

**SECOND AMENDMENT TO**

**FRANCHISE AGREEMENT FOR**

**INTEGRATED SOLID WASTE MANAGEMENT SERVICES**

**BETWEEN**

**THE CAMBRIA COMMUNITY SERVICES DISTRICT**

**AND**

**MISSION COUNTRY DISPOSAL, INC.**

**MAY 6, 2022 FINAL DRAFT**

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This Second Amendment to the Franchise Agreement for Integrated Solid Waste Management Services ("Second Amendment", or "this Amendment") is made and entered into between the Cambria Community Services District, a political subdivision of the State of California (hereinafter "District") and Mission Country Disposal, Inc., a California corporation (hereinafter "Franchisee").

## **RECITALS**

This Second Amendment is made and entered into on the basis of the following facts, understandings, and intentions of the Parties:

**WHEREAS:** The Parties entered into the Franchise Agreement for Integrated Solid Waste Management Services on July 27, 2001 ("Agreement" capitalized terms used but not defined herein shall have the meanings given to them in the Agreement); and,

**WHEREAS:** On May 27, 2010, the Parties entered into the First Amendment to the Franchise Agreement for Integrated Solid Waste Management Services (the "First Amendment"); and

**WHEREAS:** Section 5.9 of the Agreement provides the District with the right to direct the Franchisee to modify the scope of one or more types of service described in the Agreement, or to otherwise modify its performance under the Agreement, subject to providing additional compensation; and,

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

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

**WHEREAS:** Both Parties have, in good faith, negotiated changes to the Agreement necessary to support the District's compliance with SB 1383, as set forth herein.

**NOW, THEREFORE,** in consideration of the mutual promises, covenants, and conditions herein contained, District and Franchisee do hereby agree as follows:

## **SECTION 1. EFFECTIVE DATE**

This Second Amendment shall become effective on the date this Amendment is signed by both Parties.

## **SECTION 2. PURPOSE AND INTENT**

The purpose and intent of this Second Amendment is to provide for the implementation of SB 1383 and the parties acknowledge that it has been drafted in cooperation with the San Luis Obispo Integrated Waste Management Authority (IWMA), which has been delegated certain responsibilities in accordance with the provisions and requirements of SB 1383 and which has made an effort to harmonize the services and contract language related to SB 1383 in solid waste franchise agreements, to the greatest degree possible, on a countywide basis

## SECTION 3. CONFLICTING PROVISIONS

Notwithstanding anything to the contrary in the Agreement or the First Amendment, the following controls, and to the extent any provision in the Agreement or the First Amendment is in conflict with this Second Amendment, the provision in this Amendment shall supersede any conflicting language and shall prevail.

## SECTION 4. AMENDMENTS TO AGREEMENT

The Agreement is hereby amended to read as follows:

### Title of Agreement

A. The Title of the Agreement is hereby amended to read as follows:

"Franchise Agreement for Integrated Solid Waste, Recyclable Materials, and Organic Materials Management Services between the Cambria Community Services District and Mission Country Disposal, Inc."

### Article 1. Definitions

#### Modified Definitions

B. Article 1 of the Agreement is hereby amended to remove the definition numbering and modify the following definitions:

"**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 it may be amended, supplemented, superseded, and replaced from time to time.

"**Agreement**" means this Agreement between the District and Franchisee for arranging for the Collection, Diversion, and Disposal of Solid Waste, Organic Materials, and Recyclable Materials, and any future amendments hereto.

"**Bulky Waste**" means discarded, large household appliances, furniture, tires, carpets, mattresses, bundled and tied Green Waste and/or wood waste and similar large items which require special handling due to their size, but can be Collected without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. It does not include abandoned automobiles. Bulky Waste must be generated by the Customer and at the service address wherein the Bulky Waste are Collected. Bulky Waste do not include abandoned automobiles, large auto parts, trees, Construction Debris, or items herein defined as Excluded Waste.

"**Collect**" or "**Collection**" (or any variation thereof) means the act of taking possession of Recyclable Materials, Organic Materials, Solid Waste, Bulky Waste, and other materials at the place of generation in District.

"**Container**" means Bins, Carts, Compactors, and franchise Roll-Offs.

"**District**" means the Cambria Community Services District, a subdivision of the State of California, and all the territory lying within the jurisdictional boundaries of the District as presently existing or as such

boundaries may be modified during the Term of this Agreement. The District may designate responsibilities to one or more third parties, in writing, between the District General Manager and the designee.

**"Designated Collection Location"** means the place where Customers within the District are authorized to place their Solid Waste, Organic Materials and Recyclable Materials for Collection by Franchisee.

**"Dispose" or "Disposal"** (or any variation thereof) means the ultimate disposition of Solid Waste or Processing Residue at a landfill in Full Regulatory Compliance or other fully permitted Disposal Facility.

**1.14 "Disposal Site(s)"** means a landfill, or other facility for ultimate Disposal of Solid Waste.

**1.18 "Facility"** see "Approved Facility(ies)." means any plant or site, owned or leased and maintained and/or operated or used by Franchisee for purposes of performing under this Agreement.

**"Franchise"** means the special right granted by the District to operate a Solid Waste, Organic Materials, and Recyclable Materials Collection and services company providing such services within the District.

**"Green Waste"** means those Discarded Materials that will decompose and/or putrefy, including, but not limited to, green trimmings, grass, weeds, leaves, prunings, branches, dead plants, brush, tree trimmings, dead trees, small pieces of unpainted and untreated wood, and other types of Organic Materials resulting from normal yard and landscaping maintenance that may be specified in District Legislation for Collection and Processing as Organic Materials under this Agreement. Green Waste does not include items herein defined as Excluded Waste. Green Waste is a subset of Organic Materials. Green Waste placed for Collection may not exceed six (6) inches in diameter and three (3) feet in length and must fit within the Franchisee-provided Container. Acceptable Green Waste may be added to or removed from this list from time to time by mutual consent or at the sole discretion of the District. Franchisee shall not add or remove materials to or from this list without written approval from the District General Manager or signed amendment to the Agreement, and such approval shall not be unreasonably withheld.

**"Hazardous Waste"** means all substances defined as Hazardous Waste, acutely Hazardous Waste, or extremely Hazardous Waste by the State in Health and Safety Code §25110.02, §25115, and §25117 or in the future amendments to or recodifications of such statutes or identified and listed as solar panels from Residential Premises, and Hazardous Waste by the U.S. Environmental Protection Agency (EPA), pursuant to the Federal Resource Conservation and Recovery Act (42 USC §6901 et seq.), all future amendments thereto, and all rules and regulations promulgated thereunder.

**"Household Hazardous Waste" or "HHW"** means Hazardous Waste generated at Residential Premises within the District. HHW includes: paint, stain, varnish, thinner, adhesives, auto products such as old fuel, used motor oil and filter, used oil filter, batteries, household batteries, fluorescent bulbs, tubes, cleaners and sprays, pesticides, fertilizers and other garden products, needles, syringes, and lancets.

**"Materials Recovery Facility"** means a permitted Facility where Recyclable Materials are sorted or separated for the purposes of recycling or reuse.

**"Medical Waste"** means biomedical, biohazardous waste, sharp wastes, waste which is generated or produced 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, or as

a result of the diagnosis, treatment or immunization of human beings or animals, in research pertaining thereto, or in the production or testing of biological products, pursuant to California Health and Safety Code Section 25023.2.

**"Multi-Family Dwelling Unit," "Multi-Family" or "MFD"** means, notwithstanding any contrary definition in Municipal Code, any Premises, other than a Single Family Dwelling Unit, with five (5) or more Dwelling Units used for Residential purposes, with five (5) or more Dwelling Units (regardless of whether residence therein is temporary or permanent), including such Premises when combined in the same building with Commercial establishments, that receive centralized, shared, Collection service for all units on the Premises which are billed to one (1) Customer at one (1) address. Customers residing in Townhouses, mobile homes, condominiums, or other structures with five (5) or more Dwelling Units who receive individual service and are billed separately shall not be considered Multi-Family.

**"Person(s)"** means any individual, firm, association, organization, partnership, consortium, corporation, trust, joint venture, Commercial entity, governmental entity, public entity, any other legal Person, the United States, the State of California, the Cambria Community Services District, local agencies, and special purpose districts.

**"Premises"** means any land or building in the District where Solid Waste, Organic Materials and/or Recyclable Materials are generated or accumulated.

**"Recyclable Materials"** means by-products or discards set aside, handled, packaged or offered for Collection from Residential, Commercial, governmental or industrial Customers in a manner different from Solid Waste or Organic Materials, including, but not limited to, aluminum, newspaper, clear and colored glass, tin and bi-metal, all plastic containers, cardboard, chipboard, magazines, mixed paper (including magazines, phone books and junk mail) and motor oil and filters (separately collected). Acceptable Recyclable Materials may be added to or removed from this list from time to time by mutual consent or at the sole discretion of the District. Franchisee shall not add or remove materials to or from this list without written approval from the District General Manager or signed amendment to the Agreement, and such approval shall not be unreasonably withheld.

**"Single Family Dwelling Unit" or "SFD"** means notwithstanding any contrary definition in Municipal Code, any detached or attached house or residence designed or used for occupancy by one (1) family, provided that Collection service feasibly can be provided to such Premises as an independent unit, and the Owner or Occupant of such independent unit is billed directly for the Collection service. Single-Family includes Townhouses that maintain individual collection service regardless of whether each unit is separately billed for their specific Service Level. Single-Family also includes duplex, tri-plex, or four-plex Residential structures regardless of whether each unit maintains individual collection service or is separately billed for their specific Service Level.

**"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 Waste, Construction Debris, 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 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.

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

## **New Definitions**

- C. Article 1 of the Agreement is hereby amended to remove the definition numbering and add the following new 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 Article and shall be capitalized throughout this Agreement:

**"AB 1826"** means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014 modifying Division 30 of the California Public Resources Code), also commonly referred to as "AB 1826," as amended, supplemented, superseded, and replaced from time to time.

**"AB 341"** means the California Jobs and Recycling Act of 2011 (Chapter 476, Statutes of 2011 [Chesbro, AB 341]), also commonly referred to as "AB 341", as amended, supplemented, superseded, and replaced from time to time.

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

**"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 Facility(ies)"** means any one of or any combination of the: Approved Materials Recovery Facility; Approved Organic Materials Processing Facility; and/or Approved Disposal Facility.

**"Approved Disposal Facility"** means the Cold Canyon Landfill as the primary, and Chicago Grade Landfill, or the Santa Maria Landfill, as alternatives, which have been selected by the Franchisee and approved by the District. Franchisee shall notify District before using an alternative facility.

**"Approved Organic Materials Processing Facility"** means the Hitachi Zosen Inova (HZI) Kompogas Facility located at 4300 Old Santa Fe Rd, San Luis Obispo, CA 93401, and Engel & Gray Inc. Regional Compost Facility, located at 745 West Betteravia Road, Santa Maria, California which have been selected by the Contractor and approved by the City.

**"Approved Processing Facility(ies)"** means any one of or any combination of the: Approved Materials Recovery Facility; Approved Disposal Facility; or Approved Organic Materials Processing Facility.

**“Approved Materials Recovery Facility”** means the Materials Recovery Facility at Cold Canyon Processing Facility, which has been selected by the Franchisee and approved by the District. **“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 and/or rear-end loading Collection vehicle, including Bins with Compactors attached to increase the capacity of the Bin.

**“Business Days”** mean days during which the District and Franchisee 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).

**“CalRecycle”** means California's Department of Resources Recycling and Recovery.

**“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 20, 35, 64 or 96 gallons (or similar volumes).

**“Commercial”** shall mean of, from, or pertaining to non-Residential Premises 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 which are permitted under applicable zoning regulations and are not the primary use of the property.

**“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 two (2) to eight (8) cubic yard Bin Compactors serviced by front-end loader Collection vehicles and ten (10) to fifty (50) cubic yard Drop Box Compactors serviced by Roll-Off Collection vehicles.

**“Complaint”** shall mean each written or orally communicated statement made by any Person, whether to District or Franchisee, alleging: (1) non-performance, or deficiencies in Franchisee's performance, of its duties under this Agreement; (2) a violation by Franchisee of this Agreement; or, (3) an SB 1383 non-compliance Complaint as required under 14 CCR Section 18995.3.

**“Compostable Plastic”** means plastic materials that meet the ASTM D6400 standard for Compostability.

**“Compost”** (or any variation thereof) includes a controlled biological decomposition of Organic Materials yielding a safe and nuisance free Compost product.

**“County”** means the County of San Luis Obispo, a political subdivision of the State of California.

**“Customer”** means the Person whom Franchisee 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.

**“Customer Notice”** means the Franchisee's notice to Customer(s) as described in Section 5.15.



**“Discarded Materials”** means Recyclable Materials, Organic Materials, and Solid Waste placed by a Generator in a receptacle and/or at a location for the purposes of Collection by Franchisee, excluding Excluded Waste.

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

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

**“District General Manager”** means the District staff member or their designee responsible for contract management and maintenance.

**“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, subsequent to the provisions of AB 939. 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 District.

**“Dwelling Unit”** means any individual living unit in a; Single-Family dwelling (SFD) or Multi-Family dwelling (MFD) structure or building, a mobile home, or a 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 the recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code. If the definition in 14 CCR Section 18982(a)(18) for Edible Food differs from this definition, the definition in 14 CCR Section 18982(a)(18) shall apply to this Agreement.

**“Effective Date”** means the date on which the latter of the two Parties signs this Agreement.

**“Excluded Waste”** means Hazardous Substance, Hazardous Waste, infectious waste, Designated Waste, volatile, corrosive, biomedical, infectious, biohazardous, and toxic substances or material, waste that Franchisee 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 Franchisee’s reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Franchisee or District 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.

**“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 which otherwise would be Disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

**“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 and other Compostable Organic Waste common to the occupancy of Residential dwellings. Food Scraps are a subset of Food Waste.

**“Food-Soiled Paper”** means Compostable paper material that has come in contact with Food Scraps or liquid, such as, but not limited to, Compostable paper plates, napkins, and pizza boxes. 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.

**“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", or "toxic substances", or similarly identified as hazardous to human health or the environment, in or pursuant to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (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 currently existing or hereinafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's (PCBs), petroleum, natural gas, and synthetic fuel products, and by-products.

**“Holidays”** are defined as New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

**“Liquidated Damages”** means the amounts due by Franchisee for failure to meet specific quantifiable standards of performance as described in Section 12.6.

**“Occupant”** means the Person who occupies a Premises.

**“Organic Materials”** means Green Waste and Food Waste, individually or collectively. No Discarded Material shall be considered to be Organic Materials, however, unless it is separated from Recyclable Material and Solid Waste. Organic Materials are a subset of Organic Waste.

**“Organic Waste”** means wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, Green Waste, 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.

**“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.

**“Party” or “Parties”** refers to the District and Franchisee, individually or together.

**“Process” or “Processing”** means to prepare, treat, or convert through some special method.

**“Processing Facility”** means any plant or site used for the purpose of sorting, cleansing, treating or reconstituting Recyclable Materials for the purpose of making such material available for Recycling or reuse or the facility for the Processing and/or Composting of Organic Materials.

**“Prohibited Container Contaminants”** means the following: (i) Discarded Materials placed in the Recyclable Materials Container that are not identified as acceptable Recyclable Materials for the District’s Collection program; (ii) Discarded Materials placed in the Organic Materials Container that are not identified as acceptable Organic Materials for the District’s Collection program; (iii) Discarded Materials placed in the Solid Waste Container that are acceptable Recyclable Materials and/or Organic Materials to be placed in the District’s Recyclable Materials or Organic Materials Containers or otherwise managed under the District’s Collection program; and, (iv) Excluded Waste placed in any Container.

**“Recycle” or “Recycling”** 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.

**“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”** means those materials which, after Processing, are Disposed rather than Recycled due to either the lack of markets for materials or the inability of the Processing Facility to capture and recover the materials.

**“Roll-Off”** means an open-top or lidded Container with a capacity of seven (7) to forty (40) cubic yards that is serviced by a franchise roll-off Collection vehicle.

**“SB 1383”** means Senate Bill 1383 of 2016 approved by the Governor on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the Public Resources Code, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants as amended, supplemented, superseded, and replaced from time to time. For the purposes of this Agreement, SB 1383 specifically refers to the Short-Lived Climate Pollutants (SLCP): Organic Waste Reductions regulations developed by CalRecycle and adopted on November 3, 2020 that created Chapter 12 of 14 CCR, Division 7 and amended portions of regulations of 14 CCR and 27 CCR.

**“Self-Haul” or “Self-Hauler”** means a Person who hauls Discarded Materials, recovered material, or any other material, to another Person, or as otherwise defined in 14 CCR Section 18982(a)(66). Self-Contractor also includes a Person who back-hauls waste, as defined in 14 CCR Section 18982(a)(66)(A).

**“Service Level”** refers to the size of a Customer’s Container and the frequency of Collection service.

**“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 Party who has entered into a contract, express or implied, with the Franchisee for the performance of an act that is necessary for the Franchisee’s fulfillment of its obligations for providing service under this Agreement. Vendors providing materials and supplies to Franchisee shall not be considered Subcontractors.

**“Ton” or “Tonnage”** means a unit of measure for weight equivalent to two thousand (2,000) standard pounds.

**“Townhouse”** means an attached or semi-attached Dwelling Unit within a group of attached or semi-attached Dwelling Units. A Townhouse shall be considered a Single Family Dwelling Unit if each unit maintains individual Collection service subscription. A Townhouse shall be considered a Multi-Family Dwelling Unit if the Premise receives centralized, shared, Collection service for all units on the Premise. These shall be the designations regardless of whether the Premises are billed individually or through a central account (e.g., homeowner association, property manager).

**“Transfer”** means the act of transferring the materials Collected by Franchisee in its route vehicles into larger vehicles for Transport to other facilities for the purpose of Recycling or Disposing of such materials.

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

## **Article 4. Scope of Agreement**

### **4.1 Grant and Acceptance of Exclusive Franchise**

D. Article 4, Section 4.1 of the Agreement is hereby amended to read as follows:

“Subject to Sections 3.4 (Conditions to Effectiveness of Agreement) and 4.2 (Limitations to Scope), this Agreement grants Franchisee the exclusive right to arrange for the Collection, Processing, Diversion and Disposal of Discarded Materials from Residential and non-Residential properties placed in the Designated Collection Location for regular or scheduled Collection in accordance with the District's ordinances, rules and regulations, except where otherwise precluded by law. Franchisee hereby accepts the terms and conditions of the Franchise as set forth in this Agreement.

Franchisee and the District acknowledge that a ninety (90) day to one hundred and twenty (120) day period of transition is necessary for Franchisee's full implementation and compliance with Sections 6.1.3 (Containers) and 7.1 (Billing) of this Agreement. Both Parties shall use good faith efforts to ensure timely,

efficient transition, including but not limited to, Franchisee's acquisition and furnishing of the appropriate Containers for Collection of Solid Waste, Organic Materials and Recyclable Materials, and the District's transfer of Customer billing account information to Franchisee.”

## **4.2 Limitations to Scope**

E. Article 4, Section 4.2 of the Agreement is hereby amended to read as follows:

“The Agreement for the Collection, Processing and marketing of Recyclable Materials and Organic Materials granted to Franchisee shall be exclusive except as to the following categories of Recyclable Materials and Organic Materials listed in this Article. The granting of this Agreement shall not preclude the categories of Recyclable Materials or Organic Materials 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 District that is otherwise required by law:

- A. Recyclable Materials or Organic Materials separated from Solid Waste by the Waste Generator and for which Waste Generator sells or is otherwise compensated by a collector in a manner resulting in a net payment to the Waste Generator for such Recycling or related services; provided that such separation and Recycling or Disposal are actually performed by the Waste Generator, and not by a Subcontractor or other third-party;
- B. Recyclable Materials or Organic Materials donated to a charitable, environmental or other non-profit organization; provided, however, that all such Recyclable Materials or Organic Materials are substantially separated from non-Recyclable and non-Compostable Solid Waste by the Waste Generator
- C. Recyclable Materials or Organic Materials which are separated at any Premises and which are Transported by the Owner or Occupant of such Premises (or by their full-time employee) to a Recycling or Organic Materials Processing center;
- D. Other governmental agencies within the District which can contract for separate Solid Waste, Recyclable Materials, and Organic Materials services.
- E. Franchisee shall cooperate with and shall not impede, interfere, or attempt to impede or interfere with the implementation, expansion, or operation of Edible Food Recovery efforts in the District.
- F. Animal waste and remains from slaughterhouses or butcher shops.
- G. By-products of sewage treatment, including sludge, sludge ash, grit and screening.
- H. Hazardous Waste, liquid waste and Medical Waste.
- I. Construction Debris.

This Agreement to Collect, Transport, Process, and market Recyclable Materials and Organic Materials shall be interpreted to be consistent with State and Federal laws, now and during the Term of the Agreement, and the scope of this Agreement shall be limited by current and developing State and Federal laws with regard to Recyclable Materials and Organic Materials handling, Recyclable Materials and Organic Materials flow control, and related doctrines. In the event that changes in law limit the ability of the District to lawfully provide for the scope of services as specifically set forth herein, Franchisee and District agree to work in good faith to amend the scope of the Agreement so as to comply with such changes in law. Further, Franchisee agrees that the District shall not be responsible for any lost profits or damages claimed by Franchisee to arise out of further limitations of the scope of the Agreement set forth herein. It shall be the responsibility of Franchisee to minimize the financial impact to other services being provided.

Franchisee acknowledges and agrees that the District may permit other Persons besides Franchisee to Collect any or all types of the materials listed in this section without seeking or obtaining approval of Franchisee under this Agreement.”

#### **4.4 Serve Without Interruption**

F. Article 4, Section 4.4 of the Agreement is hereby amended to read as follows:

“Franchisee shall continue to Collect and Dispose of Discarded Materials throughout the Term of this Agreement without interruption.”

#### **4.7 Franchisee as Arranger**

G. Article 4, Section 4.7 of the Agreement is hereby amended to read as follows:

“The District and Franchisee mutually agree that the District's granting of this Franchise shall not be construed as the District "arranging for" the Collection and Disposal of Discarded Materials within the meaning of CERCLA. The Parties further mutually agree that the granting of the Franchise by the District shall be construed as an action whereby Franchisee is granted, and accepts the rights, responsibilities, benefits and liabilities of Collection and Disposal of Discarded Materials. Commencing on the Effective Date of this Agreement and, to the extent that Franchisee's performance under this Agreement requires the Collection and Disposal of Discarded Materials, and may be construed as "arranging for" Collection and Disposal of Discarded Materials within the meaning of CERCLA, such actions shall be the sole responsibility of Franchisee and Franchisee expressly agrees to be solely responsible for all such actions.”

#### **4.9 Ownership of Solid Waste**

H. Article 4, Section 4.9 of the Agreement is hereby amended to read as follows:

“Once Solid Waste is placed in Containers and properly presented for Collection, ownership and the right to possession shall transfer directly from the Generator to Franchisee by operation of this Agreement. Franchisee is hereby granted the right to retain, Process, Divert, Dispose of, and otherwise use such Solid Waste, or any part thereof, in any lawful fashion or for any lawful purpose desired by Franchisee.

Subject to this Agreement, Franchisee shall have the right to retain any benefit resulting from its right to retain, Process, Divert, Dispose of, or use the Solid Waste which it Collects. Any cost savings resulting from decreased Disposal shall off- set Franchisee's operating expenses.

Solid Waste, or any part thereof, which is Disposed of at the Approved Disposal Facility shall become the property of the Owner or operator of the Approved Disposal Facility once deposited there by Franchisee. Nothing in this Agreement shall be construed as giving rise to any inference that the District has any ownership or possession of Solid Waste.”

#### **4.10 Ownership of Recyclable Materials**

I. Article 4, Section 4.10 of the Agreement is hereby amended to read as follows:

“Once Recyclable Materials are placed in Containers and properly presented for Collection, ownership and the right to possession shall transfer directly from the Generator to Franchisee by operation of this Franchise. Franchisee is hereby granted the right to retain, Recycle, Process, reuse, and otherwise use such Recyclable Materials or any part thereof, in any lawful fashion or for any lawful purpose consistent with this Franchise. Subject to the provisions of this Franchise, Franchisee shall have the right to retain any benefit resulting from its right to retain, Recycle, Process or reuse the Recyclable Materials which it Collects. Recyclable Materials or any part thereof, which are delivered to the Approved Materials Recovery Facility shall become the property of the Owner or operator of the Approved Materials Recovery Facility(ies) once deposited there by Franchisee.”

#### **4.11 Ownership of Organic Materials (NEW)**

J. Article 4 is hereby amended to add the following Section 4.11, Ownership of Organic Materials:

“Once Organic Materials are placed in Containers and properly presented for Collection, ownership and the right to possession shall transfer directly from the Generator to Franchisee by operation of this Franchise. Franchisee is hereby granted the right to retain, Compost, Process, reuse, and otherwise use such Organic Materials or any part thereof, in any lawful fashion or for any lawful purpose consistent with this Franchise. Subject to the provisions of this Franchise, Franchisee shall have the right to retain any benefit resulting from its right to retain, Compost, Process or reuse the Organic Materials which it Collects. Organic Materials or any part thereof, which are delivered to an Approved Organic Materials Processing Facility shall become the property of the Owner or operator of the Facility(ies) once deposited there by Franchisee.”

### **Article 5. Direct Services**

#### **5.1 General**

K. Article 5, Section 5.1 of the Agreement is hereby amended to read as follows:

“The work to be done by Franchisee pursuant to this Franchise shall include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items and tasks necessary to perform the services required.

It is mandatory that the work to be done by Franchisee pursuant to this Agreement shall be accomplished in a thorough and professional manner so that all properties receiving service within the District are provided reliable, courteous, prompt and high-quality services for Collection of Discarded Materials. All Collection activities shall be conducted in such a manner that public and private property will not be damaged. Franchisee shall replace Containers and covers in Designated Collection Locations and shall not place them in the street or on adjoining property.

The District reserves the right to revise its ordinances and resolutions pertaining to Discarded Materials Collection and Disposal in order to protect public health, safety and welfare. The Agreement is subject to any such future revisions of the District's laws and regulations, and Franchisee agrees to comply with any such changes in said laws and regulations as if incorporated into the Agreement.”

## 5.2 Single Family Residential Discarded Materials Collection Service

L. Article 5, Section 5.2 of the Agreement is hereby retitled and amended to read as follows:

- A. “No later than the Effective Date, for Residential Customers, Franchisee shall Collect Discarded Materials at the curbside at a minimum of once a week for all Single-Family Premises within District, or such other level of service as may be determined by District with the consent of Franchisee and at rates established by this Agreement. Franchisee shall provide more frequent Collection services at rates established by this Agreement for those Premises within the District that generate larger volumes of Discarded Materials. Franchisee will notify Customers of Holiday Collection schedules.
- B. **General.** Franchisee shall provide regular Collection of Recyclable Materials and Organic Materials placed in Containers at the Designated Collection Locations for Single-Family Dwelling Units at the rates established by this Agreement and in Containers that comply with the requirements of this Agreement. Franchisee shall Transport all Discarded Materials to the Approved Facility(ies) as specified in Section 5.12. Residential Recyclable Materials and Organic Materials Collection shall be collected weekly on the same day of the week as Solid Waste Collection service, unless in- yard service is provided or Customer has received a waiver pursuant to Section 5.14.
- C. **Organic Materials.** No later than the Effective Date, Franchisee shall implement an Organic Materials Collection program that allows Generators to commingle Food Waste and Green Waste in the Organic Materials Containers to all Residential customers with exception to any waivers granted pursuant to Section 5.14. Franchisee shall provide Organic Materials Collection service, as described in this Section and Transport the Organic Materials to the Approved Organic Materials Processing Facility.
- D. **Accommodations for Residents with Disabilities.** Handicapped residents shall have the option of placing their Containers near their dwelling, visible and within reasonable distance from the curb, and without obstacles (i.e., uneven surfaces, steep inclines/declines, behind gates) that cause a safety concern, and Franchisee will Collect their Containers at this location and return Container to same location. Franchisee will notify residents annually, beginning within thirty (30) days of execution of this Agreement, of this Collection option. To be eligible for this Collection option, residents must present proof of their physical incapacity to Franchisee.”

## 5.3 Other Discarded Materials Collection Service

M. Article 5, Section 5.3 of the Agreement is hereby retitled and amended to read as follows:

### “5.3.1 Multi-Family Discarded Materials Collection Service

- A. No later than the Effective Date, Franchisee shall Collect Discarded Materials from all Multi-Family Dwelling Units within the District, using Containers of a size and shape permitted by the District, not less than once per week, or such other level of service as may be determined by District with the consent of Franchisee and at rates established by this Agreement. Franchisee shall provide more frequent Collection services at rates established by this Agreement for those Premises within the District that generate larger volumes of Discarded Materials. Franchisee and each Customer shall agree on the Designated Collection Location. Special consideration shall be given when determining the Designated Collection Location for Multi-Family accounts to ensure that the flow of traffic is not impeded and that it does not result in aesthetic degradation of an



area. The designated Collection location, if disputed by Customer or Franchisee, shall be determined by the District. Additionally, if in the District's opinion, the location of an existing Collection location for a particular Commercial, industrial or institutional property is inappropriate, the District may direct the Customer or Franchisee to relocate the Collection location. If a Customer refuses to comply with said directive, Franchisee shall decline to Collect Discarded Materials from said improperly located Containers.

- B. General.** Franchisee shall provide regular Collection of Recyclable Materials and Organic Materials placed in Containers at the designated Collection locations for Multi Family Dwelling Units at the rates established by this Agreement and in Containers that comply with the requirements of this Agreement. Franchisee shall Transport all Discarded Materials to the Approved Facility(ies) as specified in Sections 5.7 and 5.12 Residential Recyclable Materials and Organic Materials Collection shall be collected weekly on the same day of the week as Solid Waste Collection service, unless in- yard service is provided or Customer has received a waiver pursuant to Section 5.14.
- C. Organic Materials.** No later than the Effective Date, Franchisee shall implement an Organic Materials Collection program that allows Generators to commingle Food Waste and Green Waste in the Organic Materials Containers to all Multi-Family customers with exception to any waivers granted pursuant to Section 5.14. Franchisee shall provide Organic Materials Collection service, as described in this Section and Transport the Organic Materials to the Approved Organic Materials Processing Facility.

### **5.3.2 Commercial, Industrial and Institutional Discarded Materials Collection Services**

- A.** No later than the Effective Date, Franchisee shall Collect Discarded Materials from all Commercial, industrial and institutional properties within the District, using Containers of a size and shape permitted by the District, not less than once per week, or such other level of service as may be determined by District with the consent of Franchisee and at rates established by this Agreement. Franchisee shall provide more frequent Collection services at rates established by this Agreement for those Premises within the District that generate larger volumes of Discarded Materials. Franchisee and each Customer shall agree on the Designated Collection Location. Special consideration shall be given when determining the Designated Collection Location for Commercial and/or industrial accounts to ensure that the flow of traffic is not impeded and that it does not result in aesthetic degradation of an area. The Designated Collection Location, if disputed by Customer or Franchisee, shall be determined by the District. Additionally, if in the District's opinion, the location of an existing Collection location for a particular Commercial, industrial or institutional property is inappropriate, the District may direct the Customer or Franchisee to relocate the Collection location. If a Customer refuses to comply with said directive, Franchisee shall decline to Collect Discarded Materials from said improperly located Containers.
- B. General.** Franchisee shall provide regular Collection of Recyclable Materials and Organic Materials placed in Containers at the Designated Collection Locations for Commercial, industrial, and institutional properties at the rates established by this Agreement and in Containers that comply with the requirements of this Agreement. Franchisee shall Transport all Discarded Materials to the Approved Facility(ies) as specified in Sections 5.7 and 5.12. Commercially Generated Recyclable Materials and Organic Materials Collection shall be on a schedule as determined by Franchisee and the Waste Generator.
- C. Organic Materials.** No later than the Effective Date, Franchisee shall implement an Organic Materials Collection program that allows Generators to commingle Food Waste and Green Waste

in the Organic Materials Containers to all Commercial, industrial, and institutional properties with exception to any waivers granted pursuant to Section 5.14. Franchisee shall provide Organic Materials Collection service, as described in this Section and Transport the Organic Materials to the Approved Organic Materials Processing Facility.”

#### **5.4 Public Facilities Collection**

N. Article 5, Section 5.4 of the Agreement is hereby amended to read as follows:

- A. “No later than the Effective Date, Franchisee shall Collect and Dispose of all Discarded Materials generated at Premises owned and/or operated by the District at no charge. Franchisee shall make collections from the District's Discarded Materials Containers, not less than once per week, or such other level of service as may be determined by District with the consent of Franchisee and at rates established by this Agreement. Franchisee shall provide more frequent Collection services at rates established by this Agreement for those Premises within the District that generate larger volumes of Discarded Materials. Collections shall be scheduled at a time mutually agreed upon by Franchisee and the District.
- B. **Organic Materials.** No later than the Effective Date, Franchisee shall implement an Organic Materials Collection program that allows Generators to commingle Food Waste and Green Waste in the Organic Materials Containers to all public facilities with exception to any waivers granted pursuant to Section 5.14. Franchisee shall provide Organic Materials Collection service, as described in this Section and Transport the Organic Materials to the Approved Organic Materials Processing Facility.
- C. **Additional Services.** Franchisee shall provide, at the District's direction, additional Discarded Materials Collection and Disposal and consulting services including:
  - (1) Collection of Solid Waste from up to twenty-five (25) sidewalk litter containers located in Cambria, with Collection from additional Containers to be mutually agreed upon by Franchisee and the District;
  - (2) Collection of Solid Waste from containers in District parks as mutually agreed upon by Franchisee and the District; and
  - (3) Review of plans for land use or property developments with regard to Collection service issues.”

#### **5.5 Recycling Services**

O. Article 5, Section 5.5 of the Agreement is hereby amended to read as follows:

##### **“5.5.1 Scope of Services**

Franchisee shall provide Organic Materials Collection and curbside Recyclable Materials services for the residents and businesses located within the District, subject to the terms and conditions herein set forth. Franchisee shall Collect and remove all Recyclable Materials placed in Containers at the Designated Collection Locations for Single Family Dwelling Units, Multi-Family Dwelling Units, and Commercial and Industrial Properties in the District. Handicapped residents shall have the option of placing their Containers near their dwelling, visible and within reasonable distance from the curb, and without obstacles (i.e., uneven surfaces, steep inclines/declines, behind gates) that cause a safety concern, and Franchisee will Collect their Containers at this location and return Container to same location.

Curbside Recyclable Materials and Organic Materials Collection shall be a minimum of once each week on the same day of the week as Solid Waste Collection service.

Franchisee shall determine the method, details and means of performing the above-reference services. Franchisee may, at Franchisee's own expense, employ such Persons Franchisee deems necessary to perform the services required of Franchisee by this Agreement. District may not control, direct or supervise Franchisee's personnel in performance of those services.

### **5.5.2 Type of Service**

Pursuant to this Agreement, Franchisee shall provide such service to all residents and Commercial and Industrial Properties within the District. Except as provided herein, the type of service to be performed shall be as set forth in Exhibit A, a copy of which is attached hereto, and incorporated herein by reference as though here fully set forth.

### **5.5.3 Sale of Recyclable Materials and Organic Materials**

Franchisee shall be responsible for diligently pursuing the sale of all Recyclable Materials and Organic Materials Collected pursuant to this Agreement. Revenues from the sales of these materials shall be applied to the cost of service under the Agreement to reduce Franchisee's overall costs. For those Recyclable Materials and Organic Materials where a competitive market exists, Franchisee shall sell all Recyclable Materials and Organic Materials Collected pursuant to this Agreement at not less than fair market value. Revenues from the sale of these Recyclable Materials and Organic Materials shall be Franchisee's and shall be included in the calculation of allowable profit as required by Section 9.5."

## **5.7 Bulky Waste Collection**

P. Article 5, Section 5.7 of the Agreement is hereby amended to read as follows:

"Franchisee shall make special Collection arrangements with Generators within seven (7) days after Generators' written or verbal request for the Collection of Bulky Waste for a fee established by the District and updated by resolution when the District adjusts rates. Any single item is not to exceed 200 pounds.

Franchisee shall Collect Green Waste separately from other acceptable Bulky Waste. Upon Customer request, Franchisee shall provide for a fee separate on-call Collection service for Green Waste. Franchisee shall Transport Green Waste to the Approved Organic Material Processing Facility."

## **5.8 Semi-Annual Clean-up Weeks**

Q. Article 5, Section 5.8 of the Agreement is hereby amended to read as follows:

"Franchisee shall provide, in addition to regularly scheduled service, clean-up events two weeks per year pursuant to guidelines established by Franchisee and approved by the District, for Solid Waste, Organic Materials and Recyclable Materials placed at the curb by Single Family Dwelling Units. The dates of each event shall be coordinated with the District prior to September 1st of each year.

Franchisee shall record by class and weight (in Tons) the Solid Waste, white goods, etc., Collected during the clean-up events. Franchisee shall record the kinds and weights (in Tons) of Discarded Materials

Diverted during these clean-ups from the landfill through Recycling, reuse, transformation or other means of Diversion.”

## **5.9 District's Right to Request Changes**

R. Article 5, Section 5.9 of the Agreement is hereby amended to read as follows:

### **“5.9.1 General**

The District may request Franchisee to perform additional services (including new Diversion programs, billing services, etc.) or modify the manner in which it performs existing services. Pilot programs and innovative services which may entail new Collection methods, different kinds of services and/or new requirements for Generators are included among the kinds of changes which the District may request. Franchisee shall present, within thirty (30) days of a request to do so by the District, a proposal to provide additional or expanded Diversion services pursuant to the terms of Section 5.9.2. Franchisee shall be entitled to an adjustment in its compensation in accordance with Section 9.3, for providing such additional or modified services.

### **5.9.2 New Programs**

Franchisee shall present, within thirty (30) days of a request to do so by the District, a proposal to provide additional or expanded services. The proposal shall contain a complete description of the following:

- Collection methodology to be employed (equipment, manpower, etc.).
- Equipment to be utilized (vehicle number, types, capacity, age, etc.).
- Labor requirements (number of employees by classification).
- Type of Containers to be utilized.
- Provision for program publicity/education/marketing.
- A projection of the financial results of the program's operations for the remaining term of the Agreement in a balance sheet and operating statement format including documentation of the key assumptions underlying the projections and the support for those assumptions.
- Approved Processing Facility to be utilized.

### **5.9.3 District's Right to Acquire Services**

Franchisee acknowledges and agrees that the District may permit other Persons besides Franchisee to provide additional services not otherwise contemplated under Section 5.9.1. If pursuant to Section 5.9.2, franchisee and the District cannot agree on terms and conditions of such services in ninety (90) days from the date when the District first requests a proposal from Franchisee to perform such services, Franchisee acknowledges and agrees that the District may permit Persons other than Franchisee to provide such services.”

## **5.12 Approved Facility(ies)**

S. Article 5, Section 5.12 of the Agreement is hereby retitled and amended to read as follows:

#### **“5.12.1 Disposal Requirements**

- A.** Franchisee shall Dispose of all Solid Waste Collected under this Agreement at Franchisee's own expense and in accordance with all Federal, State, and local laws, rules, and regulations. Franchisee shall be solely responsible for securing an Approved Facility(ies) for Disposal of all Solid Waste Collected by Franchisee pursuant to this Agreement.
- B.** Franchisee shall secure, within ninety (90) days of the Effective Date of this Agreement, sufficient Disposal Facility capacity commitment including landfill Disposal site capacity to adequately serve the reasonable anticipated Solid Waste Disposal needs of Franchisee's customers. District reserves the right to review said Disposal capacity commitments.
- C.** If Franchisee receives notice from an Approved Facility operator, or otherwise finds, during the Term of the Agreement, to be prevented from delivering Solid Waste to the Approved Disposal Facility, Franchisee shall immediately notify, in writing, the District General Manager stating the reason(s) Franchisee is prevented, or expects to be prevented, from delivering Solid Waste at the Approved Facility. Franchisee shall expeditiously identify and evaluate alternative sites. An alternative Disposal Facility or Facilities shall be arranged for and secured by Franchisee.
- D.** The Parties understand and agree that District intends to commence and participate in waste Diversion and resource recovery programs pursuant to regional and/or local implementation of AB 939, AB 341, AB 1826, and other Applicable Laws, or such other programs as may be established by District, as amended.
- E.** Franchisee hereby agrees to Dispose of all or a portion of the Solid Waste collected pursuant to this Agreement in such manner as may be reasonably designated by District. In the event that District designates a different manner of, or location for, Processing or Disposal of Solid Waste or Recyclable Materials, or Organic Materials than anticipated in this Agreement, District shall defend, indemnify and save harmless Franchisee, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of, or connected with the manner, or location for Processing or disposing of the Solid Waste, as designated by the District.
- F.** In the event Franchisee's costs decrease or increase as a result of District designating a different manner of, or location for, Processing or Disposal of than anticipated in this Agreement, either Franchisee or District may request an adjustment in Collection rates which adjustment shall be effective at the time the designated manner of Disposal begins. District will not unreasonably deny any such adjustment. In the event Franchisee receives any additional compensation for the value, if any, of the Solid Waste Recyclable Materials Disposed in such a manner, such compensation shall be considered in connection with future rate adjustments.
- G.** Franchisee shall keep all existing permits and approvals necessary for use of the Approved Facility(ies) in Full Regulatory Compliance. Upon request, Franchisee shall provide copies of facility permits and/or notices of violations (obtained from its Processing Facility Subcontractor if necessary) to and District General Manager.

#### **5.12.2 Material Processing.**

Franchisee shall Transport all Discarded Materials to the Approved Facility(ies) specified in Article 1 and shall Transfer, Process, and Dispose of Discarded Materials in accordance with this Section. The Approved Facilities shall comply with the following requirements.

- a. Receipt of Recyclable Materials and Organic Materials.** The Franchisee shall have in place or have made arrangements for an Approved Materials Recovery Facility and Approved Organic Materials Facility to receive and accept all deliveries of Recyclable Materials and Organic Materials generated in the District.
- b. Approved Processing Facility.** The Approved Processing Facility used by Franchisee must be designed and constructed in accordance with all State and local laws and other Applicable Laws (e.g., CEQA, California Code of Regulations, etc.). Any Approved Processing Facility must have all permits from Federal, State, regional, County and city agencies necessary for it to operate as a Processing Facility and must be in Full Regulatory Compliance with all such permits and Applicable Law.

The selected Approved Processing Facilities must be authorized to accept, under its existing permit, and have sufficient uncommitted capacity to accept, all Recyclable Materials and/or Organic Materials delivered to it by, or on behalf of, Franchisee for the term of this Agreement. Franchisee shall immediately notify District of any notice of breach or default received from Approved Processing Facility.

Franchisee's Approved Organic Material Processing Facility shall be a Facility that Processes Single Family, Multi-Family, and Commercial Source Separated Organic Waste to recover Organic Material.

The Approved Materials Recovery Facility shall be a Facility or operation that Processes Single-Family, Multi-Family, and Commercial Source Separated Recyclable Materials to recover materials designated for Collection in the Recyclable Materials Container.

### **5.12.3 Alternative Processing Facility**

If Franchisee becomes unable to deliver the District's Recyclable Materials and/or Organic Materials to the Approved Processing Facility(ies) due to causes within its control and which could have been avoided by the exercise of due care, the Franchisee shall arrange for it to be accepted at another Processing Facility, in which case Franchisee shall pay for any increased Transportation costs, any differences in the fees charged at such Processing Facility and the fees then in effect under this Agreement.

If Franchisee's inability to deliver the District's Recyclable Materials and/or Organic Materials to the Approved Processing Facility(ies) is not due to causes within its control or which could have been avoided by the exercise of due care, then Franchisee shall propose alternative Processing Facilities including all related costs and District shall have the right to approve the alternative to be used. The District shall pay for the increased cost of using an alternative facility. Franchisee shall provide notice by email to the District within forty-eight (48) hours of the use of an alternative Processing Facility.

Franchisee shall, directly or through similar obligations in its subcontract(s) with facility operators, keep all existing permits and approvals necessary for use of the Approved Processing Facility in Full Regulatory Compliance. Upon request, Franchisee shall provide copies of facility permits and/or notices of violations (obtained from its Processing Facility if necessary) to District General Manager.

Section 12.5 (Excuse From Performance) does not relieve Franchisee from the good faith obligation to find and secure alternate Processing or Disposal Facility(ies). Absent an event set forth in Section 12.5, or if for reasons within Franchisee's, or its Processing Facility Subcontractor's control, Franchisee shall be responsible for any increased costs, including Transportation, with respect to the alternate Processing Facility. However, if the use of an alternative Processing Facility is due to reasons beyond Franchisee or its Subcontractor's control, then District shall adjust, either up or down, Franchisee's compensation for changes in Transportation and Processing costs associated with the use of the alternative Processing Facility. In the event that the change in the Processing Facility results in increased costs, District may

identify and direct Franchisee to an alternative Processing Facility, at the Franchisee's expense, which results in less cost than the Franchisee-identified alternative."

#### **5.14 Generator Waivers and Franchisee Exemptions (NEW)**

T. Article 5 of the Agreement is hereby amended to include the following new Section 5.14, Generator Waivers and Franchisee Exemptions:

##### **"5.14 Generator Waivers and Franchisee Exemptions**

- A. General.** The District or its designee may grant waivers described in this Section to Commercial or Multi-Family Generators that impact the scope of Franchisee's provision of service for those Customers; provided, the Generator shall continue to subscribe with Franchisee for franchised Collection services to the extent such services are not waived by the District. Waivers issued shall be subject to compliance with SB 1383 requirements, pursuant to 14 CCR Section 18984.11, or other requirements specified by the District.
- B. Generator Waivers.**
- a. De Minimis Waivers.** The District or its designee may waive a Multi-Family's, Commercial business', or its property Owner's obligation to comply with some or all of the Source Separated Recyclable Materials and Organic Materials requirements set forth in this Agreement, SB 1383 Regulations, if the Multi-Family, Commercial business, or its property Owner provides documentation, or the District has evidence demonstrating one of the following de minimis conditions:
- i. The Multi-Family's or Commercial business' total Solid Waste Collection service is two (2) cubic yards or more per week, and Organic Materials subject to Collection comprises less than twenty (20) gallons per week, per applicable Container, of the Multi-Family's or Commercial business' total waste; or,
  - ii. The Multi-Family's or Commercial business' total Solid Waste Collection service is less than two (2) cubic yards per week, and Organic Materials subject to Collection comprises less than ten (10) gallons per week, per applicable Container, of the Multi-Family's or Commercial business' total waste.
- b. Space Constraint.** The District or its designee may waive a Multi-Family's, Commercial business', or its property Owner's obligation to comply with some or all of the Source Separated Recyclable Materials or Organic Materials Collection service requirements set forth in this Agreement, SB 1383 Regulations, and/or as required in the District Code, in the event that the Generator qualifies for a space constraint waiver under the District Code.
- C. Waiver Requests.** Generators may submit requests for de minimis waivers and physical space waivers to the District or its designee. If a Generator submits a request for a waiver to the Franchisee, the Franchisee shall refer the Generator to the District or its designee. Upon request of the District the Franchisee shall support the in the waiver review process by providing requested Customer information. If the District or its designee, grants a waiver to a Generator, the District or its designee shall notify the Franchisee and Franchisee shall update the Customer's information and Service Level in accordance with Exhibit C."

## 5.15 Refusal to Provide Collection Services

U. Article 5 of the Agreement is hereby amended to include the following new Section 5.15, Refusal to Provide Collection Services:

“Franchisee may refuse to Collect Recyclable Materials or Organic Materials and shall not be obligated to continue to provide Container(s) to any participant in the Recycling or Organic Materials program who, after reasonable warning by Franchisee, fails to properly sort and set out Recyclable Materials or Organic Waste, including excessive contamination. Franchisee shall report monthly to District any warning notices issued as described in Exhibit G.”

### 5.15.1 Customer Notices.

A. **General.** If the Franchisee observes twenty percent (20%) or more Prohibited Container Contaminants in a Customer’s Container or does not Collect any item or Container of Discarded Materials due to a Customer’s non-compliance with rules and regulations for proper set-out, Franchisee shall attach a Customer Notice, subject to District approval, securely to the item or Container specifying the identified non-compliance issues.

The Customer Notice shall contain Franchisee’s name, telephone number, and information described below.

The Customer Notice shall, at a minimum:

1. Inform the Customer of the reason for the Customer Notice; and
2. Include the date and time the issue was observed.

In addition, upon the identification of Prohibited Container Contaminants in a Customer’s Container, the Franchisee shall provide the Customer with the following information in the Customer Notice, or through another form of communication such as mail, e-mail, text message, or over the phone:

1. Information on the Customer’s requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in each Container;

1. Inform the Customer of the contaminated materials on this occasion with information that the Franchisee may assess contamination Processing fees and/or may not Collect the Container in the future; and,

2. Include photographic evidence of the violation(s).

B. **Upon identification of Prohibited Container Contaminants.** Franchisee shall Collect the contaminated Recyclable Materials and/or Organic Materials Containers and either Transport the material to the appropriate Approved Facility for Processing; or, Franchisee may Collect the contaminated materials with the Solid Waste and Transport the contaminated materials to the Approved Disposal Facility. A Collection of contaminated Recyclable Materials or Organic Materials where the materials are sent to the Approved Disposal Facility may be made with a Solid Waste



Collection vehicle, provided that the contaminants may safely and lawfully be Collected as Solid Waste.

- C. **Communications with Customer.** Whenever a Container at the Premises of a Customer is not Collected, Franchisee 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 discuss, and encourage the Customer to adopt proper Discarded Materials preparation and separation procedures.
- D. **Franchisee Return for Collection.** Upon request from Customer, Franchisee shall Collect Containers that received Customer Notices specifying non-Collection within one (1) Working Day of Customer's request. Franchisee shall bill Customer for the extra Collection service event ("extra pick-up") at the applicable District-approved rates only if Franchisee notifies Customer of the premium rate for this service at the time the request is made by Customer.
- E. **Assessment of Contamination Processing Fees.** If the Franchisee observes twenty percent (20%) or more Prohibited Container Contaminants and has issued a Customer Notice specifying a Collection, the Franchisee may impose a contamination rate approved by the District for that Customer's Service Level, if and only if Franchisee has informed the Customer of the potential for a Processing fee pursuant to this Section. The intent of contamination fees is to provide a behavioral tool to educate and prevent Customers from placing Source Separated Discarded Material into the improper designated Container(s). To ensure that assessment of fees are to be used for the intended purposes and not as a form of revenue generation, After the first issuance of a Customer Notice for the observance of Prohibited Container Contaminants in one (1) calendar year, Franchisee may issue a fee of ten (10) dollars. After the second observance of Prohibited Container Contaminants in the same calendar year, Franchisee may issue a fee of twenty (20) dollars. After the third observance of Prohibited Container Contaminants in the same calendar year, Franchisee may issue a fee of thirty (30) dollars. In the fourth and any subsequent observances of Prohibited Container Contaminants in the same calendar year, Franchisee may increase the contamination Processing fee by ten (10) dollar increments and may Collect the contaminated materials with the Solid Waste and Transport the contaminated materials to the Approved Disposal Facility, provided that the contaminants may safely and lawfully be Collected as Solid Waste.
- F. **Suspension of Contamination Processing Fee Program.** Franchisee agrees that contamination fees shall not exceed one percent (1%) of Franchisee's Gross Revenues in any calendar quarter. In the event that contamination fees exceed one percent (1%) of Franchisee's Gross Revenues in any calendar quarter, the assessment of contamination fees shall be suspended immediately and indefinitely pending a program assessment by the District and Franchisee. Upon program suspension or at the request of the District at any time during the Term of the Agreement, District and Franchisee 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 District may require Franchisee to either: i) modify the program parameters; ii) modify the amount of the contamination fee; or, iii) return to the District any funds generated by the contamination fee which exceed one percent (1%) of Franchisee's Gross Revenues for a given period of time.
- G. **District Actions upon Identification of Prohibited Container Contaminants.** The District or its designee shall perform SB 1383 activities required for the identification of Prohibited Container

Contaminants which includes but is not limited to, record keeping, provision of educational notices and reporting.”

## **Article 6. Collection Service Standards**

### **6.1 Operations**

V. Article 6, Section 6.1.1 of the Agreement is hereby amended to read as follows:

#### “6.1.1 Schedules

To preserve peace and quiet, Solid Waste, Organic Materials and Recyclable Materials shall not be Collected from Residential Premises between 8:00 p.m. and 8:00 a.m. on any day, and between 8:00 p.m. and 6:30 a.m. on any day in Commercial business areas of Cambria. When the regularly scheduled Collection day falls on a Holiday, Collection shall take place on the following regularly scheduled Collection day. Franchisee will promptly resolve any Complaints of noise to the satisfaction of the District's General Manager or the District's General Manager's designee.”

W. Article 6, Section 6.1.3 of the Agreement is hereby amended to read as follows:

#### “6.1.3 Containers

**A. Single Family Residential Containers.** Franchisee shall supply each Single Family Dwelling Unit with a 32-, 64- or 96-gallon Container for Solid Waste. In addition, each Single Family Dwelling Unit will receive from Franchisee a 64 or 96-gallon Container for all commingled Recyclable Materials and a 64 or 96 gallon Container for Organic Materials.

**B. Non-Residential and Multi-Family Dwelling Unit Containers.** Franchisee shall supply each Multi-Family and Commercial or governmental agency with appropriately sized Containers for Discarded Materials. Franchisee agrees to provide additional Containers, as requested, by all Persons at the rate as shown on Exhibit A. Containers which are front loading Bins shall have lids. All Containers with a capacity of one cubic yard or more shall meet applicable regulations for Solid Waste Bin safety. Additionally, one cubic yard or more Containers in public rights-of-way shall have reflectorized markings.

Franchisee shall not be obligated to provide Customers with Compactor units, but will be obligated to charge the rates set by the District for the Collection of compacted Discarded Materials.

**C. Variable Rates and General Specifications.** The kind, size and number of Containers furnished to particular Customers shall be as determined mutually by the Customer and Franchisee. The rates chargeable to each Customer shall be based upon the size, number, and frequency of pick-up (if applicable) of Containers furnished to each Customer, as approved by the District, a copy of which is attached hereto, and incorporated herein by reference as though here fully set forth. All Containers shall be maintained in good repair with neatly and uniformly painted surfaces and shall prominently display the name and telephone number of District. Containers shall be clearly marked and identified as belonging to District. Each Customer shall be responsible for excess damage to any such Containers not caused by Franchisee, excluding normal wear and tear.

- D. On and after the Effective Date, Franchisee-provided Containers shall comply with the Container standards set forth in this Section. All Containers shall display identifying and contact information approved by the District General Manager, including telephone number, capacity, and identifying inventory or serial number (carts only).
- E. Franchisee shall use the Franchisee-provided Collection Containers that are currently located at Customers' Premises. If Customer is currently utilizing Collection Containers that are were not provided by the Franchisee, Franchisee shall provide Containers from current inventory.
- F. No later than December 31, 2035, Franchisee shall provide all Customers with Collection Containers that comply with the Container color requirements specified in this Section or as otherwise specified in 14 CCR Section 18982; 14 CCR, Division 7, Chapter 12, Article 3; or other Applicable Law.
- G. District and Franchisee acknowledge that from time to time, a Customer may damage or destroy a Container. District and Franchisee also acknowledge that from time to time Containers may be stolen from the curb or damaged due to normal use. If an existing Container breaks or is otherwise rendered non-functional on or after the Effective Date, the Franchisee shall replace the non-functional Container with a Container that complies with the color requirements of this Section. Notwithstanding this Section, the Franchisee is not required to replace functional Containers, including Containers purchased prior to January 1, 2022, that do not comply with the color requirements of this Section prior to the end of the useful life of those Containers, or prior to January 1, 2036, whichever comes first. The fee schedule to replace lost Containers is shown on Exhibit A.
- H. **Color Requirements.** Solid Waste Cart lids shall be black/grey, all Recyclable Materials Cart lids shall be blue, and all Organic Materials Cart lids shall be green. Solid Waste Bin, Compactor, and franchise Roll-Off lids or bodies shall be black/grey, all Recyclable Materials Bin, Compactor, and franchise Roll-Off lids or bodies shall be blue, and all Organic Materials Bin, Compactor, and franchise Roll-Off lids or bodies shall be green. No later than December 31, 2035, Franchisee shall provide all Customers with Collection Containers that comply with the Container color requirements specified in this Section or as otherwise specified in 14 CCR Section 18982; 14 CCR, Division 7, Chapter 12, Article 3; or other Applicable Law
- I. **Labels.** Franchisee shall ensure a label on the body or lid of each new Container has been provided to a Customer that includes language or graphic images, or both, that indicate the primary materials accepted and the primary materials prohibited in that Container. Labels shall clearly indicate items that are Prohibited Container Contaminants for each Container.
- J. **Kitchen Pails.** The Franchisee shall provide kitchen pails designed to contain Food Scraps prior to placement in the Customer's Organic Materials Cart. Franchisee will be responsible for distribution of kitchen pails to Single Family and Multi-Family Customers upon request, from Franchisee's office beginning the Effective Date. District or its designee may restock Franchisee inventories at local offices for distribution to new residents or residents who need a replacement."

## **Article 7.**

### **Other Services: Billing, Reporting, Record-Keeping, and Public Education**

#### **7.3 Records**

X. Article 7, Section 7.3 of the Agreement is hereby amended to read as follows:

“Franchisee shall maintain records required to conduct its operations, to support requests it may make to the District, and to help District fulfill its obligations under Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, SB 1383, and other current or future Federal, State, or local regulations, as amended.

Adequate record security shall be maintained to preserve records from events that can be reasonably anticipated such as fire, theft and earthquake. Electronically maintained data and records shall be protected and an adequate backup system shall be provided for such data and records. The protection and backup systems shall be subject to approval by the District.

The following records shall be maintained for the District in form and detail satisfactory to the District:

- Customer services and billing;
- Weight of Solid Waste, Organic Materials, and Recyclable Materials especially as related to reducing and Diverting Solid Waste. Information is to be separated by type of account ;
- Special annual clean-up event results;
- Routes;
- Facilities, equipment and personnel used;
- Facilities and equipment operations, maintenance and repair;
- Processing and Disposal of Solid Waste, Organic Materials, and Recyclable Materials;
- Complaints; and
- Missed pick-ups;
- All other records outlined in Exhibit C.

Franchisee shall maintain records of Transfer, Diversion and Disposal of all Discarded Materials Collected in the District for the period of this Agreement and all extensions to this Agreement or successor agreements. In the event Franchisee discontinues providing Discarded Materials Collection services to the District, Franchisee shall provide all records of Diversion and Disposal of all Discarded Materials Collected within the District to the District within ten (10) days of discontinuing service. Records shall be in chronological order, and organized in a form readily and easily interpreted.

Records for other programs shall be tailored to specific needs. In general, they shall include:

- Plans, tasks, and milestones;
- Accomplishments in terms such as dates, activities conducted, quantities of products used, produced or distributed, and numbers of participants and responses;

- All other records as outlined in Exhibit D.”

#### **7.4 Waste Generation/Characterization Studies**

Y. Article 7, Section 7.4 of the Agreement is hereby amended to read as follows:

“Franchisee acknowledges that the District may be required to perform Discarded Materials generation and Disposal characterization studies periodically to comply with AB 939, SB 1383, and other Applicable Law requirements, as amended. Franchisee agrees to participate and cooperate with the District and its agents, at no cost to the District, to accomplish studies and data collection, and prepare reports, as needed, to determine weights and volumes of Discarded Materials and characterize Discarded Materials generated, Diverted, Disposed, transformed, or otherwise handled or Processed to satisfy AB 939, SB 1383, and other Applicable Law requirements, as amended.”

#### **7.5 Report Formats and Schedule**

Z. Article 7, Section 7.5 of the Agreement is hereby amended to read as follows:

“Records shall be maintained in forms and by methods that facilitate flexible use of data contained in them to structure reports, as needed, pursuant to Exhibit C. Reports are intended to compile recorded data into useful forms of information that can be used to, among other things:

- Determine and set rates, and evaluate the financial efficacy of operations; and
- Evaluate past and expected progress towards achieving goals and objectives; and
- Determine needs for adjustment to programs; and
- Evaluate Customer service and Complaints;
- Fulfill requirements set forth in Exhibit C.

The District may at no cost to itself request that Franchisee provide such additional information in the reports set forth below and the information in Exhibit C as the District deems necessary or appropriate to meet its needs, including provision of AB 939 report information.

Franchisee may propose report formats that are responsive to the objectives and audiences for each report. The format of each report shall be subject to approval by the District.

Franchisee shall submit all reports to the District, electronically via e-mail using software acceptable to the District. The District reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of the District-selected web-based software platform and/or Microsoft Excel spreadsheet, at the Franchisee’s expense.

Annual reports shall be submitted within forty-five (45) days after the end of the reporting year. Monthly reports shall be submitted within twenty (20) calendar days after the end of the report month. Quarterly reports shall be submitted within thirty (30) calendar days after the end of the quarter. Quarters end on March 31, June 30, September 30, and December 31.

All reports shall be submitted to:

District General Manager

Cambria Community Services District  
1316 Tamson Drive, Suite 201  
P.O. Box 65  
Cambria, CA 93428-0065”

## **7.6 Monthly Reports**

AA. Article 7, Section 7.6 of the Agreement is hereby amended to read as follows:

“Monthly reports shall be submitted by Franchisee to District and shall include the information below and the information in Exhibit C pertaining to the most recently-completed calendar month.

The information listed below shall be the minimum reported for each service (i.e., Solid Waste, Recyclable Materials, Organic Materials):

- Discarded Materials Collected, Transferred, Diverted and Disposed of, by sector (Commercial, industrial, Residential) of Generator and Collected by Franchisee, in Tons, by month.
- Complaint summary, for month and cumulative for report year, as described above, summarized by nature of Complaints.
- Narrative summary of problems encountered, and actions taken with recommendations for the District, as appropriate.
- All requirements specified in Exhibit C”

## **7.7 Quarterly Report**

BB. Article 7, Section 7.7 of the Agreement is hereby amended to read as follows:

“Quarterly reports shall be quarterly summaries of the monthly information in addition to the following:

- Status report on applications for renewals of existing permits or any new permits which may be required to continue operations at the Approved Disposal Facility within existing permitted areas.
- Discarded Materials Collected, Diverted and Disposed of, in Tons, during the semi- annual Residential clean-up weeks, if applicable.
- For each new program, provide activity related and narrative reports on goals and milestone and accomplishments. Describe problems encountered, actions taken and any recommendations to facilitate progress.
- Provide a summary assessment of the overall Collection program from Franchisee’s perspective relative to financial and physical status of program. The physical status is to relate to how well the program is operating for efficiency, economy and effectiveness relative to meeting all the goals and objectives of this Agreement.
- Provide recommendations and plans to improve. Highlight significant accomplishments, problems and proposed solutions.”

### **7.13 Customer Information**

CC. Article 7, Section 7.13 of the Agreement is hereby amended to read as follows:

“Franchisee shall prepare and keep current a brochure acceptable to the District which summarizes Collection regulations, all services provided by Franchisee, Collection and Disposal rates, telephone numbers, special Collection events, Collection schedules, Complaint procedures, and other pertinent information. Franchisee shall have copies of this brochure available at all times in Franchisee's office, distribute copies to all new Customers, annually mail or email copies to all of its current Customers, and mail updated copies to all Customers as notification of changes in service or rates, prior to such changes. The brochure shall also include the information set forth in Section 7.14 below.”

## **7.14 Public Education and Outreach**

DD. Article 7, Section 7.14 of the Agreement is hereby amended to read as follows:

**A. Program Objectives.** Franchisee acknowledges and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve requirements of Applicable Law including, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, SB 1383, and other current or future Federal, State or local regulations, as amended. Accordingly, Franchisee agrees to take direction from District to exploit opportunities to expand public and Customer knowledge concerning needs and methods to reduce, reuse and Recycle Solid Waste and to cooperate fully with District in this regard. B. Franchise Cooperation and Support for District Educational Efforts. Franchisee acknowledges that they are part of a multi-Party effort to operate and educate the public about the regional integrated waste management system and agrees that education and public awareness are critical, key and essential elements of any efforts to achieve AB 939, SB 1383, and other Applicable Law requirements. Accordingly, Franchisee agrees to allocate not less than \$5,000 per year to public education and outreach activities. Franchisee shall cooperate and coordinate with the District General Manager on public education activities to minimize duplicative, inconsistent, or inappropriately timed education campaigns. The Franchisee shall cooperate with and shall not impede, interfere, or attempt to impede or interfere with the implementation, expansion, or operation of public education and outreach programs or campaigns conducted by District or its designee.

C. Supplemental Education. All public education materials shall be approved in advance by the District. Franchisee shall obtain approval from the District on all Franchisee-provided public education materials outside of the District's education plan, including, but not limited to: print, radio, television, or internet media before publication, distribution, and/or release. All education and outreach materials detailed in this Section shall be provided in at the very least English and Spanish, as to comply with SB 1383 and other Applicable Law. District shall have the right to request that Franchisee include District identification and contact information on public education materials and approval of such requests shall not be unreasonably withheld. At the direction of the District, Franchisee shall participate in and promote activities of AB 939, AB 341, AB 1826, and SB 1383, and other current or future Federal, State or local regulations, as amended. and other Solid Waste management techniques at community events and local activities. Such participation includes providing educational and publicity information promoting the goals of the District's Solid Waste and Recycling programs.

The brochure required under Section 7.13 above shall also include the reasons for Recycling, information from the District explaining the rate structure, local landfill alternatives and instruction on how to participate in the program.

D. Bill Inserts. Franchisee shall maintain its own program of providing information relevant to billing and Discarded Materials services, issues and needs with its bills. Franchisee shall also include in Customer bills additional information, including information on Recycling programs, as directed by the District. Franchisee

shall bear all labor costs with respect to inserting public education materials with the billings. Franchisee agrees to insert and distribute brochures, newsletters, or other information developed by the District, as inserts in Franchisee's Customer invoices at no additional charge to the District. Up to letter-sized bill inserts shall be designed and produced by the District, with review and comment by Franchisee, and final approval by the District. Annually, Franchisee shall be responsible for printing the bill inserts. For Customers receiving electronic bills, Franchisee agrees to distribute brochures, newsletters, or other information developed by the District, as attachments to Customer invoices at no additional charge to the District. Franchisee 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. Electronic bill inserts/attachments must be readily available for the Customer to view upon receipt of the invoice (attachments shall not be provided as links). Upon the District's request for such inserts, Franchisee shall comply with such request during its next billing cycle for the targeted Customer group. Franchisee shall perform this service with no additional requirement for compensation. E. Not less than once per year during each calendar year, Franchisee shall prepare and distribute to each Generator in the District a mailer that includes information specified in 14 CCR Section 18985.1(a). Such mailer shall be distributed by Franchisee to all Residential and Commercial mailing addresses including individual Multi-Family Dwelling Units. Franchisee shall also make this notice available in an electronic format through the Franchisee's website."

### **7.16 Records Retention**

EE. Article 7, Section 7.16 of the Agreement is hereby amended to read as follows:

"Franchisee shall maintain the records, reports and data set forth in this Article for such time as the District may direct. Franchisee agrees to make all such records, reports and data available for inspection by the District or the District's authorized representatives, upon reasonable notice by the District."

### **7.17 Annual Reporting (NEW)**

FF. Article 7 of the Agreement is hereby amended to add the following new Section 7.17, Annual Reporting:

"The Franchisee shall provide an Annual Report, covering the most recently-completed calendar year as described in Exhibit C."

### **7.18 Additional Reports (NEW)**

GG. Article 7 of the Agreement is hereby amended to add the following new Section 7.18, Additional Reports:

**A. General.** The District reserves the right to require Franchisee to provide additional reports or documents as District reasonably determines to be required for the administration of this Agreement or compliance with Applicable Law.

**A. AB 901 Reporting.** At the District's option, the District may require that Franchisee provide the District with the aggregate Tonnage data related to AB 901 reporting that the District needs for its SB 1383 reporting, to the extent available to Franchisee within five (5) Business Days of District request, or mutually agreed time. At the District's option, the District may review specific Customer information; however, District shall not be permitted to make copies or take records specific to Customer information."



## **Article 8. Payments to District**

### **8.1 Franchise Fee Payments**

HH. Article 8, Section 8.1 of the Agreement is hereby amended to read as follows:

“In consideration of the exclusive franchise provided for in Article 4 of this Agreement, Franchisee shall pay the District six percent (6%) of Franchisee's Gross Revenues for Collection and Disposal of Discarded Materials within the District. Such franchise fee shall be a "pass-through" expense for purposes of administering the Agreement, including, but not limited to, rate review and setting. Each monthly remittance of fees to District shall be accompanied by a statement detailing Gross Revenues for the period covered from all operations conducted or permitted pursuant to Article 5 of this Agreement.”

### **8.3 AB 939/SB 1383 Reimbursement**

II. Article 8, Section 8.3 of the Agreement is hereby retitled and amended to read as follows:

“If requested by District, Franchisee shall pay an AB 939/SB 13883 reimbursement fee each month, to be specified annually by the District, and in addition if the San Luis Obispo Integrated Waste Management Authority “IWMA” currently implements an AB 939, SB 1383 reimbursement, or Solid Waste Management fee, Franchisee shall pay that fee directly to the IWMA. Said fee shall be an allowable cost in Franchisee’s rate application. All AB 939 fees, SB 1383 fees, or Solid Waste Management fees paid to the District or IWMA shall be considered a pass through cost for purposes of rate setting, and as such if the District or IWMA changes these fees, the Franchisee's rates shall be adjusted accordingly subject to all Applicable Laws and regulations. The District or the IWMA shall have the right to establish and adjust the AB 939, SB 1383, or Solid Waste Management fee at any time, provided that any changes are considered a pass through cost for the purposes of rate setting, at the time of the change in the fee.”

## **Article 11. District’s Right to Perform Service**

### **11.2 Temporary Possession of Franchisee's Property**

JJ. Article 11, Section 11.2 is hereby amended to read as follows:

“If the District suffers an interruption or discontinuance of service as described in Section 11.1 (including interruptions and discontinuance due to events described in Section 12.5, Excuse from Performance), the District may take possession of and use all of Franchisee's property described above until other suitable arrangements can be made for the provision of Collection and Disposal services which may include the grant of a contract to another company. The same notice requirements of Section 11.1 are applicable”

## **Article 12. Default and Remedies**

### **12.1 Events of Default**

KK. Article 12, Section 12.1, Subsection E-F of the Agreement are hereby amended to read as follows:

“E. Failure to Perform. If Franchisee ceases to provide Collection services as required under this Agreement for a period of two (2) days or more, for any reason within the control of Franchisee.

- F. Failure to Pay/Report. If Franchisee fails to make any timely payments, including Liquidated Damages and penalties, required under this Agreement and/or fails to provide the District with required information, reports, and/or records in a timely manner as provided for in the Agreement.”

## 12.6 Liquidated Damages

LL. Article 12, Section 12.6 of the Agreement is hereby amended to read as follows:

“The District finds, and Franchisee agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible to reasonably ascertain the extent of damages which shall be incurred by the District as a result of a breach by Franchisee of its obligations under this Agreement.

The Parties acknowledge that consistent, reliable Discarded Materials service is of utmost importance to District and that District has considered and relied on Franchisee's representations as to its quality of service commitment in awarding the Agreement to it. The Parties further 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 Franchisee fails to achieve the performance standards, comply with Complaint resolution criteria, or fails to submit required documents in a timely manner, District and its residents will suffer damages and that it is and will be impractical and extremely difficult to ascertain and determine the exact amount of damages that District will suffer. Therefore, without prejudice to District's right to treat such non-performance as an event of default under this Article 12, the Parties agree that the following Liquidated Damage amounts represent a reasonable estimate of the amount of such damages considering all of the circumstances existing on the date of this Agreement, including the relationship of the sums to the range of harm to District that reasonably could be anticipated and the anticipation that proof of actual damages would be costly or inconvenient. Recognizing the importance of resolving any failure to meet the service performance standard, the District shall contact Franchisee within two (2) days of any failing reported directly to the District. In addition Franchisee agrees to meet with the District General Manager within two (2) days of a requested meeting to discuss the Franchisee's performance. Franchisee agrees to pay (as Liquidated Damages and not as a penalty) the amounts set forth below:

### **Collection Reliability and Quality**

For each failure over five (5) annually to commence service to a new Customer account within seven (7) days after order:	\$150 per account
For each failure over ten (10) annually to Collect Discarded Materials, which have been properly set out for Collection from an established Customer account on the scheduled Collection day:	\$150 per account
For each failure to Collect Discarded Materials which have been properly set out	\$150 per account

for Collection from the same Customer on two (2) consecutive scheduled pickup days:	
For each occurrence over five (5) annually of damage to private property:	\$250 for each property damaged
For each occurrence of discourteous behavior:	\$250 per incident
For each failure over ten (10) annually to clean up Discarded Materials, spilled by Franchisee from Bins:	\$150 per Bin
For each occurrence over five (5) annually of Collecting Discarded Materials during unauthorized hours:	\$250 per account Collected
For each failure to respond to a Customer Complaint within twenty-four (24) working hours:	\$100 per Complaint
For each failure to prepare for or properly conduct twice annual clean-ups including advertising and press releases:	\$250 per event
For each failure to perform and submit billing reviews:	\$250 per review
For each occurrence over ten (10) annually of failure to properly return Containers to avoid pedestrian or vehicular traffic impediments or to place Containers upright with lid secured:	\$150 per Container
For each occurrence of excessive noise above the limits specified in this Agreement:	\$150 per day

**Customer Responsiveness**

For each failure to respond to a Customer Complaint within sixteen (16) working hours: \$100 per Complaint

For each failure to process Customer Complaints to the District: \$500 per Complaint

For each failure to carry out responsibilities for establishing service: \$ 500 per account

**Timeliness of Submissions to the District**

Any report shall be considered late until such time as a correct and complete report is received by the District. For each calendar day a report is late, the daily assessment shall be:

Monthly Reports: For each infraction: \$100 per day

Quarterly Reports: For each infraction: \$250 per day

Annual Reports: For each infraction: \$500 per day

Liquidated damages will only be assessed after Franchisee has been given the opportunity but failed to rectify the damages, as described in this Agreement (e.g., twenty-four (24) working hours to respond to a Complaint). The District may determine the occurrence of events giving rise to Liquidated Damages through the observation of its own employees or representatives or investigation of Customer Complaints.

Prior to assessing Liquidated Damages, the District shall give Franchisee notice of its intention to do so. The notice will include a brief description of the incident(s)/non-performance. Franchisee may review (and make copies at its own expense) of all information in the possession of the District relating to incident(s)/non-performance. Franchisee may, within ten (10) days after receiving the notice, request a meeting with the District. If a meeting is requested, it shall be held by the District's General Manager or his/her designee. Franchisee may present evidence in writing and through testimony of its employees and others relevant to the incident(s)/nonperformance. The District's General Manager or designee will provide Franchisee with a written explanation of his or her determination on each incident(s)/nonperformance prior to authorizing the assessment of Liquidated Damages. The decision of the District's General Manager or designee shall be final and Franchisee shall not be subject to, or required to exhaust, any further administrative remedies.

**Amount.** The District's General Manager may assess Liquidated Damages for each calendar day or event, as appropriate, that Franchisee is determined to be liable in accordance with this Agreement in the amounts specified in this Section subject to annual adjustment described below.

**Timing of Payment.** Franchisee shall pay any Liquidated Damages assessed by the District within ten (10) days after they are assessed. If they are not paid within the ten (10) day period, the District may proceed against the performance bond required by this Agreement or order the termination of this Agreement, or both pursuant to the terms of this Agreement.

District wishes to establish standards of performance for SB 1383 Regulations under the Agreement in each of the seven (7) "Performance Areas" listed below. The District General Manager may monitor Franchisee's performance in each of those areas based on the "Specific Performance Measures" within that performance area. In the event that the District General Manager determines that Franchisee has failed to meet the performance standard established for any "Specific Performance Measure", the District may assess Liquidated Damages pursuant to this Section the Agreement. Liquidated Damages, if assessed, shall only be assessed for the number of events, days, or other measure in excess of the acceptable performance level.

	<b>Event of SB 1383 Non-Performance</b>	<b>Liquidated Damage</b>
1	<b>Use of Unauthorized Facilities.</b> For each individual occurrence of delivering Discarded Materials to a Facility other than an Approved Facility(ies) for each Discarded Material type under this Agreement.	\$0 for first five (5) failures; \$1,000 per each subsequent failure
2	<b>Failure to Implement Three-Container System.</b> For each occurrence of failing to provide Customers with the three-Container system required by and compliant with Section 5.1.1 excluding Generators and Customers granted waivers pursuant to Section 5.14 of this Agreement and excluding Generators and Customers that demonstrate compliance with Recycling and Organic Waste Self-Hauling requirements pursuant to 14 CCR Division 7, Article 12, Article 7.	\$100/ Generator or Customer / occurrence / Day until compliance achieved
3	<b>Failure to Comply with Container Labeling and Colors.</b> For each occurrence of Franchisee's failure to comply with Container labeling and color requirements pursuant to Section 6.1 of this Agreement.	\$180 / Container / occurrence
4	<b>Failure to Perform Public Education and Outreach.</b> For each failure to perform any individual education and outreach activity as required and, in the timeframe, specified by this Agreement.	\$180/ occurrence
5	<b>Failure to Submit Reports or Allow Access to Records.</b> For each failure to submit any individual report or provide access to records in compliance with and in the timeframe specified in this Agreement. Incomplete and/or inaccurate reports shall be considered a failure to submit until such time as all information in the report has been provided in a complete and accurate form. In the event District determines an errant or incomplete report more than ten (10) Business Days after submittal by Franchisee, Franchisee shall be given ten (10) Business Days to complete and correct and any pending Liquidated Damages shall be tolled during that period.	\$120/ day
6	<b>Failure to Issue Customer Notices.</b> For each failure of Franchisee Collection personnel to issue Customer Notices and maintain documentation of issuance as required by Section 5.15 of this Agreement.	\$100 / Franchisee Route / day
7.	<b>Improper Fee Issuance.</b> For each fee that is issued to a Generator without prior authorization from District under this agreement.”	\$100 /Customer/Day

## **Article 14. Other Agreements of the Parties**

### **14.4 Subcontracting**

MM. Article 14, Section 14.4 of the Agreement is hereby amended to read as follows:

“Except as approved in writing by District, Franchisee shall not enter into an agreement to have another Person perform Franchisee’s duties of this Agreement. Franchisee must obtain written agreements with Processing Subcontractors, including the Approved Organic Materials Processing Facility. Franchisee shall undertake to pay District its reasonable expenses for attorney’s fees and investigation costs necessary to investigate the suitability of any proposed Subcontractor, and to review and finalize any documentation required as a condition for approving any such Subcontracting agreement”

### **14.11 District Free to Negotiate with Third Parties**

NN. Article 14, Section 14.11 of the Agreement is hereby amended to read as follows:

“The District may investigate, during the term and thereafter, all options for the Collection, Diversion, and Disposal of Discarded Materials after the expiration of the term. Without limiting the foregoing, the District may solicit proposals from Franchisee and from third parties for the provision of Collection services, Disposal services, and any combination thereof, and may negotiate and execute agreements for such services which will take effect upon the expiration or earlier termination of this Agreement.”

## **EXHIBIT A. SCOPE OF SERVICES FOR COLLECTION, PROCESSING, AND DIVERSION OF ORGANIC MATERIALS AND RECYCLABLE MATERIALS WITHIN THE COMMUNITY OF CAMBRIA**

OO.Exhibit A, Scope of Services for Collection, Processing, and Diversion of Organic Materials and Recyclable Materials Within the Community of Cambria, is hereby retitled and amended to read as follows:

### **I. Recyclable Materials Services**

#### **B. Recycling Containers**

All Single Family residences, Multi-Family residences and Commercial businesses shall use designated curbside Collection Containers to be provided by Franchisee. Commercial Collection shall be subject to Collection procedures as agreed to by the District's General Manager and Franchisee. Franchisee shall advise in writing all Customers of the availability of Collection Containers. In the event any Container is damaged, it shall be Recycled by Franchisee. Stolen or damaged Containers shall be replaced at no charge to Customers or the District. Franchisee, upon approval of the District's General Manager, may limit replacement of Containers, or charge a fee for the Container, if a Customer abuses the free replacement policy. Recyclable Materials Containers shall have a highly visible label that provides Franchisee's name and phone number, a space for the resident's address, as well as a large Recycling logo for easy identification. A separate designated Container for used motor oil shall be provided to residents upon request. Customers shall only use Containers provided by Franchisee.

#### **C. Curbside Collection Procedures**

1. Collection shall take place once a week on regular Collection days. All materials shall be Collected, co-mingled. Residential Customers shall be required to have their Containers set out by 7:30 a.m. on their designated days.
2. Franchisee shall agree to service all Residential accounts within the District boundaries currently receiving Residential Collection and all publicly owned or operated facilities. Commercial Collection shall be in accordance with the program approved by District's General Manager and Franchisee.

#### **D. Commercial Collection**

Franchisee shall maintain existing service to all Commercial Customers currently enrolled in the District's modified Commercial curbside Collection program.

#### **E. Used Motor Oil Collection**

Those Customers requiring used motor oil Collection shall be required to use only those Containers supplied by Franchisee. Waste motor oil Collection shall be limited to two and one-half (2½) gallons per month per Customer. Franchisee shall seek grant funding during the term of this Franchise to establish a community waste oil Collection site in cooperation with a local service station or other appropriate business.

### **II. Organic Materials Services**

#### **A. Collection Procedures**

1. Franchisee shall provide weekly Residential pick-up of Organic Materials. Organic Materials to be picked up at the curbside shall include: Food Waste and Green Waste.
2. Franchisee shall agree to service all accounts within the District boundaries currently receiving Residential Solid Waste Collection.
3. Franchisee shall furnish appropriate Organic Materials Containers. Plastic bags are not acceptable Containers and may not be used for Organic Materials Collection.
4. All Organic Materials must be placed in Containers provided by Franchisee.

**B. Diversion of Organic Materials**

Organic Materials Collected under this Recycling contract shall not be Transported to, Recycled or Disposed at any facility outside of San Luis Obispo County, unless approved by the District.”

## **EXHIBIT C. RECORD KEEPING AND REPORTING**

PP. Exhibit C, Record Keeping and Reporting, is hereby added to the Agreement:

### **C.1 General**

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

Information from Franchisee’s records and reports can be used to, among other things:

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

### **C.2 Record Keeping**

- A. **General.** Franchisee shall maintain Customer contact data, Customer service, accounting, statistical, operational, and other records related to its performance as shall be necessary to provide reporting required by this Agreement and Applicable Law and to demonstrate compliance



with this Agreement and Applicable Law (such as, but not limited to, AB 939, AB 341, AB 1826, AB 876, AB 901, and SB 1383 statutes and corresponding regulations).

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

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

- B. **Record Retention and Security.** Franchisee's records shall be stored in one central location, physical or electronic, that can be readily accessed by Franchisee. District reserves the right to require the Franchisee to maintain the records required herein through the use of a District-selected web-based software platform, at Franchisee's expense. Unless otherwise required in this Exhibit, Franchisee shall retain all records and data required to be maintained by this Agreement for the Term of this Agreement plus five (5) years after its expiration or earlier termination.

Records and data shall be in chronological and organized form and readily and easily interpreted. To the extent that Franchisee utilizes its computer systems to comply with record keeping and reporting requirements under this Agreement, Franchisee shall, on a monthly basis, save all system-generated reports supporting those record keeping and reporting requirements in a static format in order to provide an audit trail for all data required.

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

### C.3 Reporting

#### C.3.1 General

- A. **General Purpose.** Reports are intended to compile recorded data into useful forms of information that can be used by the District. All reports shall be adequate to meet District's current and future

reporting requirements to CalRecycle, including AB 939, AB 341, AB 1826, and SB 1383 statutes and corresponding regulations, or any other State or Federal agency statutes and regulations throughout the Term of this Agreement.

- B. **Failure to Report.** Failure of Franchisee to comply with the reporting requirements as set forth in this Section may result in an assessment of Liquidated Damages in accordance with the Liquidated Damages provision in Section 12.6 of this Agreement. Franchisee's repeated failure to submit reports, and/or failure to submit reports on time, may be deemed an event of default and may result in the termination of the Agreement at the discretion of the District General Manager, in accordance with Section 12.2 of this Agreement.
- C. **Report Format.** Franchisee shall submit all reports to the District, electronically via e-mail using software acceptable to the District. The District reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of the District-selected web-based software platform and/or Microsoft Excel spreadsheet, at the Franchisee's expense.
- D. **Submittal Process.** All reports shall be submitted to the District, Department of Public Works, Solid Waste Planning and Recycling Program and the Department of Environmental Health Local Enforcement Agency or as directed by the District General Manager. Reports shall be submitted electronically via email or uploaded to a document sharing platform agreed upon by the Parties. District reserves the right to require the Franchisee to maintain records and submit the reports required herein through use of a District-selected web-based software platform, at the Franchisee's expense.

### **C.3.2 Monthly Reports**

Monthly reports shall be submitted by Franchisee to District and shall include the following information pertaining to the most recently-completed calendar month. 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. Franchisee shall report the information included in the following subsections.

#### **A. Tonnage Report**

1. Franchisee shall report the total quantities in Tons of Discarded Materials Collected, Transferred, Processed, and Disposed by the Franchisee, all of which shall be based on actual certified scale weights for each load, if available, or similarly accurate methodology pursuant to weighing protocol. Tonnage shall be reported separately by:
  - a. Material type, which shall include, at a minimum, separate reporting of Source Separated Recyclable Materials, Source Separated Organic Materials, Solid Waste, and any other type of Discarded Material separately Collected by Franchisee (including, but not limited to: Bulky Items, used oil, mixed Construction Debris, dirt, rock, metals, cardboard, wood waste, etc.);
  - b. Customer/sector type (Single-Family, Multi-Family, Commercial franchise Roll-off); and,
  - c. Approved Facility and Facility type.
2. Report Residue level and Tonnage for all Discarded Materials Processed, listed separately by material type Collected and Approved Facility(ies) used.
3. Source Separated Recyclable Materials Tonnage Marketed, by commodity, and including

average commodity value for each, and Processing Residue Tonnage Disposed, listed separately by material type Collected and Approved Facility(ies) used.

4. Documentation of all Discarded Materials exported out of State, as provided in 14 CCR Sections 18800 through 18813.

**B. Collection and Subscription Report**

1. Number of Containers at each Service Level by Customer type and program, including:
  - a. A summary of the total gallons of Cart service, cubic yards of Bin service, and pulls; and cubic yards or Tons of franchise Roll-Off and Compactor service by Customer type.
  - b. Calculation of the average volume of service received per: Single Family Dwelling Unit (separately identifying Dwelling Units in a duplex, triplex, or fourplex); Multi-Family Dwelling Unit; and, Commercial Customer.
2. A summary of Customer subscription data, including the number of accounts; the number of Customers subscribing to each Cart, Bin, and franchise Roll-Off Service Level listed separately for Single Family, Multi-Family, and Commercial and separately for each type of Discarded Material; the number and type of waivers (i.e., de minimis or physical space constraint) active for Customers for each type of Discarded Material; and the number of Bulky Items Collections performed.

**C. Contamination Monitoring Report**

The Franchisee shall submit the following information regarding Franchisee conducted contamination monitoring and issuance of Customer Notices conducted pursuant to Section 5.15 of this Agreement:

1. Description of the Franchisee's Process for determining the level of contamination;
2. Summary report of Customer Notices issued, which for each tag shall include the date of issuance, Customer name, and service address.
3. A record of each contamination incident, which shall include, at a minimum:
  - a. Name of the Customer
  - b. Address of the Customer
  - c. The date the contaminated Container was observed
  - d. The staff who conducted the inspection
  - e. The total number of violations found and a description of what action was taken for each
  - f. Copies of all notices issued to Generators with Excluded Waste placed in any Container for Collection
  - g. Any photographic documentation or supporting evidence.
4. Any other information reasonably requested by the District or specified in contamination monitoring provisions of this Agreement.

**D. Customer Service Report**

1. Franchisee shall maintain a record of all SB 1383 Regulatory non-compliance Complaints and responses and submit the following information:
  - a. Total number of SB 1383 non-compliance Complaints received and total number of SB 1383 non-compliance Complaints investigated
  - b. Copies of documentation recorded for each SB 1383 non-compliance Complaint received, which shall at a minimum include the following information:
    - i. The SB 1383 non-compliance Complaint as received;
    - ii. The name and contact information of the complainant, if the SB 1383 non-compliance 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 SB 1383 non-compliance Complaint; and,
    - vi. The identity of any witnesses, if known.
  - c. Copies of all SB 1383 non-compliance Complaint reports submitted to the District.
  - d. Copies of all investigation reports submitted to the District which shall include at a minimum:
    - i. The SB 1383 non-compliance Complaint as received;
    - ii. The date the Franchisee investigated the SB 1383 non-compliance Complaint;
    - iii. Documentation of the findings of the investigation;
    - iv. Any photographic or other evidence collected during the investigation; and,
    - v. Franchisee's recommendation to the District on whether or not the entity investigated is in violation of SB 1383 Regulations based on the Franchisee's investigation.

**E. Education Program Report**

The monthly status of activities identified in the annual public education plan described in Section 7.14 of this Agreement.

**C.3.3 Annual Reports**

In addition to the monthly reporting requirements in this Exhibit, the Franchisee shall provide an annual report, covering the most recently-completed calendar year, in accordance with the format and submittal requirements of this Exhibit. The Annual Report shall include the information in the following subsections.

**A. Collection and Subscription Report**

1. A summary of all data provided in the Tonnage report section, including quarterly and annual totals and averages.
2. The type(s) of Collection service(s) provided, and a record of the addresses served on each

collection service type.

3. A summary of Customer subscription data, including the number of accounts; the total number of Generators enrolled with Franchisee for service, listed separately by Service Level and Container type (Cart, Bin, and franchise Roll-Off service), separately by Single Family, Multi-Family, and Commercial Customers, and separately for each type of Discarded Material; and the number of Bulky Waste Collections performed.

**B. Processing Facility Report**

1. Approved Organic Materials Processing Facility: Franchisee shall provide documentation demonstrating the actual percent of the material removed for landfill Disposal that is Organic Waste is less than the percent specified in 14 CCR Section 17409.5.8(c)(2) or 17409.5.8(c)(3), whichever is applicable, and, if applicable, demonstrations compliance with the digestate handling requirements specified in 14 CCR Section 17896.5.
2. Temporary Equipment or Operations Failure: If the Franchisee is granted a Processing facility temporary equipment or operational failure waiver, in accordance with Section 5.12 of the Agreement, the Franchisee shall include the following documents and information:
  - a. The number of days the Processing Facility temporary equipment waiver or operation failure waiver was in effect;
  - b. Copies of any notifications sent to the District pursuant to Section 5.12 of the Agreement, and copies of District notices to Franchisee pursuant to Section 5.12 of the Agreement;
  - c. Documentation setting forth the date of issuance of the waiver, the timeframe for the waiver; and,
  - d. A record of the Tons of Organic Materials, Recyclable Materials, and Solid Waste redirected to an Alternative Facility or Disposed at an Approved Disposal Facility as a result of the waiver, recorded by Collection vehicle or Transfer vehicle number/load, date, and weight.
3. Quarantined Organic Waste: A record of all compliance agreements for quarantined Organic Waste that are Disposed of, including the name of Generator, date issued, location of final disposition, and the amount of quarantined Organic Waste that was required to be Disposed at a Landfill.

**C. Compliance Monitoring and Enforcement Report**

1. A summary of the total number of SB 1383 Regulatory non-compliance Complaints that were received and forwarded to the District or their designee.
2. The total number of Customer Notices and contamination Processing fees issued, if any, categorized by type of Generator.
3. The number of violations that were resolved, categorized by type of Generator.
4. Copies of all Customer Notices issued and educational materials issued to non-compliant Generators.

**D. Public Education and Outreach Report**

1. A copy of all education and outreach materials provided to Generators, or otherwise used for

education and outreach efforts in accordance with this Agreement, including, but not limited to: flyers, brochures, newsletters, invoice messaging/billing inserts, and website and social media postings.

2. A record of the date and to whom the information was disseminated or direct contact made, in the form of a list that includes: the Generator's name or account name, the type of education or outreach received; the distribution date, and the method of distribution.
3. For any mass distribution through mailings or bill inserts, the Franchisee shall maintain a record of the date, a copy of the information distributed, and the type and number of accounts that received the information.
4. A copy of electronic media, including the dates posted of: social media posts, e-mail communications, or other electronic messages.
5. A summary of the status of the annual education plan of the reporting year, including activities conducted and the quantitative and/or qualitative results of those activities.
6. The annual public education plan required by Section 7.14 of the Agreement for the upcoming then-current calendar year. For example, Franchisee submittal of a 2021 annual report in February 2022 shall include Franchisee submittal of the annual public education plan for calendar year 2022.
7. A copy of all special event reports submitted to the District in accordance with Section 7.14 of the Agreement.

#### **C.3.4 Additional Reports**

A. **Upon Request Reporting.** District reserves the right to request additional reports or documents in the case of unforeseen legislative or regulatory changes, requests from CalRecycle, or additional requirements imposed upon the District. The Franchisee 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 District General Manager, which shall not exceed ten (10) days.

C. **Facility Capacity Planning Information.** To the extent such information is available to Franchisee, District may require Franchisee to provide District with information of available Organic Waste Processing capacity for any Approved Processing Facilities, where available capacity may include identification of monthly Tons of additional Organic Waste such Approved Facilities have the ability to receive within permitted limits. Franchisee shall respond to District within sixty (60) days of District or its designee's request for information regarding available new or expanded capacity, to the extent such information is available to Franchisee and, at District or its designee's, option, may be required to submit reports on a more regular basis (such as monthly, quarterly, or annually). If Franchisee uses a Subcontractor to perform some or all of the Facility-related services required by this Agreement, Franchisee shall secure any District-requested Facility capacity planning information from its Subcontractor(s). The annual Facility capacity planning report shall comply with the following:

1. Include reports of current throughput and permitted capacity and available capacity for Organic Materials Processing for any Facility in the District that Processes Organic Materials. Existing capacity may include identification of monthly Tons of additional Source Separated

Recyclable Materials, Source Separated Organic Materials, and/or Solid Waste capacity such Facility has the ability to receive within permitted limits.

2. Include description of potential new or expanded Processing capacity at those Facilities, operations, and activities for Processing of Organic Materials, including information about throughput and permitted capacity necessary for planning purposes.
3. Be submitted using a form or format approved by the District General Manager.”

## SECTION 5. OTHER TERMS AND CONDITIONS


Except as otherwise amended herein, all other terms and conditions of the Agreement and the First Amendment, shall remain in full force and effect.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement effective as of the date first set forth above.

### CAMBRIA COMMUNITY SERVICES DISTRICT

### MISSION COUNTRY DISPOSAL


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 Donn Howell,  
 President, Board of Directors  
 Date: 5/20/2022

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 Its: Division Vice President  
 Date: 5/20/2022

ATTEST:

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 Leah Reedall, Board Secretary

APPROVED AS TO FORM:

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 Timothy J. Carmel, District Counsel