considered acceptable if service meets the requirements of Section 4.10 and Exhibit C. The following table specifies performance measures indicating unacceptable performance.

Specific Performance Measure	Definition
Failure to Perform Public Outreach Activities	Each failure by Contractor to develop, produce, and distribute a public outreach document or perform a community outreach activity in the form and manner required under Exhibit C to this Agreement.
Failure to Provide Targeted Technical Assistance	Each individual failure to provide targeted technical assistance to a Commercial or Multi-Family Customer, or to a Member Agency facility in the manner required under Exhibit C to this Agreement.
Delay in Annual Outreach Plan	Failure to submit the initial annual outreach plan by the Commencement Date or November 1, or to submit a revised plan within fifteen (15) Business Days after receiving the Authority Contract Manager's comments, as required by Exhibit C, Section 2.B.

#### D. Performance Area No. 4: Diversion

Performance Indicator: Contractor's Diversion performance, as provided in Section 5.10, shall be considered unacceptable if Contractor does not meet minimum Diversion Rates as described below.

Specific Performance Measure	Definition
Failure to Maintain Contractor's Minimum Required Diversion Rates by Weight	Failure to meet minimum Diversion Rates or continuous improvement indicators specified in Section 5.10 in any calendar year after 2024.

#### E. Performance Area No. 5: Facilities

Performance Indicator: Contractor's performance relative to facility use shall be considered acceptable

## EXHIBIT F

### PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

when one hundred percent (100%) of all Tons for all material types Collected by Contractor are Delivered to the appropriate Approved Facility (including Designated Facility(ies) consistent with Sections 4.1, 4.2 and 4.3 of this Agreement. The following table specifies performance measures indicating unacceptable performance. This performance indicator shall not be subject to the twenty (20) calendar days or intermittent non-compliance standards described in Section 2 above.

Specific Performance Measure	Definition
Delivery to Non-Approved Facility	Each individual occurrence of delivering materials to a facility other than the Approved Facility designated for each material type under Sections 4.1, 4.2, and 4.3 of this Agreement.
Disposal of Material Targeted for Diversion	Each individual occurrence of Disposal rather than Processing of Recyclable Materials, or Organic Materials set out for Collection by the Customer, unless the contamination level in the Container exceeds the acceptable contamination level specified in this Agreement.
Mixing Material Types During Collection	Each individual Container that is Collected by Contractor in a vehicle comingling two (2) or more different material types (e.g., Recyclable Materials Collected in Solid Waste vehicle, Solid Waste Collected in Organic Materials vehicle, etc.), not permitted to be Collected together as allowed in this Agreement. This item does not apply to Collection in a Solid Waste vehicle of Containers with a contamination level that exceeds the acceptable contamination level specified in this Agreement.

#### F. Performance Area No. 6: Reporting

Performance Indicator: Contractor's reporting shall be considered acceptable if Contractor meets the performance measures specified in the following table.

Specific Performance Measure	Definition
Late Report	Submittal of a report or other information: <ol style="list-style-type: none"> <li>1. Required under Exhibit D to this Agreement after the specified due date.</li> <li>2. Requested by the Authority Contract Manager more than seven (7) calendar days after the date requested.</li> </ol>
Failure to Maintain or Provide Access to Records	Each occurrence of the Authority Contract Manager requesting information required to be maintained by Contractor where Contractor fails to provide such information.
Misleading/ Inaccurate Reporting	Each occurrence of a report submitted by Contractor providing materially inaccurate or intentionally misleading information or reporting to the Authority under or in regard to this Agreement.

## EXHIBIT F

### PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES

#### G. Performance Area No. 7: SB 1383

**Performance Indicator:** Contractor's compliance with the SB 1383 requirements of the Agreement shall be acceptable if Contractor meets the performance measures specified in the following table and with the other SB 1383-related requirements of Article 4 of this Agreement.

Specific Performance Measure	Definition
Failure to Provide Recyclable Material and Organic Material Collection Services to every Customer	For each occurrence of failing to provide Customers with the three-Container system, including Recyclable Material and Organic Materials, unless Customer rejects such three-Container system and Contractor properly notifies the Authority of such rejection or the Customer has been approved by the Authority for a SB 1383 waiver. This item shall not apply to missed pickups, which is covered under Performance Area No. 1.
Failure to Conduct Route Reviews	Failure to conduct Route reviews as required by Section 4.16.2 of this Agreement.
Failure to Conduct Contamination Monitoring	Failure to conduct contamination monitoring as required by Section 4.16.1 of this Agreement.
Failure to Issue Contamination Notices, if Permitted by Authority	Failure to issue contamination notices as required by Section 4.16.1 of this Agreement.
Commingling with Non-Authority Materials	Commingling of materials Collected inside and outside the Authority Service Area during Collection unless otherwise permitted by the Authority.
Failure to Comply with Container Labeling and Colors	For each occurrence of Contractor's failure to comply with Container labeling and color requirements pursuant to Section 5.7 of this Agreement, and not corrected within seven (7) Business Days of notice by Authority. This item shall not apply to Container labeling and color requirements changes resulting from a material program change.
Failure to Conduct Compliance Tasks	For each failure to conduct any compliance review, or cooperate in conducting waste evaluations pursuant to Sections 4.16 and 4.17, and/or failure to conduct any other SB 1383-related inspection required by this Agreement.
Failure to Conduct Follow-Up Inspections	For each failure to conduct an SB 1383 noncompliance Complaint investigation as required by Section 4.13.2 of this Agreement.

#### 4. Corrective Action Process

Should the Authority Contract Manager determine that Contractor is noncompliant with the provision(s) of this Agreement as provided in subsection 3 of this Exhibit F, the Authority Contract Manager may

## **EXHIBIT F**

### **PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**

initiate the corrective action process specified in this subsection 4. The Authority Contract Manager shall provide notice to the Contractor in writing of the specific area(s) of ongoing noncompliance and may suggest corrective actions required to achieve, and to remain in compliance. Within fifteen (15) calendar days of provision of the notice, Contractor will submit a payment of twenty-five hundred dollars (\$2,500.00) to the Authority Contract Manager to reimburse the Authority for costs incurred during the corrective action process.

The Authority Contract Manager may develop a Corrective Action Plan or require Contractor to develop a Corrective Action Plan for Authority Contract Manager approval; provided, however, a Corrective Action Plan shall not be effective (and neither party shall be bound thereto) unless and until agreed to by both Parties, as determined by each Party in its reasonable discretion. In the event the Parties are unable to mutually agree on a Correction Action Plan, Contractor shall bear all costs associated with the Mediation portion of any dispute resolution related to a Corrective Action Plan. Any approved and adopted Corrective Action Plan shall fully identify the specific performance area(s) requiring correction, and shall specify at a minimum the specific tasks, schedule, milestone steps, budget, and Contractor and Subcontractor responsibilities by function and position in such detail as is necessary to provide for clear and unambiguous resolution of the issue(s). If the Authority Contract Manager develops a Corrective Action Plan, the Contractor shall provide any comments to a draft Corrective Action Plan developed by the Authority Contract Manager within fifteen (15) calendar days of receipt. Should the Authority Contract Manager require Contractor develop a Corrective Action Plan, Contractor shall submit the draft Plan within thirty (30) calendar days of such notice and shall submit a final Plan within fifteen (15) calendar days of receipt of Authority comments to the draft Plan.

The Authority Contract Manager shall inform the Board upon notifying Contractor of its intention to initiate a corrective action process and shall keep the Board apprised of progress in resolving the issue(s) identified in the Corrective Action Plan. Failure to meet the mutually agreed upon Plan development or review timelines specified in the previous paragraph, to meet the Corrective Action Plan schedule or to demonstrate good faith effort to do so, or failure to demonstrate achievement of compliance within the specified schedule will result in an Authority Contract Manager recommendation to the Board to assess a penalty of up to one thousand (\$1,000) per day until compliance is achieved. Continued failure to fully mitigate the area(s) of noncompliance as provided in the Corrective Action Plan shall constitute an event of default as provided in Section 10.1, subject to the cure provisions of Section 10.2.

Contractor is solely responsible for all costs it incurs during the corrective action process described in this Section 4, and such costs are not allowable or recoverable in any way from the Authority, the Member Agencies, or Customers.

#### **5. Failure to Fund Required Services, Personnel, or Equipment**

Should Contractor fail to meet the following specific requirements contained in this Agreement, the Authority Contract Manager shall provide notice to the Contractor of such failure, and Contractor shall within fifteen (15) calendar days submit payment equal to the direct compensation costs identified below, for Authority reimbursement or a reimbursement toward Customer Rates, for unfilled positions or capital or other costs not incurred by Contractor, or to reimburse the Authority's direct and indirect costs for conducting Contractor's activities or for causing them to be conducted, at the Authority Contract Manager's sole discretion.

## **EXHIBIT F**

### **PERFORMANCE STANDARDS AND LIQUIDATED DAMAGES**

1. Fill or keep specified positions filled in accordance with Section 5.8.F.
2. Make capital purchases required for compliance with Collection vehicle requirements of Section 5.6 and/or Container requirements of Section 5.7.
3. Develop required facilities and/or specific facility capabilities to meet the requirements of Section 5.5.

**EXHIBIT G:**  
**CONTRACTOR'S PROPOSAL**

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**EXHIBIT G1:**  
**COST BASIS FOR PROPOSAL**

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**EXHIBIT G2:**  
**INITIAL RATES FOR COLLECTION SERVICES**

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**EXHIBIT G3:**  
**IMPLEMENTATION PLAN AND SCHEDULE**

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**EXHIBIT G4:**  
**APPROVED SUBCONTRACTORS**

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## **EXHIBIT G4**

### **APPROVED SUBCONTRACTORS**

In accordance with Section 3.3 of the Agreement, the Authority has approved the following Subcontractors to manage the specified services and otherwise assist the Contractor in the performance of the requirements of this Agreement.

<b>Approved Facility or Subcontractor Definition</b>	<b>Approved Facility or Subcontractor</b>	<b>Services</b>
Approved Recyclable Materials Processing Site	Pacific Recycling Solutions, Inc.	Recyclable Materials Processing
Approved Organic Materials Processing Site	GreenWaste Recovery, LLC	Organic Materials Processing
Approved E-Waste Drop-Off Facility	GreenWaste Recovery, LLC	E-Waste, Universal Waste, Used Motor Oil, and Used Oil Filters drop off
Approved Street Sweeping Contractor	Sweeping Corp of America (SCA)	Street Sweeping

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**EXHIBIT H:**  
**PERFORMANCE BOND**

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**EXHIBIT I:**  
**WAIVER APPROVAL PROCESS FLOWCHART**

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# WEST VALLEY

Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Agenda Item No. 10

Meeting Date: May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: Fiscal Year 2024-25 Budget

## AGENDA ITEM REPORT

### Recommended Action

Approve Resolution 2024-05 adopting the FY 2024-25 budget.

### Discussion

#### Background

Article 5 of the Joint Exercise of Powers Agreement (Agreement) defines the funding mechanisms for all activities performed by the West Valley Solid Waste Management Authority (Authority). Paragraph B states that the Authority must adopt a budget for each fiscal year (FY) beginning on July 1 and ending on June 30 of the following calendar year. Paragraph A specifies that the requisite funds are to be allocated among the cities of Campbell, Monte Sereno, Saratoga; and the Town of Los Gatos (Member Agencies) in amounts equal to each Member Agency's share, which is calculated based on each Member Agency's population as a percentage of the total population of all Member Agencies. Through 2011, each Member Agency included its assessment amount in the Member Agency's respective annual budget. However, in 2012 and each year thereafter, the Member Agencies have elected to recover their respective assessed costs in the collection rates.

The Board's Fund Balance policy is to maintain an operating reserve of \$100,000 and a rate stabilization reserve of \$100,000.

Pursuant to the Amendment to the Authority's agreement for Executive Director Services entered into by the Authority and HF&H Consultants (HF&H) on May 6, 2021, the Authority specifically defines the scope of services to be provided by the Executive Director in the annual budget. Therefore, an approval of the budget will authorize the expenditure of funds for this task and authorize the Executive Director and HF&H to perform the work during FY 2024-25. The Authority has attached HF&H's proposed scope of services and hourly rates to this report.

## **FY 2023-24 Revised Proposed Expenses and Revenues**

Resolution 2024-05, attached to this report, includes the following:

- The actual results of the previous FY 2022-23 budget.
- The approved FY 2023-24 budget, revised at the February 1, 2024 Board Meeting.
- The proposed FY 2024-25 budget.

### **Executive Director Service Expenses**

Executive Director expenses are those expenses that pay for services provided by HF&H to manage the ever-expanding mandates imposed by the California Department of Resources, Recycling and Recovery (CalRecycle). This includes: 1) management of the Authority's solid waste, recycling, organics, and construction and demolition (C&D) debris disposal, processing, and collection contracts; 2) management of the Authority's effort to achieve compliance with Assembly Bill (AB) 939, AB 1826, and Senate Bill (SB) 1383; 3) Board Meeting preparation and facilitation; and, 4) other tasks assigned by the Board. The attached HF&H Scope of Services describes each task in more detail, including both ongoing program management and one-time projects directed by the Board. In addition, the attached HF&H Hourly Rates provides billing rates for FY 2024-25. HF&H adjusted FY 2023-24 rates by the Consumer Price Index (CPI) as prescribed in the contract between the Authority and HF&H. The FY 2024-25 budgeted amount of \$754,323 includes the following:

- General Services: This expenditure of \$664,095 includes all the services provided by HF&H from the prior FY 2023-24 budget year, plus additional services that Member Agency staff and Authority Board Members have specifically requested. These additional services include, but are not limited to, responding to increase Public Record Request Act requests monitoring and coordinating the Authority's budget with the Authority's Fiscal Agent, the City of Campbell, responding to and confirming resolution to customer inquiries and complaints, ensuring compliance CalRecycle's regulations, and monitoring of and ensuring excellent performance by the Authority's contractors, and coordinating and developing education and outreach programs and collateral with the Authority's various contractors.
- Grant Administration: This expenditure of \$4,264 is for the Authority to continue managing SB 1383 Local Assistance Grant funds, including completing Itemization Expenditure Reports.
- SB 1383 Education and Outreach: This expenditure of \$62,255 is for the Authority to conduct two Request for Proposals (RFP), one for the development of training videos on how to properly separate food waste and use the organic materials container, and a second for implementing a multi-family dwelling (MFD) behavior change pilot. These costs also include managing the selected contractors including, but not limited to, overseeing day-to-day





operations, engaging in collaborative strategic planning to develop various program options, and evaluating results of each project. CalRecycle funds this through the state's SB 1383 Local Assistance Grant Program.

- Organic Product Procurement: This expenditure of \$23,709 is for the Authority to develop and execute an approach to procure organic product procurement services on behalf of the Member Agencies to ensure compliance with SB 1383 requirements. CalRecycle funds this through the state's SB 1383 Local Assistance Grant Program.

### Legal Service Expenses

This expenditure is for the services of Logan and Powell, LLP (L&P) to provide advice on Authority legal matters, including the conduct of meetings in accordance with the provisions of the Brown Act; to perform legal research as needed; to prepare legal notices as needed; and, to assist with other legal matters, as directed by the Board. The FY 2024-25 budgeted amount of \$51,946 includes the following:

- General Services: This expenditure of \$51,946 is for the ongoing legal services provided by L&P. The expense includes a contractual 2.00% annual rate increase, approved by the Board in an amendment to the Authority's agreement with L&P at the May 6, 2021 Board Meeting. The Authority's attorney current hourly rate for FY 2023-24 is \$286.11 and will increase in FY 2024-25 to \$291.83.

### Education and Outreach Expenses

This expenditure of \$260,000 is for expenses incurred in design, print, and/or distribution of educational materials outlined in the Public Education and Outreach Plan developed by the Authority in coordinator with WVC&R and other education and outreach expenses that may arise including, but not limited to, participation in County produced education materials. The WVC&R-funded expenses include, but are not limited to, digital media campaigns, MFD move-in kits, commercial business posters and brochures, vehicle signage, newsletters, and service guides and are funded through the agreement with WVC&R in the amount \$235,000.

### SB 1383 Education and Outreach Expenses

This expenditure of \$90,000 is for direct costs for associated with producing training videos on how to properly separate food waste and use the organic materials, conducting an MFD behavior change pilot program, and purchase of interior organic containers for businesses, all designed to support proper organics source separation and increase organics recycling participation. CalRecycle funds this through the SB 1383 Local Assistance Grant Program.

### Edible Food Recovery County Program Expenses

This expenditure of \$34,142 is for each Member Agencies' participation in the County-wide edible food recovery program. The County contracts with Joint Ventures Silicon Valley (JVSV)



for these services that ensure the Authority's compliance with SB 1383. CalRecycle funds this through the SB 1383 Local Assistance Grant Program.

### Organics Product Procurement Expenses

This expenditure of \$201,365 is the cost for the Authority to procure recovered organic waste products, such as compost, as required by SB 1383. CalRecycle funds this through the SB 1383 Local Assistance Grant Program.

### Accounting and Bookkeeping Expenses

This expenditure of \$10,443 is for the services of the City of Campbell's Finance Department staff for accounting and bookkeeping support. The Authority has increased this amount by 3.00% for FY 2024-25 compared to FY 2023-24.

### Liability Insurance Expenses

This expenditure of \$6,912 is for general liability and public officials' errors and omissions insurance. This amount reflects an increase by 15.00% to the actual premiums paid for FY 2023-24 to project costs based on recent rate increases by the insurance provider.

### Mileage and Meeting Expenses

This expenditure of \$2,000 is for Board Member attendance at relevant industry conferences during the year. The budgeted amount is to provide for increased attendance by Board Members to allow them to become more familiar with solid waste issues, as the end of the WVC&R contract term approaches. The budgeted amount is the same as prior years' budgets.

### Professional Service Expenses

This expenditure of \$5,000 is for other professional services or studies (e.g., engineering consulting services, litigation services) authorized by the Board and not included in the other professional services specifically identified herein. The budgeted amount is the same as prior years' budgets.

### Audit Service Expenses

This expenditure of \$3,605 is for audit services required by Article 5.B of the Agreement. The Authority has increased this budgeted amount by 3.00% for FY 2024-25 compared to FY 2023-24.

### Member Agency Assessment Revenues

Figure 1 shows the Member Agencies' assessments approved for FY 2023-24 and proposed for FY 2024-25. Member Agency assessments are revenues from rate payers, paid through the solid waste collection rates. Member Agency assessments, and subsequently, **the impact on ratepayers, reduced by approximately 20% from FY 2023-24 to FY 2024-25.**



**Figure 1. Member Agency Assessments**

	Approved FY 2023-24	Proposed FY 2024-25
Campbell	\$345,018	\$276,488
Los Gatos	\$266,313	\$214,275
Monte Sereno	\$28,096	\$22,779
Saratoga	\$247,022	\$197,865

### **SB 1383 Local Assistance Grant Revenues**

CalRecycle provides funding in the amount of \$374,757 to the Authority for SB 1383 related expenses. The Authority applied for these funds from CalRecycle during a second round of grant funding for SB 1383 related expenses and subsequently received confirmation that CalRecycle approved the Authority's grant funding application.

### **Non-Exclusive C&D Program Revenues**

C&D debris collection contractors provide this revenue of \$13,500 as the result of administrative fee payments made to the Authority based on the number of roll-off container pulls performed by each contractor. The Authority estimates this revenue based on the prior year's reported roll-off pulls. Due to the fluctuation in construction (and resulting C&D debris) from year to year these roll-off pulls may vary, along with resulting Authority revenue. In addition, the non-exclusive C&D program is in its first year, which may also cause unpredictable projected revenues.

## **Documents Attached**

HF&H Scope of Services

HF&H Hourly Rates

Resolution 2024-05

Amendment to the West Valley Solid Waste Management Authority Agreement for Executive Director Services Dated May 6, 2021

## **Fiscal Impact**

The attached FY 2024-25 proposed budget shows the expected assessment for each Member Agency resulting from the proposed budget.

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# **WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY**

## **FISCAL YEAR 2024-25 SCOPE OF SERVICES**

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### **SCOPE OF SERVICES**

The tasks that HF&H Consultants, LLC (HF&H) will perform include the following:

#### **General Services**

##### **Task 1: Authority Administration**

- 1a Manage the procurement of legal services, liability insurance, and other services and supplies required for the conduct of the West Valley Solid Waste Management Authority's (Authority) business.
- 1b Prepare and provide orientation materials (including copies of the collection and disposal agreements, Rules of Conduct, and Joint Powers Authority agreement) to new Board Members, as needed.
- 1c Work with the auditor for the Authority fiscal agent (the City of Campbell) to complete the annual financial audit of the Authority's financial statements. This includes preparing the financial statements, reviewing the footnotes, preparing the management letter, and responding to inquiries from the auditors.
- 1d Manage the submission of Fair Political Practices Commission forms (Form 700) by the Executive Director, Legal Counsel, and Board Members representing the cities of Campbell, Monte Sereno, Saratoga; the Town of Los Gatos (Member Agencies).
- 1e Prepare and provide responses to requests received under the Public Records Act.

##### **Task 2: Authority Budget**

- 2a Prepare the annual Authority budget for approval by the Board.
- 2b Monitor the Authority's annual budget including tracking invoices for services rendered to the Authority, submitting invoices to the City of Campbell, reviewing and approving purchase orders created by the City of Campbell, and reviewing and revising (as necessary) budget progress summaries provided by the City of Campbell.

##### **Task 3: Facilitate Board Meetings**

- 3a Prepare for and conduct quarterly Board Meetings. This task includes preparing the public notices, agendas, agenda reports, resolutions, Board Member agenda packets, public meeting binders, and meeting minutes. In addition, prepare for and conduct "agency review" meetings with Member Agency staff prior to regularly scheduled Board Meetings.

# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## FISCAL YEAR 2024-25 SCOPE OF SERVICES

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- 3b Prepare a financial report of the Authority's activities for each quarter, showing actual expenditures against the approved budget. These reports are presented at the next regularly scheduled Board Meeting following the close of each quarter.
- 3c Present status reports on each of the Authority projects or activities at regularly scheduled Board Meetings, as needed.
- 3d Follow-up on action items from the Board Meeting, including maintaining a record of all Authority actions.

### **Task 4: Member Agency Support**

- 4a Prepare for and attend monthly in-person meetings with Member Agency staff, and report on issues and receive direction from staff between Board Meetings, including special Board Meetings. This task includes preparing the agenda and agenda materials.
- 4b Respond to inquiries from Member Agency staff on issues including, but not limited to, Senate Bill (SB) 1383 compliance and services performed by West Valley Collection and Recycling (WVC&R).

### **Task 5: Customer Service**

- 5a Work with WVC&R, WM, contractors approved by the Authority to provide construction and demolition (C&D) debris collection and processing services (collectively referred to as Companies) to respond to all phone and website complaints and inquiries from Member Agencies' residents and businesses regarding services provided under the agreements.
- 5b Document, in a summary tracking file, all phone and website inquiries categorized by Member Agency, topic, and date received.
- 5c Monitor and review inquiry trends for potential public education and outreach topics and efforts.
- 5d Provide additional follow-up and review (in coordination with Companies) related to complaints and inquiries received by the Authority and Member Agencies until each complaint/inquiry reaches a resolution satisfactory to the customer.
- 5e Provide solutions and direction to Companies for unresolved and escalated complaints.
- 5f Prepare training materials and attend multiple customer service training sessions with WVC&R employees to provide updated industry standards and customer-centric approaches to promote ongoing service improvement.

### **Task 6: Collection and Disposal Contract Management**

- 6a Ensure that the Companies comply with requirements to furnish certificates of insurance and performance bonds in accordance with the agreements.

# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## FISCAL YEAR 2024-25 SCOPE OF SERVICES

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- 6b Manage the revision of these contracts when needed to implement new programs, change the list of recyclable materials, or implement other changes, as directed by the Board.
- 6c Review and summarize the Companies' monthly, quarterly, and annual reports and utilize the reports to monitor solid waste programs.
- 6d Review the Companies' operational performance and calculate the amount of liquidated damages, if any, breach letters, or other delinquency notifications under the agreements.
- 6e Initiate the corrective action plans (CAP) process and prepare for and attend meetings with WVC&R to monitor drafting of the CAP and progress of CAP completion.
- 6f Develop protocols and processes for using the CAP process to address WVC&R's failures, allowing for WVC&R to become compliant with the collection agreement.
- 6g Evaluate the effectiveness of the CAP and determine if WVC&R's failure was resolved, assessing whether any liquidated damages need to be assessed based on the outcome.
- 6h Conduct the first review of the CAP process and revise protocols based on insights gained to enhance the Authority's ability to address any future WVC&R issues efficiently and effectively.
- 6i Conduct annual C&D debris contractor open enrollment process and review submitted applications for approved C&D debris collection and processing contractors.
- 6j Develop a comprehensive brochure for C&D debris, outlining key information and resources to support C&D debris program compliance.
- 6k Develop a reporting format for C&D debris collection contractors' quarterly C&D debris program reports intended to review and summarize the C&D debris programs.
- 6l Review approved C&D debris collection contractors' monthly administrative fees to verify the contractors' calculation of payments.
- 6m Monitor C&D debris collection and processing contractors and, as needed, issue delinquency notifications.

### **Task 7: Regulatory Compliance Monitoring**

- 7a Provide periodic reports on the status of federal and state legislation impacting the Member Agencies' refuse and recycling programs and report out on industry trends at regularly scheduled Board Meetings.
- 7b Represent the Authority at County Technical Advisory Committee (TAC) meetings, Implementation Committee (IC) meetings, SB 1383 subcommittee meetings, operations subcommittee meetings, and public education and outreach subcommittee meetings, as well as

# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## FISCAL YEAR 2024-25 SCOPE OF SERVICES

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other relevant regional and statewide meetings, as needed and directed by Member Agency staff and/or the Board, and communicate relevant information back to the Member Agencies.

- 7c Prepare and submit miscellaneous reports requested by local agencies related to the Authority's solid waste and recycling collection and disposal programs. These include, for example, the County's recycling hotline, Household Hazardous Waste (HHW) program, and collection rate surveys.
- 7d Prepare and submit each Member Agency's annual reports to CalRecycle. This includes accompanying the CalRecycle representative on site visits in the Authority jurisdictions. Additionally, HF&H will respond to CalRecycle questions related to the annual reports and site visits.
- 7e Maintain an Implementation Record on behalf of each Member Agency and coordinate recordkeeping with Recyclist. Design and implement a new recordkeeping tool to replace Recyclist when the Authority's contract with Recyclist expires at the end of 2024.
- 7f Respond to any questions from CalRecycle regarding SB 1383 compliance.
- 7g Manage the Authority's contract with Agromin for compost and mulch use.
- 7h Conduct on-site waiver investigations for generator waiver applications and expiring waivers and notify the generators and WVC&R of the Authority's approval or denial of such waivers.
- 7i Conduct an annual compliance review of multi-family and commercial generators, as required by SB 1383.
- 7j Investigate SB 1383 related complaints reported to the Authority or its Member Agencies.
- 7k Conduct SB 1383 related inspections to determine a generator's compliance with SB 1383 organics recycling requirements, provide education to con-compliant generators, and issue notices of violation to generators that do not come into compliance.
- 7l Notify Member Agencies of potential and required SB 1383 enforcement actions and provide documentation to the Member Agencies supporting the Authority's determination and the education and outreach efforts provided by the Authority, its Contractors, and Joint Venture Silicon Valley (JVSV) to bring the generator into compliance.

### **Task 8: Education and Outreach**

- 8a Prepare annual public education and outreach plan, in coordination with WVC&R, to ensure campaigns are strategic, well thought out, and consistent throughout the year.
- 8b Implement a tracking system to monitor the development and progress of campaigns and technical assistance as promised in the public education and outreach plan, ensuring effective monitoring and management throughout the year.



# WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY

## FISCAL YEAR 2024-25 SCOPE OF SERVICES

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- 8c Prepare for and attend monthly status update meetings with WVC&R to discuss the progress of WVC&R's public education and outreach activities and address any concerns or updates.
- 8d Participate in the development of educational collateral with MIG, the contracted design firm, to create content and plan for distribution of content.
- 8e Discuss various aspects of all collateral material with WVC&R before WVC&R drafts and designs the content; and review WVC&R's public education materials prior to finalization and production.
- 8f Lead in the maintenance and updating of the Authority's website to ensure information is accurate and effective.
- 8g Collaborate with WVC&R to ensure the upkeep of a collective West Valley Recycles website, housing all up-to-date publications and information.
- 8h Conduct interviews with prospective candidates seeking the position of Diversion Coordinator at WVC&R.
- 8i Participate in the WVC&R training program for diversion coordinators to ensure proficiency of the staff in such roles at WVC&R.
- 8j Update fact sheets for vendor providing educational support on disposal and recycling programs in the County.
- 8k Assist with technical assistance outreach as a supplemental role replacement to WVC&R, if needed, due to open diversion coordinator staffing positions with WVC&R.

### **Task 9: Rate Setting**

- 9a Verify WVC&R's rate adjustment calculations for collection service and WM's rate adjustment calculations for disposal and processing.
- 9b Meet with Member Agency staff to review proposed amendments to solid waste collection rates.
- 9c Conduct a rate survey for neighboring jurisdictions within Santa Clara County.

### **One-Time Services**

### **Task 10: SB 1383 Grant Administration**

- 10a Monitor and manage CalRecycle SB 1383 Local Assistance Grant Program Funds.
- 10b Prepare and submit an Expenditure Itemization Summary.

# **WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY**

## **FISCAL YEAR 2024-25 SCOPE OF SERVICES**

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### **Task 11: SB 1383 Education and Outreach**

- 11a Present and discuss program options to Member Agency staff.
- 11b Research and develop two RFPs to obtain a contractor for video production and implementation of a multi-family dwelling behavior change pilot program.
- 11c Assess RFP proposals and provide a recommendation to the Board for approval.
- 11d Manage multiple projects, including overseeing each project's day-to-day operations and engaging in collaborative strategic planning to develop various program options while ensuring successful implementation.
- 11e Evaluate the results of SB 1383 specific education and outreach efforts to determine what the impacts were on SB 1383 compliance and assess if similar programs should be implemented in the future.

### **Task 12: Organic Product Procurement**

- 12a Develop and execute an approach for the Authority to provide SB 1383 compliant organic product procurement services.
- 12b Assess organic product procurement services proposals and provide a recommendation to the Board for approval.

# HF&H CONSULTANTS, LLC

## STANDARD HOURLY RATES AND BILLING ARRANGEMENTS

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(Effective July 1, 2024)<sup>1</sup>

### Professional Fees

Hourly rates for professional and administrative personnel are as follows:

<u>Position</u>	<u>Rate</u>
President	\$342.21
Senior Vice President & Vice President	\$314.16 – 336.61
Senior Project Manager	\$291.72 – 319.78
Project Manager/Senior Associate	\$223.29 – 263.37
Associate Analyst	\$178.40 – 185.13
Assistant Analyst	\$134.64 – 179.52
Administrative Staff	\$112.20 – 134.64

### Direct Expenses

Standard charges for common direct expenses are as follows:

Automobile Travel	Prevailing IRS Mileage Rate
Airfare and Public Transit	Actual Cost

### Billing Policies

Our policy is to bill for our services based on the standard hourly rate of the staff member assigned, multiplied by the time required to perform the client-related tasks, plus the direct expenses as described above. In implementing this policy, we adhere to the following practices:

- It is our standard practice to e-mail invoices to our clients, although hard copies of invoices can be sent to clients on request.
- We round to the nearest one-quarter hour (e.g., if two hours and 55 minutes are spent on a task, it is recorded as three hours, if two hours and 5 minutes are spent on a task, it is recorded as two hours). A minimum charge of one-quarter hour is charged for any client work performed in a day.
- We do not markup out-of-pocket expenses, however, we may charge administrative or professional time related to the provision of the goods and services associated with these charges.
- If subcontractors are used, HF&H reserves the right to charge a 5% markup should the subcontractor's services require cumbersome administrative oversight (e.g., multiple subcontractors; engagement turns out to solely require services of subcontractor, but HF&H as the prime must prepare billings).
- Mileage fees are based on the round-trip distance from the point of origin.

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<sup>1</sup> Litigation Support and Expert Witness Services are not covered by this schedule of fees and expenses.

# HF&H CONSULTANTS, LLC

## STANDARD HOURLY RATES AND BILLING ARRANGEMENTS

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- If a client reschedules a previously scheduled meeting and the change results in penalties being assessed by a third party (e.g., airline cancellation fee), then the client will bear the cost of these penalties.

While no minimum fee for a consulting engagement has been established, it is unlikely (given the nature of our services) that we can gain an understanding of a client's particular requirement, identify alternatives, and recommend a solution in less than twenty-four consulting hours.

### Insurance

We maintain the following policies of insurance with carriers doing business in California:

- Comprehensive General Liability Insurance (\$2,000,000 Occurrence/\$4,000,000 Aggregate)
- Workers' Compensation (\$1,000,000)
- Professional Liability Insurance (\$2,000,000 Occurrence/\$2,000,000 Aggregate)
- Hired and Non-Owned Auto Liability<sup>2</sup> (\$2,000,000)
- Umbrella Liability (\$3,000,000 Occurrence/\$3,000,000 Aggregate)

All costs incurred in complying with additional coverages or limits (excluding additional insured and waiver of subrogation endorsements) become the responsibility of the client and are not included in the fees for services or direct charges but are billed in addition to the contract at cost, plus any professional or administrative fees.

### Invoices and Payment for Services

Our time reporting and billing system has certain standard formats that are designed to provide our clients with a detailed invoice of the time and charges associated with their engagement. (We typically discuss these with our clients at our kick-off meeting). We are also pleased to provide our clients with a custom invoice format, but we will have to bill the client for time spent conforming our invoices to their unique requirements.

Billings for professional services and charges are submitted every month, in order that our clients can more closely monitor our services.

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<sup>2</sup> HF&H Consultants does not own any company automobiles.



**WEST VALLEY**

**Solid Waste Management Authority**

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## **RESOLUTION NO. 2024-05**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY APPROVING A BUDGET FOR FISCAL YEAR 2024-25**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY (Authority) that the Authority approves the document entitled "WVSWMA Fiscal Year 2024-25 Budget." The Authority has attached a copy of the budget hereto and incorporates such attachment herein by reference.

The Authority Board of Directors passed and adopted this resolution at a special Board Meeting on May 22, 2024, by the following vote:

	<b>Count</b>	<b>Member Names</b>
AYES:	_____	_____
NOES:	_____	_____
ABSENT:	_____	_____
ABSTAIN:	_____	_____

Approved: \_\_\_\_\_  
Bryan Mekechuk, Chairperson

Attest: \_\_\_\_\_  
Rob Hilton, Executive Director



# WEST VALLEY

Solid Waste Management Authority

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## ATTACHMENT TO RESOLUTION 2024-05

### FY 2024-25 BUDGET

Expenditures	Actual Fiscal Year 2022-23	Approved Fiscal Year 2023-24	Proposed Fiscal Year 2024-25
<b>Beginning Fund Balance</b>	<b>\$ 291,541</b>	<b>\$ 340,278</b>	<b>\$ 285,071</b>
<b>Revenues</b>			
Campbell	\$ 74,780	\$ 345,018	\$ 276,488
Los Gatos	\$ 55,520	\$ 266,313	\$ 214,275
Monte Sereno	\$ 6,489	\$ 28,096	\$ 22,779
Saratoga	\$ 54,998	\$ 247,022	\$ 197,865
Education and Outreach Reimbursement	\$ -	\$ 335,000	\$ 235,000
SB 1383 Local Assistance Grant	\$ 168,481	\$ -	\$ 374,757
Liquidated Damages from WVC&R	\$ 81,548	\$ 27,861	\$ -
Annual Payment from WVC&R	\$ 450,000	\$ 300,000	\$ -
Collections Reimbursement from WVC&R	\$ 333,690	\$ -	\$ -
Non-Exclusive C&D Program	\$ -	\$ 60,201	\$ 13,500
Investment Income	\$ 5,952	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 1,231,458</b>	<b>\$ 1,609,511</b>	<b>\$ 1,334,664</b>
<b>Expenditures</b>			
Executive Director Services			
General	\$ 277,244	\$ 449,651	\$ 664,095
Grant Administration	\$ 2,568	\$ 10,500	\$ 4,264
SB 1383 Education and Outreach	\$ -	\$ -	\$ 62,255
Organic Product Procurement	\$ -	\$ -	\$ 23,709
Prior One-Time	\$ 287,472	\$ 274,055	\$ -
Legal Services			
General	\$ 17,392	\$ 36,622	\$ 51,946
Prior One-Time	\$ 18,172	\$ 25,750	\$ -
Education and Outreach	\$ -	\$ 335,000	\$ 260,000
SB 1383 Education and Outreach	\$ 37,844	\$ -	\$ 90,000
Edible Food Recovery County Program	\$ -	\$ 30,029	\$ 34,142
Organic Product Procurement	\$ 53,246	\$ 127,397	\$ 201,365
Recyclist	\$ 30,510	\$ 50,845	\$ -
Annual Payment from WVC&R	\$ 450,000	\$ 300,000	\$ -
Accounting and Bookkeeping	\$ -	\$ 10,139	\$ 10,443
Liability Insurance	\$ 5,152	\$ 2,957	\$ 6,912
Mileage and Meetings	\$ -	\$ 2,000	\$ 2,000
Website Administration	\$ -	\$ 1,274	\$ -
Professional Services	\$ -	\$ 5,000	\$ 5,000
Audit Services	\$ 3,121	\$ 3,500	\$ 3,605
<b>Total Expenditures</b>	<b>\$ 1,182,721</b>	<b>\$ 1,664,718</b>	<b>\$ 1,419,735</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>\$ 48,737</b>	<b>\$ (55,207)</b>	<b>\$ (85,071)</b>
<b>Ending Fund Balance</b>	<b>\$ 340,278</b>	<b>\$ 285,071</b>	<b>\$ 200,000</b>

## **AMENDMENT TO WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY AGREEMENT FOR EXECUTIVE DIRECTOR SERVICES**

THIS AMENDMENT is dated this 6<sup>th</sup> day of May, 2021, and is made by and between the WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY, a California joint powers authority, ("Authority") and HF&H CONSULTANTS, LLC, a limited liability company, ("Consultant").

### **I. RECITALS**

- 1.1 On September 5, 2013, the Authority and Consultant entered into that certain "West Valley Solid Waste Management Authority Agreement for Executive Director Services" (the "Agreement").
- 1.2 The parties desire to enter into this Amendment to update the scope of services to be performed by Consultant.

### **II. AMENDMENT**

1.1 Section 2.1 Scope of Services is hereby amended to read as follows:

"Section 2.1 Scope of Services. Consultant shall act as the Executive Director of the Authority and provide all services necessary to assist the Authority in performing those services outlined in the formation documents of the Authority or required by law including, but not limited to, contract administration, implementation and monitoring of statutory requirements, regulatory compliance and monitoring, facilitation of board meetings, and administrative services for the Authority. Each year as part of the budget process, Consultant shall provide a scope of services and budget for the following fiscal year consistent with the duties of the Executive Director outlining the tasks to be performed that year and associated costs. For Fiscal Year 2021-2022, Consultant shall perform those services outlined in Exhibit A."

1.2 Section 2.6 is amended to provide an updated Compensation Schedule, a copy of which is attached hereto as Exhibit B and incorporated herein. In addition, the rates included in Exhibit B shall be adjusted annually by an amount equal to the percentage increase in the Consumer Price Index for all Urban Wage Earners and Clerical Workers, for the San Francisco-Oakland-Hayward, CA, Base Period 1952-1984 = 100, not seasonally adjusted ("CPI"), compiled and published by the United States Bureau of Labor Statistics, from the immediately preceding calendar year times the rates and charges in effect for the immediately preceding calendar year.

- III. Except as expressly provided in this Amendment, all other terms and conditions of the Agreement shall remain unchanged and in effect during the term of the Agreement.

IN WITNESS WHEREOF, the Authority and Consultant have executed this Amendment.

AUTHORITY:  
West Valley Solid Waste  
Management Authority

CONSULTANT:  
HF&H Consultants, LLC

BY: \_\_\_\_\_  
Paul Resnikoff, Chair

BY: \_\_\_\_\_  
Marva Sheehan, Vice President



# EXHIBIT A

## Scope of Services



## SCOPE OF SERVICES

The tasks that HF&H will perform include, but are not limited to, the following:

### Task 1: Contract Administration

- 1a Ensure that WVC&R and Guadalupe comply with requirements to furnish certificates of insurance and performance bonds in accordance with the agreements.
- 1b Review the companies' operational performance and calculate the amount of liquidated damages, if any, under the agreements.
- 1c Manage the revision of these contracts for implementation of new programs, changes to recyclable materials, or other changes as directed by the Board.
- 1d Work with the companies to respond to complaints and inquiries from Member Agencies' residents and businesses regarding services provided under the agreements.
- 1e Enforce the collection franchise agreement provisions and respond to violations (e.g., rogue dumpsters).
- 1f Support, either directly or through the management of a procurement consultant, any future solid waste collection and /or disposal procurement contract(s).

### Task 2: SB 1383 Implementation and Monitoring

- 2a Ensure that WVC&R's container colors and labeling are compliant with SB 1383 through reviewing orders and conducting side visits.
- 2b Develop and implement the Authority's generator waiver verification procedures in cooperation with WVC&R and a third-party reporting system.
- 2c Support Member Agencies with ordinance adoptions, including attending Member Agency Council Meetings.
- 2d Provide assistance to Member Agencies with the development of individual procurement plans and use plans for organic materials.
- 2e Support Member Agencies with the development of new and ongoing outreach programs for single-family, multi-family, and commercial customers, edible food generators, and self-haulers.
- 2f Determine standards and protocols for annual inspections of edible food generators. Inspections for calendar year 2022 will occur in HF&H's FY 22-21 scope of work.
- 2g Determine approach and investigation procedures for SB 1383-related complaints and conduct investigations beginning January 1, 2022.

- 2h Determine approach and procedures for annual verification of self-hauler compliance with SB 133. Verification of self-haulers for calendar year 2022 will occur in HF&H's FY 22-21 scope of work.
- 2i Prepare and submit Member Agencies' Initial Compliance record to CalRecycle on behalf of each Member Agency. Additionally, we will respond to CalRecycle questions.
- 2j Provide assistance implementing a software program.
- 2k Develop and maintain an Implementation Record on behalf of each Member Agency.

### **Task 3: Other Regulatory Compliance Monitoring**

- 3a Assist Member Agencies with compliance for other regulations.
- 3b Attend monthly meetings with Member Agency staff.
- 3c Provide periodic reports on the status of federal and state legislation impacting the Member Agencies' refuse and recycling programs at regularly scheduled Board Meetings. Provide information on industry trends.
- 3d Represent the Authority at County TAC meetings and other relevant regional and statewide meetings as needed and as directed by the Member Agencies' staff and/or Board and communicate relevant information to Member Agencies.
- 3e Prepare and submit miscellaneous reports requested by local agencies related to the Authority's solid waste and recycling collection and disposal programs. These include, for example, Santa Clara County's recycling hotline and HHW program and collection rate surveys.
- 3f Prepare and submit the Member Agencies' Annual Reports to CalRecycle on behalf of each Member Agency. This includes accompanying the CalRecycle representative on site visits in the Authority jurisdictions. Additionally, we will respond to CalRecycle questions related to the annual reports and site visits.

### **Task 4: Facilitate Board Meetings**

- 4a Prepare for and conduct quarterly Board Meetings. This task includes preparing the public notices, agendas, agenda reports, resolutions, Board Member agenda packets, public meeting binders, and meeting minutes. In addition, prepare for and conduct "agency review" meetings with Member Agency staff prior to regularly scheduled Board Meetings or special Board Meetings.
- 4b Prepare a financial report of the Authority's activities for each quarter, showing actual expenditures against the approved budget. These reports are presented at the next regularly scheduled Board Meeting following the close of each quarter.
- 4c Present status reports on each of the Authority projects or activities at regularly scheduled Board Meetings, as needed.
- 4d Follow-up on action items from the Board Meeting, including maintaining a record of all Authority actions.

**Task 5: Authority Administration**

- 5a Conduct conference calls with Member Agencies' staff on an as needed basis (at least quarterly) to report on issues and receive direction from staff between Board Meetings, including special Board Meetings. This task includes preparing the agenda and agenda materials. There are times when topics require face-to-face meetings. We will discuss the options with the Member Agencies' staff and will schedule the appropriate time and place for the meeting(s).
- 5b Respond to inquiries from Member Agencies' residents and businesses regarding the Authority's solid waste and recycling services in a timely manner.
- 5c Manage the procurement of legal services, liability insurance and other services and supplies required for the conduct of the Authority's business.
- 5d Manage the submission of Fair Political Practices Commission forms (Form 700) by the Executive Director, Legal Counsel, and Board Members.
- 5e Prepare the annual Authority budget for approval by the Board.
- 5f Prepare and provide orientation materials (including copies of the collection and disposal agreements, Rules of Conduct, and Joint Powers Authority agreement) to new Board members as needed.
- 5g Meet with the Member Agencies' Councils as requested for Council workshops to review changes to solid waste and recycling collection programs.
- 5h Work with the City of Campbell auditors to complete the annual financial audit of the Authority's financial statements. This includes preparing the financial statements, reviewing the footnotes, preparing the management letter, and responding to inquiries from the auditors.
- 5i Lead in the maintenance of the Authority's website. We collaborate with WVC&R and the Member Agencies' staff to maintain the website.
- 5j Review public education material provided by WVC&R for proper content prior to final publication.

**Task 6: Cost-Based Rate Adjustment**

- 6a Prepare for and meet with WVC&R to receive its application and obtain an explanation for any changes in its compensation for Rate Year Sixteen, provide an initial request for documents and information that are necessary for our review, and, establish a schedule.
- 6b Review the application for mathematical accuracy and compliance with the Franchise Agreement, notify WVC&R and the Authority of any areas of non-compliance, and request additional information necessary to bring the applications into compliance.
- 6c Reconcile Rate Year Fourteen revenues and expenses reported in the applications to WVC&R's audited financial statements and its general ledger and review the reasonableness of any adjusted costs in accordance with Section 8.4.2 of the Franchise Agreement.

- 6d Review the calculation of, and support for, any adjusted Rate Year Fourteen labor, vehicle-related costs, and other costs, in accordance with Section 8.4.2.B of the Franchise Agreement, and summarize Rate Year Fourteen allowed costs.
- 6e Calculate allowed profit, based on the adjusted forecasted Rate Year Sixteen operating costs eligible for profit, in accordance with Section 8.4.2.C of the Franchise Agreement.
- 6f Review the calculation and support for the WVC&R's forecasted pass-through costs, including disposal and lease costs, in accordance with Section 8.4.2.D of the Franchise Agreement.
- 6g Review forecasted regulatory, franchise fees, and compensation review fees using Rate Year Sixteen values in accordance with Section 8.4.2.D.
- 6h Meet with WVC&R to review preliminary findings, receive comments and any additional information, and adjust our preliminary findings, as appropriate.
- 6i Prepare for and attend a conference call with WVC&R and the Authority to discuss preliminary findings.
- 6j Prepare a draft report of any findings from our review of WVC&R's Rate Year Sixteen proposed costs and present a final report to the Authority.

## **Task 7: Collection Procurement**

- 7a Develop the Process Design Outline for all policy, business term, service, and regulatory compliance issues for the upcoming franchise, including documentation of current practices in the Franchise Agreement.
- 7b Facilitate meetings with Member Agency staff to discuss the key issues and alternatives and complete the Design Recommendation.
- 7c Document and present Proposed Process Design for Board Meeting (PowerPoint-style) and receive Board Member input. Revise Proposed Process Design based on Board Member input.
- 7d Develop a draft franchise agreement, a draft RFP, and draft proposal cost forms (Draft RFP Package) based on the Process Design Outline for all policy, business term, service, and regulatory compliance areas required for the upcoming franchise.
- 7e Prepare a Final RFP Package and present for Board Meeting to receive finalization of the RFP package from Board Members.

# EXHIBIT B

## Compensation Schedule

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# HF&H CONSULTANTS, LLC

## STANDARD HOURLY RATES AND BILLING ARRANGEMENTS

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(Effective January 1, 2021)<sup>1</sup>

### Professional Fees

Hourly rates for professional and administrative personnel are as follows:

<u>Position</u>	<u>Rate</u>
President	\$305
Senior Vice President & Vice President	\$280 - \$300
Senior Project Manager	\$260 - \$285
Senior Associate/Project Manager	\$199 - \$235
Associate Analyst	\$159 - \$165
Assistant Analyst	\$120 - \$160
Administrative Staff	\$100 - \$120

### Direct Expenses

Standard charges for common direct expenses are as follows:

Automobile Travel	Prevailing IRS mileage rate
Airfare and Public Transit	Actual Cost

### Billing Policies

Our policy is to bill for our services based on the standard hourly rates of the staff member assigned, multiplied by the time required to perform the client-related tasks, plus the direct expenses as described above. In implementing this policy we adhere to the following practices:

- It is our standard practice to e-mail invoices to our clients, although hard copies of invoices can be sent to clients on request.
- We round to the nearest one-quarter hour (e.g., if two hours and 55 minutes are spent on a task, it is recorded as three hours, if two hours and 5 minutes are spent on a task, it is recorded as two hours). A minimum charge of one-quarter hour is charged for any client work performed in a day.
- We do not markup out-of-pocket expenses, however, we may charge administrative or professional time related to the provision of the goods and services associated with these charges.
- If subcontractors are used, HF&H reserves the right to charge a 5% markup should the subcontractor's services require cumbersome administrative oversight (e.g., multiple subcontractors; engagement turns out to solely require services of subcontractor, but HF&H as the prime must prepare billings).

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<sup>1</sup> Litigation Support and Expert Witness Services are not covered by this schedule of fees and expenses.

# **HF&H CONSULTANTS, LLC**

## **STANDARD HOURLY RATES AND BILLING ARRANGEMENTS**

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- Mileage fees are based on the round-trip distance from the point of origin.
- If a client's change to a previously scheduled meeting results in penalties being assessed by a third party (e.g., airline cancellation fee), then the client will bear the cost of these penalties.

While no minimum fee for a consulting engagement has been established, it is unlikely (given the nature of our services) that we can gain an understanding of a client's particular requirement, identify alternatives, and recommend a solution in less than twenty-four consulting hours.

### **Insurance**

We maintain the following policies of insurance with carriers doing business in California:

- Comprehensive General Liability Insurance (\$2,000,000 Occurrence/\$4,000,000 Aggregate)
- Workers' Compensation (\$1,000,000)
- Professional Liability Insurance (\$2,000,000 Occurrence/\$2,000,000 Aggregate)
- Hired and Non-Owned Auto Liability<sup>2</sup> (\$2,000,000)
- Umbrella Liability (\$3,000,000 Occurrence/\$3,000,000 Aggregate)

All costs incurred in complying with additional coverages or limits (excluding additional insured and waiver of subrogation endorsements) become the responsibility of the client and are not included in the fees for services or direct charges but are billed in addition to the contract at cost, plus any professional or administrative fees.

### **Invoices and Payment for Services**

Our time reporting and billing system has certain standard formats that are designed to provide our clients with a detailed invoice of the time and charges associated with their engagement. (We typically discuss these with our clients at our kick-off meeting.) We are also pleased to provide our clients with a custom invoice format but we will have to bill the client for time spent conforming our invoices to their unique requirements.

Billings for professional services and charges are submitted every month, in order that our clients can more closely monitor our services.

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<sup>2</sup> HF&H Consultants does not own any company automobiles.



**Agenda Item No.** 11

**Meeting Date:** May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: WM Disposal and Processing Rate Adjustment

## AGENDA ITEM REPORT

### Recommended Action

Approve Resolution 2024-06 ratifying the WM contractual disposal proprietary rate adjustment, which will become effective July 1, 2024.

### Discussion

#### Background

On January 1, 2022, the “Disposal of Solid Waste, and Transport and Processing of Mixed Organic Waste, Source-Separated Yard Trimmings, and Construction and Demolition Debris (C&D) Agreement” between USA Waste of California, Inc. dba Waste Management of South Bay (WM) and the West Valley Solid Waste Management Authority (Authority) established rates for the disposal of solid waste and processing of organic materials and C&D. These rates were effective from January 1, 2022 through June 30, 2023. The agreement calls for annual Consumer Price Index- (CPI-) based rate adjustments implemented annually on July 1, starting July 1, 2023.

#### Proposed Rates

On February 23, 2024, WM presented its calculation of the allowed adjustment based on a 3.67% CPI increase from 2022 to 2023. The overall disposal or processing rates are composed of two elements: the contractor component and the per-ton government fees.

Figure 1 compares the contractor components effective July 1, 2023 to the July 1, 2024 contractor components.

**Figure 1. Contractor Components**

Material Type	July 1, 2023	July 1, 2024	% Change
Solid Waste	\$36.44	\$37.78	3.67%
Yard Waste	\$83.14	\$86.19	3.67%
Mixed Organic Waste	\$83.29	\$86.34	3.67%
Construction and Demolition (C&D) Debris	\$62.85	\$65.15	3.67%
Alternative Daily Cover (ADC)	\$35.15	\$36.44	3.67%



Figure 2 below shows the current and anticipated government fees. Figure 3 incorporates each fee from Figure 2 into the Solid Waste Contractor Component. The City of San José Business Tax fee is the only fee incorporated into the Yard Waste, Mixed Organic Waste, C&D Debris, and ADC Contractor Component shown in Figure 3.

**Figure 2. Government Fees**

Government Fee	July 1, 2023	July 1, 2024	% Change
State AB 939 (AB 1220) Fee	\$1.40	\$1.40	0.00%
City of San José Business Tax	\$13.00	\$13.00	0.00%
City of San José LEA Fee	\$0.33	\$0.25	-24.24%
Santa Clara County Solid Waste Planning Fee	\$0.78	\$0.78	0.00%
Santa Clara County AB 939 Fee	\$2.60	\$2.60	0.00%
Household Hazardous Waste Fee	\$1.50	\$1.50	0.00%

Figure 3 summarizes the proposed rates effective July 1, 2024.

**Figure 3. Proposed Rates**

Material Type	Contractor Component	Government Fees	July 1, 2024 Proposed Rate	% Change
Solid Waste	\$37.78	\$19.53	\$57.31	2.25%
Yard Waste	\$86.19	\$0.25	\$86.44	3.56%
Mixed Organic Waste	\$86.34	\$0.25	\$86.59	3.55%
C&D Debris	\$65.15	\$0.25	\$65.40	3.51%
ADC	\$36.44	\$0.25	\$36.69	3.41%

The Authority has reviewed WM's calculation of the contractual rate adjustment. The Authority finds that WM calculated the rate increase in accordance with the terms of the agreement and recommends that the Board approve Resolution 2024-06 ratifying WM's contractual disposal and processing rates, which become effective July 1, 2024.

## Documents Attached

Resolution 2024-06

## Fiscal Impact

Agenda Item 12 provides West Valley Collection and Recycling's (WVC&R) proposed rates, which include WM's disposal and processing rate increases as calculated by WVC&R.



**WEST VALLEY**

**Solid Waste Management Authority**

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

## **RESOLUTION NO. 2024-06**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY RATIFYING FISCAL YEAR 2024-25 RATES FOR THE DISPOSAL OF SOLID WASTE; AND TRANSPORT AND PROCESSING OF MIXED ORGANIC WASTE, SOURCE-SEPARATED YARD TRIMMINGS, AND CONSTRUCTION AND DEMOLITION DEBRIS**

WHEREAS, the West Valley Solid Waste Management Authority (Authority) is an agency created pursuant to Government Code section 6500 et seq. to manage and oversee the collection, disposal and recycling of solid waste originating in the cities of Campbell, Monte Sereno, Saratoga; and the Town of Los Gatos (Member Agencies); and

WHEREAS, the Authority entered into the Waste Disposal, Organic Waste and Construction and Demolition Debris Processing Agreement (Agreement), which establishes rates from January 1, 2022 through June 30, 2023, with USA Waste of California, Inc. dba Waste Management of South Bay (WM); and

WHEREAS, the Agreement provides for WM's rates to be increased July 1 of each year pursuant to the formula in the Agreement; and

WHEREAS, WM submitted rate adjustment calculations in accordance with the Agreement for Fiscal Year 2024-25; and

WHEREAS, the Authority has reviewed WM's calculations and determined the calculations are consistent with the terms of the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY that:

1. The Authority finds that the rates contained in the attached rate schedules were calculated by WVC&R in accordance with the Agreement.
2. The Authority hereby ratifies the attached rates, which become effective July 1, 2024.

The Authority Board of Directors passed and adopted this resolution, at a special Board Meeting held on May 22, 2024, by the following vote:

	<b>Count</b>	<b>Member Names</b>
AYES:	_____	_____
NOES:	_____	_____
ABSENT:	_____	_____
ABSTAIN:	_____	_____

Approved: \_\_\_\_\_  
Bryan Mekechuk, Chairperson

Attest: \_\_\_\_\_  
Rob Hilton, Executive Director



**WEST VALLEY**

**Solid Waste Management Authority**

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## **ATTACHMENT TO RESOLUTION 2024-05**

### **FY 2024-25 WM Diposal and Processing Rates**

<b>Material Type</b>	<b>July 1, 2024 Proposed Rate</b>
Solid Waste	\$57.31
Yard Waste	\$86.44
Mixed Organic Waste	\$86.59
C&D Debris	\$65.40
ADC	\$36.69

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# WEST VALLEY

Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Agenda Item No. 12

Meeting Date: May 22, 2024

To: West Valley Solid Waste Management Authority Board

From: Executive Director

Subject: WVC&R Collection Rates

## AGENDA ITEM REPORT

### Recommended Action

Approve Resolution 2024-07 ratifying West Valley Collection and Recycling's (WVC&R) collection services rate adjustment effective July 1, 2024 and approving the Administrative Reimbursements effective July 1, 2024.

### Discussion

#### Background

At the May 4, 2023 Board Meeting, the Authority Board ratified the rates, which became effective on July 1, 2023, for services provided under the Collection Agreement. A sample of the ratified rates are shown in Figure 1 and Figure 2.

**Figure 1. Example Quarterly Single-Family Rates Effective July 1, 2023**

	Campbell	Los Gatos	Monte Sereno	Saratoga
20-Gallon	\$103.53	\$110.18	\$127.44	\$112.13
35-Gallon	\$128.21	\$137.23	\$158.49	\$139.21
65-Gallon	\$232.67	\$250.54	\$289.92	\$253.96
95-Gallon	\$337.14	\$363.84	\$421.39	\$368.68

**Figure 2. Example Monthly Multi-Family and Commercial Rates Effective July 1, 2023**

	Campbell	Los Gatos	Monte Sereno	Saratoga
1.5 Yard 1x/Week	\$197.62	\$244.45	\$289.51	\$283.27
1.5 Yard 3x/Week	\$598.52	\$740.55	\$876.91	\$858.40
3 Yard 1x/Week	\$395.23	\$488.91	\$579.01	\$566.53
3 Yard 3x/Week	\$1,197.06	\$1,481.11	\$1,753.83	\$1,716.79



At the December 5, 2022 Board Meeting, the Authority Board approved the execution of the Amended and Restated Collection Agreement with WVC&R (Amended Collection Agreement). The Amended Collection Agreement included costs to perform services during the first year of the Agreement (July 1, 2024 through June 30, 2025). WVC&R's rate application submitted to the Authority was based on the same proposed costs submitted by WVC&R for inclusion in the Amended Collection Agreement. WVC&R and the Authority discussed aspects of WVC&R's rate application at a rate workshop held on February 1, 2024. The discussion resulted in the following rate structure changes to WVC&R's proposed rates.

- Single-family customers requesting on-property cart collection in lieu of curbside cart collection service will be charged for the service.
- Multi-family properties that have five or more units on-site will be charged a per-unit rate for bundled landfill, recycling, organics, bulky items, and other collection services, similar to single-family customers. The rate will be equivalent to the rate charged to single family customers for 20-gallon service. Each multi-family unit will receive a minimum of 20 gallons of service to prevent under-subscription. These multi-family customers can receive as much landfill, recycling, and organics service as their property requires within that per unit rate.
- Commercial customers will see a charge on their garbage bill for recycling and organics collection service. Historically, WVC&R bundled these services with solid waste and included the cost for these services in the solid waste rate. WVC&R will phase in the charges for these services over a period of several years. WVC&R calculated these recycling and organics rates as a percentage of the rate charged for solid waste containers of the same size.

In accordance with Section 8.2 of the Amended Collection Agreement, WVC&R's compensation in subsequent rate periods is determined annually using one of two methodologies: 1) an index-based adjustment, or 2) a cost-based adjustment. Figure 3 lists the methodologies the Authority will use to set rates each rate period.

**Figure 3. Rate Setting Methodology Schedule**

Rate Period	Commencement Date	Adjustment Method
1	July 1, 2024	Not Applicable
2	July 1, 2025	Index-Based
3	July 1, 2026	Index-Based
4	July 1, 2027	Cost-Based
5	July 1, 2028	Index-Based
6	July 1, 2029	Index-Based
7	July 1, 2030	Index-Based
8	July 1, 2031	Cost-Based
9	July 1, 2032	Index-Based
10	July 1, 2033	Index-Based



Rate Period	Commencement Date	Adjustment Method
11	July 1, 2034	Index-Based
12	July 1, 2035	Cost-Based
13	July 1, 2036	Index-Based
14	July 1, 2037	Index-Based
15	July 1, 2038	Index-Based

## Proposed Rates

### WM Disposal and Processing Rates

As discussed in Agenda Item 11, the contractor components included in WM's per-ton disposal and processing rates, effective July 1, 2024, are increasing by 3.67%; however, most government fee components are staying the same except for one governmental fee that is decreasing. Figure 4 below shows the total rate (effective July 1, 2024) for each material type. The Amended Collection Agreement requires that WVC&R consider disposal and processing fees a pass-through expense; therefore, WVC&R must adjust collection rates to include the revised disposal rates.

**Figure 4. WM Disposal and Processing Rate Effective July 1, 2024**

Material Type	Contractor Component	Government Fees	July 1, 2024 Rate
Solid Waste	\$37.78	\$19.53	\$57.31
Yard Waste	\$86.19	\$0.25	\$86.44
Mixed Organic Waste	\$86.34	\$0.25	\$86.59
Construction and Demolition Debris	\$65.15	\$0.25	\$65.40
Alternative Daily Cover (ADC)	\$36.44	\$0.25	\$36.69

### Street Sweeping Costs

The proposed collection rates include the cost for WVC&R to perform street sweeping services. WVC&R calculates the street sweeping using a per-curb-mile rate of \$43.31, as included and approved by the Board in the Agreement with WVC&R. Figure 5 summarizes the total curb miles and associated street sweeping services costs that WVC&R will incorporate into the collection rates under the Amended Collection Agreement effective July 1, 2024.

**Figure 5. Street Sweeping Curb Miles and Cost**

	Campbell	Los Gatos	Monte Sereno	Saratoga
Curb-Miles	7,200	3,824	216	6,660
Cost	\$311,832	\$165,617	\$9,355	\$285,846



### Cost Reimbursements

The following fees and reimbursements also impact the proposed rates for various costs related to solid waste.

- Authority Administrative Reimbursement, as approved by the Board in Agenda Item 10.
- Household Hazardous Waste (HHW) Reimbursement, as provided by Santa Clara County.
- Vehicle Impact Reimbursement, as provided by each Member Agency.
- Street Maintenance Reimbursement, as provided by each Member Agency.
- Encroachment Reimbursement, as provided by each Member Agency.

**Figure 6. Proposed Reimbursements**

	Campbell	Los Gatos	Monte Sereno	Saratoga
Authority Administrative	\$365,775	\$356,133	\$22,779	\$365,460
HHW	\$80,093	\$94,219	\$17,334	\$76,767
Vehicle Impact	\$491,928	\$878,381	\$51,850	\$473,678
Street Maintenance	\$50,000	\$269,232	\$0	\$0
Encroachment	\$2,603,916	\$2,297,703	\$176,084	\$1,466,347

### Sample of Proposed Rates

The following Figures 7 through 11 include WVC&R's proposed rates (effective July 1, 2024) for many of the most common container sizes and service levels. This Agenda Item Report includes a resolution attachment (Resolution 2024-07) ratifying the new rates; and Resolution 2024-07 contains its own attachment that is comprised of a complete list of WVC&R's rates.

**Figure 7. Proposed Quarterly Single-Family Curbside Rates**

	Campbell	Los Gatos	Monte Sereno	Saratoga
20-Gallon	\$121.62	\$128.16	\$147.90	\$134.85
35-Gallon	\$150.63	\$159.66	\$183.93	\$167.43
65-Gallon	\$273.36	\$291.45	\$336.45	\$305.43
95-Gallon	\$396.09	\$423.27	\$489.00	\$443.40



**Figure 8. Proposed Quarterly Single-Family On-Property Rates**

	Campbell	Los Gatos	Monte Sereno	Saratoga
20-Gallon	\$227.37	\$232.86	\$252.33	\$243.09
35-Gallon	\$256.35	\$264.33	\$288.36	\$275.67
65-Gallon	\$379.08	\$396.15	\$440.88	\$413.67
95-Gallon	\$501.81	\$527.94	\$593.43	\$551.64

**Figure 9. Proposed Monthly Multi-Family Per-Dwelling-Unit Rates**

	Campbell	Los Gatos	Monte Sereno	Saratoga
Per Unit	\$40.54	\$42.72	\$49.30	\$44.95

**Figure 10. Proposed Monthly Commercial Landfill Rates**

	Campbell	Los Gatos	Monte Sereno	Saratoga
1 Yard 1x/Week	\$154.77	\$189.59	\$223.97	\$227.12
1 Yard 3x/Week	\$464.32	\$568.76	\$671.90	\$681.37
3 Yard 1x/Week	\$464.32	\$568.76	\$671.90	\$681.37
3 Yard 3x/Week	\$1,392.97	\$1,706.27	\$2,015.71	\$2,044.11

**Figure 11. Proposed Monthly Commercial Organics and Recycling Rates**

	Campbell	Los Gatos	Monte Sereno	Saratoga
1 Yard 1x/Week	\$15.48	\$18.96	\$22.40	\$22.71
1 Yard 3x/Week	\$46.43	\$56.88	\$67.19	\$68.14
3 Yard 1x/Week	\$46.43	\$56.88	\$67.19	\$68.14
3 Yard 3x/Week	\$139.30	\$170.63	\$201.57	\$204.41

## Documents Attached

Resolution 2024-07

Santa Clara County Solid Waste Rate Survey

## Fiscal Impact

None

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## **RESOLUTION NO. 2024-07**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY RATIFYING FISCAL YEAR 2024-25 RATES FOR THE COLLECTION OF SOLID WASTE, RECYCLABLE MATERIALS, AND ORGANIC MATERIALS**

WHEREAS, the West Valley Solid Waste Management Authority (Authority) is an agency created pursuant to Government Code section 6500 et seq. to manage and oversee the collection, disposal, and recycling of solid waste originating in the cities of Campbell, Monte Sereno, Saratoga; and the Town of Los Gatos (Member Agencies); and

WHEREAS, the Authority entered in the Agreement between the Authority and Waste Connections of California Inc., d/b/a West Valley Collection & Recycling (WVC&R) for Organic Materials, Recyclable Materials, and Solid Waste Collection Services and Organic Materials and Recyclable Materials Processing (Collection Agreement); and

WHEREAS, the Collection Agreement established the rates for the period July 1, 2024 through June 30, 2025 (Rate Period One); and

WHEREAS, the Collection Agreement entitles the Authority to various Administrative Reimbursements, subject to Board approval, by June 30 each year throughout the term of the Collection Agreement; and

WHEREAS, the Board of Directors of the Authority desires to ratify the rates included in the Collection Agreement for Rate Period One and approve the Administrative Reimbursements for Fiscal Year 2024-25.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY that the Authority hereby ratifies the attached rates, which will go into effect July 1, 2024.



# WEST VALLEY

**Solid Waste Management Authority**

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

Resolution Number: 2024-07  
Page 2 of 2

The Authority Board of Directors passed and adopted this resolution, at a special Board Meeting held on May 22, 2024, by the following vote:

	Count	Member Names
AYES:	_____	_____
NOES:	_____	_____
ABSENT:	_____	_____
ABSTAIN:	_____	_____

Approved: \_\_\_\_\_  
Bryan Mekechuk, Chairperson

Attest: \_\_\_\_\_  
Rob Hilton, Executive Director





## Landfill, Recycling, and Organics Rates

### Single-Family

Campbell	Los Gatos	Monte Sereno	Saratoga
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Single-Family monthly rates include 1 recycling cart and up to 2 organic carts for Campbell, Los Gatos, and Saratoga or 3 for Monte Sereno.

#### Curbside:

20-gallon	\$ 40.54	\$ 42.72	\$ 49.30	\$ 44.95
35-gallon	\$ 50.21	\$ 53.22	\$ 61.31	\$ 55.81
65-gallon	\$ 91.12	\$ 97.15	\$ 112.15	\$ 101.81
95-gallon	\$ 132.03	\$ 141.09	\$ 163.00	\$ 147.80

#### On-Property:

20-gallon	\$ 75.79	\$ 77.62	\$ 84.11	\$ 81.03
35-gallon	\$ 85.45	\$ 88.11	\$ 96.12	\$ 91.89
65-gallon	\$ 126.36	\$ 132.05	\$ 146.96	\$ 137.89
95-gallon	\$ 167.27	\$ 175.98	\$ 197.81	\$ 183.88

### Multi-Family

Campbell	Los Gatos	Monte Sereno	Saratoga
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Per unit Multi-Family charge covers landfill, recycling, and organics services at any size or frequency required by the property.

Per Unit Multi-Family Charge	\$ 40.54	\$ 42.72	\$ 49.30	\$ 44.95
Extra Dump	\$ 9.36	\$ 10.00	\$ 11.38	\$ 10.37

### Commercial Landfill Service

Campbell	Los Gatos	Monte Sereno	Saratoga
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Commercial landfill rates include 1 recycling cart and 1 organics cart, 1x per week at no additional charge (up to 95-gallons).

#### Commercial Landfill 35-gallon

1x week	\$ 23.21	\$ 28.43	\$ 33.60	\$ 34.07
2x week	\$ 46.43	\$ 56.86	\$ 67.20	\$ 68.14
3x week	\$ 69.64	\$ 85.30	\$ 100.80	\$ 102.20
4x week	\$ 92.85	\$ 113.73	\$ 134.40	\$ 136.27
5x week	\$ 116.07	\$ 142.16	\$ 168.00	\$ 170.34
6x week	\$ 139.28	\$ 170.59	\$ 201.60	\$ 204.41
Extra Dump	\$ 5.36	\$ 6.65	\$ 7.75	\$ 7.86

#### Commercial Landfill 65-gallon

1x week	\$ 46.43	\$ 56.86	\$ 67.20	\$ 68.14
2x week	\$ 92.85	\$ 113.73	\$ 134.40	\$ 136.27
3x week	\$ 139.28	\$ 170.59	\$ 201.60	\$ 204.41
4x week	\$ 185.71	\$ 227.46	\$ 268.81	\$ 272.54
5x week	\$ 232.13	\$ 284.32	\$ 336.01	\$ 340.68
6x week	\$ 278.56	\$ 341.19	\$ 403.21	\$ 408.82
Extra Dump	\$ 10.71	\$ 13.31	\$ 15.51	\$ 15.72

**Commercial Landfill 95-gallon**

1x week	\$ 69.64	\$ 85.30	\$ 100.80	\$ 102.20
2x week	\$ 139.28	\$ 170.59	\$ 201.60	\$ 204.41
3x week	\$ 208.92	\$ 255.89	\$ 302.41	\$ 306.61
4x week	\$ 278.56	\$ 341.19	\$ 403.21	\$ 408.82
5x week	\$ 348.20	\$ 426.48	\$ 504.01	\$ 511.02
6x week	\$ 417.84	\$ 511.78	\$ 604.81	\$ 613.22
Extra Dump	\$ 16.07	\$ 19.96	\$ 23.26	\$ 23.58

**Commercial Landfill - 1 Yard**

1x week	\$ 154.77	\$ 189.59	\$ 223.97	\$ 227.12
2x week	\$ 309.55	\$ 379.17	\$ 447.94	\$ 454.25
3x week	\$ 464.32	\$ 568.76	\$ 671.90	\$ 681.37
4x week	\$ 619.10	\$ 758.34	\$ 895.87	\$ 908.50
5x week	\$ 773.87	\$ 947.93	\$ 1,119.84	\$ 1,135.62
6x week	\$ 928.65	\$ 1,137.51	\$ 1,343.81	\$ 1,362.74
Extra Dump	\$ 35.72	\$ 44.37	\$ 51.69	\$ 52.41

**Commercial Landfill - 1.5 Yards**

1x week	\$ 232.16	\$ 284.38	\$ 335.95	\$ 340.69
2x week	\$ 464.32	\$ 568.76	\$ 671.90	\$ 681.37
3x week	\$ 696.49	\$ 853.13	\$ 1,007.85	\$ 1,022.06
4x week	\$ 928.65	\$ 1,137.51	\$ 1,343.81	\$ 1,362.74
5x week	\$ 1,160.81	\$ 1,421.89	\$ 1,679.76	\$ 1,703.43
6x week	\$ 1,392.97	\$ 1,706.27	\$ 2,015.71	\$ 2,044.11
Extra Dump	\$ 50.00	\$ 62.12	\$ 72.36	\$ 73.38

**Commercial Landfill - 2 Yards**

1x week	\$ 309.55	\$ 379.17	\$ 447.94	\$ 454.25
2x week	\$ 619.10	\$ 758.34	\$ 895.87	\$ 908.50
3x week	\$ 928.65	\$ 1,137.51	\$ 1,343.81	\$ 1,362.74
4x week	\$ 1,238.20	\$ 1,516.68	\$ 1,791.74	\$ 1,816.99
5x week	\$ 1,547.75	\$ 1,895.85	\$ 2,239.68	\$ 2,271.24
6x week	\$ 1,857.30	\$ 2,275.02	\$ 2,687.61	\$ 2,725.49
Extra Dump	\$ 71.43	\$ 88.75	\$ 103.38	\$ 104.82

**Commercial Landfill - 3 Yards**

1x week	\$ 464.32	\$ 568.76	\$ 671.90	\$ 681.37
2x week	\$ 928.65	\$ 1,137.51	\$ 1,343.81	\$ 1,362.74
3x week	\$ 1,392.97	\$ 1,706.27	\$ 2,015.71	\$ 2,044.11
4x week	\$ 1,857.30	\$ 2,275.02	\$ 2,687.61	\$ 2,725.49
5x week	\$ 2,321.62	\$ 2,843.78	\$ 3,359.51	\$ 3,406.86
6x week	\$ 2,785.95	\$ 3,412.53	\$ 4,031.42	\$ 4,088.23
Extra Dump	\$ 107.15	\$ 133.12	\$ 155.06	\$ 157.23

**Commercial Landfill - 4 Yards**

1x week	\$ 619.10	\$ 758.34	\$ 895.87	\$ 908.50
2x week	\$ 1,238.20	\$ 1,516.68	\$ 1,791.74	\$ 1,816.99
3x week	\$ 1,857.30	\$ 2,275.02	\$ 2,687.61	\$ 2,725.49
4x week	\$ 2,476.40	\$ 3,033.36	\$ 3,583.48	\$ 3,633.98
5x week	\$ 3,095.50	\$ 3,791.70	\$ 4,479.35	\$ 4,542.48
6x week	\$ 3,714.60	\$ 4,550.05	\$ 5,375.22	\$ 5,450.97
Extra Dump	\$ 142.87	\$ 177.49	\$ 206.75	\$ 209.65

**Commercial Landfill - 6 Yards**

1x week	\$ 928.65	\$ 1,137.51	\$ 1,343.81	\$ 1,362.74
2x week	\$ 1,857.30	\$ 2,275.02	\$ 2,687.61	\$ 2,725.49
3x week	\$ 2,785.95	\$ 3,412.53	\$ 4,031.42	\$ 4,088.23
4x week	\$ 3,714.60	\$ 4,550.05	\$ 5,375.22	\$ 5,450.97
5x week	\$ 4,643.25	\$ 5,687.56	\$ 6,719.03	\$ 6,813.71
6x week	\$ 5,571.90	\$ 6,825.07	\$ 8,062.83	\$ 8,176.46
Extra Dump	\$ 214.30	\$ 266.24	\$ 310.13	\$ 314.47

**Commercial Landfill - 8 Yards**

1x week	\$ 1,238.20	\$ 1,516.68	\$ 1,791.74	\$ 1,816.99
2x week	\$ 2,476.40	\$ 3,033.36	\$ 3,583.48	\$ 3,633.98
3x week	\$ 3,714.60	\$ 4,550.05	\$ 5,375.22	\$ 5,450.97
4x week	\$ 4,952.80	\$ 6,066.73	\$ 7,166.96	\$ 7,267.96
5x week	\$ 6,191.00	\$ 7,583.41	\$ 8,958.70	\$ 9,084.95
6x week	\$ 7,429.20	\$ 9,100.09	\$ 10,750.44	\$ 10,901.94
Extra Dump	\$ 285.73	\$ 354.98	\$ 413.50	\$ 419.29

**Commercial Recycling Service**

<b>Campbell</b>	<b>Los Gatos</b>	<b>Monte Sereno</b>	<b>Saratoga</b>
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*Rates below are for recycling service in addition to the 1x per week recycling cart included in the landfill charge.*

**Commercial Recycling 35-gallon**

1x week	\$ 2.32	\$ 2.84	\$ 3.36	\$ 3.41
2x week	\$ 4.64	\$ 5.69	\$ 6.72	\$ 6.81
3x week	\$ 6.96	\$ 8.53	\$ 10.08	\$ 10.22
4x week	\$ 9.29	\$ 11.37	\$ 13.44	\$ 13.63
5x week	\$ 11.61	\$ 14.22	\$ 16.80	\$ 17.03
6x week	\$ 13.93	\$ 17.06	\$ 20.16	\$ 20.44
Extra Dump	\$ 0.54	\$ 0.67	\$ 0.78	\$ 0.79

**Commercial Recycling 65-gallon**

1x week	\$ 4.64	\$ 5.69	\$ 6.72	\$ 6.81
2x week	\$ 9.29	\$ 11.37	\$ 13.44	\$ 13.63
3x week	\$ 13.93	\$ 17.06	\$ 20.16	\$ 20.44
4x week	\$ 18.57	\$ 22.75	\$ 26.88	\$ 27.25
5x week	\$ 23.21	\$ 28.43	\$ 33.60	\$ 34.07
6x week	\$ 27.86	\$ 34.12	\$ 40.32	\$ 40.88
Extra Dump	\$ 1.07	\$ 1.33	\$ 1.55	\$ 1.57

**Commercial Recycling 95-gallon**

1x week	\$ 6.96	\$ 8.53	\$ 10.08	\$ 10.22
2x week	\$ 13.93	\$ 17.06	\$ 20.16	\$ 20.44
3x week	\$ 20.89	\$ 25.59	\$ 30.24	\$ 30.66
4x week	\$ 27.86	\$ 34.12	\$ 40.32	\$ 40.88
5x week	\$ 34.82	\$ 42.65	\$ 50.40	\$ 51.10
6x week	\$ 41.78	\$ 51.18	\$ 60.48	\$ 61.32
Extra Dump	\$ 1.61	\$ 2.00	\$ 2.33	\$ 2.36

**Commercial Recycling - 1 Yard**

1x week	\$ 15.48	\$ 18.96	\$ 22.40	\$ 22.71
2x week	\$ 30.95	\$ 37.92	\$ 44.79	\$ 45.42
3x week	\$ 46.43	\$ 56.88	\$ 67.19	\$ 68.14
4x week	\$ 61.91	\$ 75.83	\$ 89.59	\$ 90.85
5x week	\$ 77.39	\$ 94.79	\$ 111.98	\$ 113.56
6x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
Extra Dump	\$ 3.57	\$ 4.44	\$ 5.17	\$ 5.24

**Commercial Recycling - 1.5 Yards**

1x week	\$ 23.22	\$ 28.44	\$ 33.60	\$ 34.07
2x week	\$ 46.43	\$ 56.88	\$ 67.19	\$ 68.14
3x week	\$ 69.65	\$ 85.31	\$ 100.79	\$ 102.21
4x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
5x week	\$ 116.08	\$ 142.19	\$ 167.98	\$ 170.34
6x week	\$ 139.30	\$ 170.63	\$ 201.57	\$ 204.41
Extra Dump	\$ 5.36	\$ 6.66	\$ 7.75	\$ 7.86

**Commercial Recycling - 2 Yards**

1x week	\$ 30.95	\$ 37.92	\$ 44.79	\$ 45.42
2x week	\$ 61.91	\$ 75.83	\$ 89.59	\$ 90.85
3x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
4x week	\$ 123.82	\$ 151.67	\$ 179.17	\$ 181.70
5x week	\$ 154.77	\$ 189.59	\$ 223.97	\$ 227.12
6x week	\$ 185.73	\$ 227.50	\$ 268.76	\$ 272.55
Extra Dump	\$ 7.14	\$ 8.87	\$ 10.34	\$ 10.48

	Campbell	Los Gatos	Monte Sereno	Saratoga
<b>Commercial Recycling - 3 Yards</b>				
1x week	\$ 46.43	\$ 56.88	\$ 67.19	\$ 68.14
2x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
3x week	\$ 139.30	\$ 170.63	\$ 201.57	\$ 204.41
4x week	\$ 185.73	\$ 227.50	\$ 268.76	\$ 272.55
5x week	\$ 232.16	\$ 284.38	\$ 335.95	\$ 340.69
6x week	\$ 278.59	\$ 341.25	\$ 403.14	\$ 408.82
Extra Dump	\$ 10.71	\$ 13.31	\$ 15.51	\$ 15.72
<b>Commercial Recycling - 4 Yards</b>				
1x week	\$ 61.91	\$ 75.83	\$ 89.59	\$ 90.85
2x week	\$ 123.82	\$ 151.67	\$ 179.17	\$ 181.70
3x week	\$ 185.73	\$ 227.50	\$ 268.76	\$ 272.55
4x week	\$ 247.64	\$ 303.34	\$ 358.35	\$ 363.40
5x week	\$ 309.55	\$ 379.17	\$ 447.94	\$ 454.25
6x week	\$ 371.46	\$ 455.00	\$ 537.52	\$ 545.10
Extra Dump	\$ 14.29	\$ 17.75	\$ 20.68	\$ 20.96
<b>Commercial Recycling - 6 Yards</b>				
1x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
2x week	\$ 185.73	\$ 227.50	\$ 268.76	\$ 272.55
3x week	\$ 278.59	\$ 341.25	\$ 403.14	\$ 408.82
4x week	\$ 371.46	\$ 455.00	\$ 537.52	\$ 545.10
5x week	\$ 464.32	\$ 568.76	\$ 671.90	\$ 681.37
6x week	\$ 557.19	\$ 682.51	\$ 806.28	\$ 817.65
Extra Dump	\$ 21.43	\$ 26.62	\$ 31.01	\$ 31.45
<b>Commercial Recycling - 8 Yards</b>				
1x week	\$ 123.82	\$ 151.67	\$ 179.17	\$ 181.70
2x week	\$ 247.64	\$ 303.34	\$ 358.35	\$ 363.40
3x week	\$ 371.46	\$ 455.00	\$ 537.52	\$ 545.10
4x week	\$ 495.28	\$ 606.67	\$ 716.70	\$ 726.80
5x week	\$ 619.10	\$ 758.34	\$ 895.87	\$ 908.50
6x week	\$ 742.92	\$ 910.01	\$ 1,075.04	\$ 1,090.19
Extra Dump	\$ 28.57	\$ 35.50	\$ 41.35	\$ 41.93

## Commercial Organics Service

Campbell	Los Gatos	Monte Sereno	Saratoga
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*Rates below are for organics service in addition to the 1x per week organics cart included in the landfill charge.*

### Commercial Organics 35-gallon

1x week	\$ 2.32	\$ 2.84	\$ 3.36	\$ 3.41
2x week	\$ 4.64	\$ 5.69	\$ 6.72	\$ 6.81
3x week	\$ 6.96	\$ 8.53	\$ 10.08	\$ 10.22
4x week	\$ 9.29	\$ 11.37	\$ 13.44	\$ 13.63
5x week	\$ 11.61	\$ 14.22	\$ 16.80	\$ 17.03
6x week	\$ 13.93	\$ 17.06	\$ 20.16	\$ 20.44
Extra Dump	\$ 0.54	\$ 0.67	\$ 0.78	\$ 0.79

### Commercial Organics 65-gallon

1x week	\$ 4.64	\$ 5.69	\$ 6.72	\$ 6.81
2x week	\$ 9.29	\$ 11.37	\$ 13.44	\$ 13.63
3x week	\$ 13.93	\$ 17.06	\$ 20.16	\$ 20.44
4x week	\$ 18.57	\$ 22.75	\$ 26.88	\$ 27.25
5x week	\$ 23.21	\$ 28.43	\$ 33.60	\$ 34.07
6x week	\$ 27.86	\$ 34.12	\$ 40.32	\$ 40.88
Extra Dump	\$ 1.07	\$ 1.33	\$ 1.55	\$ 1.57

### Commercial Organics 95-gallon

1x week	\$ 6.96	\$ 8.53	\$ 10.08	\$ 10.22
2x week	\$ 13.93	\$ 17.06	\$ 20.16	\$ 20.44
3x week	\$ 20.89	\$ 25.59	\$ 30.24	\$ 30.66
4x week	\$ 27.86	\$ 34.12	\$ 40.32	\$ 40.88
5x week	\$ 34.82	\$ 42.65	\$ 50.40	\$ 51.10
6x week	\$ 41.78	\$ 51.18	\$ 60.48	\$ 61.32
Extra Dump	\$ 1.61	\$ 2.00	\$ 2.33	\$ 2.36

### Commercial Organics - 1 Yard

1x week	\$ 15.48	\$ 18.96	\$ 22.40	\$ 22.71
2x week	\$ 30.95	\$ 37.92	\$ 44.79	\$ 45.42
3x week	\$ 46.43	\$ 56.88	\$ 67.19	\$ 68.14
4x week	\$ 61.91	\$ 75.83	\$ 89.59	\$ 90.85
5x week	\$ 77.39	\$ 94.79	\$ 111.98	\$ 113.56
6x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
Extra Dump	\$ 3.57	\$ 4.44	\$ 5.17	\$ 5.24

### Commercial Organics - 1.5 Yards

1x week	\$ 23.22	\$ 28.44	\$ 33.60	\$ 34.07
2x week	\$ 46.43	\$ 56.88	\$ 67.19	\$ 68.14
3x week	\$ 69.65	\$ 85.31	\$ 100.79	\$ 102.21
4x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
5x week	\$ 116.08	\$ 142.19	\$ 167.98	\$ 170.34
6x week	\$ 139.30	\$ 170.63	\$ 201.57	\$ 204.41
Extra Dump	\$ 5.36	\$ 6.66	\$ 7.75	\$ 7.86

### Commercial Organics - 2 Yards

1x week	\$ 30.95	\$ 37.92	\$ 44.79	\$ 45.42
2x week	\$ 61.91	\$ 75.83	\$ 89.59	\$ 90.85
3x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
4x week	\$ 123.82	\$ 151.67	\$ 179.17	\$ 181.70
5x week	\$ 154.77	\$ 189.59	\$ 223.97	\$ 227.12
6x week	\$ 185.73	\$ 227.50	\$ 268.76	\$ 272.55
Extra Dump	\$ 7.14	\$ 8.87	\$ 10.34	\$ 10.48

	Campbell	Los Gatos	Monte Sereno	Saratoga
<b>Commercial Organics - 3 Yards</b>				
1x week	\$ 46.43	\$ 56.88	\$ 67.19	\$ 68.14
2x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
3x week	\$ 139.30	\$ 170.63	\$ 201.57	\$ 204.41
4x week	\$ 185.73	\$ 227.50	\$ 268.76	\$ 272.55
5x week	\$ 232.16	\$ 284.38	\$ 335.95	\$ 340.69
6x week	\$ 278.59	\$ 341.25	\$ 403.14	\$ 408.82
Extra Dump	\$ 10.71	\$ 13.31	\$ 15.51	\$ 15.72
<b>Commercial Organics - 4 Yards</b>				
1x week	\$ 61.91	\$ 75.83	\$ 89.59	\$ 90.85
2x week	\$ 123.82	\$ 151.67	\$ 179.17	\$ 181.70
3x week	\$ 185.73	\$ 227.50	\$ 268.76	\$ 272.55
4x week	\$ 247.64	\$ 303.34	\$ 358.35	\$ 363.40
5x week	\$ 309.55	\$ 379.17	\$ 447.94	\$ 454.25
6x week	\$ 371.46	\$ 455.00	\$ 537.52	\$ 545.10
Extra Dump	\$ 14.29	\$ 17.75	\$ 20.68	\$ 20.96
<b>Commercial Organics - 6 Yards</b>				
1x week	\$ 92.86	\$ 113.75	\$ 134.38	\$ 136.27
2x week	\$ 185.73	\$ 227.50	\$ 268.76	\$ 272.55
3x week	\$ 278.59	\$ 341.25	\$ 403.14	\$ 408.82
4x week	\$ 371.46	\$ 455.00	\$ 537.52	\$ 545.10
5x week	\$ 464.32	\$ 568.76	\$ 671.90	\$ 681.37
6x week	\$ 557.19	\$ 682.51	\$ 806.28	\$ 817.65
Extra Dump	\$ 21.43	\$ 26.62	\$ 31.01	\$ 31.45

**Front End Load (FEL) Compactor Bin Landfill Service**

	Campbell	Los Gatos	Monte Sereno	Saratoga
<i>FEL compactors are Customer-owned.</i>				
<b>FEL 1CY Compactor</b>				
1x week	\$ 207.66	\$ 245.13	\$ 285.19	\$ 289.20
2x week	\$ 415.33	\$ 490.25	\$ 570.37	\$ 578.41
3x week	\$ 622.99	\$ 735.38	\$ 855.56	\$ 867.61
4x week	\$ 830.65	\$ 980.50	\$ 1,140.74	\$ 1,156.82
5x week	\$ 1,038.31	\$ 1,225.63	\$ 1,425.93	\$ 1,446.02
6x week	\$ 1,245.98	\$ 1,470.76	\$ 1,711.11	\$ 1,735.22
<b>FEL 2CY Compactor</b>				
1x week	\$ 415.33	\$ 490.25	\$ 570.37	\$ 578.41
2x week	\$ 830.65	\$ 980.50	\$ 1,140.74	\$ 1,156.82
3x week	\$ 1,245.98	\$ 1,470.76	\$ 1,711.11	\$ 1,735.22
4x week	\$ 1,661.30	\$ 1,961.01	\$ 2,281.48	\$ 2,313.63
5x week	\$ 2,076.63	\$ 2,451.26	\$ 2,851.85	\$ 2,892.04
6x week	\$ 2,491.95	\$ 2,941.51	\$ 3,422.22	\$ 3,470.45
<b>FEL 3CY Compactor</b>				
1x week	\$ 622.99	\$ 735.38	\$ 855.56	\$ 867.61
2x week	\$ 1,245.98	\$ 1,470.76	\$ 1,711.11	\$ 1,735.22
3x week	\$ 1,868.97	\$ 2,206.13	\$ 2,566.67	\$ 2,602.84
4x week	\$ 2,491.95	\$ 2,941.51	\$ 3,422.22	\$ 3,470.45
5x week	\$ 3,114.94	\$ 3,676.89	\$ 4,277.78	\$ 4,338.06
6x week	\$ 3,737.93	\$ 4,412.27	\$ 5,133.33	\$ 5,205.67
<b>FEL 4CY Compactor</b>				
1x week	\$ 830.65	\$ 980.50	\$ 1,140.74	\$ 1,156.82
2x week	\$ 1,661.30	\$ 1,961.01	\$ 2,281.48	\$ 2,313.63
3x week	\$ 2,491.95	\$ 2,941.51	\$ 3,422.22	\$ 3,470.45
4x week	\$ 3,322.60	\$ 3,922.01	\$ 4,562.96	\$ 4,627.26
5x week	\$ 4,153.26	\$ 4,902.52	\$ 5,703.70	\$ 5,784.08
6x week	\$ 4,983.91	\$ 5,883.02	\$ 6,844.44	\$ 6,940.90

**FEL 6CY Compactor**

1x week	\$ 1,245.98	\$ 1,470.76	\$ 1,711.11	\$ 1,735.22
2x week	\$ 2,491.95	\$ 2,941.51	\$ 3,422.22	\$ 3,470.45
3x week	\$ 3,737.93	\$ 4,412.27	\$ 5,133.33	\$ 5,205.67
4x week	\$ 4,983.91	\$ 5,883.02	\$ 6,844.44	\$ 6,940.90
5x week	\$ 6,229.88	\$ 7,353.78	\$ 8,555.55	\$ 8,676.12
6x week	\$ 7,475.86	\$ 8,824.53	\$ 10,266.66	\$ 10,411.35

**FEL 7CY Compactor**

1x week	\$ 1,453.64	\$ 1,715.88	\$ 1,996.30	\$ 2,024.43
2x week	\$ 2,907.28	\$ 3,431.76	\$ 3,992.59	\$ 4,048.86
3x week	\$ 4,360.92	\$ 5,147.64	\$ 5,988.89	\$ 6,073.29
4x week	\$ 5,814.56	\$ 6,863.52	\$ 7,985.18	\$ 8,097.71
5x week	\$ 7,268.20	\$ 8,579.41	\$ 9,981.48	\$ 10,122.14
6x week	\$ 8,721.84	\$ 10,295.29	\$ 11,977.78	\$ 12,146.57

Front End Load (FEL) Compactor Bin Recycling Service
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Campbell	Los Gatos	Monte Sereno	Saratoga
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*FEL compactors are Customer-owned.*

**FEL Recycling 1CY Compactor**

1x week	\$ 20.77	\$ 24.51	\$ 28.52	\$ 28.92
2x week	\$ 41.53	\$ 49.03	\$ 57.04	\$ 57.84
3x week	\$ 62.30	\$ 73.54	\$ 85.56	\$ 86.76
4x week	\$ 83.07	\$ 98.05	\$ 114.07	\$ 115.68
5x week	\$ 103.83	\$ 122.56	\$ 142.59	\$ 144.60
6x week	\$ 124.60	\$ 147.08	\$ 171.11	\$ 173.52

**FEL Recycling 2CY Compactor**

1x week	\$ 41.53	\$ 49.03	\$ 57.04	\$ 57.84
2x week	\$ 83.07	\$ 98.05	\$ 114.07	\$ 115.68
3x week	\$ 124.60	\$ 147.08	\$ 171.11	\$ 173.52
4x week	\$ 166.13	\$ 196.10	\$ 228.15	\$ 231.36
5x week	\$ 207.66	\$ 245.13	\$ 285.19	\$ 289.20
6x week	\$ 249.20	\$ 294.15	\$ 342.22	\$ 347.04

**FEL Recycling 3CY Compactor**

1x week	\$ 62.30	\$ 73.54	\$ 85.56	\$ 86.76
2x week	\$ 124.60	\$ 147.08	\$ 171.11	\$ 173.52
3x week	\$ 186.90	\$ 220.61	\$ 256.67	\$ 260.28
4x week	\$ 249.20	\$ 294.15	\$ 342.22	\$ 347.04
5x week	\$ 311.49	\$ 367.69	\$ 427.78	\$ 433.81
6x week	\$ 373.79	\$ 441.23	\$ 513.33	\$ 520.57

**FEL Recycling 4CY Compactor**

1x week	\$ 83.07	\$ 98.05	\$ 114.07	\$ 115.68
2x week	\$ 166.13	\$ 196.10	\$ 228.15	\$ 231.36
3x week	\$ 249.20	\$ 294.15	\$ 342.22	\$ 347.04
4x week	\$ 332.26	\$ 392.20	\$ 456.30	\$ 462.73
5x week	\$ 415.33	\$ 490.25	\$ 570.37	\$ 578.41
6x week	\$ 498.39	\$ 588.30	\$ 684.44	\$ 694.09

**FEL Recycling 6CY Compactor**

1x week	\$ 124.60	\$ 147.08	\$ 171.11	\$ 173.52
2x week	\$ 249.20	\$ 294.15	\$ 342.22	\$ 347.04
3x week	\$ 373.79	\$ 441.23	\$ 513.33	\$ 520.57
4x week	\$ 498.39	\$ 588.30	\$ 684.44	\$ 694.09
5x week	\$ 622.99	\$ 735.38	\$ 855.56	\$ 867.61
6x week	\$ 747.59	\$ 882.45	\$ 1,026.67	\$ 1,041.13

**FEL Recycling 7CY Compactor**

1x week	\$ 145.36	\$ 171.59	\$ 199.63	\$ 202.44
2x week	\$ 290.73	\$ 343.18	\$ 399.26	\$ 404.89
3x week	\$ 436.09	\$ 514.76	\$ 598.89	\$ 607.33
4x week	\$ 581.46	\$ 686.35	\$ 798.52	\$ 809.77
5x week	\$ 726.82	\$ 857.94	\$ 998.15	\$ 1,012.21
6x week	\$ 872.18	\$ 1,029.53	\$ 1,197.78	\$ 1,214.66

**Front End Load (FEL) Compactor Bin Organic Service**

Campbell	Los Gatos	Monte Sereno	Saratoga
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*FEL compactors are Customer-owned.***FEL Organic 1CY Compactor**

1x week	\$ 20.77	\$ 24.51	\$ 28.52	\$ 28.92
2x week	\$ 41.53	\$ 49.03	\$ 57.04	\$ 57.84
3x week	\$ 62.30	\$ 73.54	\$ 85.56	\$ 86.76
4x week	\$ 83.07	\$ 98.05	\$ 114.07	\$ 115.68
5x week	\$ 103.83	\$ 122.56	\$ 142.59	\$ 144.60
6x week	\$ 124.60	\$ 147.08	\$ 171.11	\$ 173.52

**FEL Organic 2CY Compactor**

1x week	\$ 41.53	\$ 49.03	\$ 57.04	\$ 57.84
2x week	\$ 83.07	\$ 98.05	\$ 114.07	\$ 115.68
3x week	\$ 124.60	\$ 147.08	\$ 171.11	\$ 173.52
4x week	\$ 166.13	\$ 196.10	\$ 228.15	\$ 231.36
5x week	\$ 207.66	\$ 245.13	\$ 285.19	\$ 289.20
6x week	\$ 249.20	\$ 294.15	\$ 342.22	\$ 347.04

**FEL Organic 3CY Compactor**

1x week	\$ 62.30	\$ 73.54	\$ 85.56	\$ 86.76
2x week	\$ 124.60	\$ 147.08	\$ 171.11	\$ 173.52
3x week	\$ 186.90	\$ 220.61	\$ 256.67	\$ 260.28
4x week	\$ 249.20	\$ 294.15	\$ 342.22	\$ 347.04
5x week	\$ 311.49	\$ 367.69	\$ 427.78	\$ 433.81
6x week	\$ 373.79	\$ 441.23	\$ 513.33	\$ 520.57

**FEL Organic 4CY Compactor**

1x week	\$ 83.07	\$ 98.05	\$ 114.07	\$ 115.68
2x week	\$ 166.13	\$ 196.10	\$ 228.15	\$ 231.36
3x week	\$ 249.20	\$ 294.15	\$ 342.22	\$ 347.04
4x week	\$ 332.26	\$ 392.20	\$ 456.30	\$ 462.73
5x week	\$ 415.33	\$ 490.25	\$ 570.37	\$ 578.41
6x week	\$ 498.39	\$ 588.30	\$ 684.44	\$ 694.09

**FEL Organic 6CY Compactor**

1x week	\$ 124.60	\$ 147.08	\$ 171.11	\$ 173.52
2x week	\$ 249.20	\$ 294.15	\$ 342.22	\$ 347.04
3x week	\$ 373.79	\$ 441.23	\$ 513.33	\$ 520.57
4x week	\$ 498.39	\$ 588.30	\$ 684.44	\$ 694.09
5x week	\$ 622.99	\$ 735.38	\$ 855.56	\$ 867.61
6x week	\$ 747.59	\$ 882.45	\$ 1,026.67	\$ 1,041.13

**FEL Organic 7CY Compactor**

1x week	\$ 145.36	\$ 171.59	\$ 199.63	\$ 202.44
2x week	\$ 290.73	\$ 343.18	\$ 399.26	\$ 404.89
3x week	\$ 436.09	\$ 514.76	\$ 598.89	\$ 607.33
4x week	\$ 581.46	\$ 686.35	\$ 798.52	\$ 809.77
5x week	\$ 726.82	\$ 857.94	\$ 998.15	\$ 1,012.21
6x week	\$ 872.18	\$ 1,029.53	\$ 1,197.78	\$ 1,214.66



<b>Roll-Off Service</b>
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*Roll-off services include a base charge, plus disposal/processing charge for landfill, recycling, and organics by weight. Construction and Demolition (C&D) Debris are excluded from roll-off services. Debris box rentals are for 7 days, additional charges apply beyond the 7th day.*

	Campbell	Los Gatos	Monte Sereno	Saratoga
Roll-Off (Debris Box) Base Charge	\$ 654.06	\$ 647.65	\$ 646.05	\$ 669.57
Roll-Off (Compactor) Base Charge	\$ 784.87	\$ 777.18	\$ 775.26	\$ 803.48

**Disposal/Processing Per Ton Charge at the Guadalupe Landfill**

Landfill	\$ 57.31	\$ 57.31	\$ 57.31	\$ 57.31
Yard Trimmings	\$ 86.44	\$ 86.44	\$ 86.44	\$ 86.44
Mixed Organics	\$ 86.59	\$ 86.59	\$ 86.59	\$ 86.59

**Processing Per Ton Charge at the GreenWaste Recovery Materials Recovery Facility**

Recycle	\$ -	\$ -	\$ -	\$ -
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### Miscellaneous Single-Family Charges

CHARGE	AMOUNT
Additional Landfill Cart (Per cart, per month, to be collected weekly with regular service, up to 95-gallons)	\$18.59
Additional Recycling Cart (Per cart, per month, to be collected weekly with regular service, up to 95-gallons)	\$18.59
Additional Organics Cart (Per cart, per month, to be collected weekly with regular service, up to 95-gallons) RATE APPLICABLE AFTER FREE CONTAINERS INCLUDED IN BASE RATE. (Base rate includes up to 2 organic carts for Campbell, Los Gatos and Saratoga or 3 for Monte Sereno at no additional charge.)	\$18.59
Bundled Yard Trimmings (Per 32-gallon, beyond 6 per year)	\$7.93
Extra Collection (Per cart, to be collected on a day other than regular service day)	\$27.48
Additional On-Call Bulky Cleanup Program (Beyond 3 per year)	\$142.99
Extra Landfill Collection (Per 32-gallon, Customer-provided bag, scheduled at least 1 business day prior to regular service day)	\$9.93
Extra Used Cooking Oil Collection (Beyond 3-gallons per week)	\$1.17
New Kitchen Organics Pail (Beyond 1 per year)	\$17.50
Steam Clean Container (Beyond 1 per year, per cart)	\$25.85

### Miscellaneous Multi-Family and Commercial Charges

#### Monthly Key Charge\*

Frequency Per Week

	1	2	3	4	5	6	Extra On-Call P/U
LOCK CHARGE	\$29.09	\$58.17	\$87.24	\$116.33	\$145.41	\$174.50	\$18.04

\*Charges are monthly in addition to service charges, per container, except Extra On-Call pickup charges.

#### Monthly Cart Push-Out Charge\*\*

Distance (ft)	1	2	3	4	5	6	Extra On-Call P/U
ANY DISTANCE	\$ 11.67	\$23.33	\$35.00	\$46.67	\$58.33	\$70.00	\$7.84

#### Monthly Bin Push-Out Charge\*\*

Distance (ft)	1	2	3	4	5	6	Extra On-Call P/U
25-50	\$58.17	\$116.33	\$174.50	\$232.65	\$290.82	\$348.99	\$36.06
51-75	\$87.24	\$174.50	\$261.74	\$348.98	\$436.21	\$523.45	\$54.10
Commercial landfill rates include 1 recycling cart and 1 organics cart, 1x per week at no additional charge (up to 95-gallons).					\$581.63	\$697.95	\$72.13
126-150	\$174.50	\$348.98	\$523.47	\$697.95	\$872.45	\$1,046.94	\$108.19
151-175	\$203.56	\$407.15	\$610.71	\$814.28	\$1,017.84	\$1,221.41	\$126.23
176-200	\$232.65	\$465.30	\$697.95	\$930.60	\$1,163.25	\$1,395.90	\$144.25
201-250	\$261.74	\$523.47	\$785.19	\$1,046.93	\$1,308.66	\$1,570.40	\$162.29

\*\*Charges are monthly in addition to service charges, per container, except Extra On-Call pickup charges.

Multi-Family Additional On-Call Bulky Cleanup Program (Beyond 1 per unit)	\$142.99
Steam Clean Container - Carts (Beyond 1 per year, per cart)	\$25.85
Steam Clean Container - Bins (Beyond 1 per year, per bin)	\$90.19

CHARGE	AMOUNT
Lock Installation/Removal	\$277.78
Relocate Charge (Move or relocate debris box without a dump)	\$163.40
*Dry Run* Charge (Regular service of empty debris box)	\$163.40
Debris Box Lid Cover (Rental charge per week)	\$15.00
Debris Box Rental (Per day, beyond 7 days)	\$16.34

CUSTOMER REBATES	
Missed Collection Rebate	(Total invoice amount divided by number of service opportunities, per day of unresolved
2nd Failure Missed Collection Rebate	(Per Customer, per rate period, one month's invoice)
Late Container Delivery Rebate	(Per calendar day, beyond 5th business day) \$5.00



# WEST VALLEY

## Solid Waste Management Authority

CAMPBELL • LOS GATOS • MONTE SERENO • SARATOGA

## ATTACHMENT TO AGENDA ITEM NO. 12

### Santa Clara County Collection Rates

Jurisdiction	Residential Single Family				Commercial				Effective Date
	20 Gallon	30-35 Gal. <sup>5</sup>	60-65 Gal.	90-96 Gal.	1YD Bin 1x/week	1YD Bin 3x/week	3YD Bin 1x/week	3YD Bin 3x/week	
City of Sunnyvale <sup>1</sup>	N/A	\$ 38.46	\$ 44.64	\$ 52.46	\$207.43	\$ 592.30	\$ 498.51	\$ 1,461.89	7/1/2023
City of Milpitas <sup>2</sup>	\$ 36.46	\$ 39.63	\$ 46.61	\$ 53.55	\$ 131.51	\$ 323.87	\$ 298.68	\$ 845.52	1/1/2023
City of Morgan Hill	N/A	\$ 42.01	N/A	N/A	\$ 220.14	\$ 614.62	\$ 462.15	\$ 1,298.11	7/1/2023
City of Mountain View	\$ 28.90	\$ 42.10	\$ 84.20	\$ 126.30	\$128.80	\$ 437.10	\$ 385.45	\$1,207.85	7/1/2023
City of Cupertino	\$ 39.67	\$ 42.19	\$ 81.20	\$ 120.20	\$ 198.14	\$ 594.46	\$ 317.04	\$ 951.10	2/1/2024
City of Gilroy	N/A	\$ 43.00	\$ 61.50	\$ 80.49	\$ 197.19	\$ 543.37	\$ 411.31	\$ 1,138.13	7/1/2023
City of Los Altos	\$ 44.98	\$ 48.45	\$ 96.88	\$ 145.34	\$190.06	\$ 570.22	\$ 570.21	\$ 1,710.68	7/1/2023
City of Santa Clara <sup>3</sup>	\$ 41.41	\$ 49.12	\$ 72.74	\$ 96.28	\$ 169.10	\$ 499.10	\$ 431.81	\$ 1,262.13	7/1/2023
City of Palo Alto	\$ 27.81	\$ 50.07	\$ 100.15	\$ 150.22	\$ 219.49	\$ 590.31	\$504.40	\$1,455.48	7/1/2023
City of Campbell - Proposed	\$ 40.54	\$ 50.21	\$ 91.12	\$ 132.03	\$154.77	\$ 464.32	\$ 464.32	\$ 1,392.97	7/1/2024
City of San Jose <sup>4</sup>	N/A	\$ 51.40	\$ 102.80	\$ 154.20	\$ 190.83	\$ 546.47	\$ 266.53	\$ 752.24	7/1/2023
Town of Los Gatos - Proposed	\$ 42.72	\$ 53.22	\$ 97.15	\$ 141.09	\$ 189.59	\$ 568.76	\$ 568.76	\$ 1,706.27	7/1/2024
City of Saratoga - Proposed	\$ 44.95	\$ 55.81	\$ 101.81	\$ 147.80	\$ 227.12	\$ 681.37	\$ 681.37	\$ 2,044.11	7/1/2024
Town of Los Altos Hills	\$ 42.52	\$ 59.26	\$ 118.58	\$ 177.81	\$ 149.22	\$ 314.30	\$ 233.53	\$ 546.10	7/1/2023
City of Monte Sereno - Proposed	\$ 49.30	\$ 61.31	\$ 112.15	\$ 163.00	\$ 223.97	\$ 671.90	\$ 671.90	\$ 2,015.71	7/1/2024
50th Percentile (excluding Authority)	\$ 41.63	\$ 48.45	\$ 94.00	\$ 136.56	\$ 190.83	\$ 570.22	\$ 464.32	\$ 1,392.97	
75th Percentile (excluding Authority)	\$ 44.96	\$ 52.76	\$ 101.81	\$ 147.80	\$ 214.64	\$ 609.58	\$ 569.85	\$ 1,709.58	
Average (excluding Authority)	\$ 40.94	\$ 47.71	\$ 85.86	\$ 123.60	\$ 187.49	\$ 551.40	\$ 471.36	\$ 1,398.77	

<sup>1</sup>Split solid waste/food scraps cart. Rate are based on garbage capacity only. 27-,43-, and 64-gallon carts.

<sup>2</sup>Split 19/19-gal, 26/19-gal, 45/19-gal, & 67/29-gal solid waste/food scraps cart.

<sup>3</sup>Rate for 2 and 3 30-32 gallon carts in lieu of 64 and 96 gallon carts

<sup>4</sup>San Jose residential rate includes loose in the street yard trimmings; commercial rate is for wet service.

<sup>5</sup>Rates sorted by lowest to highest for 30-35 Gallon cart service.

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## **CALENDAR OF FUTURE AGENDA ITEMS**

### **September 5, 2024 Meeting**

- Receive and file CalRecycle Annual Reports.
- Receive an update from West Valley Collection & Recycling (WVC&R) on implementation of the collection agreement.

### **November 7, 2024 Meeting**

- Review construction and demolition debris program status and discuss potential program revisions.
- Consider a contract for Senate Bill (SB) 1383 organic waste product procurement brokering services.
- Consider a contract for a pilot program for SB 1383 multi-family community-based social marketing.
- Conduct closed session evaluation of the West Valley Solid Waste Management Authority's (Authority) Executive Director and Attorney.

### **February 6, 2025**

- Elect new officers.
- Receive an Authority budget and rates workshop presentation.

### **May 1, 2025**

- Approve Authority budget.
- Ratify WM disposal and processing contractual rate adjustment.
- Ratify WVC&R collection rates for Rate Period 2 of the collection agreement.
- Accept audited financial statements.
- Approve Board Meeting schedule.