



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 Jackson Road, Rancho Murieta, CA 95683

Office - 916-354-3700 * Fax - 916-354-2082

FINANCE COMMITTEE

(Director Martin Pohll)

Regular Meeting

November 1, 2022 at 10:00 a.m.

This meeting will be held via ZOOM video conference only. You can join the conference by (1) logging on to <https://us02web.zoom.us/j/84551578764>, entering Meeting ID no. 845 5157 8764, and using the audio on your computer, or (2) dialing into 1-669-900-9128 and entering the meeting code 845 5157 8764. Those wishing to join with audio only can simply call the telephone number above and enter the code. Participants wishing to join the call anonymously have the option of dialing *67 from their phone. Please refer to your telephone service provider for specific instructions. ***PLEASE NOTE – MOBILE DEVICE USERS MAY NEED TO INSTALL AN APP PRIOR TO USE AND MAC AND PC DESKTOP AND LAPTOP USES WILL REQUIRE YOU TO RUN A ZOOM INSTALLER APPLICATION – PLEASE FOLLOW DIRECTIONS AS PROVIDED BY ZOOM. IT IS RECOMMENDED YOU ATTEMPT TO LOGIN AT LEAST 5 MINUTES BEFORE THE START OF THE MEETING.***

AGENDA

1. Call to Order
2. Consider Finding That as a Result of the COVID-19 Emergency: (i) Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees; and (ii) the Meeting is Authorized to be Held by Teleconference Pursuant to Gov. Code, § 54953, subd. (e)(1)(C).
3. Comments from the Public
4. Stakeholder Presentation – Tyler Technologies
5. Discuss Treasury Bond in the Amount of \$540,000 Plus Interest
6. Discuss Proposed Franchise Agreement with Cal-Waste
7. Update on Developer Deposits
8. Discuss Utility Billing Collections and Refunds
9. Directors and Staff Comments/Suggestions

10. Adjournment

"In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting."

In compliance with the Americans with Disabilities Act, if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this teleconference meeting, please contact the District Office at 916-354-3700 or awilder@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is October 27, 2022. Posting locations are: 1) District Office; 2) Rancho Murieta Association; 4) Murieta Village Association.

4. Tyler Technologies - Pending

DRAFT AMENDED
COLLECTION SERVICES CONTRACT
FOR THE PROVISION OF
SOLID WASTE, RECYCLABLE MATERIALS
AND GREEN WASTE COLLECTION SERVICES

Executed Between the
Rancho Murieta Community Services District
and

California Waste Recovery Systems, LLC

DATE

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This Contract made and entered into this first _____ day of ~~July, 2013~~, January, 2023, by and between the Rancho Murieta Community Services DISTRICT, a Special DISTRICT of the State of California, hereinafter referred to as "DISTRICT" and California Waste Recovery Systems, LLC, a California Limited Liability Company, hereinafter referred to as "CONTRACTOR".

Recitals

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

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

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

WHEREAS, SB 1383 Regulations require 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, Jurisdiction has chosen to delegate some of its responsibilities to the CONTRACTOR, acting as the Jurisdiction's designee, through this Contract; and,

WHEREAS, consistent with provisions of the Act, including Section 40059, that aspects of solid waste handling are of local concern including frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location, and extent of providing solid waste services, and whether the services are to be provided by means of non-exclusive, partially exclusive, or wholly exclusive franchise, contract, license, or otherwise which may be granted by the DISTRICT under terms and conditions prescribed by the DISTRICT; and,

WHEREAS, DISTRICT has determined that granting an exclusive franchise agreement to a solid waste enterprise is in the best interests of the residents and business establishments in the DISTRICT, and for the protection of community health, safety and well-being; and,

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WHEREAS, DISTRICT has determined that CONTRACTOR has demonstrated through past performance and in negotiations conducted with DISTRICT that CONTRACTOR is qualified and competent to perform the solid waste services desired by DISTRICT.

WHEREAS, CONTRACTOR desires to continue engage in the business of Collecting Discarded Materials in the DISTRICT; and,

WHEREAS, the DISTRICT further declares its intent to approve and maintain the maximum approved rates for the Collection, transportation, Processing, Recycling, Composting, and/or Disposal of Discarded Materials; and,

WHEREAS, the Parties desire to continue a wholly exclusive agreement for the provision of Collection Services except for those limitations specified in this Contract; and,

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

WHEREAS, the DISTRICT believes this Contract represents a high degree of service and value to the residents, businesses, and the DISTRICT, and will help the DISTRICT achieve the waste, Recycling and Organic Waste diversion mandates, goals and objectives of the State in support of AB939, AB 341, AB 1594, AB 1826 and SB 1383; and,

WHEREAS, this Contract has been developed by and is satisfactory to the DISTRICT and the CONTRACTOR.

Now, therefore, in consideration of the mutual covenants, Contracts and consideration contained herein, the DISTRICT and CONTRACTOR hereby agree as hereinafter set forth:

Article 1. Definitions

For the purpose of this Collection Services Contract, hereinafter referred to as "Contract", the definitions contained in this Article shall apply unless otherwise specifically stated. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender shall include the feminine gender.

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

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

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

1.04 Assembly Bill 901 (AB 901). The 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.

1.05 Assembly Bill 939 (AB 939) (ACT). The California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq.), as amended, supplemented, superseded, and replaced from time to time.

1.06 Assembly Bill 1594 (AB 1594). The Assembly Bill as amended, supplemented, superseded, and replaced from time to time, mandates that as of January 1, 2020, the use of green material as Alternative Daily Cover (ADC) will no longer constitute diversion through Recycling and will instead be considered Disposal in terms of measuring a jurisdiction's annual 50 percent (50%) per capita Disposal rate.

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

1.08 ~~4.04~~ Biohazardous or Biomedical Waste. Any waste which may cause disease or reasonably be suspected of harboring pathogenic organisms; included are wastes resulting from the operation of medical clinics, hospitals, and other facilities processing wastes which may consist of, but are not limited to, human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

1.09 Bin. A metal or plastic Container with hinged lid(s) and wheels serviced by a front-end loading Collection vehicle with a Container capacity of one (1) to eight (8) cubic yards, including Bins with compactors attached to increase the capacity of the Bin. Bins are also known as "Dumpsters."

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

1.11 ~~4.02~~ Brown Goods. Electronic equipment such as stereos, televisions, computers, monitors, VCR's and other similar items.

1.12 California Code of Regulations. "California Code of Regulations" or "CCR" means the State of California Code of Regulations. CCR references in this Contract are

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preceded with a number that refers to the relevant Title of the CCR (e.g., "14 CCR, Division 7, Chapter 12" refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.

1.13 CalRecycle. "CalRecycle" means the California Department of Resources Recycling and Recovery or its successor.

1.14 Cart. A heavy plastic receptacle and a rated capacity of at least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged, tight-fitting lid and wheels, that is approved by the Contract Administrator for use by Service Recipients for Collection Services under this Contract.

1.15 ~~1.03~~ Cellular Phones. Any cellular phone, smart-phone, i-Pad, i-Pod or other MP3 player, PDA, and their batteries and charging cords. ~~Residents may recycle Cellular Phones by placing them in a clear, zipper-locked bag and putting the bag into their Recycling Cart.~~

1.16 Change in Law. "Change in Law" means the following events or conditions that may have a material and adverse effect on the performance by the Parties of their respective obligations under this Contract:

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

~~1.17 1.04 1.04 Collection. The process whereby Residential Waste, Recyclable Materials and other materials are removed and transported to a Disposal Facility, Green Waste Processing Facility, Materials Recycling Facility or other facility as appropriate.~~ Collection. "Collection" (including related forms of the word such as "Collected") means the act of the CONTRACTOR taking physical possession of, and removing Discarded Materials, whether by manual, semi-automated or automated means, and transporting such materials to the Approved Facility, pursuant to this Contract.

~~1.18 1.05 Collection Services. Residential Collection Service.~~ Collection Services. Residential Collection Service.

~~1.06 1.06 Construction and Demolition Debris. Used or discarded materials resulting from construction, remodeling, repair or demolition operations on any pavement, house, commercial building or other structure and such other materials as may be removed~~

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~~during the normal cleanup process of such construction, remodeling, repair, or demolition operations.~~

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

1.20 Compostable Plastics. “Compostable Plastics” or “Compostable Plastic” means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

1.21 Containers. “Container(s)” means a cart, can, bin, debris box, or stationary compactor intended for the purpose of depositing waste for disposal, except construction and demolition debris and bulky items, or recyclable materials for diversion. Containers may be Provided by the DISTRICT or its authorized agent, or for manual collection as may be required to be provided by the property owner or occupant generating Solid Waste. Organic Waste or Recyclables.

1.22 Contamination. “Contamination” means the inclusion in a Container of Excluded Waste of any amount; or Organic Materials and/or Recyclable Materials placed in a Solid Waste Container; or materials other than Organic Materials in an Organic Materials Container, or materials other than Recyclable Materials in a Recyclable Materials Container, which render the contents of the Container materially unsuitable for the intended type of Diversion.

1.23 ~~4.07~~ Contract. The written document and all amendments thereto, between the DISTRICT and the CONTRACTOR, governing the provision of Collection Services as provided herein.

1.24 ~~4.08~~ Contract Administrator. That person, or their designee, designated by the DISTRICT to administer and monitor the provisions of this Contract.

1.25 ~~4.09~~ Contract Year. Each twelve (12) month period from July 1st to June 30th.

1.26 ~~4.10~~ CONTRACTOR. That person or entity that has obtained from the DISTRICT a Contract to provide Collection Services as set forth herein.

1.27 ~~4.11~~ County. Sacramento County, California.

1.28 Discarded Materials. “Discarded Materials” are a form of Solid Waste and shall be regulated as such. For purposes of this Contract, material is deemed to have been discarded, without regard to whether it is destined for Recycling or Disposal, and whether or not it has been separated from other Solid Wastes, in all cases where a fee or other compensation, in any form or amount, is directly or indirectly solicited from, or levied, charged, or otherwise imposed on, or paid by, the Generator or Customer in exchange for

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handling services. As used herein, handling services include, without limitation, the Collection, removal, Transportation, delivery, and Processing and/or Disposal of the material. For the purposes of this Contract, Discarded Materials include Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, Food Waste, and Gray Container Waste once the materials have been placed in Containers for Collection.

1.29 Disposal. "Disposal" or "Disposed" mean the final disposition of any Solid Waste Collected by the Contractor or Residue from CONTRACTOR'S Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

1.30 ~~1.12~~ Disposal Facility. ~~The Kiefer Landfill designated by DISTRICT or such place or places specifically designated by the DISTRICT~~ Any permitted facility used for the disposal, or processing as appropriate, of ~~Residential~~ Gray Container Waste, and other materials as appropriate and acceptable.

1.31 ~~1.13~~ DISTRICT. The Rancho Murieta Community Services DISTRICT, California.

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

1.33 ~~1.14~~ Dwelling Unit. An individual living unit in a single family dwelling, condominium, townhouse, mobile home, duplex, triplex, fourplex, or building of four or less total individual living units intended for, or capable of being utilized for, residential living other than a Hotel or Motel.

1.34 ~~1.15~~ Electronic Waste (E-waste). Electronic products (i.e. Cellular Phones, computers, televisions, VCRs, stereos, copiers, fax machines) at the end of their useful life.

1.35 Enforcement Action. "Enforcement Action" means an action of the DISTRICT to address non-compliance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.

1.36 ~~1.16~~ "Exempt Waste. Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, Household Hazardous Waste, Stable Matter, Green Waste or lumber that is more than five (5) feet in length in its longest dimension or two (2) feet in diameter, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission.

~~1.17—Garbage. All putrescible waste which generally includes, but is not limited to, kitchen and table food waste, animal, vegetative, food or any organic waste that is attendant with, or results from the storage, preparation, cooking or handling of food materials attributed to normal activities of a Residential Service Unit. Garbage must be generated by~~

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~~and at the Residential Service Unit wherein the Garbage is Collected. Garbage does not include those items defined herein as Exempt Waste.~~

~~1.07 Garbage Carts. A heavy plastic receptacle with a rated capacity of at least thirty two (32) and not more than ninety six (96) gallons for use by Service Recipients for Residential Solid Waste Collection Service under this Contract. Garbage Carts must meet the minimum specifications set forth in Exhibit 4 which is attached to and included in this Contract.~~

~~1.18 Green Waste. Any vegetative matter resulting from normal yard and landscaping maintenance that is not more than five (5) feet in its longest dimension or six (6) inches in diameter or weighs no more than fifty (50) pounds. Green Waste includes plant debris, such as Palm, Yucca and Cactus, grass clippings, leaves, pruning, weeds, branches, brush, Christmas trees, and other forms of organic waste and must be generated by and at the Residential Service Unit wherein the Green Waste is Collected. Green Waste does not include items herein defined as Exempt Waste.~~

~~1.08 Green Waste Cart. A heavy plastic receptacle with a rated capacity of not less than sixty four (64) gallons and not more than ninety six (96) gallons for use by Service Recipients for Green Waste Collection Service under this Contract. Green Waste Carts must meet the minimum specifications set forth in Exhibit 4 to this Contract.~~

~~1.09 Green Waste Collection Service. The Collection of all Green Waste from Residential Service Units in the Service Area and the delivery of that Green Waste to a Green Waste Processing Facility.~~

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

1.38 Food Waste. "Food Waste" means Source Separated Food Scraps, Food Soiled Paper, and Compostable Plastics. Food Waste is a subset of Source Separated Green Container Organic Waste. Edible Food separated for Food Recovery shall not be considered Food Waste.

1.39 Generator. "Generator" means any Person whose act or process produces Discarded Materials, or whose act first causes any of these items to become subject to regulation.

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

1.41 Gray Container Waste. "Gray Container Waste" means Solid Waste that is collected in a Gray Container that is part of a three-Container Waste Collection service that prohibits the placement of Organic Waste in the Gray Container as specified in 14 CCR Sections 18984.1(a) and (b) or as otherwise defined in 14 CCR Section 17402(a)(6.5). For {00287449.100280740.7}

the purposes of this Contract, Gray Container Waste includes carpet and textiles. Acceptable Gray Container Waste is listed in Exhibit 7. Gray Container Waste does not include those items defined herein as Exempt Waste.

1.42 Green Container. "Green Container" has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of Source Separated Green Container Organic Waste.

1.43 Green Container Organic Waste. Means types of Source Separated Green Container Organic Waste that the Generators Source Separate and set out in Green Containers for Collection for the purpose of Processing by the Contractor. The accepted types of Green Container Organic Waste and process for modifying the accepted types of Green Container Organic Waste is provided in Exhibit 7. Green Container Waste does not include items herein defined as Exempt Waste.

1.44 ~~4.19~~ Green Container Organic Waste Processing Facility. Any facility designed, operated and legally permitted for the purpose of receiving and processing Green Container Organic Waste and Large Green Waste.

1.45 Hauler Route. "Hauler Route" means the designated itinerary or sequence of stops for each segment of the Jurisdiction's Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

1.46 ~~4.20~~ Hazardous Waste. Any material which is defined as a hazardous waste under California or United States law, or any regulations promulgated pursuant to such law, as such law or regulations may be amended from time to time except such materials as may be defined herein as Brown Goods.

1.47 ~~4.21~~ Hotel or Motel. A structure or building unit(s) capable of being utilized for residential living where such unit or a group of such units is regularly rented to transients or held out or advertised to the public as a place regularly rented to transients for periods of seven (7) days or less. To meet this definition, the Hotel or Motel must be licensed to operate as such.

1.48 ~~4.22~~ Household Batteries. Alkaline batteries (i.e. AAA, AA, C, D, button, 6-volt, 9-volt batteries) and rechargeable batteries (Nickel Cadmium (Ni-Cd), Nickel Metal Hydride (Ni-MH), Lithium Ion (Li-Ion), Nickel Zinc (Ni-Zn) and Small Sealed Lead (SSLA/Pb)) typically found in cordless phones, power tools and laptops. ~~Residents may recycle. Car batteries are not included as Household Batteries by placing them in a clear, zipper locked bag and putting the bag into their Recycling Cart.~~

1.49 Household Hazardous Waste. "Household Hazardous Waste" or "HHW" means Hazardous Waste generated at Residential Service Unit. HHW includes, but is not limited to: paint, stain, varnish, thinner, adhesives, auto products such as old fuel, Cell Phones, Household Batteries, Household Batteries, fluorescent bulbs, tubes, cleaners and sprays, and pesticides, fertilizers, and other garden products.

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1.50 ~~1.23~~ Large Green Waste. Oversized Green Container Organic Waste such as tree trunks and branches with a diameter of not less than six (6) inches and not more than two (2) feet and a length of not more than five (5) feet in its longest dimension, which are attributed to the normal activities of a Residential Service Unit. Large Green Waste must be generated by and at the Residential Service Unit wherein the Large Green Waste is Collected.

1.51 ~~1.24~~ Large Items. Those materials including, but not limited to, furniture, carpets, mattresses, White Goods, Brown Goods, Electronic Waste (E-Waste), Universal Waste (U-Waste), clothing, tires, Large Green Waste, or some combination of such items in a container the dimensions and weight of which container does not exceed four feet by four feet by two feet (4'x4'x2') and sixty (60) pounds, which are attributed to the normal activities of a Residential Service Unit. Large Items must be generated by and at the Residential Service Unit wherein the Large Items are Collected. Large Items do not include items herein defined as Exempt Waste.

1.52 ~~1.25~~ Large Item Collection Service. The periodic on-call Collection of Large Items, by the CONTRACTOR, from Residential Service Units in the Service Area, and the delivery of those Large Items to a Disposal Facility, Materials Recycling Facility or such other facility as may be appropriate under the terms of this Contract. Large Item Collection Service does not include the Collection of Large Items through the use of Roll-Off Containers.

1.53 Material Change in Law. A Change in Law that (a) results in a documented increase in CONTRACTOR's costs of providing services under this Agreement and (b) relates specifically to any aspect of the solid waste industry (including, for the avoidance of doubt and without limitation, changes to AB 939, changes to CalRecycle regulations, or changes to other applicable laws relating specifically to any aspect of "solid waste handling," "solid waste disposal" or "solid waste facilities," as such terms are defined in AB 939).

Commented [AR1]: [From City of Galt agreement.](#)

1.54 ~~1.26~~ Materials Recycling Facility (MRF). Any facility designed, operated, and legally permitted for the purpose of receiving, sorting, processing, storing, or preparing Source Separated Recyclable Materials for sale.

1.55 ~~1.27~~ Non-Collection Notice. A ~~form~~process developed and used by the CONTRACTOR, as approved by the DISTRICT, to notify Service Recipients of the reason for non-collection of materials set out by the Service Recipient for Collection by CONTRACTOR pursuant to this Contract.

1.56 Non-Compostable Paper. "Non-Compostable Paper" includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

1.57 Organic Waste. "Organic Waste" means Solid Waste containing material originated from living organisms and their metabolic waste products, including, but not {00287449.100280740.7}



limited to, Food Waste, Green Waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with Food Waste.

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

1.59 Prohibited Container Contaminants. "Prohibited Container Contaminants" means the following: (i) discarded materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the Blue Container; (ii) discarded materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the Green Container; (iii) discarded materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or Source Separated Green Container Organic Wastes, and, (iv) non-Solid Waste items placed in any container. Prohibited Container Contaminants procedures are provided in Exhibit 7.

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

1.61 Public Resources Code (PRC). "Public Resources Code" or "PRC" means the California Public Resources Code.

1.62 Putrescible Waste. "Putrescible Waste" means wastes that are capable of being decomposed by micro-organisms with sufficient rapidity as to cause nuisances because of odors, gases, or other offensive conditions, and includes materials such as, but not limited to Food Waste, offal, and dead animals; or as otherwise defined in 14 CCR Section 17402(a)(21).

1.63 Rebuilt Vehicle. For purposes of this Contract, "rebuilt" means, at a minimum, replacement of worn parts and reconditioning or replacement of hydraulic systems, transmissions, differentials, electrical systems, engines, and brake systems. In addition, the Rebuilt Vehicle must be repainted and its tires must have at least eighty-five percent (85%) of tread remaining.

1.64 ~~1.28~~ Recyclable Materials. Those materials which are capable of being recycled and which would otherwise be processed or disposed of as Residential Solid Waste. These materials will be as defined by the DISTRICT from time to time. Recyclable Materials currently being Collected include: newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, Kraft brown bags and paper, paperboard, paper egg cartons, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); steel including "tin" cans and small scrap (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); bimetal containers; mixed plastics such as plastic bags, plastic film, plastic containers (1-7), and bottles including containers made of HDPE, LDPE, PET, or PVC; aseptic containers; and polystyrene.

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1.65 ~~1.40~~ Recycling Cart. A heavy plastic receptacle with a rated capacity of not less than sixty four (64) gallons and not more than ninety six (96) gallons, for use by Service Recipients for Residential Recycling Collection Service under this Contract. Recycling Carts must meet the minimum specifications set forth in Exhibit 4 to this Contract.

1.66 Residential Collection Service. Residential ~~Solid Gray Container~~ Waste Collection Service, Residential Source Separated Recycling Collection Service, Residential Source Separated Green Organic Waste Collection Service, Large Item Collection Service, and Residential Used Oil Collection Service.

1.67 ~~1.29~~ Residential Source Separated Green Container Organic Waste Collection Service. The Collection of Source Separated Green Container Organic Waste by the CONTRACTOR from Residential Service Units in the Service Area and the delivery of the Source Separated Green Container Organic Waste to a permitted Processing Facility.

1.68 The Collection of all Green Container Organic Waste from Residential Service Units in the Service Area and the delivery of that Green Container Organic Waste to a permitted Processing Facility.

1.69 Residential Source Separated Recycling Collection Service. The Collection of Source Separated Recyclable Materials, ~~Cellular Phones, and Household Batteries~~ by the CONTRACTOR from Residential Service Units in the Service Area and the delivery of those Source Separated Recyclable Materials to a Materials Recycling Facility.

1.70 ~~1.11~~ Residential Service Unit. Any Dwelling Unit in the Service Area utilizing a ~~Garbage Cart~~ gray, blue and green Carts, or any combination of Dwelling Units sharing ~~Garbage~~ gray, blue and green Carts, for the accumulation and set out of Residential Solid Waste.

1.71 Residential Solid Waste. ~~Garbage and Rubbish resulting from the normal activities of a Residential Service Unit. Residential Solid Waste must be generated by and at the Residential Service Unit wherein the Residential Solid Waste is collected and does not include items defined herein as Exempt Waste.~~ "Residential Solid Waste" has the same meaning as defined in PRC Section 40191, which defines Solid Waste as all Putrescible Waste and non-Putrescible Waste that are solid, semisolid, or liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage Sludge which is not Hazardous Waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

- (1) Hazardous waste, as defined in PRC Section 40141.

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(2) Radioactive waste regulated pursuant to the Radiation Control Law (Chapter 8 commencing with Section 114960) of Part 9 of Division 104 of the Health and Safety Code).

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

1.72 ~~4.30~~ Residential Gray Container Waste Collection Service. The Collection of Residential ~~Solid~~Gray Container Waste, by the CONTRACTOR, from Residential Service Units in the Service Area and the delivery of that Residential ~~Solid~~Gray Container Waste to a Disposal Facility.

1.73 ~~4.31~~ Residential Used Cooking Oil Collection Service. The Collection of Used Cooking Oil in Used Cooking Oil Containers, by the CONTRACTOR, from all Residential Service Units in the Service Area utilizing Used Cooking Oil Containers for the accumulation and set-out of Used Cooking Oil and the appropriate disposition of the Used Cooking Oil in accordance with the requirements of this Contract.

1.74 ~~4.32~~ Residential Used Motor Oil Collection Service. The Collection of Used Motor Oil in Used Motor Oil Containers and Used Motor Oil Filters in Used Motor Oil Filter Containers, by the CONTRACTOR, from all Residential Service Units in the Service Area utilizing Used Motor Oil and Filter Containers for the accumulation and set-out of Used Motor Oil and Used Motor Oil Filters and the appropriate disposition of the Used Motor Oil and Used Motor Oil Filters in accordance with the requirements of this Contract.

~~Residential Waste, Residential Solid Waste, Green Waste, Large Items, Household Batteries, Cellular Phones, Used Cooking Oil, Used Motor Oil, and Used Motor Oil Filters resulting from the normal activities of a Residential Service Unit. Residential Waste must be generated by and at the Residential Service Unit wherein the Residential Waste is Collected and does not include items defined herein as Exempt Waste.~~

1.75 ~~4.33~~ Roll-Off Collection Service. The Collection of Roll-Off Containers containing Construction and Demolition Debris.

~~4.12 — Roll-Off Container. A metal container with a capacity of twenty (20) or more cubic yards that is normally loaded onto a motor vehicle and transported to an appropriate facility.~~

~~4.13 — Rubbish. All refuse, accumulation of paper, excelsior, rags, wooden boxes and containers, sweep-ups and all other accumulations of a nature other than Garbage and Green Waste, resulting from the normal activities of a Residential Service Unit. Rubbish~~

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~~must be generated by and at the Residential Service Unit wherein the Rubbish is Collected. Rubbish does not include items herein defined as Exempt Waste.~~

1.76 ~~4.34~~ Service Area. The area within the ~~Rancho Murieta Community Services~~ DISTRICT.

1.77 ~~4.35~~ Service Recipient. An individual receiving Collection Services.

1.78 Source Separated Green Container Organic Waste. The Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator. The accepted types of Source Separated Green Container Organic Waste and process for modifying the accepted types of Source Separated Green Container Organic Waste are specified in Article 7. Source Separated Green Container Organic Waste is a subset of Organic Waste.

1.79 Source Separated Recyclable Materials. The Source Separated Non-Organic Recyclables that can be placed in a Blue Container that is specifically intended for the separate Collection of Recyclable Materials by the Generator. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in

1.80 Sludge. The accumulated solids, residues and precipitates generated as a result of waste treatment or processing, including wastewater treatment, water supply treatment, or operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies, or similar disposal objects or any other such waste having similar characteristics or effects.

1.81 ~~4.36~~ Stable Matter. Manure and other waste matter normally accumulated in stables or in livestock or poultry enclosures.

~~4.14— Universal Waste (U Waste).— Products at the end of their useful life such as; household batteries, mercury containing thermostats, lamps (i.e. fluorescent, high intensity discharge, neon, mercury vapor, high pressure sodium, and metal halide lamps), cathode ray tube (CRT) devices (i.e. televisions, computer monitors).~~

1.82 Uncontrollable Circumstances. An act of nature, landslide, lightning, earthquake, fire, flood, explosion, sabotage, acts of a public enemy, war, blockade or insurrection, riot or civil disturbance, a Change in Law, or any other act, event or condition affecting either Party beyond the control of such Party and not the result of willful or negligent action or inaction of such Party (other than the contesting in good faith or the failure in good faith to contest such action or inaction), which materially and adversely affects the ability of either Party to perform any obligation hereunder, but excluding,

1.81.1 Either Party's own breach of its obligations hereunder;

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1.81.2 Adverse changes in the financial condition of either Party or any Change in Law with respect to any taxes based on or measured by net income, or any unincorporated business, payroll, or employment taxes;

1.81.3 The consequences of errors in performing CONTRACTOR'S obligations on the part of the CONTRACTOR, its employees, agents, or affiliates;

1.81.4 Labor unrest including, but not limited to, strikes, work stoppages or slowdowns, sick-outs, picketing, or other labor disputes or disturbances conducted by CONTRACTOR'S employees or directed at CONTRACTOR;

1.81.5 The failure of the CONTRACTOR to secure patents, licenses, trademarks, and the like necessary for CONTRACTOR to perform its obligations.

1.83 ~~4.37~~ Used Cooking Oil. Any cooking oil that has been produced for food preparation and consumption purposes, and is no longer useful to the Service Recipient because of use, extended storage, or spillage. Used Oil must be generated by and at the Residential Service Unit wherein the Used Cooking Oil is collected. Used Cooking Oil shall not contain water, soapsuds, and/or food debris.

1.84 ~~4.38~~ Used Cooking Oil Container. A plain co-poly container provided by the CONTRACTOR for the accumulation of Used Cooking Oil that is at least four (4) quarts in capacity, leak-proof, has a screw-on lid and has a label designating it for use as a Used Cooking Oil Container.

1.85 ~~4.39~~ Used Motor Oil. Any oil that has been refined from crude oil or has been synthetically produced, and is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water; or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Motor Oil must be generated by and at the Residential Service Unit wherein the Used Motor Oil is collected. Used Motor Oil does not include transmission fluid.

1.86 ~~4.40~~ Used Motor Oil Container. A plain co-poly container provided by the CONTRACTOR for the accumulation of Used Motor Oil that is at least four (4) quarts in capacity, leak-proof, has a screw-on lid and has a label designating it for use as a Used Motor Oil Container.

1.87 ~~4.41~~ Used Motor Oil Filter. Any oil filter that is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water, or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Motor Oil Filters must be generated by and at the Residential Service Unit wherein the Used Motor Oil Filter is Collected.

1.88 ~~4.42~~ Used Motor Oil Filter Container. A six (6) mil poly bag with double track seal with dimensions of at least fourteen and one-half (14.5) inches by eight (8) inches with {00287449.100280740.7}

a one and one-quarter (1¼) inch diameter hole above the seal, provided by the CONTRACTOR for the accumulation of Used Motor Oil Filters that has a label designating it for use as a Used Motor Oil Filter Container.

1.89 ~~1.43~~ White Goods. Inoperative and discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

1.90 ~~1.44~~ Work Day. Any day, Monday through Friday that is not a holiday as set forth in Section 3.07 of this Contract, and is consistent with the Hours and Day of Collection as set forth on Section 7.04 of this Contract.

Article 2. Term of Contract

2.01 Amended Term. The term of this Contract, as amended, shall be for a period beginning ~~July~~ January 1, ~~2013~~ 2023 and terminating on ~~October 31, 2025~~ June 30, 2035, provided, however, that the CONTRACTOR shall be bound by, and fulfill all terms of, the original Contract between the parties dated ~~August 24, 2005 until~~ July 1, ~~2013~~ 2013 until December 31, 2022.

2.02 Extension of Term. On or before January 1, ~~2024~~ 2035 provided the DISTRICT Manager determines that the CONTRACTOR has met the minimum performance and diversion requirements, as set forth in Article 9, the DISTRICT may offer the CONTRACTOR or CONTRACTOR may request, in writing a ten (10) year extension of this Contract. CONTRACTOR shall provide written notice to the DISTRICT as to whether CONTRACTOR accepts or rejects the DISTRICT' offer within twenty (20) Work Days of the date of the offer. If CONTRACTOR fails to provide such notice to the DISTRICT within said twenty (20) Work Days, the DISTRICT'S offer shall be deemed withdrawn and the DISTRICT shall have no obligation to extend the term of this Contract beyond ~~October 31, 2015~~ June 30, 2035. If the term of this Contract is extended, the compensation provisions of Article 4 shall not be subject to negotiation. However, the compensation payable to CONTRACTOR shall be adjusted annually throughout the extended term as provided in Article 4.

2.03 Voiding of Extensions. In the event CONTRACTOR fails to meet the minimum service and diversion requirements set forth in Article 9, CONTRACTOR understands and agrees that the service extension set forth in Section 2.02 above is voided and that this Contract shall terminate on ~~October 31, 2025~~ June 30, 2035 as set forth in Section 2.01 of this Contract.

2.04 Other Provisions. The DISTRICT may, at the end of the Contract term or optional extended term, as appropriate, either renegotiate the terms and conditions of the Contract with the current CONTRACTOR or request proposals from qualified ~~contractors~~ companies to provide Collection Services.

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Article 3. Services Provided by the Contractor

3.01 Grant of Exclusive Contract. Except as otherwise provided in this Contract, the CONTRACTOR is herein granted an exclusive Contract to provide [Residential Collection Services](#) within the Service Area. No other ~~solid waste or recycling services~~ [Solid Waste Collection Services](#), including Roll-Off Collection Services, shall be exclusive to the CONTRACTOR.

3.02 Sale or Donation of Recyclable Materials by Service Recipients. Nothing in this Contract shall preclude a Service Recipient from transporting and selling or donating their [Source Separated](#) Recyclable Materials to a private or public entity provided that such entity does not charge the Service Recipient a fee or service charge of any type related to the sale or donation of the [Source Separated](#) Recyclable Material.

3.03 Responsibility for Billing and Collection. The DISTRICT shall be responsible for the billing and collection of payments for Collection Services within the Service Area.

3.04 DISTRICT'S Payment to CONTRACTOR. DISTRICT shall make payment to the CONTRACTOR of the Service fee as specified in this Section 3.05. Payment to the CONTRACTOR shall be due on the twentieth (20th) day of the month following the month the revenues are collected. Payment to CONTRACTOR shall be equal to the current amount billed by DISTRICT for services provided by CONTRACTOR, less any Administrative Charges levied against CONTRACTOR. DISTRICT may deduct any Administrative Charges levied against CONTRACTOR as specified in Article 17 from the payments due to the CONTRACTOR.

3.05 Service Standards. CONTRACTOR shall perform all Collection Services under this Contract in a thorough and professional manner. Collection Services described in this Contract shall be performed regardless of weather conditions or difficulty of Collection.

3.06 Labor and Equipment. CONTRACTOR shall provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of CONTRACTOR'S obligations under this Contract. CONTRACTOR shall at all times have sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this Contract. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by the DISTRICT or by any Service Recipient except as expressly provided by this Contract.

3.07 Holiday Service. The DISTRICT observes Thanksgiving Day, December 25th, January 1st and July 4th as legal holidays. CONTRACTOR shall not be required to provide Collection Services or maintain office hours on the designated holidays. In any week in which one of these holidays falls on a Work Day, Residential Collection Services for the holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the week with normally scheduled Thursday Collection Services being performed on Friday. ~~{00287449-100280740.7}~~

3.08 Inspections. The DISTRICT shall have the right to inspect the CONTRACTOR'S facilities or Collection vehicles and their contents at any time while operating inside or outside the DISTRICT.

3.09 Commingling of Materials.

3.09.1 ~~Residential Gray Container Waste and Source Separated Recyclable Material And Source Separated Green Container Organic Waste.~~ CONTRACTOR shall not at any time commingle Residential Solid Waste Collected pursuant to this Contract, with any Source Separated Recyclable Material and/or Source Separated Green Container Organic Waste separated for Collection pursuant to this Contract, without the express prior written authorization of the Contract Administrator.

3.09.2 Residential Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste Collected in the DISTRICT. CONTRACTOR shall not at any time commingle any Residential Waste, Collected pursuant to this Contract, with any other material Collected by CONTRACTOR inside or outside the Rancho Murieta Community Services DISTRICT, without the express prior written authorization of the Contract Administrator.

3.09.3 Source Separated Recyclable Materials And Source Separated Green Container Organic Waste. CONTRACTOR shall not at any time commingle Source Separated Recyclable Materials and/or Source Separated Green Container Organic Waste Collected pursuant to this Contract, with any other material Collected by CONTRACTOR inside or outside the DISTRICT, without the express prior written authorization of the Contract Administrator.

3.10 Spillage and Litter. The CONTRACTOR shall not litter premises in the process of providing Collection Services or while its vehicles are on the road. The CONTRACTOR shall transport all materials Collected under the terms of this Contract in such a manner as to prevent the spilling or blowing of such materials from the CONTRACTOR'S vehicle. The CONTRACTOR shall exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Residential Gray Container Waste, or Source Separated Recyclable Materials Material and Source Separated Green Container Organic Waste and shall immediately, at the time of occurrence, clean up such spilled or dropped Residential Gray Container Waste, or Source Separated Recyclable Materials Material and Source Separated Green Container Organic Waste.

3.10.1 The CONTRACTOR shall not be responsible for cleaning up unsanitary conditions caused by the carelessness of the Service Recipient; however, the CONTRACTOR shall clean up any materials or residue that are spilled or scattered by the CONTRACTOR or its employees.

3.10.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from the CONTRACTOR'S operations or equipment repair shall be covered {00287449.100280740.7}



immediately with an absorptive material and removed from the street surface. When necessary, CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate cleaning.

3.10.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any spillage or litter caused by CONTRACTOR within two (2) hours upon notice from the DISTRICT.

3.10.4 To facilitate such cleanup, CONTRACTOR'S vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.11 Ownership of Materials.

3.11.1 Title to Residential Gray Container Waste, ~~and Source Separated Recyclable Materials~~ Material and Source Separated Green Container Organic Waste shall pass to CONTRACTOR at such time as said materials are placed in the CONTRACTOR'S Collection vehicle.

3.12 Household Hazardous Waste (HHW) Events. CONTRACTOR shall provide ~~solid waste and recycling~~ Residential Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste collection services annually as requested by DISTRICT for their HHW collection event. Services shall be provided in such a manner that all ~~solid waste and recycling~~ Residential Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste needs of the event are adequately and properly provided for by CONTRACTOR at no cost of any kind to DISTRICT.

3.13 Collection at DISTRICT Administrative Facility. CONTRACTOR, at no charge to DISTRICT will provide the ~~solid waste and recycling~~ Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste Collection Services at DISTRICT administrative facility. Current service includes four (4) cubic yards of solid waste and four (4) cubic yards of recycling, each collected weekly. In addition, DISTRICT can increase the Collection capacity at this facility at any point during the term of the ~~Agreement~~ Contract, not to exceed two (2) times the current service.

Article 4. Charges and Rates

4.01 Collection Services. The DISTRICT shall be responsible for the billing and collection of payments for all Collection Services. The CONTRACTOR shall charge the DISTRICT the Collection Service Rates established in Exhibit 1, which is attached to and included in this Contract, and as may be adjusted under the terms of this Contract.

4.01.1 Partial Month Service. If, during a month, a Residential Service Unit is added to or deleted from CONTRACTOR'S Service Area, the CONTRACTOR'S billing to the DISTRICT shall be pro-rated by dividing the appropriate monthly Collection Service

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Rate established in Exhibit 1 by four (4) and multiplying the result by the number of actual weeks in the month that service was provided to the Residential Service Unit.

4.01.2 Production of Invoices. The CONTRACTOR shall produce an invoice, in a form and format that is approved by the Contract Administrator, for services received under this Contract each month, twelve (12) times per year. The CONTRACTOR'S invoice shall be submitted to the DISTRICT no later than the tenth (10th) day of the month following the period for which the service is being billed. At a minimum, CONTRACTOR'S invoice shall include the name and address of each serviced account broken down by the size of the garbage cart size, any changes in services, and any additional services that were provided. CONTRACTOR invoices shall be provided in written form and in electronic format compatible to the DISTRICT'S billing system.

4.02 ~~Service Rate Elements. Collection Service Rates shall consist of some combination of the following elements; a Collection Element and a Disposal Element.~~ Annual Rate Adjustment. Subject to the DISTRICT's approval, adjustments to the rates established herein may be made annually, beginning on July 1, 2023, and annually thereafter. Any such rate increase shall be 100% of the U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Water and sewer and trash collection services (Series CUSR0000SEHG) for the twelve-month period ending on the preceding February 1. The result of this calculation expressed as a decimal shall be added to one and multiplied by the then current Collection Service Rates. The product of this calculation shall be the new Collection Service Rates.

For the July 1, 2023 Annual Rate Adjustment only, the then current service rates to be adjusted shall be the average of the Collection Service Rates for the previous 12 months.

For the July 1, 2023 and July 1, 2024 Annual Rate Adjustments, after the Annual Rate Adjustment is calculated according to this Section 4.02, the phased organics collection amounts shown in Exhibit 1 shall be added to the new Collection Service Rates. In no case shall such annual rate increase exceed 5.5% subject to approval of the DISTRICT.

4.03 ~~Adjustments to Collection Service Rate Elements~~ Due to Material Changes in Law.

4.03.1 ~~Adjustments to Collection Elements Using the Refuse Rate Index (RRI). Beginning on July 1, 2007, and annually thereafter, CONTRACTOR shall, subject to compliance with all provisions of this Article, receive an annual adjustment in the following Collection Elements of the Collection Service Rates as set forth in Exhibit 1 to this Contract.~~ If a Material Change in Law(s) occurs after the date hereof, then, upon notification by CONTRACTOR, DISTRICT and CONTRACTOR shall negotiate in good faith a reasonable and appropriate adjustment to rates sufficient to offset CONTRACTOR's increased costs of operation or reduced gross revenue resulting from the Material Change in Law(s).

Commented [JF2]: [With the addition of this section, we are deleting Section 22.02.](#)

Commented [JF3]: [From City of Galt agreement](#)

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~~4.03.1.1.1. Residential Collection Service. Collection Elements on lines A5, B2, D5, and E2 of the Contractor Service Rates in Exhibit 1.~~

~~4.03.1.1.2. Emergency Services. Hourly Rates on the Contractor Service Rates in Exhibit 1.~~

~~4.03.2 RRI Adjustment. Beginning on July 1, 2013, and annually thereafter during the term of this Contract, the Collection Elements of the Collection Service Rates set forth in Section 4.03.1 above shall be adjusted by the modified RRI adjustment set forth below. In any year that the calculation of the RRI results in a negative number, there shall be no adjustment of those Collection Elements. Instead, the negative RRI number shall be added to the result of the subsequent years RRI calculation and the result shall be the RRI adjustment for that subsequent year. The Parties may negotiate and agree on the amount of any rate adjustment pursuant to this Section without a detailed rate review. CONTRACTOR shall bear the burden of justifying to DISTRICT any adjustment due to a Material Change in Law(s) and shall bear its own costs of preparing its request for an adjustment and supporting documentation. DISTRICT may request from CONTRACTOR such further information as it reasonably deems necessary to fully evaluate CONTRACTOR'S request and make its determination whether CONTRACTOR has satisfied its burden, which determination shall not be unreasonably withheld. DISTRICT shall notify CONTRACTOR of its determination within ninety (90) calendar days of receipt of the written request and all other additional information reasonably requested by DISTRICT. Any such change will be implemented on the following July 1st, or within any other time frame agreed upon between DISTRICT and CONTRACTOR. Any adjustment in rates due to a Material Change in Law shall be approved by the DISTRICT and memorialized in a written amendment to this Agreement.~~

~~4.03.3 The RRI adjustment shall be the sum of the weighted percentage change in the Annual Average of each RRI index number between the base fiscal year, which shall be the prior preceding calendar year ending December 31st and the preceding calendar year ending December 31st, as contained in the most recent release of the source documents listed in Exhibit 2, ("REFUSE RATE INDEX") which is attached to and included in this Contract. Therefore, the first Collection Element rate adjustment will be based on the percentage changes between the Annual Average of the RRI indices for the year ended December 31, 2012 and the Annual Average of the RRI indices for the year ended December 31, 2013. The RRI shall be calculated using the RRI Rate Model included in Exhibit 2.~~

~~4.03.4 Annual Collection Element Rate Adjustment. The annual Collection Element rate adjustment shall be calculated by multiplying the RRI adjustment, as calculated in Section 4.03.3 above, by the diversion adjustment as set forth in Section 4.03.4 above.~~

~~4.03.5 Financial Information. On or before March 1, 2014, and annually thereafter during the term of this Contract, CONTRACTOR shall deliver to the DISTRICT financial information for the specific services performed under this Contract for the preceding Contract Year. Such financial information shall be in the format as set forth in {00287449.100280740.7}~~



~~Exhibit 2, or as may be further revised by the DISTRICT from time to time. If CONTRACTOR fails to submit the financial information in the required format by March 1st, it is agreed that CONTRACTOR shall be deemed to have waived the RRI rate adjustment for that year. CONTRACTOR'S failure to provide the financial information shall not preclude the DISTRICT from calculating the RRI using the prior year's financial data, or pro forma data if no prior year financial data is available, if that calculation would result in a negative RRI number.~~

~~4.03.6 Diversion Data. On or before March 1, 2014, and annually thereafter during the term of this Contract, CONTRACTOR shall deliver to the DISTRICT diversion data for the specific services performed under this Contract in the format specified by the DISTRICT. If CONTRACTOR fails to submit the diversion data in the required format by March 1st, it is agreed that CONTRACTOR shall be deemed to have waived the Collection Element rate adjustment for that year.~~

~~4.03.7 Annual adjustments shall be made only in units of one cent (\$0.01). Fractions of less than one cent (\$0.01) shall not be considered in making adjustments. The indices shall be truncated at four (4) decimal places for the adjustment calculations.~~

~~4.03.8 If CONTRACTOR'S failure to submit the financial information required under Section 4.03.5 or the diversion data required under Section 4.03.6 is the result of extraordinary or unusual circumstances as demonstrated by CONTRACTOR to the satisfaction of the DISTRICT'S Contract Administrator, the DISTRICT, at its sole discretion, may consider the request for the annual rate adjustment.~~

~~4.03.9 As of March 15, 2014, and annually thereafter during the term of this Contract, the Contract Administrator shall notify CONTRACTOR of the Collection Element adjustment to the affected Collection Service Rates to take place on the subsequent July 1st.~~

~~4.04 Adjustments to Disposal Elements, Extraordinary Rate Adjustment. The DISTRICT and CONTRACTOR are entitled to seek an adjustment of rates at any time should one or more of the following extraordinary events occur and, after considering offsetting effects of other events or trends on revenues or expenses, such event or events shall cause—or be reasonably projected to cause—a material change in CONTRACTOR'S total operating costs or gross revenues, or a combination thereof. If the Extraordinary Adjustment is requested in conjunction with the annual rate adjustment described in Section 4.02, the increase or decrease in Maximum Service Rates approved for the next Agreement Year attributable to the extraordinary adjustment shall be calculated retroactively from the date on which the CONTRACTOR's costs increase or decrease due to the event giving rise to the extraordinary adjustment.~~

~~4.04.1 Residential Collection Service. The Disposal Elements for Residential Solid Waste Collection Service, and Additional Large Item Collection Service are based on the tipping fee per ton and the "Monthly Unit Generation Factors" set forth on lines A4 and D4 of Collection Service Rates in Exhibit 1. Emergency Service, Provision of emergency services.~~

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~~4.04.2 Tip Fee Changes. Any approved change in the per ton tipping fees, as set forth in Section 4.05, will result in a corresponding change in the appropriate *Disposal Element* as set forth below. The change in the *Disposal Element* in any Contract Year shall be limited to the lesser of three percent (3%) or the amount calculated as set forth in the following formula. New or Expanded Programs. New or expanded programs or services required by the DISTRICT and not otherwise provided by CONTRACTOR under this Agreement.~~

~~(The new tipping fee x the "Monthly Unit Solid Waste Generation Factor", "Monthly Unit Large Item Generation Factor", or "Cubic Yard Large Item Generation Factor" as appropriate).~~

~~Will equal: the Residential Solid Waste Collection Service, Large Item Collection Service, or Additional Large Item Collection Service *Disposal Element*, as appropriate.~~

~~4.05 Disposal Element Rate Adjustment. *Disposal Element* adjustments shall take place at the same time as the *Collection Element* adjustments. Therefore the CONTRACTOR shall be eligible to request an initial *Disposal Element* adjustment on July 1, 2014 and annually thereafter. The *Disposal Element* adjustment shall include a calculation of the retroactive portion of the adjustment to reflect per ton disposal cost changes that may have been incurred by CONTRACTOR during the period July 1 thru June 30 of the current contract year, that were not included in the prior *Disposal Element* adjustment.~~

~~4.05.1 Disposal Element Rate Adjustment Documentation. In order for the CONTRACTOR to receive a *Disposal Element* adjustment based on a change in the appropriate tipping fee per ton, the CONTRACTOR must provide, in a manner that is acceptable to the DISTRICT, evidence of the change in the tipping fee. The DISTRICT may request from the CONTRACTOR such further information as may be reasonably necessary in making its determination. The DISTRICT shall approve or deny the request, in whole or in part, within sixty (60) days of receipt of the request and all other additional information required by the DISTRICT. However, *Disposal Element* adjustments shall be effective on July 1st following such approval.~~

~~4.05.2 Adjustments to Generation Factors. a change in law or solid waste or recycling program that has the potential to materially affect the "Per Unit Generation Factors" as set forth by the CONTRACTOR in Collection Service Rates of Exhibit 1, the DISTRICT and the CONTRACTOR agree that a generation study will be performed at the request of the DISTRICT with the cooperation of the CONTRACTOR. The study will be funded equally by the DISTRICT and the CONTRACTOR. The generation study will be designed to establish an updated "Monthly Per Unit Solid Waste Generation Factor", and "Per Unit Large Item Generation Factor". The CONTRACTOR shall cooperate fully with the DISTRICT related to the performance and completion of the generation study~~

~~4.04.3 Uncontrollable Circumstance. An event of Uncontrollable Circumstance, as defined herein.~~

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4.04.4 Fees. Changes in regulatory, governmental, or other surcharge fees after execution hereof.

4.04.5 Recycling - Changes to Work. Should an Uncontrollable Circumstance or other changes in circumstances arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the parties shall negotiate any necessary cost changes pursuant to Section 4.04 hereof and shall enter into an Agreement amendment covering such modifications to the work to be performed and the compensation to be paid before undertaking any changes or revisions to such work.

4.04.6 Other Reasons Agreed Upon by Parties. For any other reason if agreed upon by the CONTRACTOR and DISTRICT.

Article 5. ~~Diversio~~CalRecycle Requirements

5.01 Minimum Requirements. The DISTRICT requires the CONTRACTOR to ~~achieve a minimum annual diversion rate of fifty percent (50%)~~Comply with all applicable CalRecycle requirements, including SB 1383 requirements as set forth in Exhibit 7 for each Contract Year. ~~The annual diversion rate will be calculated as "the tons of materials Collected from the provision of Collection Services that are sold or delivered to a recycler or reuser, as required by this Contract, divided by the total tons of materials Collected in the Contract Year."~~

5.02 Failure to Meet ~~Minimum~~SB 1383 Requirements. CONTRACTOR'S failure to meet the ~~minimum diversion~~applicable SB 1383 hauler requirements set forth ~~above in Section 5.01 in Exhibit 7 is a breach of this Contract and~~ may result in the DISTRICT's termination of this Contract or the imposition of administrative charges.

Article 6. Residential Service Units

6.01 Residential Service Units. Residential Service Units shall include all premises which are in the Service Area as of July 1, ~~2013,2022~~, and all such premises which may be added to the Service Area by means of annexation, new construction, or as otherwise set forth in this Contract during the term of this Contract:~~6.01.1~~ Any question as to whether a premises falls within this category shall be determined by the Contract Administrator and the determination of the Contract Administrator shall be final.

6.02 Residential Service Unit Changes. The DISTRICT and CONTRACTOR acknowledge that during the term of this Contract it may be necessary or desirable to add or delete Residential Service Units for which CONTRACTOR will provide Service.

6.02.1 Additions and Deletions. CONTRACTOR shall provide services described in this Contract to new Residential Service Units in ~~CONTRACTOR'S~~the Service Area within five (5) Work Days of receipt of notice from the Residential Service Unit to begin such Service.

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6.03 Annexation. If during the term of the Contract, additional territory is acquired by the DISTRICT through annexation, CONTRACTOR agrees to provide Collection Services in such annexed area in accordance with the provisions and Collection Service Rates set forth in this Contract. Such Collection Services shall begin within five (5) Work Days of receipt of written notice from the DISTRICT. CONTRACTOR shall not begin Collection Service without written authorization from the DISTRICT.

6.04 Route Map Update. CONTRACTOR shall revise the Residential Service Unit route maps to show the addition of Residential Service Units added due to annexation and shall provide such revised maps to the Contract Administrator as requested. CONTRACTOR shall provide revised maps both in written form and electronic format in a manner approved by the DISTRICT.

Article 7. Residential Collection Service

7.01 Residential Collection Service. These services shall be governed by the following terms and conditions:

7.01.1 Conditions of Service. The CONTRACTOR shall provide Residential Collection Service to all Residential Service Units in the Service Area whose; Residential ~~Solid~~Gray Container Waste is properly containerized in ~~Garbage Carts~~Gray Containers, ~~Source Separated~~ Recyclable Materials are properly containerized in ~~Recycling Carts~~Blue Containers, except as set forth in Section 7.06.1, and ~~Source Separated~~ Green Container Organic Waste is properly containerized in Green ~~Waste Carts~~Containers, except as set forth in Section 7.07.1 and ~~7.07.2, 7.07.2~~, where the ~~Garbage, Recycling~~Gray, Blue and Green ~~Waste Carts~~Containers have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.02 On-Premises Service. Notwithstanding any term or definition set forth in this Contract, CONTRACTOR shall provide on-premises Collection of Residential ~~Solid~~Gray Container Waste, ~~Source Separated~~ Recyclable Materials, and Green Container Organic Waste to a Residential Service Unit if a request for on-premises service has been made to, and approved by, the Contract Administrator in the manner required by the DISTRICT. The Contract Administrator shall notify the CONTRACTOR in writing of any Residential Service Units requiring on-premises service along with the date such service is to begin. No additional monies shall be due to the CONTRACTOR for the provision of on-premises service.

7.02.1 Collection Day. CONTRACTOR shall provide on-premises Collection Service on the same Work Day that curbside Collection Service would otherwise be provided to the Residential Service Unit.

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7.02.2 Frequency and Scheduling of Service. Except as set forth in Sections 7.10 and 7.12, Residential ~~Solid~~Gray Container Waste Collection Service and Source Separated Green Container Organic Waste Collection Service shall be provided one (1) time per week on a scheduled route basis. Residential Recycling Collection Service, including Residential Used Cooking Oil Collection Service and Used Motor Oil Collection Service, ~~and Green Waste Collection Service~~ shall be provided one (1) time every other week ~~on an alternating basis~~ and shall be scheduled so that a Residential Service Unit receives Residential ~~Solid~~Gray Container Waste Collection Service, Source Separated Green Container Organic Waste and Residential Recycling Collection Service, including Residential Used Cooking Oil Collection Service and Used Motor Oil Collection Service, ~~or Green Waste Collection Service on~~ On the same Work Day.

7.03 Hours and Days of Collection. Residential Collection Service shall be provided, commencing no earlier than ~~7:00~~6:30 a.m. and terminating no later than 5:00 p.m., Tuesday through Thursday with no service on Saturday or Sunday. The hours, days, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior written consent of the Contract Administrator.

7.04 Manner of Collection. The CONTRACTOR shall provide Residential Collection Service with as little disturbance as possible and shall leave any ~~Garbage, Recycling~~Gray, Blue or Green ~~Waste Cart~~Containers in an upright position with the lid closed at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

7.04.1 CONTRACTOR'S employees providing Residential Collection Service shall follow the regular walk for pedestrians while on private property and shall not trespass nor cross property to the adjoining premises unless the occupant or owner of both properties has given permission. Care should be taken to prevent damage to property, including flowers, shrubs, and other plantings.

7.04.2 Purchase and Distribution of ~~Garbage, Recycling~~Gray, Blue and Green ~~Waste Carts~~Containers. The CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and functional ~~Garbage, Recycling~~Gray, Blue and Green ~~Waste Carts~~Containers to Residential Service Units in the Service Area. The size and number of ~~carts~~Carts to be distributed will be as requested by Service Recipient. Residential Service Units shall be provided with one (1) ~~Garbage Cart, One~~Gray Container, one (1) ~~Recycling Cart~~Blue Container and ~~up to two~~one (2) ~~one~~Green Waste CartsContainer.

7.04.3 Replacement of ~~Garbage, Recycling~~Gray, Blue and Green ~~Waste Carts~~Containers. CONTRACTOR'S employees shall take care to prevent damage to ~~carts~~Carts by unnecessary rough treatment. However, any ~~cart~~Cart damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the CONTRACTOR'S expense, within five (5) Work Days at no cost or inconvenience to the Service Recipient.

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7.04.3.1 ~~7.04.3.1.1.~~ Upon notification to the CONTRACTOR by the Service Recipient that the Service Recipient's ~~Garbage, Recycling Gray, Blue~~ or Green ~~Waste Cart~~ Container (s) has been stolen or damaged beyond repair through no fault of the CONTRACTOR, the CONTRACTOR shall deliver a replacement cart(s) to such Service Recipient within five (5) Work Days. The CONTRACTOR shall maintain records documenting all ~~cart~~ Cart replacements occurring on a monthly basis.

7.04.3.2 ~~7.04.3.1.2.~~ Each Service Recipient shall be entitled to the replacement of one (1) lost, destroyed, or stolen ~~Garbage Cart Gray Container~~, one (1) lost, destroyed, or stolen ~~Recycling Cart Blue Container~~, and one (1) lost, destroyed, or stolen Green ~~Waste Cart~~ Container during the term of this Contract at no cost to the Service Recipient. Except in the case of a ~~cart~~ Cart that must be replaced because of damage caused by CONTRACTOR or in the case where CONTRACTOR elects to replace a ~~cart~~ Cart rather than repair it on-site, CONTRACTOR shall be compensated for the cost of those replacements in excess of one (1) per type of ~~cart~~ Cart per Service Recipient during the term of the Contract, in accordance with the "Cart Exchange" Service Rate set forth in Exhibit 1, or as may be adjusted under the terms of this Contract.

7.04.3.3 ~~7.04.3.1.3.~~ CONTRACTOR understands and agrees that this provision is intended to be applied on a per cart type, Service Recipient basis and accordingly each Service Recipient could receive up to three (3) replacement ~~cart~~ Carts, one (1) of each type, during the life of the Contract.

7.04.4 Repair of ~~Garbage, Recycling and Green Waste~~ Carts. CONTRACTOR shall be responsible for repair of ~~cart~~ Carts in the areas to include but not be limited to, hinged lids, wheels and axles. Within five (5) Work Days of notification by the DISTRICT or a Service Recipient of the need for such repairs, the CONTRACTOR shall repair the ~~cart~~ Cart or if necessary, remove the ~~cart~~ Cart for repairs and deliver a replacement ~~cart~~ Cart to the Service Recipient.

7.04.5 Cart Exchange. Upon notification to the CONTRACTOR by the DISTRICT or a Service Recipient that a change in the size of a ~~Garbage, Recycling or Green Waste~~ Cart is required, ~~or that the Service Recipient requires a second Green Waste Cart~~, the CONTRACTOR shall deliver such Cart to such Service Recipient within five (5) Work Days. Each Residential Service Unit shall be eligible to receive one (1) free ~~Garbage, Recycling and Green Waste~~ Cart exchange per Contract Year during the term of this Contract ~~and one free delivery of a second Green Waste Cart~~ during the term of this Contract. Accordingly, CONTRACTOR shall be compensated for the cost of those exchanges in excess of one (1) per ~~cart~~ Cart type per Contract Year, in accordance with the "Cart Exchange" service rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract.

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7.04.6 ~~Ownership of Garbage, Recycling and Green Waste Carts.~~ Ownership of ~~Garbage, Recycling and Green Waste~~ Carts shall rest with the CONTRACTOR, except that ownership of ~~Garbage, Recycling and Green Waste~~ Carts in the possession of a Service Recipient at the end of this Contract shall rest with the DISTRICT.

7.05 Residential Solid Waste Collection Service. This service will be governed by the following terms and conditions:

7.05.1 Non-Collection. CONTRACTOR shall not be required to Collect any ~~Residential Solid~~ Gray Container Waste that is not placed in a ~~Garbage Cart~~ Gray Container. In the event of non-collection, CONTRACTOR shall ~~affix to the Garbage Cart a Non-Collection Notice~~ notify the Customer explaining why Collection was not made. CONTRACTOR shall maintain ~~a copy~~ documentation of such notices during the term of this Contract.

7.05.2 Contamination. CONTRACTOR shall comply with Contamination procedures as specified in Exhibit 7 of this Contract.

7.05.3 7.05.2-Disposal Facility. Except as set forth below, all ~~Residential Solid~~ Gray Container Waste Collected as a result of performing Residential Solid Waste Collection Service shall be transported to, and disposed of, at the Disposal Facility. ~~In the event the Disposal Facility is closed on a Work Day, the CONTRACTOR shall transport and dispose of the Residential Solid Waste at such other legally permitted disposal facility as designated in writing by the DISTRICT.~~ Failure to comply with this provision shall result in the levy of an administrative charge as specified in Article 17 of this Contract and may result in the CONTRACTOR being in default under this Contract.

7.06 Residential Recycling Service. This service will be governed by the following terms and conditions:

7.06.1 Overages. Corrugated cardboard that will not fit inside the Recycling Cart may be placed beside the Recycling Cart.

7.06.2 Recycling – Improper Procedure. ~~Except as set forth below in this Section 7.07.2, the CONTRACTOR shall not be required to Collect Recyclable Materials if the Service Recipient does not segregate the Recyclable Materials from Residential Solid Waste. If Recyclable Materials are contaminated through commingling with Residential Solid Waste, the CONTRACTOR shall, if practical, separate the Residential Solid Waste from the Recyclable Materials. The Recyclable Materials shall then be Collected and the Residential Solid Waste shall be left in the Recycling Cart along with a Non-Collection Notice explaining why the Residential Solid Waste is not considered a Recyclable Material. However, in the event the Recyclable Materials and Residential Solid Waste are commingled to the extent that they cannot easily be separated by the CONTRACTOR or the nature of the Residential Solid Waste renders the entire Recycling Cart contaminated, the CONTRACTOR will leave the Recycling Cart un-emptied along with a Non-Collection~~ {00287449.100280740.7}



~~Notice that contains instructions on the proper procedures for setting out Recyclable Materials.~~ CONTRACTOR shall comply with Contamination procedures as specified in Exhibit 7 of this Contract.

7.06.3 Material Recycling Facility. All Source Separated Recyclable Materials Collected as a result of performing Residential Source Separated Recycling Collection Services shall be delivered to ~~the~~ Material Recycling Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in Article 17 of this Contract and may result in the CONTRACTOR being in default under this Contract.

7.06.4 Recycling – Changes to Work. Should changes in law arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter into an Contract amendment covering such modifications to the work to be performed and the compensation to be paid before undertaking any changes or revisions to such work.

7.07 Residential Source Separated Green Container Organic Waste Collection Service. This service will be governed by the following terms and conditions:

7.07.1 Leaf Collection. During the four (4) month period beginning December 1, ~~2013~~2022, and ending March 31, ~~2014~~2035, or any contiguous four (4) month period as directed by the DISTRICT, and annually thereafter during the term of this Contract, Service Recipients may place unlimited amounts of leaves at the curb alongside their Green ~~Waste Cart~~Container as part of Source Separated Green Container Organic Waste Collection Service. The leaves shall be placed in plastic lawn and leaf bags and closed in such a manner as to contain the leaves during Collection. Leaves must be generated by and at the Residential Service Unit wherein the leaves are collected. During this period, CONTRACTOR shall Collect and dispose of all leaves that are properly bagged and placed at the curb at no additional charge to the Service Recipient.

7.07.2 Christmas Tree Collection. The CONTRACTOR shall Collect Christmas Trees set out at the curb for Collection during the ~~threeweek~~three-week period beginning December 26, ~~2013~~2022 and annually thereafter during the term of this Contract. CONTRACTOR shall deliver the Collected Christmas Trees to an appropriate facility for processing. This annual service shall be provided at no additional charge to the Service Recipient.

7.07.3 Non-Collection. Except as set forth in Sections ~~7.08.4~~7.07.1 and ~~7.08.2~~7.07.2 above, CONTRACTOR shall ~~not be required to collect any Green Waste that is not placed in a Green Waste Cart. Furthermore, CONTRACTOR shall not be required to Collect any Green Waste bags, as set forth in Section 7.08.1, that contain any material other than leaves. In the event of non-collection, CONTRACTOR shall affix to the Green Waste Cart or bags a Non-Collection Notice explaining why Collection was not made.~~

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~~CONTRACTOR shall maintain a copy of such notices during the term of this Contract~~ comply with Contamination procedures as specified in Exhibit 7 of this Contract.

7.08 Source Separated Green Container Organic Waste Processing Services. CONTRACTOR shall ensure that all Source Separate Green Container Organic Waste Collected pursuant to this Contract is diverted from the landfill in accordance with AB 939 and subsequent legislation and regulations.

7.08.1 CONTRACTOR shall ensure that the Green Waste Collected pursuant to this Contract is not disposed of in a landfill, except as a residue resulting from processing.

7.08.2 Source Separated Green Container Organic Waste Processing Facility. CONTRACTOR shall deliver all Collected Source Separated Green Container Organic Waste to a fully permitted Green Waste Processing Facility or a fully permitted transfer station. All expenses related to Green Waste processing and marketing will be the sole responsibility of CONTRACTOR.

7.09 Large Item Collection Service. This service will be governed by the following terms and conditions:

7.09.1 Conditions of Service. ~~The Beginning July 1, 2023, the~~ CONTRACTOR shall provide Large Item Collection Service to all Residential Service Units in the Service Area whose Large Items have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle. The Service Recipient shall be limited to six (6) cubic yards per Collection. Accordingly, CONTRACTOR shall be compensated for the cost of Collecting Large Items in excess of this limitation, or when containing Freon, in accordance with the "Additional or Special Large Item Collection" Service Rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract. Each Residential Service Unit in the Service Area shall be entitled to receive Residential Large Item Collection Service ~~up to four (4) times one time~~ per Contract Year. ~~at no charge.~~ Additional Residential Large Item Collection Service may be requested by each Residential Service Unit in accordance with the Approved Rate Schedule.

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7.09.2 Frequency of Service. Large Item Collection Service shall be provided on the Service Recipient's regularly scheduled service day. The Service Recipient shall not intentionally commingle residential Large Items with other Residential Waste.

7.09.3 Large Items Containing Freon. In the event CONTRACTOR Collects Large Items that contain Freon, CONTRACTOR shall handle such Large Items in a manner such that the Large Items are not subject to regulation as hazardous waste under applicable state and federal laws or regulations. Service shall be subject to the "Additional or Special Large Item Collection" Service Rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract.

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7.09.4 Maximum Reuse and Recycling. CONTRACTOR shall dispose of Large Items Collected from Residential Service Units pursuant to this Contract in accordance with the following hierarchy:

- 7.09.4.1 Reuse as is (where energy efficiency is not compromised)
- 7.09.4.1.1. Disassemble for reuse or Recycling
- 7.09.4.1.2. Recycle
- 7.09.4.1.3. Disposal

7.09.5 CONTRACTOR shall not landfill such Large Items unless the Large Items cannot be reused or recycled.

~~7.09.6 DISTRICT Direction of Large Items. The DISTRICT reserves the right to direct CONTRACTOR to take Large Items Collected pursuant to this Section 7.10 to a designated site or sites within Sacramento County for the purpose of permitting persons who will reuse or recycle such Large Items to obtain the Large Items at no cost. CONTRACTOR shall have no obligation to dispose of the Large Items or large item residue remaining at the directed site or sites after reusers and recyclers have removed reusable or recyclable Large Items.~~ CONTRACTOR use of DISTRICT Property. DISTRICT agrees to designate approximately 20,000 square feet of undeveloped and accessible DISTRICT property for use by CONTRACTOR for the temporary storage and consolidation of Large Items. CONTRACTOR may also use the property solely for the storage of Containers during the term of this Contract. CONTRACTOR shall not permit any Hazardous Waste to be stored on the property. CONTRACTOR shall not install improvements on the property without DISTRICT's written consent. CONTRACTOR agrees to be solely responsible for keeping the property clean and will remedy any unsanitary conditions upon forty-eight (48) hours' notice by DISTRICT.

7.10 Residential Household Battery Drop-Off Sites. At the DISTRICT'S request, CONTRACTOR shall donate to the DISTRICT up to four (4) total Household Battery kiosks for collection of Residential Household Batteries.. CONTRACTOR has no responsibility for any damages or injuries that arise from or related to the Residential Household Battery Drop-Off Sites and their use. CONTRACTOR shall periodically visit each kiosk site to collect the Household Batteries for proper recycling.

7.11 ~~7.10~~ Residential Used Motor Oil Collection Service. This service will be governed by the following terms and conditions:

7.11.1 ~~7.10.1~~ Conditions of Service. In conjunction with the provision of Residential Recycling Collection Service, the CONTRACTOR shall provide Residential Used Motor Oil Collection Service to all Residential Service Units in the Service Area utilizing Used Motor Oil Containers for the accumulation and set-out of their Used Motor Oil, and Used Motor Oil Filter Containers for the accumulation and set out of their Used Motor

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Oil Filters where the Used Motor Oil Containers and Used Motor Oil Filter Containers have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.11.2 ~~7.10.2~~ Non-Collection. CONTRACTOR shall not be required to collect material placed in Used Motor Oil or Used Motor Oil Filter Containers unless the material is Used Motor Oil or Used Motor Oil Filters, as appropriate, and is free of contamination other than contamination normally expected to be present as a result of the use, storage or spillage of the Used Motor Oil or Used Motor Oil Filter. In the event of non-collection, CONTRACTOR shall affix to the Used Motor Oil or Used Motor Oil Filter Container a Non-Collection Notice explaining why Collection was not made and maintain a copy of such notice during the term of this Contract. Prior to the end of the Work Day, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any non-collection occurrences. If non-collection is because the Used Motor Oil or Filter was placed in an improper container, CONTRACTOR shall also leave Used Motor Oil or Used Motor Oil Filter Containers in a number sufficient to contain the Used Motor Oil or Used Motor Oil Filters set out, but not exceeding a number sufficient to hold sixteen (16) quarts, or two (2) Used Motor Oil Filters along with the Non-Collection Notice.

7.11.3 ~~7.10.3~~ Spillage. CONTRACTOR shall carry oil absorbent material on all vehicles providing Used Motor Oil Collection Service and shall cleanup any Used Motor Oil that spills during Collection, which has leaked from the Used Motor Oil or Used Motor Oil Filter Container, or which spills or leaks during the time the Used Motor Oil or Used Motor Oil Filter is in the Collection vehicle. CONTRACTOR will not be responsible for any environmental impacts associated with any spills not caused directly by CONTRACTOR.

7.11.4 ~~7.10.4~~ Used Motor Oil and Used Motor Oil Filter Containers. Within three (3) Work Days of receipt of a verbal, written, or electronic request of the DISTRICT or a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, provide the Residential Service Unit where the Service Recipient resides with Used Motor Oil Containers and Used Motor Oil Filter Containers in the number requested by the DISTRICT or the Service Recipient but not exceeding a number sufficient to hold sixteen (16) quarts of Used Motor Oil and two (2) Used Motor Oil Filters.

7.11.4.1 ~~7.10.4.1~~ At the time CONTRACTOR Collects Used Motor Oil from a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the premises one (1) Used Motor Oil Container for each Used Motor Oil Container Collected and one (1) Used Motor Oil Filter Container for each Used Motor Oil Filter Container Collected. CONTRACTOR shall keep the outside of all Used Motor Oil and Used Motor Oil Filter Containers clean and may re-use the containers until the condition of the container makes it inappropriate for re-use.

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7.11.5 ~~7.10.5~~ Segregation of Used Oil. CONTRACTOR shall keep all Used Motor Oil and Used Motor Oil Filters Collected pursuant to this Contract segregated from other materials.

7.11.6 ~~7.10.6~~ Used Oil Processing. CONTRACTOR shall recycle all Used Motor Oil Collected pursuant to this Contract to the extent feasible and shall properly dispose of all Used Motor Oil and Used Motor Oil Filters that are contaminated or otherwise cannot be recycled.

7.11.6.1 ~~7.10.6.1~~ CONTRACTOR shall recycle the Used Motor Oil only with persons who are authorized by the State of California to recycle Motor Oil. In the event the Used Motor Oil or Used Motor Oil Filters Collected pursuant to this Contract is contaminated to the extent that the Used Motor Oil or Used Motor Oil Filters require disposal as a Hazardous Waste, CONTRACTOR shall dispose of such Used Motor Oil or Used Motor Oil Filters, at CONTRACTOR'S own cost and expense in accordance with applicable state and federal law.

7.11.6.2 ~~7.10.6.2~~ CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any contamination which renders the Used Motor Oil unacceptable for recycling or which requires disposal of the Used Motor Oil or Used Motor Oil Filters as a Hazardous Waste.

7.12 ~~7.11~~ Residential Used Cooking Oil Collection Service. This service will be governed by the following terms and conditions:

7.12.1 ~~7.11.1~~ Conditions of Service. In conjunction with the provision of Residential Recycling Collection Service, the CONTRACTOR shall provide Residential Used Cooking Oil Collection Service to all Residential Service Units in the Service Area utilizing Used Cooking Oil Containers for the accumulation and set-out of their Used Cooking Oil Containers where the Used Cooking Oil Containers have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.12.2 ~~7.11.2~~ Non-Collection. CONTRACTOR shall not be required to collect material placed in Used Cooking Oil Containers unless the material is Used Cooking Oil, , and is free of contamination other than contamination normally expected to be present as a result of the use, storage or spillage of the Used Cooking Oil. In the event of non-collection, CONTRACTOR shall affix to the Used Cooking Oil Container a Non-Collection Notice explaining why Collection was not made and maintain a copy of such notice during the term of this Contract. Prior to the end of the Work Day, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any non-collection occurrences. If non-collection is because the Used Cooking Oil was placed in an improper container, CONTRACTOR shall also leave Used Cooking Oil Containers in a number

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sufficient to contain the Used Cooking Oil set out, but not exceeding a number sufficient to hold sixteen (16) quarts, along with the Non-Collection Notice.

7.12.3 ~~7.11.3~~ Spillage. CONTRACTOR shall carry oil absorbent material on all vehicles providing Used Cooking Oil Collection Service and shall cleanup any Used Cooking Oil that spills during Collection, which has leaked from the Used Cooking Oil Container, or which spills or leaks during the time the Used Cooking Oil is in the Collection vehicle. CONTRACTOR will not be responsible for any environmental impacts associated with any spills not caused directly by CONTRACTOR.

7.12.4 ~~7.11.4~~ Used Cooking Oil Containers. Within three (3) Work Days of receipt of a verbal, written, or electronic request of the DISTRICT or a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, provide the Residential Service Unit where the Service Recipient resides with Used Cooking Oil Containers in the number requested by the DISTRICT or the Service Recipient but not exceeding a number sufficient to hold sixteen (16) quarts of Used Cooking Oil.

7.12.4.1 ~~7.11.4.1~~ At the time CONTRACTOR Collects Used Cooking Oil from a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the premises one (1) Used Cooking Oil Container for each Used Oil Container Collected. CONTRACTOR shall keep the outside of all Used Cooking Oil Containers clean and may re-use the containers until the condition of the container makes it inappropriate for re-use.

7.12.5 ~~7.11.5~~ Segregation of Used Cooking Oil. CONTRACTOR shall keep all Used Cooking Oil Collected pursuant to this Contract segregated from other materials.

7.12.6 ~~7.11.6~~ Used Cooking Oil Processing. CONTRACTOR shall recycle all Used Cooking Oil Collected pursuant to this Contract to the extent feasible and shall properly dispose of all Used Cooking Oil that is contaminated or otherwise cannot be recycled.

7.12.6.1 ~~7.11.6.1~~ CONTRACTOR shall recycle the Used Cooking Oil only with persons who are authorized by the State of California to recycle Cooking Oil.

7.12.6.2 CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any contamination which renders the Used Cooking Oil unacceptable for recycling.

Article 8. Collection Routes

8.01 Service Routes. CONTRACTOR shall provide the DISTRICT with maps precisely defining Collection routes, together with the days and the times at which Collection shall regularly commence. CONTRACTOR shall provide maps both in written form and electronic format in a manner approved by the DISTRICT.

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8.02 Service Route Changes. The CONTRACTOR shall submit to the DISTRICT, in writing, any proposed route change (including maps thereof) not less than thirty (30) calendar days prior to the proposed date of implementation. The CONTRACTOR shall not implement any route changes without the prior review of the Contract Administrator. If the change will change the Collection day for a Service Recipient, the CONTRACTOR shall notify those Service Recipients in writing of route changes not less than thirty (30) days before the proposed date of implementation.

8.02.1 Collection Route Audits. The DISTRICT reserves the right to conduct audits of CONTRACTOR'S Collection routes. The CONTRACTOR shall cooperate with the DISTRICT in connection therewith, including permitting DISTRICT employees or agents, designated by the Contract Administrator, to ride in the Collection vehicles in order to conduct the audits. The CONTRACTOR shall have no responsibility or liability for the salary, wages, benefits or worker compensation claims of any person designated by the Contract Administrator to conduct such audits.

Article 9. Minimum Performance and Diversion Standards

9.01 Contract Extensions. In order to receive the Contract term extension offers set forth in Article 2 of this Contract, the CONTRACTOR must meet or exceed the following annual minimum performance and ~~diversion~~ [CalRecycle](#) standards in each Contract Year beginning ~~January~~ [July 1, 2014-2022](#) subject to the discretion of the DISTRICT regarding the enforcement of diversion standards.

9.02 Performance Standards. Assessment of administrative charges, as set forth in Article 17 of this Contract of less than \$15,000 in each Contract Year beginning ~~January~~ [July 1, 2014-2022](#).

~~9.03 — Minimum Diversion Standards~~

~~9.03~~ [9.03.1.1 Fifty percent \(50%\) diversion of all materials Collected under the terms of this Contract in each Contract Year](#) [CalRecycle SB 1383 Hauler Requirements, Performance of applicable SB 1383 hauler requirements as set forth in Article 5 and Exhibit 7 in each calendar year](#) beginning January 1, ~~2006-2023~~.

Article 10. Collection Equipment

10.01 Equipment Specifications.

10.01.1 General Provisions. All equipment used by CONTRACTOR in the performance of services under this Contract shall be of high quality. The vehicles shall be designed and operated so as to prevent collected materials from escaping from the vehicles. Hoppers shall be closed on top and on all sides with screening material to prevent collected materials from leaking, blowing or falling from the vehicles. All trucks and

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containers shall be watertight and shall be operated so that liquids do not spill during Collection or in transit.

10.01.2 All Collection Service vehicles utilized by CONTRACTOR pursuant to this Contract shall provide fully-automated Residential Collection Service except where such service is not feasible because of topographic or other physical factors. Where fully-automated Residential Collection Service is not feasible, CONTRACTOR shall consult with the Contract Administrator regarding the Residential Collection Service equipment to be utilized.

10.01.3 Clean Air Fuel Vehicles. CONTRACTOR Collection vehicles shall be inspected annually and comply with all applicable, local, state and federal clean air requirements. For the avoidance of doubt and without limitation, irrespective of when enacted in relation to the date hereof, the Parties expressly recognize and acknowledge that the Advanced Clean Fleets (ACF) regulation, and other enacted laws, all intended to contribute to the goals of Governor's Executive Order N-79-20, constitutes a Material Change in Law that justifies DISTRICT and CONTRACTOR engaging in the negotiation described in Section 4.03 as to an adjustment in the Maximum Service Rates.

10.02 Lubricants. Except as approved in writing by the Contract Administrator on an individual vehicle basis, CONTRACTOR shall utilize re-refined motor oil and re-refined hydraulic oil in all vehicles used in CONTRACTORS performance of this Contract.

10.03 ~~10.02.1~~ Large Items. Vehicles used for Collection of Large Items shall not use compactor mechanisms or mechanical handling equipment that may damage reusable goods or release Freon or other gases from pressurized appliances.

10.04 ~~10.03~~ Collection Vehicles. CONTRACTOR shall not use any Collection vehicle that is ~~more than ten (10) years old or has more than 250,000 miles unless such vehicle is a Rebuilt Vehicle~~ not CARB compliant.

10.04.1 ~~10.03.1~~ Registration. All vehicles used by CONTRACTOR in providing Collection Services under this Contract, except those vehicles used solely on CONTRACTORS premises, are to be registered with the California Department of Motor Vehicles.

10.04.2 ~~10.03.2~~ Safety Markings. All Collection equipment used by COLLECTOR shall have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All such safety markings shall be subject to the approval of the DISTRICT and shall be in accordance with the requirements of the California Vehicle Code, as may be amended from time to time.

10.04.3 ~~10.03.3~~ Vehicle Signage and Painting. Collection vehicles shall be painted and numbered consecutively without repetition and shall have the CONTRACTOR'S name, CONTRACTOR'S customer service telephone number, and the number of the vehicle painted in letters of contrasting color, at least four (4) inches high, on

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each side and the rear of each vehicle. No advertising shall be permitted other than the name of the CONTRACTOR except promotional advertisement of the [Source Separated](#) Recyclable Materials and [Source Separated](#) Green [Container Organic](#) Waste programs. CONTRACTOR shall repaint all vehicles (including vehicles striping) during the term of this Contract on a frequency as necessary to maintain a positive public image as reasonably determined by the Contract Administrator, ~~but not less often than every forty eight (48) months beginning July 1, 2006.~~

[10.05](#) ~~40.04~~ Collection Vehicle Noise Level. The noise level generated by Collection vehicles using compaction mechanisms during the compaction process shall not exceed seventy-five (75) decibels at a distance of twenty-five (25) feet from the Collection vehicle measured at an elevation of five (5) feet above ground level using the "A" scale of the standard sound level meter at slow response. If requested, CONTRACTOR shall cause the Collection vehicles to be tested annually during the months of March and April, beginning March of ~~2006~~, [2023](#), and shall submit a certificate of testing showing that the vehicles met the requirements of this Article.

[10.06](#) ~~40.05~~ Vehicle Certification. For each Collection vehicle used in the performance of services under this Contract, CONTRACTOR shall obtain a certificate of compliance (smog check) issued pursuant to Part 5 of Division 26 of the California Health and Safety Code (Section 43000 et seq.) and regulations promulgated thereunder and/or a safety compliance report issued pursuant to Division 14.8 of the California Vehicle Code (Section 34500 et seq.) and the regulations promulgated thereunder, as applicable to the vehicle. CONTRACTOR shall maintain copies of such certificates and reports and shall make such certificates and reports available for inspection upon request by the Contract Administrator.

[10.06.1](#) ~~40.05.1~~ CONTRACTOR shall cause each vehicle in CONTRACTOR'S Collection fleet to be tested bi-annually in the California Heavy Duty Inspection Program (BIT) and shall submit written verification to the DISTRICT within ten (10) Work Days of the completion of such test. CONTRACTOR shall not use any vehicle that does not pass such inspection.

[10.07](#) ~~40.06~~ Equipment Maintenance. CONTRACTOR shall maintain Collection equipment in a clean condition and in good repair at all times. All parts and systems of the Collection equipment shall operate properly and be maintained in a condition satisfactory to the DISTRICT. CONTRACTOR shall wash all Collection vehicles at least once a week.

[10.08](#) ~~40.07~~ Maintenance Log. CONTRACTOR shall maintain a maintenance log for all Collection vehicles. The log shall at all times be accessible to the DISTRICT by physical inspection upon request of Contract Administrator, and shall show, at a minimum, each vehicles CONTRACTOR assigned identification number, date purchased or leased, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

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10.08.1 ~~40-07.1~~ Equipment Inventory. CONTRACTOR shall provide to the DISTRICT an inventory of Collection vehicles and major equipment used by CONTRACTOR for Collection or transportation and performance of services under this Contract. The inventory shall indicate each Collection vehicle by CONTRACTOR assigned identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of vehicles by type, the date of acquisition, the decibel rating and the maintenance and rebuild status. Annually at the request of the Contract Administrator, CONTRACTOR shall submit, either by fax or e-mail, an updated inventory. Each inventory shall also include the tare weight of each vehicle as determined by weighing at a public scale and not at a disposal or other facility scale used by CONTRACTOR. Each vehicle inventory shall be accompanied by a certification signed by CONTRACTOR that all Collection vehicles meet the requirements of this Contract.

10.08.2 ~~40-07.2~~ Reserve Equipment. The CONTRACTOR shall have available to it, at all times, reserve Collection equipment which can be put into service and operation within one (1) hour of any breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used by the CONTRACTOR to perform the contractual duties.

Article 11. Contractor's Office

11.01 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office where DISTRICT and Service Recipient complaints can be received. Such office shall be equipped with sufficient telephones that all Collection Service related calls received during normal business hours are answered by an employee within five (5) rings, and shall have responsible persons in charge during Collection hours and shall be open during such normal business hours, 7:00 a.m. to 5:00 p.m. on all Work Days. The CONTRACTOR shall provide either a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours shall be addressed the next Work Day morning. CONTRACTOR shall provide a local phone number or a toll free phone number.

11.01.1 Emergency Contact. The CONTRACTOR shall provide the Contract Administrator with an emergency phone number where the CONTRACTOR can be reached outside of the required office hours.

11.01.2 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability of responding to telephone calls in English and Spanish. CONTRACTOR shall at all times maintain the capability or responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

11.01.3 Service Recipient Calls. During office hours, CONTRACTOR shall maintain a telephone answering system capable of accepting at least eight (8)

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incoming calls at one time. CONTRACTOR shall record all service complaints into a customer service log.

11.01.4 All incoming calls will be answered within 5 rings. Any call "on-hold" in excess of 1.5 minutes shall have the option to remain "on-hold" or to leave a message and receive a call back. CONTRACTOR'S customer service representative shall return Service Recipient calls. For all messages left before 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to 6:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to noon the next Work Day. CONTRACTOR shall make minimum of three (3) attempts within twenty-four hours of the receipt of the call. If CONTRACTOR is unable to reach the Service Recipient on the next Work Day, the CONTRACTOR shall send a postcard to the Service Recipient on the second Work Day after the call was received, indicating that the CONTRACTOR has attempted to return the call.

Article 12. Other Services

12.01 Public Outreach and Education Services. CONTRACTOR, at their own expense, shall prepare, submit and implement an annual (calendar year) Public Education and Outreach Program beyond any provided by the DISTRICT. The proposed action plan must be submitted annually for DISTRICT approval no later than October 1st. The program must include a minimum of four campaigns per calendar year, designed to increase diversion and resident participation. [Campaigns should meet all SB 1383 requirements described in Exhibit 7 and any Collection routes in the CONTRACTOR'S Service Area where improvements can be maximized.](#) Campaigns should target certain Recyclable Materials or "problem" areas of the CONTRACTOR'S Service Area where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the Contract Administrator and CONTRACTOR staff. Additionally, CONTRACTOR shall provide a quarterly article for the DISTRICT to post on their website 'News & Updates' tab.

12.02 Annual Collection Service Notice. Each year during the term of this Contract, the CONTRACTOR shall publish and distribute a notice to all Residential Service Units regarding the Residential Collection Service programs. The notice shall contain at a minimum; definitions of the materials to be Collected, procedures for setting out the materials, maps of the Service Area indicating the days when Residential Solid Waste Collection Service, Large Item Collection Service, Residential Used Oil Collection Service, Residential Recycling Collection Service, and Green Waste Collection Service will be provided, and the CONTRACTOR customer service phone number. The notice shall be provided in English, and shall be distributed by the CONTRACTOR no later than October 15, 2005 preceding the Initial Contract Period and no later than Jan. 1st preceding each Contract Year thereafter.

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12.03 Programs and Services. CONTRACTOR shall provide additional services and programs as requested by the DISTRICT at a price to be mutually agreed upon between the CONTRACTOR and the Contract Administrator. In the event the CONTRACTOR and the Contract Administrator cannot reach a mutually agreed upon price for the requested service or program, the DISTRICT shall have the right to procure the service of other vendors or contractors to provide the requested service.

12.04 News Media Relations. CONTRACTOR shall notify the Contract Administrator by fax, e-mail or phone of all requests for news media interviews related to the Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Service Recipient perception of services, CONTRACTOR will discuss CONTRACTOR'S proposed response with the Contract Administrator.

12.04.1 Copies of draft news releases or proposed trade journal articles shall be submitted to the DISTRICT for prior review and approval at least five (5) Work Days in advance of release, except where CONTRACTOR is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case CONTRACTOR shall submit such materials to the DISTRICT simultaneously with CONTRACTOR'S submittal to such regulatory agency.

12.04.2 Copies of articles resulting from media interviews or news releases shall be provided to the DISTRICT within five (5) Work Days after publication.

Article 13. Emergency Service Provisions

13.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire, natural disaster, or other such event, the Contract Administrator may grant the CONTRACTOR a variance from regular routes and schedules. As soon as practicable after such event, the CONTRACTOR shall advise the Contract Administrator when it is anticipated that normal routes and schedules can be resumed. The Contract Administrator shall make an effort through the local news media to inform the public when regular services may be resumed. The clean-up from some events may require that the CONTRACTOR hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the event. The CONTRACTOR shall receive additional compensation, above the normal compensation contained in this Contract, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in this Contract provided the CONTRACTOR has first secured written authorization and approval from the DISTRICT through the Contract Administrator.

Article 14. Record Keeping and Reporting Requirements

14.01 Record Keeping.

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14.01.1 Accounting Records. CONTRACTOR shall maintain, separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records, pertaining to service in the District, shall be subject to audit, copy, and inspection. CONTRACTOR shall maintain and preserve all cash, billing and disposal records for a period of not less than three (3)~~(article 3.9)~~ years following the close of each of the CONTRACTOR'S fiscal years.

14.01.2 Contract Materials Records. CONTRACTOR shall maintain records of the quantities of (i) Residential Waste Collected and disposed under the terms of this Contract, (ii) Recyclable Materials, by type, Collected, purchased, processed, sold, donated or given for no compensation, and residue disposed.

14.01.3 SB 1383 Compliance. CONTRACTOR shall maintain all records of SB 1383 compliance activities described in Exhibit 9.

14.01.4 ~~14.01.3~~ Other Records. CONTRACTOR shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Article 14 or elsewhere in the Contract.

14.02 Annual Reporting.

14.02.1 General. Annual reports shall be submitted no later than April 1 for the previous Contract Year. Annual reports shall be submitted in ~~hard copy~~the CalRecycle format, and shall be provided electronically ~~on a CD using software acceptable~~via email to the DISTRICT.

14.02.2 Diversion Reports. CONTRACTOR shall prepare annual reports for submittal to the DISTRICT for review and comment, and CONTRACTOR revision as needed. The DISTRICT shall submit the final report to the Sacramento County, if required. CONTRACTOR shall submit a draft report format to the DISTRICT annually by March 1. CONTRACTOR shall finalize the format in a form approved by the DISTRICT.

14.02.3 SB 1383 Compliance Reports. CONTRACTOR shall prepare annual reports for submittal to the DISTRICT for review and comment, and CONTRACTOR revision as needed using the CalRecycle SB 1383 format. CONTRACTOR shall submit a draft report format to the DISTRICT annually by March 1. CONTRACTOR shall finalize the format in a form approved by the DISTRICT.

14.02.4 ~~14.02.3~~ DISTRICT Reports. Annual reports to the DISTRICT shall include:

14.02.4.1 ~~14.02.3.1~~ Public education and information activities undertaken during the year, including distribution of bill inserts, collection notification tags, community information and events, tours and other activities related to the provision of Collection Services. This report shall discuss the impact of these activities on Recycling program participation and include amounts Collected from Residential Service Units.

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14.02.4.2 ~~14.02.3.2~~ An analysis of any Recycling and Green Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc.) and possible solutions, discussed separately for Residential programs.

14.02.4.3 ~~14.02.3.3~~ An electronic listing of all Residential Service Units including service recipient name, and address, billing name and address if different, and container size by service type. This report shall be in a format acceptable to the DISTRICT.

14.03 Additional DISTRICT Report Information to be Submitted as Requested.

14.03.1 the DISTRICT may also require that the annual reports include some or all of the following information and data:

14.03.2 ~~Solid Waste Data~~ Gray, Blue and Green Container Collection Data.

- ~~• The number of Residential Service Units; and~~
- ~~• The number of Carts distributed by size.~~

~~14.03.3 Recycling Data:~~

- Tons Collected daily on average by material type by route for Residential ~~Recycling~~ Collection Service;
- The average participation rates by quarter, relative to the total number of ~~Residential~~ Service Units, and by material type;
- Quarterly totals of ~~Recyclable Materials~~ material processed and sold including facility name and location, average price received per ton and total recycling revenue received for the quarter;
- Quantities, if any, by material type, donated or otherwise disbursed without compensation;
- Number of ~~Recycling~~ Carts distributed by size; and
- Quarterly totals and location for residue disposed.

~~14.03.4 Green Waste Data:~~

- ~~• Average daily tons Collected by route;~~
- ~~• Average daily number of set-outs by route;~~
- ~~• Average participation rates relative to the total number of Residential Service Units in terms of weekly set-out counts;~~
- ~~• Number of Green Waste Carts distributed by size; and~~
- ~~• Totals and location for residue disposed.~~

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[14.03.3](#) ~~14.03.5~~ Customer Service Log. A copy of the customer service log, including a summary of the type and number of complaints and their resolution. Copies of a written record of all calls related to missed pickups and responses to such calls.

[14.03.3.1](#) ~~14.03.5.1~~—A summary narrative of problems encountered with Collection and processing activities and actions taken. Indicate type and number of Non-Collection Notices left at Service Recipient locations. Indicate instances of property damage or injury, significant changes in operation, market factors, publicity conducted, needs for publicity.

[14.03.4](#) Contamination Monitoring. A summary narrative of the SB 1383 Contamination monitoring activities and findings and actions taken.

[14.03.5](#) ~~14.03.6~~ Cart Inventory. An updated complete inventory of Carts by type and size.

[14.03.6](#) ~~14.03.7~~ Additional Reporting. The CONTRACTOR shall furnish the DISTRICT with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period.

Article 15. Nondiscrimination

15.01 Nondiscrimination. In the performance of all work and services under this Contract, CONTRACTOR shall not discriminate against any person on the basis of such person's race, sex, color, national origin, religion, marital status or sexual orientation. CONTRACTOR shall comply with all applicable local, state and federal laws and regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

Article 16. Service Inquiries and Complaints

16.01 CONTRACTOR'S Customer Service. All service inquiries and complaints shall be directed to the CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the complaints during normal business hours. All service complaints will be handled by the CONTRACTOR in a prompt and efficient manner. In the case of a dispute between the CONTRACTOR and a Service Recipient, the matter will be reviewed and a decision made by the Contract Administrator

16.01.1 The CONTRACTOR will utilize the Customer Service Log to maintain a record of all inquiries and complaints in a manner prescribed by the DISTRICT.

16.01.2 For those complaints related to missed Collections that are received by 1:00 p.m. on a Work Day, the CONTRACTOR will return to the Residential Service Unit address and Collect the missed materials before leaving the Service Area for the day. For those complaints related to missed Collections that are received after 3:00 p.m.

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on a Work Day, the CONTRACTOR shall have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of carts, the appropriate Sections of this Contract shall apply

16.01.3 CONTRACTOR agrees that it is in the best interest of the DISTRICT that all Residential Waste, Recyclable Materials, and Green Waste be Collected on the scheduled Collection day. Accordingly, missed Collections will normally be Collected as set forth above regardless of the reason that the Collection was missed. However, in the event a Service Recipient requests missed Collection service more than two (2) times in any consecutive two (2) month period the Contract Administrator will work with the CONTRACTOR to determine an appropriate resolution to that situation. In the event the CONTRACTOR believes any complaint to be without merit, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail. The Contract Administrator will investigate all disputed complaints and render a decision.

Article 17. Quality of Performance of Contractor

17.01 Intent. CONTRACTOR acknowledges and agrees that one of the DISTRICT'S primary goals in entering into this Contract is to ensure that the Collection Services are of the highest caliber, that Service Recipient satisfaction remains at the highest level, that maximum diversion levels are achieved, and that materials Collected are put to the highest and best use to the extent possible.

17.02 Service Supervisor. CONTRACTOR shall assign a qualified supervisor to be in charge of the Collection Service within the Service Area and shall provide the name of that person in writing to the Contract Administrator within thirty (30) days of the execution of this Contract, and annually by May 1st of each subsequent Contract Year of the term of this Contract, and any other time the person in that position changes. The supervisor shall be available to the Contract Manager through the use of telecommunication equipment at all times that CONTRACTOR is providing Collection Services in the Service area. In the event the supervisor is unavailable due to illness or vacation, CONTRACTOR shall designate an acceptable substitute who shall be available and who has the authority to act in the same capacity as the supervisor.

17.03 Contract Manager. CONTRACTOR shall designate a Contract Manager and shall provide the name of that person in writing to the DISTRICT within thirty (30) days of the execution of this Contract and annually by May 1st of each subsequent Contract Year of this Contract and any other time the person in that position changes. The Contract Manager shall be available to the DISTRICT through the use of telecommunications equipment at all times that CONTRACTOR is providing Collection Services in the Service Area. The Contract Manager shall provide the DISTRICT with an emergency phone number where the Contract Manager can be reached outside of normal business hours.

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17.04 Administrative Charges. It shall be the duty of CONTRACTOR to perform services under this Contract in such a manner as to implement the goals set forth in Section 17.01 above. In the event CONTRACTOR fails to perform the services set forth in this Contract, the DISTRICT may assess a one hundred dollar (\$100.00) administrative charge against CONTRACTOR for each incident of the following:

Administrative Charges

a.	Failure or neglect to resolve each complaint within the time set forth in this Contract.
b.	Failure to clean up spillage or litter caused by CONTRACTOR.
c.	Failure to repair damage to customer property caused by CONTRACTOR or its personnel.
d.	Failure to maintain equipment in a clean, safe, and sanitary manner.
e.	Failure to have a vehicle operator properly licensed.
f.	Failure to maintain office hours as required by this Contract.
g.	Failure to maintain or timely submit to the DISTRICT all documents and reports required under the provisions of this Contract.
h.	Failure to properly cover materials in Collection vehicles.
i.	Failure to display CONTRACTOR'S name and customer service phone number on Collection vehicles.
j.	Failure to comply with the hours of operation as required by this Contract.
k.	Failure or neglect to complete at least ninety percent (90%) of each route on the regular scheduled Collection Service Work Day.
l.	Changing routes without proper notification to the Contract Administrator.
m.	Commingling Residential-Solid <u>Gray Container</u> Waste with Recyclable <u>Source Separated</u> Materials.
n.	Commingling of materials Collected inside and outside the Rancho Murieta Community Services DISTRICT.
o.	Failure to place empty cart in an upright position, with the lid closed as required by this Contract.
p.	Failure to repair or replace damaged carts within the time required by this Contract.

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Administrative Charges

q.	Failure to deliver or exchange carts within the time required by this Contract.
r.	Failure to have CONTRACTOR personnel in proper uniform.
s.	Disposal of <u>Source Separated</u> Recyclable Materials in the Disposal Facility without first obtaining the required permission of the DISTRICT.
t.	Failure to provide required communications equipment.
u.	Failure to deliver any Collected materials to the Disposal Facility, Materials Recycling Facility, or Green Waste Processing Facility, as appropriate <u>facility</u> , except as otherwise expressly provided in this Contract.

17.05 Procedure for Review of Administrative Charges. The Contract Administrator may assess administrative charges pursuant to this Article 17 on a monthly basis. At the end of each month during the term of this Contract, the Contract Administrator shall issue a written notice to CONTRACTOR ("Notice of Assessment") of the administrative charges assessed and the basis for each assessment.

17.05.1 The assessment shall become final unless, within ten (10) calendar days of the date of the notice of assessment, CONTRACTOR provides a written request for a meeting with the Contract Administrator to present evidence that the assessment should not be made.

17.05.2 The Contract Administrator shall schedule a meeting with the CONTRACTOR as soon as reasonably possible after timely receipt of CONTRACTOR'S request.

17.05.3 The Contract Administrator shall review CONTRACTOR'S evidence and render a decision sustaining or reversing the administrative charges as soon as reasonably possible after the meeting. Written notice of the decision shall be provided to CONTRACTOR.

17.05.4 In the event CONTRACTOR does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the Contract Administrator's determination shall be final and the administrative charges shall be due within thirty (30) calendar days of the date of the Notice of Assessment.

17.05.5 The DISTRICT'S assessment or collection of administrative charges shall not prevent the DISTRICT from exercising any other right or remedy, including the right to terminate this Contract, for CONTRACTOR'S failure to perform the work and services in the manner set forth in this Contract.

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Article 18. Performance Bond

18.01 Performance Bond. Within ten (10) calendar days from the date the DISTRICT approves this Contract, the CONTRACTOR shall furnish to the DISTRICT, and keep current, a Performance Bond in a form as set forth in Exhibit ~~33~~, or as agreed to by the parties, which is included in and attached to this Contract, for the faithful performance of this Contract and all obligations arising hereunder in an amount as follows:

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18.01.1 From July 1, ~~2013~~2022 and so long as this Contract or any extension thereof shall remain in force, the CONTRACTOR shall maintain a performance bond in the amount of fifty thousand dollars (\$50,000).

18.01.1.1 The performance bond shall be executed by a surety company licensed to do business in the State of California; having an "A-" or better rating by A. M. Best or Standard and Poors; and included on the list of surety companies approved by the Treasurer of the United States.

18.01.2 Letter of Credit. As an alternative to the performance bond required by this Section 18.01, at the DISTRICT'S option, CONTRACTOR may deposit with the DISTRICT an irrevocable letter of credit in an amount as set forth in Sections 18.01.1. If allowed, the letter of credit must be issued by an FDIC insured banking institution chartered to business in the state of California, in the DISTRICT'S name, and be callable at the discretion of the DISTRICT. Nothing in this Section shall, in any way, obligate the DISTRICT to accept a letter of credit in lieu of the performance bond.

Article 19. Insurance

19.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term of this Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with CONTRACTOR'S performance of work or services under this Contract. CONTRACTOR'S performance of work or services shall include performance by CONTRACTOR'S employees, agents, representatives and subcontractors.

19.01.1 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

19.01.1.1 Insurance Services Office Form No. GL 0002 (Ed. 1/96) covering Comprehensive General Liability and Insurance Services Office Form No. GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001), including X, C, U where applicable.

19.01.1.2 Insurance Services Office Form No. CA 0001 (Ed. 12/93) covering Automobile Liability, code 1 "any auto", or code 2 "owned autos" and

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endorsement CA 0025. Coverage shall also include code 8, "hired autos" and code 9 "non-owned autos".

19.01.2 Workers' Compensation insurance as required by the California Labor Code and Employers Liability Insurance.

19.01.3 Hazardous Waste and Environmental Impairment Liability Insurance.

19.02 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no less than:

19.02.1 Comprehensive General Liability: \$3,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Contract or the general aggregate limit shall be \$5,000,000.

19.02.2 Automobile Liability: \$3,000,000 combined single limit per accident for bodily injury and property damage.

19.02.3 Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$3,000,000 per accident.

19.02.4 Hazardous Waste and Environmental Impairment Liability: \$3,000,000 per occurrence.

19.03 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to, and approved by, the DISTRICT. At the option of DISTRICT, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the DISTRICT, its officers, employees, agents and contractors; or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the DISTRICT.

19.04 Endorsements. The policies are to contain, or be endorsed to contain, the following provisions:

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19.04.1 General Liability and Automobile Liability Coverage.

19.04.1.1 The DISTRICT, its officers, employees, agents and contractors are to be covered as additional insureds as respects: liability arising out of activities performed by, or on behalf of, CONTRACTOR; products and completed operations of CONTRACTOR; premises owned, leased or used by CONTRACTOR; and automobiles owned, leased, hired or borrowed by CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its officers, employees, agents and contractors.

19.04.1.2 CONTRACTOR'S insurance coverage shall be primary insurance as respects the DISTRICT, its officers, employees, agents and contractors. Any insurance, or self-insurance maintained by the DISTRICT, its officers, employees, agents or contractors shall be in excess of CONTRACTOR'S insurance and shall not contribute with it.

19.04.1.3 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the DISTRICT, its officers, employees, agents, or contractors.

19.04.1.4 Coverage shall state that CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

19.04.1.5 The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion, if applicable, and add the Motor Carrier Act endorsement (MCS-90) TL 1005, TL 1007.

19.04.2 All Coverage. Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) calendar days prior written notice has been given to the DISTRICT.

19.05 Verification of Coverage. CONTRACTOR shall furnish the DISTRICT with certificates of insurance and with original endorsements affecting coverage required by this Contract. The certificates and endorsement for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. CONTRACTOR shall furnish the DISTRICT with a new certificate of insurance and endorsements on each renewal of coverage or change of insurers.

19.05.1 Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the DISTRICT.

General Manager/District Engineer
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683

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19.06 Subcontractors. CONTRACTOR shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor.

19.07 Modification of Insurance Requirements. The insurance requirements provided in this Contract may be modified or waived by the DISTRICT, in writing, upon the request of CONTRACTOR if the DISTRICT determines such modification or waiver is in the best interest of the DISTRICT considering all relevant factors, including exposure to the DISTRICT.

19.08 Rights of Subrogation. All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against the DISTRICT with the express intention of the parties being that the required insurance coverage protects both parties as the primary coverage for any and all losses covered by the above-described insurance. CONTRACTOR shall ensure that any companies issuing insurance to cover the requirements contained in this Contract agree that they shall have no recourse against the DISTRICT for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which the DISTRICT is named as an additional insured shall not apply to the DISTRICT.

Article 20. Indemnification

20.01 Mutual/Reciprocal Indemnification of DISTRICT. Each of CONTRACTOR and the DISTRICT shall indemnify and hold harmless the ~~DISTRICT~~other, the ~~DISTRICT's~~other's contractors, and the public officials, officers, directors, employees, agents and other contractors of each of them, from and against any and all claims, costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals as well as all Court or other dispute resolution costs), liabilities, expenditures or causes of action of any kind (including negligent, reckless, willful or intentional acts or omissions of the ~~CONTRACTOR~~indemnifying party, any subcontractor, any supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any services or anyone for whose acts any of them may be liable), arising from, ~~relative to~~ or caused by the indemnifying party, or an agent or employee of said party in the performance of the services. This indemnity includes but is not limited to claims attributable to bodily injury, sickness, disease or death and to injury or destruction of tangible property. ~~CONTRACTOR agrees, at CONTRACTOR'S expense, after written notice from the DISTRICT, to defend any action against the DISTRICT that falls within the scope of this indemnity, or the DISTRICT, at the DISTRICT'S option, may elect not to tender such defense and may elect instead to secure its own attorneys to defend any such action and the reasonable costs and expenses of such attorneys incurred in defending such action shall be payable by CONTRACTOR. Additionally, if CONTRACTOR, after receipt of written notice from the DISTRICT, fails to make any payment due under this Contract to the~~
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~~DISTRICT, CONTRACTOR shall pay any reasonable attorneys' fees or costs incurred by the DISTRICT in securing any such payment from CONTRACTOR. Payment of any amount due pursuant to the foregoing indemnity shall, after receipt of written notice by CONTRACTOR from the DISTRICT that such amount is due, be made by CONTRACTOR prior to the DISTRICT being required to pay same, or in the alternative, the DISTRICT, at the DISTRICTS option, may make payment of an amount so due and CONTRACTOR shall promptly reimburse the DISTRICT for same, together with interest thereon at the rate of 12% per annum simple interest from the date of receipt by CONTRACTOR of written notice from the DISTRICT that such payment is due.~~

20.02 CONTRACTOR agrees to protect and defend the DISTRICT with counsel selected by CONTRACTOR and approved by the DISTRICT, to pay all attorneys' fees, and to indemnify and hold the DISTRICT harmless from and against all fines or penalties imposed by the California Integrated Waste Management Board if the diversion goals specified in California Public Resources Code Section 41780 as of the date hereof and hereafter throughout are not met by the DISTRICT with respect to the Materials Collected by CONTRACTOR and if the lack in meeting such goals are attributable to the failure of the CONTRACTOR to implement and operate the recycling or diversion programs or undertake the related activities required by this Contract.

20.03 Consideration. It is specifically understood and agreed that the consideration inuring to the CONTRACTOR for the execution of this Contract consists of the promises, payments, covenants, rights and responsibilities contained in this Contract.

20.04 Obligation. The execution of this Contract by the CONTRACTOR shall obligate the CONTRACTOR to comply with the foregoing indemnification provision; however, the collateral obligation of providing insurance must also be complied with as set forth in Article 21 above.

20.05 Subcontractors. The CONTRACTOR shall require all subcontractors to enter into a contract containing the provisions set forth in the preceding subsection in which contract the subcontractor fully indemnifies the DISTRICT in accordance with this Contract.

~~20.06 Exception. Notwithstanding Sections 20.01, 20.02 and 20.03, CONTRACTOR'S obligation to indemnify, hold harmless and defend the DISTRICT, its officers and employees shall not extend to any loss, liability, penalty, pain, damage, action or suit resulting from the sole negligence or willful misconduct of the DISTRICT its officers or employees.~~

20.06 ~~20.07~~ Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors cause any injury, damage or loss to the DISTRICT property, including but not limited to DISTRICT streets or curbs, CONTRACTOR shall reimburse the DISTRICT for the DISTRICT'S cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of the DISTRICT to be indemnified by CONTRACTOR for any such

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injury, damage or loss. With the prior written approval of the DISTRICT, CONTRACTOR may repair the damage at CONTRACTORS sole cost and expense.

Article 21. Default of Contract

21.01 Termination for Default. The DISTRICT may cancel this Contract, except as otherwise provided below in this Section, by giving the CONTRACTOR thirty (30) calendar days advance written notice, to be served as provided in Article 37, upon the happening of any one of the following events:

21.01.1 The CONTRACTOR shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

21.01.2 By order or decree of a Court, the CONTRACTOR shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the CONTRACTOR, seeking its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United States or of any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default shall be and become null, void and of no effect; unless such stayed judgment or order is reinstated in which case, said default shall be deemed immediate; or

21.01.2.1 By, or pursuant to, or under the authority of any legislative act, resolution or rule or any order or decree of any Court or governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all or substantially all of the property of the CONTRACTOR, and such possession or control shall continue in effect for a period of sixty (60) calendar days; or

21.01.3 The CONTRACTOR has defaulted, by failing or refusing to pay in a timely manner the administrative charges or other monies due the DISTRICT and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so; or

21.01.4 The CONTRACTOR has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so; or

21.01.5 In the event that the monies due the DISTRICT under Section 23.01.3 above or an unsatisfied final judgment under Section 21.01.4 above is the subject of a judicial proceeding, the CONTRACTOR shall not be in default if the sum of money is bonded. All bonds shall be in the form acceptable to the DISTRICT Attorney; or

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21.01.6 The CONTRACTOR has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Contract or any of the rules and regulations promulgated by the DISTRICT pursuant thereto or has wrongfully failed or refused to comply with the instructions of the Contract Administrator relative thereto and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by the CONTRACTOR of written demand from the DISTRICT to do so, the CONTRACTOR fails to commence the remedy of such default within said thirty (30) calendar days following such written notice or having so commenced shall fail thereafter to continue with diligence the curing thereof (with the CONTRACTOR having the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure said default, and such default will be cured within a reasonable period of time). However, notwithstanding anything contained herein to the contrary, for the failure of the CONTRACTOR to provide Collection Services for a period of three (3) consecutive Work Days, the DISTRICT may secure the CONTRACTOR'S records on the fourth (4th) Work Day in order to provide interim Collection services until such time as the matter is resolved and the CONTRACTOR is again able to perform pursuant to this Contract; provided, however, if the CONTRACTOR is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease and this Contract may be deemed terminated by the DISTRICT.

21.02 Termination for Habitual Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this Contract under this Article, in the event that the CONTRACTOR'S record of performance show that the CONTRACTOR has frequently, regularly or repetitively defaulted in the material performance of any of the covenants and conditions required herein to be kept and performed by the CONTRACTOR, in the opinion of the DISTRICT and regardless of whether the CONTRACTOR has corrected each individual condition of default, the CONTRACTOR shall be deemed a "habitual violator", shall be deemed to have waived the right to any further notice or grace period to correct, and all of said defaults shall be considered cumulative and collectively shall constitute a condition of irredeemable default. The DISTRICT shall thereupon issue the CONTRACTOR a final warning citing the circumstances therefore, and any single default by the CONTRACTOR of whatever nature, subsequent to the occurrence of the last of said cumulative defaults, shall be grounds for immediate termination of the Contract. In the event of any such subsequent default, the DISTRICT may terminate this Contract upon giving of written final notice to the CONTRACTOR, such cancellation to be effective upon the date specified in the DISTRICT'S written notice to the CONTRACTOR, and all contractual fees due hereunder plus any and all charges and interest shall be payable to said date, and the CONTRACTOR shall have no further rights hereunder. Immediately upon the specified date in such final notice the CONTRACTOR shall proceed to cease any further performance under this Contract.

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21.03 Immediate Termination for Bond or Insurance Default. ~~The DISTRICT may terminate this Contract upon written notice to CONTRACTOR in the event CONTRACTOR fails to provide and maintain the performance bond as required by this Contract within seven (7) days of such notice, CONTRACTOR fails to obtain or maintain insurance policies endorsements as required by this Contract, CONTRACTOR fails to provide the proof of insurance as required by this Contract, or CONTRACTOR offers or gives any gift prohibited by the DISTRICT.~~

21.04 ~~21.03 Effective Date of Termination.~~ In the event of ~~the aforesaid events specified above, Contract termination as provided in sections 21.01, 21.02, or 21.03,~~ and except as otherwise provided in said subsections, termination shall be effective upon the date specified in the DISTRICT'S written notice to the CONTRACTOR and upon said date this Contract shall be deemed immediately terminated and upon such termination all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease, and the DISTRICT shall have the right to call the performance bond and shall be free to negotiate with other contractors for the operation of the herein specified services. The CONTRACTOR for failure to perform shall reimburse the DISTRICT all direct and indirect costs of providing interim Collection Services.

~~21.04 Immediate Termination. The DISTRICT may terminate this Contract immediately upon written notice to CONTRACTOR in the event CONTRACTOR fails to provide and maintain the performance bond as required by this Contract, CONTRACTOR fails to obtain or maintain insurance policies endorsements as required by this Contract, CONTRACTOR fails to provide the proof of insurance as required by this Contract, or CONTRACTOR offers or gives any gift prohibited by the DISTRICT.~~

21.05 Termination Cumulative. The DISTRICT'S right to terminate this Contract is cumulative to any other rights and remedies provided by law or by this Contract.

Article 22. Modifications to the Contract

22.01 Modifications. The DISTRICT shall have the power to make changes in this Contract as the result of changes in law, to impose new rules and regulations on the CONTRACTOR under this Contract relative to the scope and methods of providing Collection Services as shall from time-to-time be necessary and desirable for the public welfare. The DISTRICT shall give the CONTRACTOR notice of any proposed change and an opportunity to be heard concerning those matters. The scope and method of providing Collection Services as referenced herein shall also be liberally construed to include, but is not limited to the manner, procedures, operations and obligations, financial or otherwise, of the CONTRACTOR.

22.02 ~~22.01.1 Change in Law.~~ The DISTRICT and the CONTRACTOR understand and agree that the California Legislature has the authority to make comprehensive changes in Solid Waste Management legislation and that these and other

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changes in law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications in some of the terms, conditions or obligations under this Contract. In the event any future change materially alters the obligations of the CONTRACTOR, then the affected Collection Service Rates, as established in Exhibit 1 of this Contract shall be adjusted. Nothing contained in this Contract shall require any party to perform any act or function contrary to law. The DISTRICT and CONTRACTOR agree to enter into good faith negotiations regarding modifications to this Contract which may be required in order to implement changes in the interest of the public welfare or due to change in law. When such modifications are made to this Contract, the DISTRICT and the CONTRACTOR shall negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of the CONTRACTOR due to any modification in the Contract under this Article. The DISTRICT and the CONTRACTOR shall not unreasonably withhold agreement to such compensation adjustment.

Article 23. Legal Representation

23.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity to be, represented by counsel in the preparation of and contributed equally to the terms and conditions of this Contract and, accordingly, the rule that a contract shall be interpreted strictly against the party preparing the same shall not apply herein due to the joint contributions of both parties.

Article 24. Financial Interest

24.01 Representation. CONTRACTOR warrants and represents that no elected official, officer, agent or employee of the DISTRICT has a financial interest, directly or indirectly, in this Contract or the compensation to be paid under it and, further, that no DISTRICT employee who acts in the DISTRICT as a "purchasing agent" as defined in the appropriate Section of California Statutes, nor any elected or appointed officer of the DISTRICT, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that no such DISTRICT employee, purchasing agent, DISTRICT elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in the CONTRACTOR. Material interest means direct or indirect ownership of more than three percent (3%) of the total assets or capital stock of the CONTRACTOR.

Article 25. Contractor's Personnel

25.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified personnel to perform all services set forth herein. The CONTRACTOR shall be

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responsible for ensuring that its employees comply with all applicable laws and regulations and meet all federal, state and local requirements related to their employment and position.

25.01.1 The DISTRICT may request the transfer of any employee of the CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the performance of his duties.

25.01.2 CONTRACTOR'S field operations personnel shall be required to wear a clean uniform shirt bearing the CONTRACTOR'S name. CONTRACTOR'S employees, who normally come into direct contact with the public, including drivers, shall bear some means of individual photographic identification such as a name tag or identification card.

25.01.3 Each driver of a Collection vehicle shall at all times carry a valid California driver's license and all other required licenses for the type of vehicle that is being operated.

25.01.4 Each driver of a Collection vehicle shall at all times comply with all applicable state and federal laws, regulations and requirements.

25.01.5 CONTRACTOR'S employees, officers, and agents shall at no time be allowed to identify themselves or in any way represent themselves as being employees of the DISTRICT.

25.01.6 The CONTRACTOR'S name and the Customer Service telephone number shall be properly displayed on all Collection vehicles.

Article 26. Exempt Waste

26.01 The CONTRACTOR shall not be required to Collect or dispose of Exempt Waste, but may offer such services. All such Collection and disposal of Exempt Waste is not regulated under this Contract, but if provided by the CONTRACTOR shall be in strict compliance with all federal, state and local laws and regulations. If CONTRACTOR decides at its sole discretion to offer such services, said services are outside the scope of this Contract and at the sole risk of CONTRACTOR.

Article 27. Independent Contractor

27.01 In the performance of services pursuant to this Contract, CONTRACTOR shall be an independent contractor and not an officer, agent, servant or employee of the DISTRICT. CONTRACTOR shall have exclusive control of the details of the services and work performed and over all persons performing such services and work. CONTRACTOR shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors or subcontractors shall obtain any right to retirement benefits, Workers

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Compensation benefits, or any other benefits which accrued to DISTRICT employees and CONTRACTOR expressly waives any claim it may have or acquire to such benefits.

Article 28. Laws to Govern

28.01 The law of the State of California shall govern the rights, obligations, duties and liabilities of the DISTRICT and CONTRACTOR under this Contract and shall govern the interpretation of this Contract.

Article 29. Consent to Jurisdiction

29.01 The parties agree that any litigation between the DISTRICT and CONTRACTOR concerning or arising out of this Contract shall be filed and maintained exclusively in the Superior Courts of Sacramento County, State of California, or in the United States DISTRICT Court for the Eastern DISTRICT of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

Article 30. Assignment

30.01 No assignment of this Contract or any right occurring under this Contract shall be made in whole or in part by the CONTRACTOR without the express written consent of the DISTRICT. ~~The DISTRICT shall have full discretion to approve or deny, with or without cause, any proposed or actual assignment by the CONTRACTOR, which shall not be unreasonably withheld.~~ CONTRACTOR shall provide information to DISTRICT's satisfaction showing the qualifications, equipment, and financial capabilities necessary for the proposed assignee to successfully complete this Contract. Any assignment of this Contract made by the CONTRACTOR without the express written consent of the DISTRICT shall be null and void and shall be grounds for the DISTRICT to declare a default of this Contract and immediately terminate this Contract by giving written notice to the CONTRACTOR, and upon the date of such notice this Contract shall be deemed immediately terminated, and upon such termination all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease, and the DISTRICT shall have the right to call the performance bond and shall be free to negotiate with other contractors, the CONTRACTOR, or any other person or company for the service which is the subject of this Contract. In the event of any assignment, the assignee shall fully assume all the liabilities of the CONTRACTOR.

30.02 The use of a subcontractor to perform services under this Contract shall not constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received prior written authorization from the Contract Administrator to subcontract such services and the Contract Administrator has approved a subcontractor who will perform such services. CONTRACTOR shall be responsible for ~~directing~~ the satisfactory completion

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of any work performed by CONTRACTOR'S subcontractors and any compensation due or payable to CONTRACTOR'S subcontractor shall be the sole responsibility of CONTRACTOR. The Contract Administrator shall have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in Exhibit 6, which is attached to and incorporated in this Contract, are hereby approved by the DISTRICT.

Article 31. Compliance with Laws

31.01 In the performance of this Contract, CONTRACTOR shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments, including without limitation those of the DISTRICT.

31.02 The DISTRICT shall provide written notice to CONTRACTOR of any planned amendment to applicable laws, regulations, ordinances and codes of the DISTRICT that would substantially affect the performance of CONTRACTOR'S services pursuant to this Contract. Such notice shall be provided at least thirty (30) calendar days prior to the DISTRICT'S approval of such an amendment.

Article 32. Permits and Licenses

32.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required by law or ordinance and maintain same in full force and effect throughout the term of this Contract. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the Contract Administrator.

Article 33. Ownership of Written Materials

33.01 All reports, documents, brochures, public education materials, and other written, printed, electronic or photographic materials developed by the DISTRICT or CONTRACTOR ~~in connection with~~exclusively for the services to be performed under this Contract, whether developed directly or indirectly by the DISTRICT or CONTRACTOR shall be and shall remain the property of the DISTRICT without limitation or restrictions on the use of such materials by the DISTRICT. CONTRACTOR shall not use such materials in connection with any project not connected with this Contract without the prior written consent of the Contract Administrator. This Article 33 does not apply to ideas or concepts described in such materials and do not apply to the format of such materials.

Article 34. Waiver

34.01 Waiver by the DISTRICT or CONTRACTOR of any breach for violation of any term covenant or condition of this Contract shall not be deemed to be a waiver of any

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other term, covenant or condition or any subsequent breach or violation of the same or of any other term, covenant or condition. The subsequent acceptance by the DISTRICT of any fee, tax, or any other monies which may become due from CONTRACTOR to the DISTRICT shall not be deemed to be a waiver by the DISTRICT of any breach for violation of any term, covenant or condition of this Contract.

Article 35. Prohibition Against Gifts

35.01 CONTRACTOR represents that CONTRACTOR is familiar with the DISTRICT'S prohibition against the acceptance of any gift by a DISTRICT officer or designated employee. CONTRACTOR shall not offer any DISTRICT officer or designated employee any gifts prohibited by the DISTRICT.

Article 36. Point of Contact

36.01 The day-to-day dealings between the CONTRACTOR and the DISTRICT shall be between the CONTRACTOR and the Contract Administrator.

Article 37. Notices

37.01 Except as provided herein, whenever either party desires to give notice to the other, it must be given by written notice addressed to the party for whom it is intended, at the place last specified and to the place for giving of notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective persons and places for giving of notice:

As to the DISTRICT:

Contract Administrator
General Manager/~~DISTRICT~~[District](#) Engineer
Rancho Murieta Community Services ~~DISTRICT~~[District](#)
15160 Jackson Road
Rancho Murieta, CA 95683
Telephone: (916) 354-3700
Fax: (916) 354-2082

As to the CONTRACTOR:

David Vaccarezza, Owner
California Waste Recovery Systems, LLC
~~P.O. Box 670~~
[175 Enterprise Court](#)
~~Woodbridge, CA 95258~~[Galt, CA 95632](#)

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Telephone: (916) 354-4154
Fax: (209) 369-2703

37.02 Notices shall be effective when received at the address as specified above. Changes in the respective address to which such notice is to be directed may be made by written notice. Facsimile transmission is acceptable notice, effective when received, however, facsimile transmissions received (i.e. printed) after 4:30 p.m. or on weekends or holidays, will be deemed received on the next business day. The original of items that are transmitted by facsimile equipment must also be mailed as required herein.

37.03 Notice by the DISTRICT to CONTRACTOR of a Collection or other Service Recipient problem or complaint may be given to CONTRACTOR orally by telephone at CONTRACTOR'S local office with confirmation sent to CONTRACTOR through the Customer Service System by the end of the Work Day.

Article 38. Transition to Next Contractor

38.01 In the event CONTRACTOR is not awarded a Contract to continue to provide Collection Services following the expiration or early termination of this Contract, CONTRACTOR shall cooperate fully with the DISTRICT and any subsequent contractors to assure a smooth transition of services described in this Contract. Such cooperation shall include but not be limited to transfer of computer data, files and tapes; providing routing information, route maps, vehicle fleet information, and list of Service Recipients; providing a complete inventory of all carts and bins; providing adequate labor and equipment to complete performance of all Collection Services required under this Contract; taking all actions necessary to transfer ownership of carts and bins, as appropriate, to the DISTRICT; including transporting such containers to a location designated by the Contract Administrator; coordinating Collection of materials set out in new containers if new containers are provided for a subsequent Contract and providing other reports and data required by this Contract.

Article 39. Contractor's Records

39.01 CONTRACTOR shall maintain any and all letters, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Service Recipients for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to CONTRACTOR pursuant to this Contract.

39.02 CONTRACTOR shall maintain all documents and records which demonstrate performance under this Contract for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Contract.

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39.03 Any records or documents required to be maintained pursuant to this Contract shall be made available for inspection or audit, at any time during regular business hours, upon written request by the Contract Administrator, the DISTRICT Attorney, DISTRICT Auditor, DISTRICT General Manager/DISTRICT Engineer, or a designated representative of any of these officers. Copies of such documents shall be provided to the DISTRICT for inspection at the DISTRICT offices when it is practical to do so. Otherwise, unless an alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S address indicated for receipt of notices in this Contract.

39.04 Where the DISTRICT has reason to believe that such records or documents may be lost or discarded due to the dissolution, disbandment or termination of CONTRACTOR'S business, the DISTRICT may, by written request or demand of any of the above named officers, require that custody of the records be given to the DISTRICT and that the records and documents be maintained in the DISTRICT Administrative Office. Access to such records and documents shall be granted to any party authorized by CONTRACTOR, CONTRACTOR'S representatives, or CONTRACTOR'S successor-in-interest.

Article 40. Entire Contract

40.01 This Contract and the Exhibits attached hereto constitute the entire Contract and understanding between the parties hereto, and it shall not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties hereto. Any prior oral or written discussions, communications, or understandings between the parties shall be of no legal effect unless specifically incorporated in this written Contract and/or addendums thereto.

Article 41. Severability

41.01 If any provision of this Contract or the application of it to any person or situation shall to any extent be held invalid or unenforceable, the remainder of this Contract and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected, shall continue in full force and effect, and shall be enforced to the fullest extent permitted by law.

Article 42. Right to Require Performance

42.01 The failure of the DISTRICT at any time to require performance by the CONTRACTOR of any provision hereof shall in no way affect the right of the DISTRICT thereafter to enforce same. Nor shall waiver by the DISTRICT of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

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Article 43. All Prior Contracts Superseded

43.01 This document incorporates and includes all prior negotiations, correspondence, conversations, Contracts and understandings applicable to the matters contained in this Contract and the parties agree that there are no commitments, Contracts or understandings concerning the subject matter of this Contract that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Contract shall be predicated upon any prior representations or Contracts, whether oral or written.

Article 44. Headings

44.01 Headings in this document are for convenience of reference only and are not to be considered in any interpretation of this Contract.

Article 45. Exhibits

45.01 Each Exhibit referred to in this Contract forms an essential part of this Contract. Each such Exhibit is a part of this Contract and each is incorporated by this reference.

Article 46. Effective Date

46.01 This Contract shall become effective at such time as it is properly executed by the DISTRICT and the CONTRACTOR and the CONTRACTOR shall begin Services, as covered herein, as of ~~July~~January 1, ~~2013~~2023.

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IN WITNESS WHEREOF, the DISTRICT and the CONTRACTOR have executed this Contract on the respective date(s) below each signature.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

CONTRACTOR

By: _____
Signature

By: _____
Signature

Title: _____

Title:
David Vaccarezza, President
CWR Industries, Inc.
Managing Member of California Waste
Recovery Systems, LLC

Date: _____

Date: _____

APPROVED AS TO FORM

By: _____
Signature

Title: DISTRICT's Counsel

Date: _____

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APPROVED RATE SHEET

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Exhibit 1
CONTRACTOR COLLECTION SERVICE RATES ~~WITHOUT~~
FRANCHISE FEE

EFFECTIVE ~~07/01/2012~~01/2023

A. COLLECTION SERVICES - Rates include weekly gray trash service, weekly 95-gallon green organics waste collection and bi-weekly 95-gallon blue recyclables collection and are based upon gray trash cart size selected.

Beginning July 1, 2023, rates will be adjusted annually according to the provisions of Section 4.02, plus the phased-in adjustments for weekly organics collection, as shown below on July 1, 2023 and July 1 2024. Thereafter, adjustments per Section 4.02 will apply.

1	Garbage Cart Sizes (gallons)	38	64	96
2	Disposal Charge Per Ton – Solid Waste	\$30.00		
3	Monthly Per Unit Solid Waste Generation Factor Trash Cart Size	0.03 Monthly Rates; <u>1/1/23 - 6/30/23</u>	0.08 Phased organics collection rate added to the new Collection Service Rates After Section 4.02 CPI adjustment <u>7/1/23 - 6/30/24</u>	0.2 Phased organics collection rate added to the new Collection Service Rates After Section 4.02 CPI adjustment <u>7/1/24 - 6/30/25</u>
	35 Gallon Gray Cart	\$25.98	\$3.75	\$3.50
4	Disposal Element 65 Gallon Gray Cart	\$1.02 31.92	\$2.22 3.75	\$5.23 3.50
5	Monthly Collection Element 95 Gallon Gray Cart	\$14.71 53.34	\$15.11 3.75	\$21.40 3.50
6	TOTAL MONTHLY COLLECTION RATE (Lines A4 + A5)	\$15.73	\$17.33	\$26.63
B. ADDITIONAL CARTS				

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1	<u>Gray</u> Garbage Cart Sizes (gallons)	3835	6465	9695
2	MONTHLY COST FOR EACH ADDITIONAL <u>GRAY</u> GARBAGE CART	\$7.74 <u>9.06</u>	\$9.66 <u>12.08</u>	\$20.59 <u>27.76</u>
3	MONTHLY COST FOR EACH ADDITIONAL <u>BLUE</u> RECYCLING CART IN EXCESS OF ONE (1) <u>BLUE</u> RECYCLING CART	N/A	\$6.16 <u>N/A</u>	\$6.16 <u>7.47</u>
4	MONTHLY COST FOR EACH ADDITIONAL GREEN <u>ORGANICS</u> WASTE CART IN EXCESS OF TWO (2) GREEN <u>ORGANIC</u> WASTE CARTS	N/A	\$6.16 <u>N/A</u>	\$6.16 <u>7.47</u>

C. ADDITIONAL LARGE ITEM COLLECTION SERVICE RATE (ON-CALL)

1	<u>Additional Large Item Size</u>	<u>1 Cu. Yd.</u>
2	<u>Large Item Collection Rate</u>	<u>\$74.00</u>

D. LARGE ITEM CONTAINING FREON COLLECTION SERVICE RATE (ON-CALL)

1	<u>Additional Cost Per Large Item Containing Freon</u>	<u>\$53.50</u>
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E. EXCESS CART EXCHANGE SERVICE RATE (Each occurrence)

1	<u>Garbage Cart Sizes (gallons)</u>	<u>35</u>	<u>65</u>	<u>95</u>
2	<u>Excess Cart Delivery Service Rate</u>	<u>\$20.58</u>		

F. EMERGENCY SERVICE RATES

1	<u>Laborer (per hour)</u>	<u>\$50.57</u>
2	<u>Automated truck with driver (per hour)</u>	<u>\$133.06</u>
3	<u>Front loader truck with driver (per hour)</u>	<u>\$125.67</u>
4	<u>Roll off truck with driver (per hour)</u>	<u>\$125.67</u>
5	<u>Foreman and pickup (per hour)</u>	<u>\$73.91</u>
6	<u>Transfer truck and trailer with driver (per hour)</u>	<u>\$133.06</u>

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<u>G. EXTRAS/SPECIAL RATES FOR DUMPING TRASH CARTS</u>				
1	<u>Garbage Cart Sizes (gallons)</u>	<u>35</u>	<u>65</u>	<u>95</u>
2	<u>Rate for Dumping Extra/Special Trash Cart per Occurrence</u>	<u>\$8.27</u>	<u>\$13.94</u>	<u>\$20.91</u>

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C. DISCOUNT FOR GREEN WASTE EXEMPTION				
1	Garbage Cart Sizes (gallons)	38	64	96
2	MONTHLY DISCOUNT FOR GREEN WASTE EXEMPTION	\$2.00		
D. ADDITIONAL LARGE ITEM COLLECTION SERVICE RATE (ON-CALL)				
1	Additional Large Item Size	1 Cu. Yd.		
2	Disposal Charge Per Ton – Large Item	\$30.00		
3	Per Unit Large Item Generation Factor	0.05		
4	Disposal Element (Line D2 multiplied by Line D3)	\$1.50		
5	Collection Element	\$33.32		
6	TOTAL LARGE ITEM COLLECTION RATE (Lines D4 + D5)	\$34.82		
E. EXCESS CART EXCHANGE SERVICE RATE (Each occurrence)				
1	Garbage Cart Sizes (gallons)	38	64	96
2	EXCESS CART DELIVERY SERVICE RATE	\$17.05		

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F. EMERGENCY SERVICE RATES

1	Laborer (per hour)	\$42.65		
2	Automated truck (Heil) with driver (per hour)	\$109.67		
3	Front loader truck (White) with driver (per hour)	\$103.58		
4	Roll off truck (White) with driver (per hour)	\$103.58		
5	Forman and pickup (GMC) (per hour)	\$60.91		
6	Transfer truck and trailer with driver (White/Wilkins) (per hour)	\$109.67		

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EXHIBIT 2 REFUSE RATE INDEX

The "Refuse Rate Index" adjustment shall be calculated in the following manner:

1. ~~The expenses of providing Collection Services in the Service Area for the designated fiscal period shall be prepared in the format set forth in the Operating Cost Statement Description on the following page of this Exhibit.~~
2. ~~The expenses of providing Collection Services in the Service Area shall be broken down into one of the following five cost categories: Labor; Fuel; Vehicle Replacement; Maintenance and All Other. Each cost category is assigned a weighted percentage factor on that cost category's proportionate share of the total of the costs shown for all cost categories.~~
3. ~~The following indices are used to calculate the adjustment for each cost category. The average change in each index is calculated on a twelve-month fiscal period in accordance with the terms of the Contract.~~

<u>Cost Category</u>	<u>Index</u>
----------------------	--------------

Labor	Series ID: CIS201S0000000001 Employment Cost Index (NAICS), Total Compensation, Private Industry, Service Providing
------------------	--

Fuel	Series ID: " " Error! Hyperlink reference not valid. Error! Hyperlink reference not valid..eia.gov/petroleum/gasdiesel/ U.S. On-Highway Diesel Fuel Prices* (dollars per gallon), California, Monthly, Ultra Low Sulpher^{3/4}
-----------------	---

Vehicle Replacement	Series ID: PCU3362-3362 Motor Vehicle Body and Trailer Manufacturing
--------------------------------	---

Vehicle Maintenance	Series ID: PCU3363-3363 Motor Vehicle Parts Manufacturing
--------------------------------	--

All Other	3/4 Consumer Price Index, Series ID: CUURX400SA0 CPI-All Urban Consumers, All Items - West Size Class B/C
----------------------	--

4. ~~The percentage weight for each cost category is multiplied by the change in each appropriate index to calculate a weighted percentage for each cost category. The weighted percentage changes for each cost category are added together to calculate the Refuse Rate Index.~~

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Exhibit 2
REFUSE RATE INDEX
OPERATING COST STATEMENT – DESCRIPTION

~~Operating Costs~~

~~Labor: List all administrative, officer, operation and maintenance salary accounts. List payroll tax accounts directly related to the above salary accounts.~~

~~Fuel: List all fuel and oil accounts.~~

~~Vehicle~~

~~Replacement: List all Collection and Collection related vehicle depreciation accounts. List all vehicle lease or rental accounts related to Collection or Collection related vehicles.~~

~~Vehicle~~

~~Maintenance: List all Collection or Collection related vehicle parts accounts.~~

~~All Other: List all other expense accounts related to the services provided under this Contract. This category includes all insurance including general liability, fire, truck damage, extended coverage and employee group medical and life; rent on property, truck licenses and permits; real and personal property taxes; telephone and other utilities; employee uniforms; safety equipment; general yard repairs and maintenance; office supplies; postage; trade association dues and subscription; advertising; employee retirement or profit sharing contributions; and miscellaneous other expenses.~~

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EXHIBIT 2
RATE ADJUSTMENT METHODOLOGY

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EXHIBIT 3
PERFORMANCE BOND

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RLI Insurance Company
Renewable Performance Bond

BOND#

KNOW ALL MEN BY THESE PRESENTS: That _____
located at _____ (hereinafter called the
Principal), and **RLI Insurance Company** (hereinafter called the Surety), are held and firmly
bound unto _____ located at _____
(hereinafter called the Obligee), in the full and just sum of _____ Dollars (\$ _____),
the payment of which sum, well and truly to be made, the said Principal and Surety bind
themselves, and each of their heirs, administrators, executors, and assigns, jointly and severally,
firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a written Contract dated the
_____ day of _____ with the Obligee for _____

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that if,
during the effective period of this bond, the Principal shall well and truly perform each and every
obligation in said Contract at the time and in the manner specified, and shall reimburse said
Obligee for any loss which said Obligee may sustain by reason of default on the part of said
Principal, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is subject to the following conditions:

1. This bond is for the term beginning _____ and ending _____
2. In the event of default by the Principal, Obligee shall deliver concurrently to the
Surety its notice of default to the Principal, along with a written statement of the
facts of such default, which shall be sent to the Surety by overnight courier at the
address stated in section 9 below. The Surety shall have the right and opportunity,
at its sole discretion and within thirty (30) days after its receipt of said notice of
default, to: a) cure the default; b) assume the remainder of the Contract and to
perform or sublet the same; or, c) tender to the Obligee funds sufficient to pay
actual excess costs of performance which occurred during the effective period
of this bond, not to exceed the penal sum of this bond. In no event shall the
Surety be liable for fines, penalties, liquidated damages, or forfeitures assessed
against the Principal.
3. No claim, action, suit or proceeding shall be had or maintained against the Surety
on this instrument unless the same be brought or instituted upon the Surety
within six (6) months of the expiration date of this bond, the cancellation date of this

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bond, or the last effective day of the Contract, whichever occurs first,

4. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligees named herein or the heirs, executors, administrator or successors of Obligees.
5. The aggregate liability of the Surety is limited to the penal sum stated herein regardless of the number or amount of claims brought against this bond and regardless of the number of years this bond remains in force.
6. This bond may be cancelled by the Surety at any time provided notice is sent to the Obligees at its above address by certified mail at least thirty (30) days prior to the effective date of such cancellation.
7. The bond may be renewed for additional terms at the option of the Surety, by continuation certificate executed by the Surety. Neither non-renewal nor cancellation by the Surety, nor the failure or inability of the Principal to file a replacement bond shall constitute a loss to the Obligees recoverable under this bond.
8. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this bond and as described in the underlying Contract, then the terms of this bond shall prevail.
9. This bond shall not bind the Surety unless the bond is accepted by the Obligees. If the Obligees object to any language contained herein, then within thirty (30) days of the date this bond is signed and sealed by the Surety, Obligees shall return this bond by overnight courier to the Surety at its following address:

RLI Commercial Surety
9025 N. Lindbergh Drive
Peoria, IL 61615

Failure to return the bond as described above shall constitute Obligees's acceptance of the terms and conditions herein.

Signed and sealed this _____ day of _____

PRINCIPAL:

_____ (seal)
(Name & Title)

SURETY:

RLI Insurance Company (seal)
_____ Attorney-in-Fact

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CSD

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EXHIBIT 4 CART SPECIFICATIONS

(Garbage, Recycling, and Green Waste Carts)

1. Manufacturer.....	Schaefer	
2. Description and Type.....	Injection molded carts	
3. Material of Construction.....	High density polyethylene	
4. Material Content.....	100% virgin polyethylene	
5. Color.....	Green, Brown, Charcoal Grey	
6. Durability (in service years).....	10 years	years
7. Cost of Each Container.....	\$43.00	(32 gal)
	\$49.45	(64 gal)
	\$58.05	(96 gal)
8. Dimensions of Each Container (Height X Depth X Width).....	37 X 22 X 19	(32 gal)
	42 X 29 X 23	(64 gal)
	43 X 35 X 24	(96 gal)
9. Shape of Each Container (Round, Square, Rectangular, other).....	Rectangular	(32 gal)
	Rectangular	(64 gal)
	Rectangular	(96 gal)
10. Manufacturer's warranty (10-year minimum and attach a copy).....	See attached	

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Exhibit 5
COLLECTION VEHICLE SPECIFICATIONS
(Garbage, Recycling, and Green Waste Collection Vehicles)

1. Manufacturer and Model	Autocar
a. Cab and Chassis	Autocar
b. Body	Heil Rapid Rail
c. Engine	Cummins
d. Transmission	Allison 45 RDS 5-speed
2. Number of Vehicles	Two (2)
3. Cab and Chassis:	
a. Cab Height	105 inches
b. Walk-In Cab	yes <input type="checkbox"/> no <input checked="" type="checkbox"/>
c. Number of Axles	Three (3)
d. Dual Drive	yes <input type="checkbox"/> no <input checked="" type="checkbox"/>
e. Overall Length With Body Mounted	305 inches
4. Body:	
a. Type of Body	Heil
b. Rated Capacity	30 cu. yd.
c. Practical or Net Capacity	30 cu. yd.
d. No. of Compartments	One (1) cu. yd.
e. Net Capacity of Each Compartment	30 cu. yd.
f. Overall Body Length	50 inches
Form E GARBAGE COLLECTION VEHICLES (cont.)	
g. Body Height	151 inches
h. Body Width	96 inches

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i. Loading Height Above Ground.....	Minimum	<u>43</u>	inches
	Maximum	<u>144</u>	inches
j. Materials of Construction.....	<u>Steel</u>		
5. Weight.....	GVW	<u>50,400</u>	lbs.
	Tare	<u>29,200</u>	lbs.
6. Will the vehicles be owned, leased, or other?.....	<u>Owned</u>		
7. Purchase cost of each vehicle.....	<u>\$212,543</u>		
8. Fuel type.....	<u>Diesel</u>		
9. Fuel usage.....	<u>3.5/gal-hour</u>		
10. Emissions rating			
a. CO.....		<u>4.125</u>	g/bhp/hr
b. HC (total hydrocarbons).....		<u>4.125</u>	g/bhp/hr
c. NO _x		<u>N/A</u>	g/bhp/hr
d. Particulate Matter.....		<u>0.1250</u>	g/bhp/hr
11. Safety Features.....	<u>Backup alarms, backup camera, strobe light, 2-way radio</u>		
12. Color.....	<u></u>		

RESERVED

None

Exhibit 6

LIST OF APPROVED SUBCONTRACTORS

None



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Exhibit 7
SB 1383 REQUIREMENTS

~~County Of Sacramento Municipal Services Agency Agreement
For Regional Waste Management Services Cost Recovery Between
the County Of Sacramento and the Rancho Murieta Community
Services District~~

~~Agreement shown on following 8 pages~~

A. SB 1383 ADMINISTRATION, EDUCATION, AND OUTREACH

1. Program Administration

- a. CONTRACTOR shall designate a SB 1383 Program Administrator to oversee the SB 1383 Program including the activities of administration, public outreach, compliance monitoring, enforcement coordination and reporting.
- b. CONTRACTOR shall designate its SB 1383 Program Administrator not later than January 1, 2023.
- c. The SB 1383 Program Administrator will be CONTRACTOR's primary public education and outreach representative, virtually or in-person, with community organizations and at special events. CONTRACTOR's SB 1383 Program Administrator shall participate with DISTRICT in educational/informational events as mutually agreed.

2. Outreach and Education

Outreach to Residential Customers will occur in the following manner.

- a. Recycling Guide. CONTRACTOR shall create, submit to the DISTRICT for approval, edit, print and distribute a Recycling Guide with each green Cart delivered. CONTRACTOR shall also direct mail a Recycling Guide to each existing Residential Customer and to new Customers upon delivery of carts.
- b. Community Outreach. CONTRACTOR's SB 1383 Program Administrator will be CONTRACTOR's primary public outreach and education representative, virtually or in-person, for community organizations.
- c. Written Outreach. Written outreach (by hard copy or electronic copy) shall consist primarily of the following: articles, recycling guides, and webpages.
- d. Monthly Articles. CONTRACTOR shall assist the DISTRICT in keeping Customers informed about Solid Waste programs, services, and events through the provision of articles to be printed in monthly newsletters issued by the DISTRICT.
- e. SB 1383 Recycling Guides. The CONTRACTOR shall design and prepare an SB 1383 recycling guide for the following distribution methods:

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- **Commencement of Program.** With the initial distribution of green Carts to Residential customers who do not currently use green cart Collection Service, CONTRACTOR shall distribute an SB 1383 recycling guide as part of the delivery of each Cart. Simultaneous with the distribution of green Carts, CONTRACTOR shall also mail or electronically distribute an SB 1383 recycling guide to each existing green Cart Customer.
 - **Annual Distribution.** Annually after the initial distribution, the CONTRACTOR shall include the SB 1383 educational information within the Annual Collection Service Notice as described in Article 12 of this Contract.
- f. Webpage. CONTRACTOR shall maintain webpages on its website with current information regarding the recycling programs with active links to CalRecycle and DISTRICT's office webpages. Customers may also access CONTRACTOR information utilizing their third-party application.

B. SB 1383 COLLECTION SERVICE COMPLIANCE

1. Cart Colors, Identification, and Labels

All Carts provided to Customers by CONTRACTOR shall be of the proper color with identification of purpose and labeling complying with the requirements of SB 1383. Cart colors, identification, and labels shall be approved by DISTRICT.

DISTRICT acknowledges that existing Carts provided to Customers do not meet the requirements of SB 1383 for color and labeling and DISTRICT hereby authorizes CONTRACTOR to transition from non-compliant to compliant Carts as part of its on-going replacement of aged-out Carts as provided for by CalRecycle Regulations. For Carts already in service, CONTRACTOR shall affix compliant labeling stickers as soon as reasonably possible.

DISTRICT and CONTRACTOR will cooperate on the use of QR Codes in labels to enable residents to access a mobile device application to access updated lists of accepted materials and special information and messages related to recycling and organic waste recycling.

2. SB 1383 ACCEPTED MATERIALS

CONTRACTOR shall collect the Accepted Materials listed below for the Residential Recycling Program and the Residential Organic Waste Recycling program. The presence of Prohibited Materials may result in extra charges in accordance with the approved Rate Schedule and/or enforcement actions by DISTRICT.

<u>RESIDENTIAL NON-ORGANIC RECYCLING PROGRAM</u>		
<u>Category</u>	<u>Accepted Materials</u>	<u>Prohibited Materials</u>
<u>Cardboard (OCC)</u>	<u>Clean, uncoated & flattened cardboard</u>	<u>Soiled cardboard, Wax-coated cardboard</u>
<u>Paper</u>	<u>Cereal boxes, envelopes, file folders, frozen food boxes, junk mail, magazines, mixed paper, office paper, newspaper, telephone books, white paper</u>	<u>Facial tissue</u>

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<u>Plastics</u>	<u>ID codes & common products:</u> <u>#1 PET – soda water bottles, cups, jars, trays & clamshells</u> <u>#2 HDPE – milk jugs, detergent & shampoo bottles, flowerpots, grocery bags</u> <u>#3 PVC – cleaning supply jugs, pool liners, twine, sheeting, automotive product bottles</u> <u>#4 LDPE – bread bags, paper towel & tissue overwrap, squeeze bottles, trash bags, six-pack rings</u> <u>#5 PP – yogurt tubs, cups, juice bottles, straws, hangers, sand & shipping bags</u>	<u>Rigid plastic toys, Plastic furniture, Cling wrap for food, Frozen food bags, #6 PS – to go containers hot cups, shipping cushion. #7 Other – polycarbonate, Lexan, CDs, ABS, Garden hoses</u>
<u>Metal</u>	<u>Aluminum cans, Aluminum foil, Empty aerosol cans, Pie tins, Tin, steel, bi-metal cans</u>	<u>Coat hangers</u>
<u>Glass</u>	<u>Jars, Bottles</u>	<u>Light bulbs, Mirrors, Window glass, Ceramics, Dishes</u>
<u>Other</u>		<u>Green waste, Food waste, C&D, Electronic waste, Animal waste, Diapers, Hazardous waste</u>

<u>RESIDENTIAL ORGANIC WASTE RECYCLING PROGRAM</u>		
<u>Category</u>	<u>Accepted Materials</u>	<u>Prohibited Materials</u>
<u>Green Waste</u>	<u>Grass clippings, leaves, weeds, prunings, flowers,</u> <u>Wood waste & lumber (untreated & unpainted)</u> <u>Other yard waste</u>	<u>stumps, soil, pressure-treated wood, painted wood, wood with foreign objects (nails, screws, brackets, etc.), glass, metal, plastic-coated or wax-coated cardboard, any material too large for container, palm fronds, soiled cardboard</u>
<u>Food Waste</u>	<u>Bagged food waste ONLY</u> <u>Fruits & vegetables, dairy products & bread, cooked meat & seafood (including bones & shells), coffee grounds & filters (except K-pods), food soiled paper products, food-soiled cardboard products, fiber-based & certified compostable foodware</u>	<u>Raw meat & seafood, rubber bands, twist ties, plastic & non-certified compostable food containers & foodware, Recyclables (plastic, glass, metal), K-pods</u>
<u>Other</u>		<u>Hazardous waste, Non-organic waste</u>

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3. Changes to Accepted Materials

CONTRACTOR may update the list of Accepted Materials to reflect changes in markets, recyclability of materials, or acceptance by processor by giving sixty (60) day advance written notice to DISTRICT and thirty (30) day advance written notice to Residential Customers.

The advance notice to Residential Customers may be made through the CONTRACTOR's quarterly newsletter. Any changes in the list of Accepted Materials shall also be accompanied by either a new Container label or a sticker affixed by CONTRACTOR to existing Container labels which clearly indicates the updated listing of materials accepted and not accepted.

Any changes in the list of Accepted Materials shall also be accompanied by either a new Container label or a graphic sticker affixed by CONTRACTOR to Containers which clearly indicate the updated listing of materials accepted and not accepted, or through the use of a Quick Response Code (QR Code) affixed by CONTRACTOR to Containers from which Commercial Customers can access the updated listing of materials accepted and not accepted using a smart phone or tablet.

C. OBSERVED CONTAMINATION

If CONTRACTOR's Collection driver or other representative encounters a Container with noticeable contaminants, the driver or representative shall:

- Photograph the Container's contents.
- Report the service address to CONTRACTOR's dispatch office by electronic tablet or by radio or phone.
- Leave the Container uncollected for later collection as disposed waste.

CONTRACTOR shall notify the Customer of the condition by telephone or electronic mail and advise Customer of the need to remove the contaminates for proper recycling or disposal.

A report of observed contamination shall be reported to DISTRICT electronically or in writing.

1. Uncollected Containers

Blue or Green Containers uncollected by CONTRACTOR due to contamination shall be collected for disposal as Gray Container Solid Waste. Containers identified with contamination before noon shall be collected for disposal the same day, while Containers identified with contamination after noon shall be collected for disposal the following workday. Containers with contamination collected as Refuse shall be subject to the return trip charge specified in the approved Rate Schedule except that return trip charge shall be waived as courtesy for a Customer's first offence.

D. CONTAMINATION MONITORING AND HAULER ROUTE REVIEWS

1. Written Work Plan

Within thirty (30) days following the Effective Date of the Contract and prior to January 1 of each subsequent year, CONTRACTOR shall provide DISTRICT with a written schedule for the calendar year for performing Hauler Route reviews and Waste Evaluations. During the course of a calendar year, CONTRACTOR may amend the schedule by providing DISTRICT with a revised written schedule.

2. Contamination Monitoring Program

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DISTRICT has elected to utilize the Three-Container Organic Waste Collection Service as described in SB 1383 Regulation Section 18984.1 as its approach to Standard Collection Service for Residential collections.

SB 1383 Regulation Section 18984.5 requires that DISTRICT monitor Containers for contamination.

CONTRACTOR shall perform contamination monitoring of its Residential services.

a. Residential Contamination Monitoring. CONTRACTOR's Residential contamination monitoring shall consist of Hauler Route reviews and Waste Evaluations.

Residential Hauler Route reviews entail visual inspections of select individual Residential Containers for contamination and are intended to satisfy the SB 1383 contamination monitoring requirement (Section 18984.5(b)).

Residential Waste Evaluations entail physical inspections of samplings taken from truckloads of Gray Container waste to determine the amount of Accepted Materials present and are intended to provide DISTRICT with a means of monitoring diversion progress and the effectiveness of public education and outreach efforts.

Following the end of each calendar year, the Parties shall meet to evaluate the contamination monitoring program.

3. Hauler Route reviews

Hauler Route review means monitoring select Customer Containers for contamination and entails:

- A visual inspection for the presence of prohibited materials in each Gray, Blue, or Green Container used by an individual Customer;
- That are available for collection on Customer's regular collection day;
- Where the Customer is part of a sample population selected at random;
- From each of CONTRACTOR's Gray Container daily routes.

For each Gray Container selected for inspection, every Container will be inspected as part of the work.

a. Visual Inspection. A "visual inspection" entails scrutinizing the contents of Containers by CONTRACTOR's representative for the obvious presence of Prohibited Materials (which may involve probing the contents with a poker but does not mean the opening of bags or boxes within the Container, nor the removal of the contents of the Container to perform the inspection).

b. Inspection Schedule. CONTRACTOR's Hauler Route review inspections of Containers on an individual route shall be conducted on the same day, however, visual inspections for different routes need not be conducted on the same day or even in the same week.

c. Sample Selection. Customers chosen to be part of a sample population for Hauler Route review inspection shall be selected at random by route.

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d. Inspection Day & Sample Size. Residential Hauler Route review inspections shall occur on the day of collection. If any of the Containers of a Customer have been collected prior to inspection, the inspector will move on to the next Customer on the target list.

To maintain the target sample size, the number of randomly selected accounts to be sampled on a route will be tripled so that the target sample size can still be achieved even if some accounts are not inspected because one or more Containers of an account have already been collected.

Once CONTRACTOR's inspector has performed the required number of inspections on a route or exhausted the list of randomly selected accounts, inspections for that route shall be determined as concluded.

e. Hauler Route review Procedures. When conducting a visual inspection as a part of a Residential or Commercial Hauler Route review, CONTRACTOR's inspector shall perform the following procedures with the intent of determining if any Prohibited Material is present:

1. Confirm the service address;
2. Record the Customer's subscribed number and size of Containers by type (gray, blue, or green);
3. Record the number and size of Containers by type (gray, blue, or green) available for inspection;
4. Open the lid of each Container;
5. Inspect the contents of each Container for the presence of any Prohibited Materials visible to the inspector (which may involve probing the contents with a poker, but does not mean the removal of the contents of the Container to perform the inspection; if waste is bagged, inspector will slash open the top one or two bags and probe the contents);
6. Make a finding of either: "PASS" (meaning that no Prohibited Materials were observed), or "FAIL" (meaning that some Prohibited Materials were observed);
7. Record the finding for each Container;
8. Attach a PASS or a FAIL notice to each Container.

f. Post-Inspection Notices. All post-inspection notices shall include a message advising the Customer that the inspection was performed as required by State Regulations solely for the purpose of minimizing Prohibited Materials in Containers and shall contain the date of inspection and identification of the inspector.

- PASS notices shall carry a positive message congratulating the Customer on their environmental awareness and participation.
- FAIL notices shall identify the Prohibited Material(s) found and direct the Customer to the DISTRICT's and CONTRACTOR's websites for more information regarding correct recycling practices.

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The form and content of post-inspection notices shall be approved by the DISTRICT in advance of their use.

4. Contamination Monitoring Reporting

a. Hauler Route Review Reports. CONTRACTOR shall maintain a record of each Route Review inspection including the date of inspection, Customer name, service address, Container description (including type, size, and number), PASS or FAIL finding, notification made, if any, and recommended follow-up action, if any.

For Containers with excessive amounts of Prohibited Waste, the record shall include a photographic record of the inspection and a copy of written notification to the Customer.

b. Monthly Report. Monthly, CONTRACTOR shall provide DISTRICT summary of inspections performed. Records of individual inspections shall be maintained and available for inspection by the DISTRICT.

c. Annual Report. Within thirty (30) days of completing the Residential Hauler Route reviews for the calendar year, CONTRACTOR shall submit a report to the DISTRICT which shall summarize the overall findings by Container type, summarize the findings by Container type by daily route, provide a listing of each account inspected organized by route, and indicating the finding for each Container by type for that Customer.

d. Waste Evaluation Reports. Within thirty (30) days of completing Waste Evaluations for the calendar year, CONTRACTOR shall submit a report to the DISTRICT describing the procedures, dates, routes evaluated, and the amounts of Prohibited Materials expressed as a percentage of the total weight of the samples.

e. Outreach and Education by DISTRICT. As a follow-up to CONTRACTOR's reports of Hauler Route reviews, DISTRICT shall perform outreach and education to individual Residential generators that acknowledges Customers achieving a PASS rating and educates Customers receiving a FAIL rating.

E. ADDITIONAL SB 1383 REQUIREMENTS

1. Recovered Organic Products

a. Recovered Organic Product Giveaway. In conjunction with the Community Clean-Up Drop-Off Event, CONTRACTOR shall provide up to 40-cubic yards of bulk compost or bulk mulch for distribution to DISTRICT Residents who shall be allowed to fill containers that they provide on a first-come, first serve basis at no cost. Any compost and/or mulch remaining after the event shall be utilized by DISTRICT at a site designated by DISTRICT.

b. Recovered Organic Product Usage. CONTRACTOR shall report to DISTRICT any recovered organic products used by CONTRACTOR in its operation including bulk material or recovered biogas.

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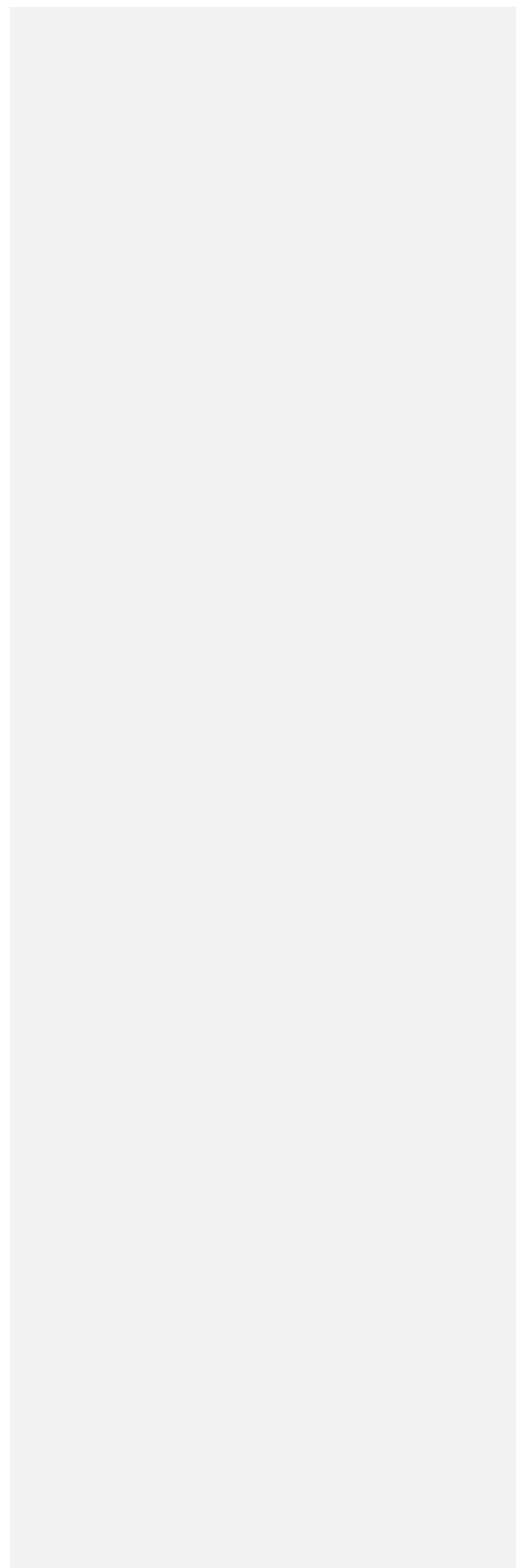
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Description	Cal Waste Franchise Agreement - Existing Agreement (00287449xE2E14)
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Rendering set	Standard

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Style change	0

Format changed	0
Total changes	1496



DRAFT AMENDED
COLLECTION SERVICES CONTRACT
FOR THE PROVISION OF
SOLID WASTE, RECYCLABLE MATERIALS
AND GREEN WASTE COLLECTION
SERVICES

Executed Between the
Rancho Murieta Community Services District
and
California Waste Recovery Systems, LLC

DATE

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Rancho Murieta
CSD

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This Contract made and entered into this first _____ day of January, 2023, by and between the Rancho Murieta Community Services DISTRICT, a Special DISTRICT of the State of California, hereinafter referred to as “DISTRICT” and California Waste Recovery Systems, LLC, a California Limited Liability Company, hereinafter referred to as “CONTRACTOR”.

Recitals

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 (“Act”) and subsequent additions and amendments (codified at California Public Resources Code Section 40000 et seq.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for Solid Waste handling within their jurisdiction; and,

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

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

WHEREAS, SB 1383 Regulations require 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, Jurisdiction has chosen to delegate some of its responsibilities to the CONTRACTOR, acting as the Jurisdiction’s designee, through this Contract; and,

WHEREAS, consistent with provisions of the Act, including Section 40059, that aspects of solid waste handling are of local concern including frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location, and extent of providing solid waste services, and whether the services are to be provided by means of non-exclusive, partially exclusive, or wholly exclusive franchise, contract, license, or otherwise which may be granted by the DISTRICT under terms and conditions prescribed by the DISTRICT; and,

WHEREAS, DISTRICT has determined that granting an exclusive franchise agreement to a solid waste enterprise is in the best interests of the residents and business establishments in the DISTRICT, and for the protection of community health, safety and well-being; and,

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WHEREAS, DISTRICT has determined that CONTRACTOR has demonstrated through past performance and in negotiations conducted with DISTRICT that CONTRACTOR is qualified and competent to perform the solid waste services desired by DISTRICT.

WHEREAS; CONTRACTOR desires to continue engage in the business of Collecting Discarded Materials in the DISTRICT; and,

WHEREAS, the DISTRICT further declares its intent to approve and maintain the maximum approved rates for the Collection, transportation, Processing, Recycling, Composting, and/or Disposal of Discarded Materials; and,

WHEREAS, the Parties desire to continue a wholly exclusive agreement for the provision of Collection Services except for those limitations specified in this Contract; and,

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

WHEREAS, the DISTRICT believes this Contract represents a high degree of service and value to the residents, businesses, and the DISTRICT, and will help the DISTRICT achieve the waste, Recycling and Organic Waste diversion mandates, goals and objectives of the State in support of AB939, AB 341, AB 1594, AB 1826 and SB 1383; and,

WHEREAS, this Contract has been developed by and is satisfactory to the DISTRICT and the CONTRACTOR,

Now, therefore, in consideration of the mutual covenants, Contracts and consideration contained herein, the DISTRICT and CONTRACTOR hereby agree as hereinafter set forth:

Article 1. Definitions

For the purpose of this Collection Services Contract, hereinafter referred to as "Contract", the definitions contained in this Article shall apply unless otherwise specifically stated. When not inconsistent with the context, words used in the present tense include the future, words in the plural include the singular, and words in the singular include the plural. Use of the masculine gender shall include the feminine gender.

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

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

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1.03 Assembly Bill 876 (AB 876). The Assembly Bill approved by the Governor of the State of California on October 8, 2015, which added Section 418214 to the Public Resources Code, relating to Solid Waste as amended, supplemented, superseded, and replaced from time to time.

1.04 Assembly Bill 901 (AB 901). The 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.

1.05 Assembly Bill 939 (AB 939) (ACT). The California Integrated Waste Management Act of 1989 (California Public Resources Code Section 40000, et seq.), as amended, supplemented, superseded, and replaced from time to time.

1.06 Assembly Bill 1594 (AB 1594). The Assembly Bill as amended, supplemented, superseded, and replaced from time to time, mandates that as of January 1, 2020, the use of green material as Alternative Daily Cover (ADC) will no longer constitute diversion through Recycling and will instead be considered Disposal in terms of measuring a jurisdiction's annual 50 percent (50%) per capita Disposal rate.

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

1.08 Biohazardous or Biomedical Waste. Any waste which may cause disease or reasonably be suspected of harboring pathogenic organisms; included are wastes resulting from the operation of medical clinics, hospitals, and other facilities processing wastes which may consist of, but are not limited to, human and animal parts, contaminated bandages, pathological specimens, hypodermic needles, sharps, contaminated clothing and surgical gloves.

1.09 Bin. A metal or plastic Container with hinged lid(s) and wheels serviced by a front-end loading Collection vehicle with a Container capacity of one (1) to eight (8) cubic yards, including Bins with compactors attached to increase the capacity of the Bin. Bins are also known as "Dumpsters."

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

1.11 Brown Goods. Electronic equipment such as stereos, televisions, computers, monitors, VCR's and other similar items.

1.12 California Code of Regulations. "California Code of Regulations" or "CCR" means the State of California Code of Regulations. CCR references in this Contract are {00280740.7}

preceded with a number that refers to the relevant Title of the CCR (e.g., “14 CCR, Division 7, Chapter 12” refers to Title 14, Division 7, Chapter 12 of the California Code of Regulations.

1.13 CalRecycle. “CalRecycle” means the California Department of Resources Recycling and Recovery or its successor.

1.14 Cart. A heavy plastic receptacle and a rated capacity of at least thirty-two (32) gallons and not more than ninety-six (96) gallons, having a hinged, tight-fitting lid and wheels, that is approved by the Contract Administrator for use by Service Recipients for Collection Services under this Contract.

1.15 Cellular Phones. Any cellular phone, smart-phone, i-Pad, i-Pod or other MP3 player, PDA, and their batteries and charging cords.

1.16 Change in Law. “Change in Law” means the following events or conditions that may have a material and adverse effect on the performance by the Parties of their respective obligations under this Contract:

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

1.17 Collection. “Collection” (including related forms of the word such as “Collected”) means the act of the CONTRACTOR taking physical possession of, and removing Discarded Materials, whether by manual, semi-automated or automated means, and transporting such materials to the Approved Facility, pursuant to this Contract.

1.18 Collection Services. Residential Collection Service.

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

1.20 Compostable Plastics. “Compostable Plastics” or “Compostable Plastic” means plastic materials that meet the ASTM D6400 standard for compostability, or as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

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1.21 Containers. “Container(s)” means a cart, can, bin, debris box, or stationary compactor intended for the purpose of depositing waste for disposal, except construction and demolition debris and bulky items, or recyclable materials for diversion. Containers may be Provided by the DISTRICT or its authorized agent, or for manual collection as may be required to be provided by the property owner or occupant generating Solid Waste, Organic Waste or Recyclables.

1.22 Contamination. “Contamination” means the inclusion in a Container of Excluded Waste of any amount; or Organic Materials and/or Recyclable Materials placed in a Solid Waste Container; or materials other than Organic Materials in an Organic Materials Container, or materials other than Recyclable Materials in a Recyclable Materials Container, which render the contents of the Container materially unsuitable for the intended type of Diversion.

1.23 Contract. The written document and all amendments thereto, between the DISTRICT and the CONTRACTOR, governing the provision of Collection Services as provided herein.

1.24 Contract Administrator. That person, or their designee, designated by the DISTRICT to administer and monitor the provisions of this Contract.

1.25 Contract Year. Each twelve (12) month period from July 1st to June 30th.

1.26 CONTRACTOR. That person or entity that has obtained from the DISTRICT a Contract to provide Collection Services as set forth herein.

1.27 County. Sacramento County, California.

1.28 Discarded Materials. “Discarded Materials” are a form of Solid Waste and shall be regulated as such. For purposes of this Contract, material is deemed to have been discarded, without regard to whether it is destined for Recycling or Disposal, and whether or not it has been separated from other Solid Wastes, in all cases where a fee or other compensation, in any form or amount, is directly or indirectly solicited from, or, levied, charged, or otherwise imposed on, or paid by, the Generator or Customer in exchange for handling services. As used herein, handling services include, without limitation, the Collection, removal, Transportation, delivery, and Processing and/or Disposal of the material. For the purposes of this Contract, Discarded Materials include Source Separated Recyclable Materials, Source Separated Green Container Organic Waste, Food Waste, and Gray Container Waste once the materials have been placed in Containers for Collection.

1.29 Disposal. “Disposal” or “Disposed” mean the final disposition of any Solid Waste Collected by the Contractor or Residue from CONTRACTOR'S Processing activities at a permitted Landfill or other permitted Solid Waste Facility.

1.30 Disposal Facility. Any permitted facility used for the disposal, or processing as appropriate, of Gray Container Waste, and other materials as appropriate and acceptable.

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1.31 DISTRICT. The Rancho Murieta Community Services DISTRICT, California.

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

1.33 Dwelling Unit. An individual living unit in a single family dwelling, condominium, townhouse, mobile home, duplex, triplex, fourplex, or building of four or less total individual living units intended for, or capable of being utilized for, residential living other than a Hotel or Motel.

1.34 Electronic Waste (E-waste). Electronic products (i.e. Cellular Phones, computers, televisions, VCRs, stereos, copiers, fax machines) at the end of their useful life.

1.35 Enforcement Action. “Enforcement Action” means an action of the DISTRICT to address non-compliance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.

1.36 Exempt Waste. Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, Household Hazardous Waste, Stable Matter, Green Waste or lumber that is more than five (5) feet in length in its longest dimension or two (2) feet in diameter, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, and those wastes under the control of the Nuclear Regulatory Commission.

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

1.38 Food Waste. “Food Waste” means Source Separated Food Scraps, Food Soiled Paper, and Compostable Plastics. Food Waste is a subset of Source Separated Green Container Organic Waste. Edible Food separated for Food Recovery shall not be considered Food Waste.

1.39 Generator. “Generator” means any Person whose act or process produces Discarded Materials, or whose act first causes any of these items to become subject to regulation.

1.40 Gray Container. “Gray Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and Collection of Gray Container Waste or Mixed Waste.

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

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Acceptable Gray Container Waste is listed in Exhibit 7. Gray Container Waste does not include those items defined herein as Exempt Waste.

1.42 Green Container. “Green Container” has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and Collection of Source Separated Green Container Organic Waste.

1.43 Green Container Organic Waste. Means types of Source Separated Green Container Organic Waste that the Generators Source Separate and set out in Green Containers for Collection for the purpose of Processing by the Contractor. The accepted types of Green Container Organic Waste and process for modifying the accepted types of Green Container Organic Waste is provided in Exhibit 7. Green Container Waste does not include items herein defined as Exempt Waste.

1.44 Green Container Organic Waste Processing Facility. Any facility designed, operated and legally permitted for the purpose of receiving and processing Green Container Organic Waste and Large Green Waste.

1.45 Hauler Route. “Hauler Route” means the designated itinerary or sequence of stops for each segment of the Jurisdiction’s Collection service area, or as otherwise defined in 14 CCR Section 18982(a)(31.5).

1.46 Hazardous Waste. Any material which is defined as a hazardous waste under California or United States law, or any regulations promulgated pursuant to such law, as such law or regulations may be amended from time to time except such materials as may be defined herein as Brown Goods.

1.47 Hotel or Motel. A structure or building unit(s) capable of being utilized for residential living where such unit or a group of such units is regularly rented to transients or held out or advertised to the public as a place regularly rented to transients for periods of seven (7) days or less. To meet this definition, the Hotel or Motel must be licensed to operate as such.

1.48 Household Batteries. Alkaline batteries (i.e. AAA, AA, C, D, button, 6-volt, 9-volt batteries) and rechargeable batteries (Nickel Cadmium (Ni-Cd), Nickel Metal Hydride (Ni-MH), Lithium Ion (Li-Ion), Nickel Zinc (Ni-Zn) and Small Sealed Lead (SSLA/Pb)) typically found in cordless phones, power tools and laptops. Car batteries are not included as Household Batteries.

1.49 Household Hazardous Waste. “Household Hazardous Waste” or “HHW” means Hazardous Waste generated at Residential Service Unit. HHW includes, but is not limited to: paint, stain, varnish, thinner, adhesives, auto products such as old fuel, Cell Phones, Household Batteries, Household Batteries, fluorescent bulbs, tubes, cleaners and sprays, and pesticides, fertilizers, and other garden products.

1.50 Large Green Waste. Oversized Green Container Organic Waste such as tree trunks and branches with a diameter of not less than six (6) inches and not more than {00280740.7}

two (2) feet and a length of not more than five (5) feet in its longest dimension, which are attributed to the normal activities of a Residential Service Unit. Large Green Waste must be generated by and at the Residential Service Unit wherein the Large Green Waste is Collected.

1.51 Large Items. Those materials including, but not limited to, furniture, carpets, mattresses, White Goods, Brown Goods, Electronic Waste (E-Waste), Universal Waste (U-Waste), clothing, tires, Large Green Waste, or some combination of such items in a container the dimensions and weight of which container does not exceed four feet by four feet by two feet (4'x4'x2') and sixty (60) pounds, which are attributed to the normal activities of a Residential Service Unit. Large Items must be generated by and at the Residential Service Unit wherein the Large Items are Collected. Large Items do not include items herein defined as Exempt Waste.

1.52 Large Item Collection Service. The periodic on-call Collection of Large Items, by the CONTRACTOR, from Residential Service Units in the Service Area, and the delivery of those Large Items to a Disposal Facility, Materials Recycling Facility or such other facility as may be appropriate under the terms of this Contract. Large Item Collection Service does not include the Collection of Large Items through the use of Roll-Off Containers.

1.53 Material Change in Law. A Change in Law that (a) results in a documented increase in CONTRACTOR's costs of providing services under this Agreement and (b) relates specifically to any aspect of the solid waste industry (including, for the avoidance of doubt and without limitation, changes to AB 939, changes to CalRecycle regulations, or changes to other applicable laws relating specifically to any aspect of "solid waste handling," "solid waste disposal" or "solid waste facilities," as such terms are defined in AB 939).

1.54 Materials Recycling Facility (MRF). Any facility designed, operated, and legally permitted for the purpose of receiving, sorting, processing, storing, or preparing Source Separated Recyclable Materials for sale.

1.55 Non-Collection Notice. A process developed and used by the CONTRACTOR, as approved by the DISTRICT, to notify Service Recipients of the reason for non-collection of materials set out by the Service Recipient for Collection by CONTRACTOR pursuant to this Contract.

1.56 Non-Compostable Paper. "Non-Compostable Paper" includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process, or as otherwise defined in 14 CCR Section 18982(a)(41).

1.57 Organic Waste. "Organic Waste" means Solid Waste containing material originated from living organisms and their metabolic waste products, including, but not limited to, Food Waste, Green Waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with Food Waste.

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

1.59 Prohibited Container Contaminants. "Prohibited Container Contaminants" means the following: (i) discarded materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the Blue Container; (ii) discarded materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the Green Container; (iii) discarded materials placed in the Gray Container that are acceptable Source Separated Recyclable Materials and/or Source Separated Green Container Organic Wastes, and, (iv) non-Solid Waste items placed in any container. Prohibited Container Contaminants procedures are provided in Exhibit 7.

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

1.61 Public Resources Code (PRC). "Public Resources Code" or "PRC" means the California Public Resources Code.

1.62 Putrescible Waste. "Putrescible Waste" means wastes that are capable of being decomposed by micro-organisms with sufficient rapidity as to cause nuisances because of odors, gases, or other offensive conditions, and includes materials such as, but not limited to Food Waste, offal, and dead animals; or as otherwise defined in 14 CCR Section 17402(a)(21).

1.63 Rebuilt Vehicle. For purposes of this Contract, "rebuilt" means, at a minimum, replacement of worn parts and reconditioning or replacement of hydraulic systems, transmissions, differentials, electrical systems, engines, and brake systems. In addition, the Rebuilt Vehicle must be repainted and its tires must have at least eighty-five percent (85%) of tread remaining.

1.64 Recyclable Materials. Those materials which are capable of being recycled and which would otherwise be processed or disposed of as Residential Solid Waste. These materials will be as defined by the DISTRICT from time to time. Recyclable Materials currently being Collected include: newsprint (including inserts); mixed paper (including magazines, catalogs, envelopes, junk mail, corrugated cardboard, Kraft brown bags and paper, paperboard, paper egg cartons, and telephone books); glass containers; aluminum beverage containers; small scrap and cast aluminum (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); steel including "tin" cans and small scrap (not exceeding forty (40) pounds in weight nor two (2) feet in any dimension for any single item); bimetal containers; mixed plastics such as plastic bags, plastic film, plastic containers (1-7), and bottles including containers made of HDPE, LDPE, PET, or PVC; aseptic containers; and polystyrene.

1.65 Recycling Cart. A heavy plastic receptacle with a rated capacity of not less than sixty four (64) gallons and not more than ninety six (96) gallons, for use by Service

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Recipients for Residential Recycling Collection Service under this Contract. Recycling Carts must meet the minimum specifications set forth in Exhibit 4 to this Contract.

1.66 Residential Collection Service. Residential Gray Container Waste Collection Service, Residential Source Separated Recycling Collection Service, Residential Source Separated Green Organic Waste Collection Service Large Item Collection Service and Residential Used Oil Collection Service.

1.67 Residential Source Separated Green Container Organic Waste Collection Service. The Collection of Source Separated Green Container Organic Waste by the CONTRACTOR from Residential Service Units in the Service Area and the delivery of the Source Separated Green Container Organic Waste to a permitted Processing Facility.

1.68 The Collection of all Green Container Organic Waste from Residential Service Units in the Service Area and the delivery of that Green Container Organic Waste to a permitted Processing Facility.

1.69 Residential Source Separated Recycling Collection Service. The Collection of Source Separated Recyclable Materials by the CONTRACTOR from Residential Service Units in the Service Area and the delivery of those Source Separated Recyclable Materials to a Materials Recycling Facility.

1.70 Residential Service Unit. Any Dwelling Unit in the Service Area utilizing a gray, blue and green Carts, or any combination of Dwelling Units sharing gray, blue and green Carts, for the accumulation and set out of Residential Solid Waste.

1.71 Residential Solid Waste. "Residential Solid Waste" has the same meaning as defined in PRC Section 40191, which defines Solid Waste as all Putrescible Waste and non-Putrescible Waste that are solid, semisolid, or liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage Sludge which is not Hazardous Waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

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

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1.72 Residential Gray Container Waste Collection Service. The Collection of Residential Gray Container Waste, by the CONTRACTOR, from Residential Service Units in the Service Area and the delivery of that Residential Gray Container Waste to a Disposal Facility.

1.73 Residential Used Cooking Oil Collection Service. The Collection of Used Cooking Oil in Used Cooking Oil Containers, by the CONTRACTOR, from all Residential Service Units in the Service Area utilizing Used Cooking Oil Containers for the accumulation and set-out of Used Cooking Oil and the appropriate disposition of the Used Cooking Oil in accordance with the requirements of this Contract.

1.74 Residential Used Motor Oil Collection Service. The Collection of Used Motor Oil in Used Motor Oil Containers and Used Motor Oil Filters in Used Motor Oil Filter Containers, by the CONTRACTOR, from all Residential Service Units in the Service Area utilizing Used Motor Oil and Filter Containers for the accumulation and set-out of Used Motor Oil and Used Motor Oil Filters and the appropriate disposition of the Used Motor Oil and Used Motor Oil Filters in accordance with the requirements of this Contract.

1.75 Roll-Off Collection Service. The Collection of Roll-Off Containers containing Construction and Demolition Debris.

1.76 Service Area. The area within the DISTRICT.

1.77 Service Recipient. An individual receiving Collection Services.

1.78 Source Separated Green Container Organic Waste. The Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste by the Generator. The accepted types of Source Separated Green Container Organic Waste and process for modifying the accepted types of Source Separated Green Container Organic Waste are specified in Article 7. Source Separated Green Container Organic Waste is a subset of Organic Waste.

1.79 Source Separated Recyclable Materials. The Source Separated Non-Organic Recyclables that can be placed in a Blue Container that is specifically intended for the separate Collection of Recyclable Materials by the Generator. The accepted types of Source Separated Recyclable Materials and process for modifying the accepted types of Source Separated Recyclable Materials are specified in

1.80 Sludge. The accumulated solids, residues and precipitates generated as a result of waste treatment or processing, including wastewater treatment, water supply treatment, or operation of an air pollution control facility, and mixed liquids and solids pumped from septic tanks, grease traps, privies, or similar disposal objects or any other such waste having similar characteristics or effects.

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1.81 Stable Matter. Manure and other waste matter normally accumulated in stables or in livestock or poultry enclosures.

1.82 Uncontrollable Circumstances. An act of nature, landslide, lightning, earthquake, fire, flood, explosion, sabotage, acts of a public enemy, war, blockade or insurrection, riot or civil disturbance, a Change in Law, or any other act, event or condition affecting either Party beyond the control of such Party and not the result of willful or negligent action or inaction of such Party (other than the contesting in good faith or the failure in good faith to contest such action or inaction), which materially and adversely affects the ability of either Party to perform any obligation hereunder, but excluding,

1.81.1 Either Party's own breach of its obligations hereunder;

1.81.2 Adverse changes in the financial condition of either Party or any Change in Law with respect to any taxes based on or measured by net income, or any unincorporated business, payroll, or employment taxes;

1.81.3 The consequences of errors in performing CONTRACTOR'S obligations on the part of the CONTRACTOR, its employees, agents, or affiliates;

1.81.4 Labor unrest including, but not limited to, strikes, work stoppages or slowdowns, sick-outs, picketing, or other labor disputes or disturbances conducted by CONTRACTOR'S employees or directed at CONTRACTOR;

1.81.5 The failure of the CONTRACTOR to secure patents, licenses, trademarks, and the like necessary for CONTRACTOR to perform its obligations.

1.83 Used Cooking Oil. Any cooking oil that has been produced for food preparation and consumption purposes, and is no longer useful to the Service Recipient because of use, extended storage, or spillage. Used Oil must be generated by and at the Residential Service Unit wherein the Used Cooking Oil is collected. Used Cooking Oil shall not contain water, soapsuds, and/or food debris.

1.84 Used Cooking Oil Container. A plain co-poly container provided by the CONTRACTOR for the accumulation of Used Cooking Oil that is at least four (4) quarts in capacity, leak-proof, has a screw-on lid and has a label designating it for use as a Used Cooking Oil Container.

1.85 Used Motor Oil. Any oil that has been refined from crude oil or has been synthetically produced, and is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water; or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Motor Oil must be generated by and at the Residential Service Unit wherein the Used Motor Oil is collected. Used Motor Oil does not include transmission fluid.

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1.86 Used Motor Oil Container. A plain co-poly container provided by the CONTRACTOR for the accumulation of Used Motor Oil that is at least four (4) quarts in capacity, leak-proof, has a screw-on lid and has a label designating it for use as a Used Motor Oil Container.

1.87 Used Motor Oil Filter. Any oil filter that is no longer useful to the Service Recipient because of extended storage, spillage or contamination with non-hazardous impurities such as dirt or water, or has been used and as a result of such use has been contaminated with physical or chemical impurities. Used Motor Oil Filters must be generated by and at the Residential Service Unit wherein the Used Motor Oil Filter is Collected.

1.88 Used Motor Oil Filter Container. A six (6) mil poly bag with double track seal with dimensions of at least fourteen and one-half (14.5) inches by eight (8) inches with a one and one-quarter (1¼) inch diameter hole above the seal, provided by the CONTRACTOR for the accumulation of Used Motor Oil Filters that has a label designating it for use as a Used Motor Oil Filter Container.

1.89 White Goods. Inoperative and discarded refrigerators, ranges, water heaters, freezers, and other similar household appliances.

1.90 Work Day. Any day, Monday through Friday that is not a holiday as set forth in Section 3.07 of this Contract, and is consistent with the Hours and Day of Collection as set forth on Section 7.04 of this Contract.

Article 2. Term of Contract

2.01 Amended Term. The term of this Contract, as amended, shall be for a period beginning January 1, 2023 and terminating on June 30, 2035, provided, however, that the CONTRACTOR shall be bound by, and fulfill all terms of, the original Contract between the parties dated July 1, 2013 until December 31, 2022.

2.02 Extension of Term. On or before January 1, 2035 provided the DISTRICT Manager determines that the CONTRACTOR has met the minimum performance and diversion requirements, as set forth in Article 9, the DISTRICT may offer the CONTRACTOR, or CONTRACTOR may request, in writing a ten (10) year extension of this Contract. CONTRACTOR shall provide written notice to the DISTRICT as to whether CONTRACTOR accepts or rejects the DISTRICT' offer within twenty (20) Work Days of the date of the offer. If CONTRACTOR fails to provide such notice to the DISTRICT within said twenty (20) Work Days, the DISTRICT'S offer shall be deemed withdrawn and the DISTRICT shall have no obligation to extend the term of this Contract beyond June 30, 2035. If the term of this Contract is extended, the compensation provisions of Article 4 shall not be subject to negotiation. However, the compensation payable to CONTRACTOR shall be adjusted annually throughout the extended term as provided in Article 4.

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2.03 Voiding of Extensions. In the event CONTRACTOR fails to meet the minimum service and diversion requirements set forth in Article 9, CONTRACTOR understands and agrees that the service extension set forth in Section 2.02 above is voided and that this Contract shall terminate on June 30, 2035 as set forth in Section 2.01 of this Contract.

2.04 Other Provisions. The DISTRICT may, at the end of the Contract term or optional extended term, as appropriate, either renegotiate the terms and conditions of the Contract with the current CONTRACTOR or request proposals from qualified companies to provide Collection Services.

Article 3. Services Provided by the Contractor

3.01 Grant of Exclusive Contract. Except as otherwise provided in this Contract, the CONTRACTOR is herein granted an exclusive Contract to provide Residential Collection Services within the Service Area. No other Solid Waste Collection Services, including Roll-Off Collection Services, shall be exclusive to the CONTRACTOR.

3.02 Sale or Donation of Recyclable Materials by Service Recipients. Nothing in this Contract shall preclude a Service Recipient from transporting and selling or donating their Source Separated Recyclable Materials to a private or public entity provided that such entity does not charge the Service Recipient a fee or service charge of any type related to the sale or donation of the Source Separated Recyclable Material.

3.03 Responsibility for Billing and Collection. The DISTRICT shall be responsible for the billing and collection of payments for Collection Services within the Service Area.

3.04 DISTRICT'S Payment to CONTRACTOR. DISTRICT shall make payment to the CONTRACTOR of the Service fee as specified in this Section 3.05. Payment to the CONTRACTOR shall be due on the twentieth (20th) day of the month following the month the revenues are collected. Payment to CONTRACTOR shall be equal to the current amount billed by DISTRICT for services provided by CONTRACTOR, less any Administrative Charges levied against CONTRACTOR. DISTRICT may deduct any Administrative Charges levied against CONTRACTOR as specified in Article 17 from the payments due to the CONTRACTOR.

3.05 Service Standards. CONTRACTOR shall perform all Collection Services under this Contract in a thorough and professional manner. Collection Services described in this Contract shall be performed regardless of weather conditions or difficulty of Collection.

3.06 Labor and Equipment. CONTRACTOR shall provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of CONTRACTOR'S obligations under this Contract. CONTRACTOR shall at all times have sufficient backup equipment and labor to fulfill CONTRACTOR'S obligations under this

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Contract. No compensation for CONTRACTOR'S services or for CONTRACTOR'S supply of labor, equipment, tools, facilities or supervision shall be provided or paid to CONTRACTOR by the DISTRICT or by any Service Recipient except as expressly provided by this Contract.

3.07 Holiday Service. The DISTRICT observes Thanksgiving Day, December 25th, January 1st and July 4th as legal holidays. CONTRACTOR shall not be required to provide Collection Services or maintain office hours on the designated holidays. In any week in which one of these holidays falls on a Work Day, Residential Collection Services for the holiday and each Work Day thereafter will be delayed one Work Day for the remainder of the week with normally scheduled Thursday Collection Services being performed on Friday.

3.08 Inspections. The DISTRICT shall have the right to inspect the CONTRACTOR'S facilities or Collection vehicles and their contents at any time while operating inside or outside the DISTRICT.

3.09 Commingling of Materials.

3.09.1 Gray Container Waste, Source Separated Recyclable Material And Source Separated Green Container Organic Waste. CONTRACTOR shall not at any time commingle Residential Solid Waste Collected pursuant to this Contract, with any Source Separated Recyclable Material and/or Source Separated Green Container Organic Waste separated for Collection pursuant to this Contract, without the express prior written authorization of the Contract Administrator.

3.09.2 Residential Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste Collected in the DISTRICT. CONTRACTOR shall not at any time commingle any Residential Waste Collected pursuant to this Contract, with any other material Collected by CONTRACTOR inside or outside the Rancho Murieta Community Services DISTRICT, without the express prior written authorization of the Contract Administrator.

3.09.3 Source Separated Recyclable Materials And Source Separated Green Container Organic Waste. CONTRACTOR shall not at any time commingle Source Separated Recyclable Materials and/or Source Separated Green Container Organic Waste Collected pursuant to this Contract, with any other material Collected by CONTRACTOR inside or outside the DISTRICT, without the express prior written authorization of the Contract Administrator.

3.10 Spillage and Litter. The CONTRACTOR shall not litter premises in the process of providing Collection Services or while its vehicles are on the road. The CONTRACTOR shall transport all materials Collected under the terms of this Contract in such a manner as to prevent the spilling or blowing of such materials from the CONTRACTOR'S vehicle. The CONTRACTOR shall exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Residential {00280740.7}

Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste and shall immediately, at the time of occurrence, clean up such spilled or dropped Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste.

3.10.1 The CONTRACTOR shall not be responsible for cleaning up unsanitary conditions caused by the carelessness of the Service Recipient; however, the CONTRACTOR shall clean up any materials or residue that are spilled or scattered by the CONTRACTOR or its employees.

3.10.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from the CONTRACTOR'S operations or equipment repair shall be covered immediately with an absorptive material and removed from the street surface. When necessary, CONTRACTOR shall apply a suitable cleaning agent to the street surface to provide adequate cleaning.

3.10.3 The above paragraphs notwithstanding, CONTRACTOR shall clean up any spillage or litter caused by CONTRACTOR within two (2) hours upon notice from the DISTRICT.

3.10.4 To facilitate such cleanup, CONTRACTOR'S vehicles shall at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.11 Ownership of Materials.

3.11.1 Title to Residential Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste shall pass to CONTRACTOR at such time as said materials are placed in the CONTRACTOR'S Collection vehicle.

3.12 Household Hazardous Waste (HHW) Events. CONTRACTOR shall provide Residential Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste collection services annually as requested by DISTRICT for their HHW collection event. Services shall be provided in such a manner that all Residential Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste needs of the event are adequately and properly provided for by CONTRACTOR at no cost of any kind to DISTRICT.

3.13 Collection at DISTRICT Administrative Facility. CONTRACTOR, at no charge to DISTRICT will provide the Gray Container Waste, Source Separated Recyclable Material and Source Separated Green Container Organic Waste Collection Services at DISTRICT administrative facility. Current service includes four (4) cubic yards of solid waste and four (4) cubic yards of recycling, each collected weekly. In addition, DISTRICT can increase the Collection capacity at this facility at any point during the term of the Contract, not to exceed two (2) times the current service.

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Article 4. Charges and Rates

4.01 Collection Services. The DISTRICT shall be responsible for the billing and collection of payments for all Collection Services. The CONTRACTOR shall charge the DISTRICT the Collection Service Rates established in Exhibit 1, which is attached to and included in this Contract, and as may be adjusted under the terms of this Contract.

4.01.1 Partial Month Service. If, during a month, a Residential Service Unit is added to or deleted from CONTRACTOR'S Service Area, the CONTRACTOR'S billing to the DISTRICT shall be pro-rated by dividing the appropriate monthly Collection Service Rate established in Exhibit 1 by four (4) and multiplying the result by the number of actual weeks in the month that service was provided to the Residential Service Unit.

4.01.2 Production of Invoices. The CONTRACTOR shall produce an invoice, in a form and format that is approved by the Contract Administrator, for services received under this Contract each month, twelve (12) times per year. The CONTRACTOR'S invoice shall be submitted to the DISTRICT no later than the tenth (10th) day of the month following the period for which the service is being billed. At a minimum, CONTRACTOR'S invoice shall include the name and address of each serviced account broken down by the size of the garbage cart size, any changes in services, and any additional services that were provided. CONTRACTOR invoices shall be provided in written form and in electronic format compatible to the DISTRICT'S billing system.

4.02 Annual Rate Adjustment. Subject to the DISTRICT's approval, adjustments to the rates established herein may be made annually, beginning on July 1, 2023, and annually thereafter. Any such rate increase shall be 100% of the U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Water and sewer and trash collection services (Series CUSR0000SEHG) for the twelve-month period ending on the preceding February 1. The result of this calculation expressed as a decimal shall be added to one and multiplied by the then current Collection Service Rates. The product of this calculation shall be the new Collection Service Rates.

For the July 1, 2023 Annual Rate Adjustment only, the then current service rates to be adjusted shall be the average of the Collection Service Rates for the previous 12 months.

For the July 1, 2023 and July 1, 2024 Annual Rate Adjustments, after the Annual Rate Adjustment is calculated according to this Section 4.02, the phased organics collection amounts shown in Exhibit 1 shall be added to the new Collection Service Rates. In no case shall such annual rate increase exceed 5.5% subject to approval of the DISTRICT.

4.03 Adjustments Due to Material Changes in Law.

4.03.1 If a Material Change in Law(s) occurs after the date hereof, then, upon notification by CONTRACTOR, DISTRICT and CONTRACTOR shall negotiate in good faith a reasonable and appropriate adjustment to rates sufficient to offset CONTRACTOR'S

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increased costs of operation or reduced gross revenue resulting from the Material Change in Law(s).

4.03.2 The Parties may negotiate and agree on the amount of any rate adjustment pursuant to this Section without a detailed rate review. CONTRACTOR shall bear the burden of justifying to DISTRICT any adjustment due to a Material Change in Law(s) and shall bear its own costs of preparing its request for an adjustment and supporting documentation. DISTRICT may request from CONTRACTOR such further information as it reasonably deems necessary to fully evaluate CONTRACTOR'S request and make its determination whether CONTRACTOR has satisfied its burden, which determination shall not be unreasonably withheld. DISTRICT shall notify CONTRACTOR of its determination within ninety (90) calendar days of receipt of the written request and all other additional information reasonably requested by DISTRICT. Any such change will be implemented on the following July 1st, or within any other time frame agreed upon between DISTRICT and CONTRACTOR. Any adjustment in rates due to a Material Change in Law shall be approved by the DISTRICT and memorialized in a written amendment to this Agreement.

4.04 Extraordinary Rate Adjustment. The DISTRICT and CONTRACTOR are entitled to seek an adjustment of rates at any time should one or more of the following extraordinary events occur and, after considering offsetting effects of other events or trends on revenues or expenses, such event or events shall cause—or be reasonably projected to cause—a material change in CONTRACTOR'S total operating costs or gross revenues, or a combination thereof. If the Extraordinary Adjustment is requested in conjunction with the annual rate adjustment described in Section 4.02, the increase or decrease in Maximum Service Rates approved for the next Agreement Year attributable to the extraordinary adjustment shall be calculated retroactively from the date on which the CONTRACTOR's costs increase or decrease due to the event giving rise to the extraordinary adjustment.

4.04.1 Emergency Service. Provision of emergency services.

4.04.2 New or Expanded Programs. New or expanded programs or services required by the DISTRICT and not otherwise provided by CONTRACTOR under this Agreement.

4.04.3 Uncontrollable Circumstance. An event of Uncontrollable Circumstance, as defined herein.

4.04.4 Fees. Changes in regulatory, governmental, or other surcharge fees after execution hereof.

4.04.5 Recycling - Changes to Work. Should an Uncontrollable Circumstance or other changes in circumstances arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the parties shall negotiate any necessary cost changes pursuant to Section 4.04 hereof and shall enter into an Agreement amendment covering such modifications to the work to be performed and the compensation to be paid before undertaking any changes or revisions to such work.

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4.04.6 Other Reasons Agreed Upon by Parties. For any other reason if agreed upon by the CONTRACTOR and DISTRICT.

Article 5. CalRecycle Requirements

5.01 Minimum Requirements. The DISTRICT requires the CONTRACTOR to Comply with all applicable CalRecycle requirements, including SB 1383 requirements as set forth in Exhibit 7 for each Contract Year.

5.02 Failure to Meet SB 1383 Requirements. CONTRACTOR'S failure to meet the applicable SB 1383 hauler requirements set forth in Exhibit 7 is a breach of this Contract and may result in the DISTRICT's termination of this Contract or the imposition of administrative charges.

Article 6. Residential Service Units

6.01 Residential Service Units. Residential Service Units shall include all premises which are in the Service Area as of July 1, 2022, and all such premises which may be added to the Service Area by means of annexation, new construction, or as otherwise set forth in this Contract during the term of this Contract . Any question as to whether a premises falls within this category shall be determined by the Contract Administrator and the determination of the Contract Administrator shall be final.

6.02 Residential Service Unit Changes. The DISTRICT and CONTRACTOR acknowledge that during the term of this Contract it may be necessary or desirable to add or delete Residential Service Units for which CONTRACTOR will provide Service.

6.02.1 Additions and Deletions. CONTRACTOR shall provide services described in this Contract to new Residential Service Units in the Service Area within five (5) Work Days of receipt of notice from the Residential Service Unit to begin such Service.

6.03 Annexation. If during the term of the Contract, additional territory is acquired by the DISTRICT through annexation, CONTRACTOR agrees to provide Collection Services in such annexed area in accordance with the provisions and Collection Service Rates set forth in this Contract. Such Collection Services shall begin within five (5) Work Days of receipt of written notice from the DISTRICT. CONTRACTOR shall not begin Collection Service without written authorization from the DISTRICT.

6.04 Route Map Update. CONTRACTOR shall revise the Residential Service Unit route maps to show the addition of Residential Service Units added due to annexation and shall provide such revised maps to the Contract Administrator as requested. CONTRACTOR shall provide revised maps both in written form and electronic format in a manner approved by the DISTRICT.

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Article 7. Residential Collection Service

7.01 Residential Collection Service. These services shall be governed by the following terms and conditions:

7.01.1 Conditions of Service. The CONTRACTOR shall provide Residential Collection Service to all Residential Service Units in the Service Area whose Residential Gray Container Waste is properly containerized in Gray Containers, Source Separated Recyclable Materials are properly containerized in Blue Containers, except as set forth in Section 7.06.1, and Source Separated Green Container Organic Waste is properly containerized in Green Containers, except as set forth in Section 7.07.1 and 7.07.2, where the Gray, Blue and Green Containers have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.02 On-Premises Service. Notwithstanding any term or definition set forth in this Contract, CONTRACTOR shall provide on-premises Collection of Residential Gray Container Waste, Source Separated Recyclable Materials, and Green Container Organic Waste to a Residential Service Unit if a request for on-premises service has been made to, and approved by, the Contract Administrator in the manner required by the DISTRICT. The Contract Administrator shall notify the CONTRACTOR in writing of any Residential Service Units requiring on-premises service along with the date such service is to begin. No additional monies shall be due to the CONTRACTOR for the provision of on-premises service.

7.02.1 Collection Day. CONTRACTOR shall provide on-premises Collection Service on the same Work Day that curbside Collection Service would otherwise be provided to the Residential Service Unit.

7.02.2 Frequency and Scheduling of Service. Except as set forth in Sections 7.10 and 7.12, Residential Gray Container Waste Collection Service and Source Separated Green Container Organic Waste Collection Service shall be provided one (1) time per week on a scheduled route basis. Residential Recycling Collection Service, including Residential Used Cooking Oil Collection Service and Used Motor Oil Collection Service shall be provided one (1) time every other week and shall be scheduled so that a Residential Service Unit receives Residential Gray Container Waste Collection Service, Source Separated Green Container Organic Waste and Residential Recycling Collection Service, including Residential Used Cooking Oil Collection Service and Used Motor Oil Collection Service On the same Work Day.

7.03 Hours and Days of Collection. Residential Collection Service shall be provided, commencing no earlier than 6:30 a.m. and terminating no later than 5:00 p.m., Tuesday through Thursday with no service on Saturday or Sunday. The hours, days, or

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both of Collection may be extended due to extraordinary circumstances or conditions with the prior written consent of the Contract Administrator.

7.04 Manner of Collection. The CONTRACTOR shall provide Residential Collection Service with as little disturbance as possible and shall leave any Gray, Blue or Green Containers in an upright position with the lid closed at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

7.04.1 CONTRACTOR'S employees providing Residential Collection Service shall follow the regular walk for pedestrians while on private property and shall not trespass nor cross property to the adjoining premises unless the occupant or owner of both properties has given permission. Care should be taken to prevent damage to property, including flowers, shrubs, and other plantings.

7.04.2 Purchase and Distribution of Gray, Blue and Green Containers. The CONTRACTOR shall be responsible for the purchase and distribution of fully assembled and functional Gray, Blue and Green Containers to Residential Service Units in the Service Area. The size and number of Carts to be distributed will be as requested by Service Recipient. Residential Service Units shall be provided with one (1) Gray Container, one (1) Blue Container and one (1) Green Container.

7.04.3 Replacement of Gray, Blue and Green Containers. CONTRACTOR'S employees shall take care to prevent damage to Carts by unnecessary rough treatment. However, any Cart damaged by the CONTRACTOR shall be replaced by the CONTRACTOR, at the CONTRACTOR'S expense, within five (5) Work Days at no cost or inconvenience to the Service Recipient.

7.04.3.1 Upon notification to the CONTRACTOR by the Service Recipient that the Service Recipient's gGray, Blue or Green Container (s) has been stolen or damaged beyond repair through no fault of the CONTRACTOR, the CONTRACTOR shall deliver a replacement cart(s) to such Service Recipient within five (5) Work Days. The CONTRACTOR shall maintain records documenting all Cart replacements occurring on a monthly basis.

7.04.3.2 Each Service Recipient shall be entitled to the replacement of one (1) lost, destroyed, or stolen Gray Container, one (1) lost, destroyed, or stolen Blue Container, and one (1) lost, destroyed, or stolen Green Container during the term of this Contract at no cost to the Service Recipient. Except in the case of a Cart that must be replaced because of damage caused by CONTRACTOR or in the case where CONTRACTOR elects to replace a Cart rather than repair it on-site, CONTRACTOR shall be compensated for the cost of those replacements in excess of one (1) per type of Cart per Service Recipient during the term of the Contract, in accordance with the "Cart Exchange" Service Rate set forth in Exhibit 1, or as may be adjusted under the terms of this Contract.

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7.04.3.3 CONTRACTOR understands and agrees that this provision is intended to be applied on a per cart type, Service Recipient basis and accordingly each Service Recipient could receive up to three (3) replacement Carts, one (1) of each type, during the life of the Contract.

7.04.4 Repair of Carts. CONTRACTOR shall be responsible for repair of Carts in the areas to include but not be limited to, hinged lids, wheels and axles. Within five (5) Work Days of notification by the DISTRICT or a Service Recipient of the need for such repairs, the CONTRACTOR shall repair the Cart or if necessary, remove the Cart for repairs and deliver a replacement Cart to the Service Recipient.

7.04.5 Cart Exchange. Upon notification to the CONTRACTOR by the DISTRICT or a Service Recipient that a change in the size of a Cart is required, the CONTRACTOR shall deliver such Cart to such Service Recipient within five (5) Work Days. Each Residential Service Unit shall be eligible to receive one (1) free Cart exchange per Contract Year during the term of this Contract during the term of this Contract. Accordingly, CONTRACTOR shall be compensated for the cost of those exchanges in excess of one (1) per Cart type per Contract Year, in accordance with the "Cart Exchange" service rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract.

7.04.6 Ownership of Carts. Ownership of Carts shall rest with the CONTRACTOR, except that ownership of Carts in the possession of a Service Recipient at the end of this Contract shall rest with the DISTRICT.

7.05 Residential Solid Waste Collection Service. This service will be governed by the following terms and conditions:

7.05.1 Non-Collection. CONTRACTOR shall not be required to Collect any Gray Container Waste that is not placed in a Gray Container. In the event of non-collection, CONTRACTOR shall notify the Customer explaining why Collection was not made. CONTRACTOR shall maintain documentation of such notices during the term of this Contract.

7.05.2 Contamination. CONTRACTOR shall comply with Contamination procedures as specified in Exhibit 7 of this Contract.

7.05.3 Disposal Facility. Except as set forth below, all Gray Container Waste Collected as a result of performing Residential Solid Waste Collection Service shall be transported to, and disposed of, at the Disposal Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in Article 17 of this Contract and may result in the CONTRACTOR being in default under this Contract.

7.06 Residential Recycling Service. This service will be governed by the following terms and conditions:

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7.06.1 Overages. Corrugated cardboard that will not fit inside the Recycling Cart may be placed beside the Recycling Cart.

7.06.2 Recycling – Improper Procedure. CONTRACTOR shall comply with Contamination procedures as specified in Exhibit 7 of this Contract.

7.06.3 Material Recycling Facility. All Source Separated Recyclable Materials Collected as a result of performing Residential Source Separated Recycling Collection Services shall be delivered to a Material Recycling Facility. Failure to comply with this provision shall result in the levy of an administrative charge as specified in Article 17 of this Contract and may result in the CONTRACTOR being in default under this Contract.

7.06.4 Recycling – Changes to Work. Should changes in law arise that necessitate any additions or deletions to the work described herein including the type of items included as Recyclable Materials, the parties shall negotiate any necessary cost changes and shall enter into an Contract amendment covering such modifications to the work to be performed and the compensation to be paid before undertaking any changes or revisions to such work.

7.07 Residential Source Separated Green Container Organic Waste Collection Service. This service will be governed by the following terms and conditions:

7.07.1 Leaf Collection. During the four (4) month period beginning December 1, 2022, and ending March 31, 2035, or any contiguous four (4) month period as directed by the DISTRICT, and annually thereafter during the term of this Contract, Service Recipients may place unlimited amounts of leaves at the curb alongside their Green Container as part of Source Separated Green Container Organic Waste Collection Service. The leaves shall be placed in plastic lawn and leaf bags and closed in such a manner as to contain the leaves during Collection. Leaves must be generated by and at the Residential Service Unit wherein the leaves are collected. During this period, CONTRACTOR shall Collect and dispose of all leaves that are properly bagged and placed at the curb at no additional charge to the Service Recipient.

7.07.2 Christmas Tree Collection. The CONTRACTOR shall Collect Christmas Trees set out at the curb for Collection during the three-week period beginning December 26, 2022 and annually thereafter during the term of this Contract. CONTRACTOR shall deliver the Collected Christmas Trees to an appropriate facility for processing. This annual service shall be provided at no additional charge to the Service Recipient.

7.07.3 Non-Collection. Except as set forth in Sections 7.07.1 and 7.07.2 above, CONTRACTOR shall comply with Contamination procedures as specified in Exhibit 7 of this Contract.

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7.08 Source Separated Green Container Organic Waste Processing Services. CONTRACTOR shall ensure that all Source Separate Green Container Organic Waste Collected pursuant to this Contract is diverted from the landfill in accordance with AB 939 and subsequent legislation and regulations.

7.08.1 CONTRACTOR shall ensure that the Green Waste Collected pursuant to this Contract is not disposed of in a landfill, except as a residue resulting from processing.

7.08.2 Source Separated Green Container Organic Waste Processing Facility. CONTRACTOR shall deliver all Collected Source Separated Green Container Organic Waste to a fully permitted Green Waste Processing Facility or a fully permitted transfer station. All expenses related to Green Waste processing and marketing will be the sole responsibility of CONTRACTOR.

7.09 Large Item Collection Service. This service will be governed by the following terms and conditions:

7.09.1 Conditions of Service. Beginning July 1, 2023, the CONTRACTOR shall provide Large Item Collection Service to all Residential Service Units in the Service Area whose Large Items have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle. The Service Recipient shall be limited to six (6) cubic yards per Collection. Accordingly, CONTRACTOR shall be compensated for the cost of Collecting Large Items in excess of this limitation, or when containing Freon, in accordance with the "Additional or Special Large Item Collection" Service Rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract. Each Residential Service Unit in the Service Area shall be entitled to receive Residential Large Item Collection Service one time per Contract Year at no charge. Additional Residential Large Item Collection Service may be requested by each Residential Service Unit in accordance with the Approved Rate Schedule.

7.09.2 Frequency of Service. Large Item Collection Service shall be provided on the Service Recipient's regularly scheduled service day. The Service Recipient shall not intentionally commingle residential Large Items with other Residential Waste.

7.09.3 Large Items Containing Freon. In the event CONTRACTOR Collects Large Items that contain Freon, CONTRACTOR shall handle such Large Items in a manner such that the Large Items are not subject to regulation as hazardous waste under applicable state and federal laws or regulations. Service shall be subject to the "Additional or Special Large Item Collection" Service Rate as set forth in Exhibit 1 or as may be adjusted under the terms of this Contract.

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7.09.4 Maximum Reuse and Recycling. CONTRACTOR shall dispose of Large Items Collected from Residential Service Units pursuant to this Contract in accordance with the following hierarchy:

- 7.09.4.1 Reuse as is (where energy efficiency is not compromised)
- 7.09.4.1.1. Disassemble for reuse or Recycling
- 7.09.4.1.2. Recycle
- 7.09.4.1.3. Disposal

7.09.5 CONTRACTOR shall not landfill such Large Items unless the Large Items cannot be reused or recycled.

7.09.6 CONTRACTOR use of DISTRICT Property. DISTRICT agrees to designate approximately 20,000 square feet of undeveloped and accessible DISTRICT property for use by CONTRACTOR for the temporary storage and consolidation of Large Items. CONTRACTOR may also use the property solely for the storage of Containers during the term of this Contract. CONTRACTOR shall not permit any Hazardous Waste to be stored on the property. CONTRACTOR shall not install improvements on the property without DISTRICT's written consent. CONTRACTOR agrees to be solely responsible for keeping the property clean and will remedy any unsanitary conditions upon forty-eight (48) hours' notice by DISTRICT.

7.10 Residential Household Battery Drop-Off Sites. At the DISTRICT'S request, CONTRACTOR shall donate to the DISTRICT up to four (4) total Household Battery kiosks for collection of Residential Household Batteries,. CONTRACTOR has no responsibility for any damages or injuries that arise from or related to the Residential Household Battery Drop-Off Sites and their use. CONTRACTOR shall periodically visit each kiosk site to collect the Household Batteries for proper recycling.

7.11 Residential Used Motor Oil Collection Service. This service will be governed by the following terms and conditions:

7.11.1 Conditions of Service. In conjunction with the provision of Residential Recycling Collection Service, the CONTRACTOR shall provide Residential Used Motor Oil Collection Service to all Residential Service Units in the Service Area utilizing Used Motor Oil Containers for the accumulation and set-out of their Used Motor Oil, and Used Motor Oil Filter Containers for the accumulation and set out of their Used Motor Oil Filters where the Used Motor Oil Containers and Used Motor Oil Filter Containers have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

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7.11.2 Non-Collection. CONTRACTOR shall not be required to collect material placed in Used Motor Oil or Used Motor Oil Filter Containers unless the material is Used Motor Oil or Used Motor Oil Filters, as appropriate, and is free of contamination other than contamination normally expected to be present as a result of the use, storage or spillage of the Used Motor Oil or Used Motor Oil Filter. In the event of non-collection, CONTRACTOR shall affix to the Used Motor Oil or Used Motor Oil Filter Container a Non-Collection Notice explaining why Collection was not made and maintain a copy of such notice during the term of this Contract. Prior to the end of the Work Day, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any non-collection occurrences. If non-collection is because the Used Motor Oil or Filter was placed in an improper container, CONTRACTOR shall also leave Used Motor Oil or Used Motor Oil Filter Containers in a number sufficient to contain the Used Motor Oil or Used Motor Oil Filters set out, but not exceeding a number sufficient to hold sixteen (16) quarts, or two (2) Used Motor Oil Filters along with the Non-Collection Notice.

7.11.3 Spillage. CONTRACTOR shall carry oil absorbent material on all vehicles providing Used Motor Oil Collection Service and shall cleanup any Used Motor Oil that spills during Collection, which has leaked from the Used Motor Oil or Used Motor Oil Filter Container, or which spills or leaks during the time the Used Motor Oil or Used Motor Oil Filter is in the Collection vehicle. CONTRACTOR will not be responsible for any environmental impacts associated with any spills not caused directly by CONTRACTOR.

7.11.4 Used Motor Oil and Used Motor Oil Filter Containers. Within three (3) Work Days of receipt of a verbal, written, or electronic request of the DISTRICT or a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, provide the Residential Service Unit where the Service Recipient resides with Used Motor Oil Containers and Used Motor Oil Filter Containers in the number requested by the DISTRICT or the Service Recipient but not exceeding a number sufficient to hold sixteen (16) quarts of Used Motor Oil and two (2) Used Motor Oil Filters.

7.11.4.1 At the time CONTRACTOR Collects Used Motor Oil from a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the premises one (1) Used Motor Oil Container for each Used Motor Oil Container Collected and one (1) Used Motor Oil Filter Container for each Used Motor Oil Filter Container Collected. CONTRACTOR shall keep the outside of all Used Motor Oil and Used Motor Oil Filter Containers clean and may re-use the containers until the condition of the container makes it inappropriate for re-use.

7.11.5 Segregation of Used Oil. CONTRACTOR shall keep all Used Motor Oil and Used Motor Oil Filters Collected pursuant to this Contract segregated from other materials.

7.11.6 Used Oil Processing. CONTRACTOR shall recycle all Used Motor Oil Collected pursuant to this Contract to the extent feasible and shall properly dispose of

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all Used Motor Oil and Used Motor Oil Filters that are contaminated or otherwise cannot be recycled.

7.11.6.1 CONTRACTOR shall recycle the Used Motor Oil only with persons who are authorized by the State of California to recycle Motor Oil. In the event the Used Motor Oil or Used Motor Oil Filters Collected pursuant to this Contract is contaminated to the extent that the Used Motor Oil or Used Motor Oil Filters require disposal as a Hazardous Waste, CONTRACTOR shall dispose of such Used Motor Oil or Used Motor Oil Filters, at CONTRACTOR'S own cost and expense in accordance with applicable state and federal law.

7.11.6.2 CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any contamination which renders the Used Motor Oil unacceptable for recycling or which requires disposal of the Used Motor Oil or Used Motor Oil Filters as a Hazardous Waste.

7.12 Residential Used Cooking Oil Collection Service. This service will be governed by the following terms and conditions:

7.12.1 Conditions of Service. In conjunction with the provision of Residential Recycling Collection Service, the CONTRACTOR shall provide Residential Used Cooking Oil Collection Service to all Residential Service Units in the Service Area utilizing Used Cooking Oil Containers for the accumulation and set-out of their Used Cooking Oil Containers where the Used Cooking Oil Containers have been placed within three (3) feet of the curb, swale, paved surface of the public roadway, closest accessible roadway, or other such location agreed to by the CONTRACTOR and Service Recipient, that will provide safe and efficient accessibility to the CONTRACTOR'S Collection crew and vehicle.

7.12.2 Non-Collection. CONTRACTOR shall not be required to collect material placed in Used Cooking Oil Containers unless the material is Used Cooking Oil, , and is free of contamination other than contamination normally expected to be present as a result of the use, storage or spillage of the Used Cooking Oil. In the event of non-collection, CONTRACTOR shall affix to the Used Cooking Oil Container a Non-Collection Notice explaining why Collection was not made and maintain a copy of such notice during the term of this Contract. Prior to the end of the Work Day, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any non-collection occurrences. If non-collection is because the Used Cooking Oil was placed in an improper container, CONTRACTOR shall also leave Used Cooking Oil Containers in a number sufficient to contain the Used Cooking Oil set out, but not exceeding a number sufficient to hold sixteen (16) quarts, along with the Non-Collection Notice.

7.12.3 Spillage. CONTRACTOR shall carry oil absorbent material on all vehicles providing Used Cooking Oil Collection Service and shall cleanup any Used Cooking Oil that spills during Collection, which has leaked from the Used Cooking Oil Container, or which spills or leaks during the time the Used Cooking Oil is in the Collection vehicle.

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CONTRACTOR will not be responsible for any environmental impacts associated with any spills not caused directly by CONTRACTOR.

7.12.4 Used Cooking Oil Containers. Within three (3) Work Days of receipt of a verbal, written, or electronic request of the DISTRICT or a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, provide the Residential Service Unit where the Service Recipient resides with Used Cooking Oil Containers in the number requested by the DISTRICT or the Service Recipient but not exceeding a number sufficient to hold sixteen (16) quarts of Used Cooking Oil.

7.12.4.1 At the time CONTRACTOR Collects Used Cooking Oil from a Service Recipient, CONTRACTOR shall, at CONTRACTOR'S sole cost and expense, leave at the premises one (1) Used Cooking Oil Container for each Used Oil Container Collected. CONTRACTOR shall keep the outside of all Used Cooking Oil Containers clean and may re-use the containers until the condition of the container makes it inappropriate for re-use.

7.12.5 Segregation of Used Cooking Oil. CONTRACTOR shall keep all Used Cooking Oil Collected pursuant to this Contract segregated from other materials.

7.12.6 Used Cooking Oil Processing. CONTRACTOR shall recycle all Used Cooking Oil Collected pursuant to this Contract to the extent feasible and shall properly dispose of all Used Cooking Oil that is contaminated or otherwise cannot be recycled.

7.12.6.1 CONTRACTOR shall recycle the Used Cooking Oil only with persons who are authorized by the State of California to recycle Cooking Oil.

7.12.6.2 CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail, of any contamination which renders the Used Cooking Oil unacceptable for recycling.

Article 8. Collection Routes

8.01 Service Routes. CONTRACTOR shall provide the DISTRICT with maps precisely defining Collection routes, together with the days and the times at which Collection shall regularly commence. CONTRACTOR shall provide maps both in written form and electronic format in a manner approved by the DISTRICT.

8.02 Service Route Changes. The CONTRACTOR shall submit to the DISTRICT, in writing, any proposed route change (including maps thereof) not less than thirty (30) calendar days prior to the proposed date of implementation. The CONTRACTOR shall not implement any route changes without the prior review of the Contract Administrator. If the change will change the Collection day for a Service Recipient, the CONTRACTOR shall notify those Service Recipients in writing of route changes not less than thirty (30) days before the proposed date of implementation.

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8.02.1 Collection Route Audits. The DISTRICT reserves the right to conduct audits of CONTRACTOR'S Collection routes. The CONTRACTOR shall cooperate with the DISTRICT in connection therewith, including permitting DISTRICT employees or agents, designated by the Contract Administrator, to ride in the Collection vehicles in order to conduct the audits. The CONTRACTOR shall have no responsibility or liability for the salary, wages, benefits or worker compensation claims of any person designated by the Contract Administrator to conduct such audits.

Article 9. Minimum Performance and Diversion Standards

9.01 Contract Extensions. In order to receive the Contract term extension offers set forth in Article 2 of this Contract, the CONTRACTOR must meet or exceed the following annual minimum performance and CalRecycle standards in each Contract Year beginning July 1, 2022 subject to the discretion of the DISTRICT regarding the enforcement of diversion standards.

9.02 Performance Standards. Assessment of administrative charges, as set forth in Article 17 of this Contract of less than \$15,000 in each Contract Year beginning July 1, 2022.

9.03 CalRecycle SB 1383 Hauler Requirements. Performance of applicable SB 1383 hauler requirements as set forth in Article 5 and Exhibit 7 in each calendar year beginning January 1, 2023.

Article 10. Collection Equipment

10.01 Equipment Specifications.

10.01.1 General Provisions. All equipment used by CONTRACTOR in the performance of services under this Contract shall be of high quality. The vehicles shall be designed and operated so as to prevent collected materials from escaping from the vehicles. Hoppers shall be closed on top and on all sides with screening material to prevent collected materials from leaking, blowing or falling from the vehicles. All trucks and containers shall be watertight and shall be operated so that liquids do not spill during Collection or in transit.

10.01.2 All Collection Service vehicles utilized by CONTRACTOR pursuant to this Contract shall provide fully-automated Residential Collection Service except where such service is not feasible because of topographic or other physical factors. Where fully-automated Residential Collection Service is not feasible, CONTRACTOR shall consult with the Contract Administrator regarding the Residential Collection Service equipment to be utilized.

10.01.3 Clean Air Fuel Vehicles. CONTRACTOR Collection vehicles shall be inspected annually and comply with all applicable, local, state and federal clean air

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requirements. For the avoidance of doubt and without limitation, irrespective of when enacted in relation to the date hereof, the Parties expressly recognize and acknowledge that the Advanced Clean Fleets (ACF) regulation, and other enacted laws, all intended to contribute to the goals of Governor's Executive Order N-79-20, constitutes a Material Change in Law that justifies DISTRICT and CONTRACTOR engaging in the negotiation described in Section 4.03 as to an adjustment in the Maximum Service Rates.

10.02 Lubricants. Except as approved in writing by the Contract Administrator on an individual vehicle basis, CONTRACTOR shall utilize re-refined motor oil and re-refined hydraulic oil in all vehicles used in CONTRACTORS performance of this Contract.

10.03 Large Items. Vehicles used for Collection of Large Items shall not use compactor mechanisms or mechanical handling equipment that may damage reusable goods or release Freon or other gases from pressurized appliances.

10.04 Collection Vehicles. CONTRACTOR shall not use any Collection vehicle that is not CARB compliant.

10.04.1 Registration. All vehicles used by CONTRACTOR in providing Collection Services under this Contract, except those vehicles used solely on CONTRACTORS premises, are to be registered with the California Department of Motor Vehicles.

10.04.2 Safety Markings. All Collection equipment used by COLLECTOR shall have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All such safety markings shall be subject to the approval of the DISTRICT and shall be in accordance with the requirements of the California Vehicle Code, as may be amended from time to time.

10.04.3 Vehicle Signage and Painting. Collection vehicles shall be painted and numbered consecutively without repetition and shall have the CONTRACTOR'S name, CONTRACTOR'S customer service telephone number, and the number of the vehicle painted in letters of contrasting color, at least four (4) inches high, on each side and the rear of each vehicle. No advertising shall be permitted other than the name of the CONTRACTOR except promotional advertisement of the Source Separated Recyclable Materials and Source Separated Green Container Organic Waste programs. CONTRACTOR shall repaint all vehicles (including vehicles striping) during the term of this Contract on a frequency as necessary to maintain a positive public image as reasonably determined by the Contract Administrator.

10.05 Collection Vehicle Noise Level. The noise level generated by Collection vehicles using compaction mechanisms during the compaction process shall not exceed seventy-five (75) decibels at a distance of twenty-five (25) feet from the Collection vehicle measured at an elevation of five (5) feet above ground level using the "A" scale of the standard sound level meter at slow response. If requested, CONTRACTOR shall cause the Collection vehicles to be tested annually during the months of March and April, beginning {00280740.7}

March of 2023, and shall submit a certificate of testing showing that the vehicles met the requirements of this Article.

10.06 Vehicle Certification. For each Collection vehicle used in the performance of services under this Contract, CONTRACTOR shall obtain a certificate of compliance (smog check) issued pursuant to Part 5 of Division 26 of the California Health and Safety Code (Section 43000 et seq.) and regulations promulgated thereunder and/or a safety compliance report issued pursuant to Division 14.8 of the California Vehicle Code (Section 34500 et seq.) and the regulations promulgated thereunder, as applicable to the vehicle. CONTRACTOR shall maintain copies of such certificates and reports and shall make such certificates and reports available for inspection upon request by the Contract Administrator.

10.06.1 CONTRACTOR shall cause each vehicle in CONTRACTOR'S Collection fleet to be tested bi-annually in the California Heavy Duty Inspection Program (BIT) and shall submit written verification to the DISTRICT within ten (10) Work Days of the completion of such test. CONTRACTOR shall not use any vehicle that does not pass such inspection.

10.07 Equipment Maintenance. CONTRACTOR shall maintain Collection equipment in a clean condition and in good repair at all times. All parts and systems of the Collection equipment shall operate properly and be maintained in a condition satisfactory to the DISTRICT. CONTRACTOR shall wash all Collection vehicles at least once a week.

10.08 Maintenance Log. CONTRACTOR shall maintain a maintenance log for all Collection vehicles. The log shall at all times be accessible to the DISTRICT by physical inspection upon request of Contract Administrator, and shall show, at a minimum, each vehicles CONTRACTOR assigned identification number, date purchased or leased, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

10.08.1 Equipment Inventory. CONTRACTOR shall provide to the DISTRICT an inventory of Collection vehicles and major equipment used by CONTRACTOR for Collection or transportation and performance of services under this Contract. The inventory shall indicate each Collection vehicle by CONTRACTOR assigned identification number, DMV license number, the age of the chassis and body, type of fuel used, the type and capacity of each vehicle, the number of vehicles by type, the date of acquisition, the decibel rating and the maintenance and rebuild status. Annually at the request of the Contract Administrator, CONTRACTOR shall submit, either by fax or e-mail, an updated inventory. Each inventory shall also include the tare weight of each vehicle as determined by weighing at a public scale and not at a disposal or other facility scale used by CONTRACTOR. Each vehicle inventory shall be accompanied by a certification signed by CONTRACTOR that all Collection vehicles meet the requirements of this Contract.

10.08.2 Reserve Equipment. The CONTRACTOR shall have available to it, at all times, reserve Collection equipment which can be put into service and operation

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within one (1) hour of any breakdown. Such reserve equipment shall correspond in size and capacity to the equipment used by the CONTRACTOR to perform the contractual duties.

Article 11. Contractor's Office

11.01 CONTRACTOR'S Office. The CONTRACTOR shall maintain an office where DISTRICT and Service Recipient complaints can be received. Such office shall be equipped with sufficient telephones that all Collection Service related calls received during normal business hours are answered by an employee within five (5) rings, and shall have responsible persons in charge during Collection hours and shall be open during such normal business hours, 7:00 a.m. to 5:00 p.m. on all Work Days. The CONTRACTOR shall provide either a telephone answering service or mechanical device to receive Service Recipient inquiries during those times when the office is closed. Calls received after normal business hours shall be addressed the next Work Day morning. CONTRACTOR shall provide a local phone number or a toll free phone number.

11.01.1 Emergency Contact. The CONTRACTOR shall provide the Contract Administrator with an emergency phone number where the CONTRACTOR can be reached outside of the required office hours.

11.01.2 Multilingual/TDD Service. CONTRACTOR shall at all times maintain the capability of responding to telephone calls in English and Spanish. CONTRACTOR shall at all times maintain the capability or responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

11.01.3 Service Recipient Calls. During office hours, CONTRACTOR shall maintain a telephone answering system capable of accepting at least eight (8) incoming calls at one time. CONTRACTOR shall record all service complaints into a customer service log.

11.01.4 All incoming calls will be answered within 5 rings. Any call "on-hold" in excess of 1.5 minutes shall have the option to remain "on-hold" or to leave a message and receive a call back. CONTRACTOR'S customer service representative shall return Service Recipient calls. For all messages left before 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to 6:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" shall be attempted a minimum of one time prior to noon the next Work Day. CONTRACTOR shall make minimum of three (3) attempts within twenty-four hours of the receipt of the call. If CONTRACTOR is unable to reach the Service Recipient on the next Work Day, the CONTRACTOR shall send a postcard to the Service Recipient on the second Work Day after the call was received, indicating that the CONTRACTOR has attempted to return the call.

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Article 12. Other Services

12.01 Public Outreach and Education Services. CONTRACTOR, at their own expense, shall prepare, submit and implement an annual (calendar year) Public Education and Outreach Program beyond any provided by the DISTRICT. The proposed action plan must be submitted annually for DISTRICT approval no later than October 1st. The program must include a minimum of four campaigns per calendar year, designed to increase diversion and resident participation. **Campaigns should meet all SB 1383 requirements described in Exhibit 7 and any Collection routes in the CONTRACTOR'S Service Area where improvements can be maximized.** Campaigns should target certain Recyclable Materials or "problem" areas of the CONTRACTOR'S Service Area where improvements can be maximized. Targets of outreach should be based on local trends and recycling patterns based on information obtained by both the Contract Administrator and CONTRACTOR staff. Additionally, CONTRACTOR shall provide a quarterly article for the DISTRICT to post on their website 'News & Updates' tab.

12.02 Annual Collection Service Notice. Each year during the term of this Contract, the CONTRACTOR shall publish and distribute a notice to all Residential Service Units regarding the Residential Collection Service programs. The notice shall contain at a minimum; definitions of the materials to be Collected, procedures for setting out the materials, maps of the Service Area indicating the days when Residential Solid Waste Collection Service, Large Item Collection Service, Residential Used Oil Collection Service, Residential Recycling Collection Service, and Green Waste Collection Service will be provided, and the CONTRACTOR customer service phone number. The notice shall be provided in English, and shall be distributed by the CONTRACTOR no later than October 15, 2005 preceding the Initial Contract Period and no later than Jan. 1st preceding each Contract Year thereafter.

12.03 Programs and Services. CONTRACTOR shall provide additional services and programs as requested by the DISTRICT at a price to be mutually agreed upon between the CONTRACTOR and the Contract Administrator. In the event the CONTRACTOR and the Contract Administrator cannot reach a mutually agreed upon price for the requested service or program, the DISTRICT shall have the right to procure the service of other vendors or contractors to provide the requested service.

12.04 News Media Relations. CONTRACTOR shall notify the Contract Administrator by fax, e-mail or phone of all requests for news media interviews related to the Collection Services program within twenty-four (24) hours of CONTRACTOR'S receipt of the request. Before responding to any inquiries involving controversial issues or any issues likely to affect participation or Service Recipient perception of services, CONTRACTOR will discuss CONTRACTOR'S proposed response with the Contract Administrator.

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12.04.1 Copies of draft news releases or proposed trade journal articles shall be submitted to the DISTRICT for prior review and approval at least five (5) Work Days in advance of release, except where CONTRACTOR is required by any law or regulation to submit materials to any regulatory agency in a shorter period of time, in which case CONTRACTOR shall submit such materials to the DISTRICT simultaneously with CONTRACTOR'S submittal to such regulatory agency.

12.04.2 Copies of articles resulting from media interviews or news releases shall be provided to the DISTRICT within five (5) Work Days after publication.

Article 13. Emergency Service Provisions

13.01 Emergency Services. In the event of a tornado, major storm, earthquake, fire, natural disaster, or other such event, the Contract Administrator may grant the CONTRACTOR a variance from regular routes and schedules. As soon as practicable after such event, the CONTRACTOR shall advise the Contract Administrator when it is anticipated that normal routes and schedules can be resumed. The Contract Administrator shall make an effort through the local news media to inform the public when regular services may be resumed. The clean-up from some events may require that the CONTRACTOR hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the event. The CONTRACTOR shall receive additional compensation, above the normal compensation contained in this Contract, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in this Contract provided the CONTRACTOR has first secured written authorization and approval from the DISTRICT through the Contract Administrator.

Article 14. Record Keeping and Reporting Requirements

14.01 Record Keeping.

14.01.1 Accounting Records. CONTRACTOR shall maintain, separate financial, statistical and accounting records, pertaining to cash, billing, and provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records, pertaining to service in the District, shall be subject to audit, copy, and inspection. CONTRACTOR shall maintain and preserve all cash, billing and disposal records for a period of not less than three (3) years following the close of each of the CONTRACTOR'S fiscal years.

14.01.2 Contract Materials Records. CONTRACTOR shall maintain records of the quantities of (i) Residential Waste Collected and disposed under the terms of this Contract, (ii) Recyclable Materials, by type, Collected, purchased, processed, sold, donated or given for no compensation, and residue disposed.

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14.01.3 SB 1383 Compliance. CONTRACTOR shall maintain all records of SB 1383 compliance activities described in Exhibit 9.

14.01.4 Other Records. CONTRACTOR shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Article 14 or elsewhere in the Contract.

14.02 Annual Reporting.

14.02.1 General. Annual reports shall be submitted no later than April 1 for the previous Contract Year. Annual reports shall be submitted in the CalRecycle format, and shall be provided electronically via email to the DISTRICT.

14.02.2 Diversion Reports. CONTRACTOR shall prepare annual reports for submittal to the DISTRICT for review and comment, and CONTRACTOR revision as needed. The DISTRICT shall submit the final report to the Sacramento County, if required. CONTRACTOR shall submit a draft report format to the DISTRICT annually by March 1. CONTRACTOR shall finalize the format in a form approved by the DISTRICT.

14.02.3 SB 1383 Compliance Reports. CONTRACTOR shall prepare annual reports for submittal to the DISTRICT for review and comment, and CONTRACTOR revision as needed using the CalRecycle SB 1383 format. CONTRACTOR shall submit a draft report format to the DISTRICT annually by March 1. CONTRACTOR shall finalize the format in a form approved by the DISTRICT.

14.02.4 DISTRICT Reports. Annual reports to the DISTRICT shall include:

14.02.4.1 Public education and information activities undertaken during the year, including distribution of bill inserts, collection notification tags, community information and events, tours and other activities related to the provision of Collection Services. This report shall discuss the impact of these activities on Recycling program participation and include amounts Collected from Residential Service Units.

14.02.4.2 An analysis of any Recycling and Green Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc.) and possible solutions, discussed separately for Residential programs.

14.02.4.3 An electronic listing of all Residential Service Units including service recipient name, and address, billing name and address if different, and container size by service type. This report shall be in a format acceptable to the DISTRICT.

14.03 Additional DISTRICT Report Information to be Submitted as Requested.

14.03.1 the DISTRICT may also require that the annual reports include some or all of the following information and data:

14.03.2 Gray, Blue and Green Container Collection Data.

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- Tons Collected daily on average by material type by route for Residential Collection Service;
- The average participation rates by quarter, relative to the total number of Service Units, and by material type;
- Quarterly totals of material processed and sold including facility name and location, average price received per ton and total recycling revenue received for the quarter;
- Quantities, if any, by material type, donated or otherwise disbursed without compensation;
- Number of Carts distributed by size; and
- Quarterly totals and location for residue disposed.

14.03.3 Customer Service Log. A copy of the customer service log, including a summary of the type and number of complaints and their resolution. Copies of a written record of all calls related to missed pickups and responses to such calls.

14.03.3.1 A summary narrative of problems encountered with Collection and processing activities and actions taken. Indicate type and number of Non-Collection Notices left at Service Recipient locations. Indicate instances of property damage or injury, significant changes in operation, market factors, publicity conducted, needs for publicity.

14.03.4 Contamination Monitoring. A summary narrative of the SB 1383 Contamination monitoring activities and findings and actions taken.

14.03.5 Cart Inventory. An updated complete inventory of Carts by type and size.

14.03.6 Additional Reporting. The CONTRACTOR shall furnish the DISTRICT with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period.

Article 15. Nondiscrimination

15.01 Nondiscrimination. In the performance of all work and services under this Contract, CONTRACTOR shall not discriminate against any person on the basis of such person's race, sex, color, national origin, religion, marital status or sexual orientation. CONTRACTOR shall comply with all applicable local, state and federal laws and regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

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Article 16. Service Inquiries and Complaints

16.01 CONTRACTOR'S Customer Service. All service inquiries and complaints shall be directed to the CONTRACTOR. A representative of the CONTRACTOR shall be available to receive the complaints during normal business hours. All service complaints will be handled by the CONTRACTOR in a prompt and efficient manner. In the case of a dispute between the CONTRACTOR and a Service Recipient, the matter will be reviewed and a decision made by the Contract Administrator

16.01.1 The CONTRACTOR will utilize the Customer Service Log to maintain a record of all inquiries and complaints in a manner prescribed by the DISTRICT.

16.01.2 For those complaints related to missed Collections that are received by 1:00 p.m. on a Work Day, the CONTRACTOR will return to the Residential Service Unit address and Collect the missed materials before leaving the Service Area for the day. For those complaints related to missed Collections that are received after 3:00 p.m. on a Work Day, the CONTRACTOR shall have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of carts, the appropriate Sections of this Contract shall apply

16.01.3 CONTRACTOR agrees that it is in the best interest of the DISTRICT that all Residential Waste, Recyclable Materials, and Green Waste be Collected on the scheduled Collection day. Accordingly, missed Collections will normally be Collected as set forth above regardless of the reason that the Collection was missed. However, in the event a Service Recipient requests missed Collection service more than two (2) times in any consecutive two (2) month period the Contract Administrator will work with the CONTRACTOR to determine an appropriate resolution to that situation. In the event the CONTRACTOR believes any complaint to be without merit, CONTRACTOR shall notify the Contract Administrator, either by fax or e-mail. The Contract Administrator will investigate all disputed complaints and render a decision.

Article 17. Quality of Performance of Contractor

17.01 Intent. CONTRACTOR acknowledges and agrees that one of the DISTRICT'S primary goals in entering into this Contract is to ensure that the Collection Services are of the highest caliber, that Service Recipient satisfaction remains at the highest level, that maximum diversion levels are achieved, and that materials Collected are put to the highest and best use to the extent possible.

17.02 Service Supervisor. CONTRACTOR shall assign a qualified supervisor to be in charge of the Collection Service within the Service Area and shall provide the name of that person in writing to the Contract Administrator within thirty (30) days of the execution of this Contract, and annually by May 1st of each subsequent Contract Year of the term of this Contract, and any other time the person in that position changes. The supervisor shall be available to the Contract Manager through the use of telecommunication equipment at all {00280740.7}



times that CONTRACTOR is providing Collection Services in the Service area. In the event the supervisor is unavailable due to illness or vacation, CONTRACTOR shall designate an acceptable substitute who shall be available and who has the authority to act in the same capacity as the supervisor.

17.03 Contract Manager. CONTRACTOR shall designate a Contract Manager and shall provide the name of that person in writing to the DISTRICT within thirty (30) days of the execution of this Contract and annually by May 1st of each subsequent Contract Year of this Contract and any other time the person in that position changes. The Contract Manager shall be available to the DISTRICT through the use of telecommunications equipment at all times that CONTRACTOR is providing Collection Services in the Service Area. The Contract Manager shall provide the DISTRICT with an emergency phone number where the Contract Manager can be reached outside of normal business hours.

17.04 Administrative Charges. It shall be the duty of CONTRACTOR to perform services under this Contract in such a manner as to implement the goals set forth in Section 17.01 above. In the event CONTRACTOR fails to perform the services set forth in this Contract, the DISTRICT may assess a one hundred dollar (\$100.00) administrative charge against CONTRACTOR for each incident of the following:

Administrative Charges

a.	Failure or neglect to resolve each complaint within the time set forth in this Contract.
b.	Failure to clean up spillage or litter caused by CONTRACTOR.
c.	Failure to repair damage to customer property caused by CONTRACTOR or its personnel.
d.	Failure to maintain equipment in a clean, safe, and sanitary manner.
e.	Failure to have a vehicle operator properly licensed.
f.	Failure to maintain office hours as required by this Contract.
g.	Failure to maintain or timely submit to the DISTRICT all documents and reports required under the provisions of this Contract.
h.	Failure to properly cover materials in Collection vehicles.
i.	Failure to display CONTRACTOR'S name and customer service phone number on Collection vehicles.
j.	Failure to comply with the hours of operation as required by this Contract.

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Administrative Charges

k.	Failure or neglect to complete at least ninety percent (90%) of each route on the regular scheduled Collection Service Work Day.
l.	Changing routes without proper notification to the Contract Administrator.
m.	Commingling Gray Container Waste with Source Separated Materials.
n.	Commingling of materials Collected inside and outside the Rancho Murieta Community Services DISTRICT.
o.	Failure to place empty cart in an upright position, with the lid closed as required by this Contract.
p.	Failure to repair or replace damaged carts within the time required by this Contract.
q.	Failure to deliver or exchange carts within the time required by this Contract.
r.	Failure to have CONTRACTOR personnel in proper uniform.
s.	Disposal of Source Separated Recyclable Materials in the Disposal Facility without first obtaining the required permission of the DISTRICT.
t.	Failure to provide required communications equipment.
u.	Failure to deliver any Collected materials to the appropriate facility, except as otherwise expressly provided in this Contract.

17.05 Procedure for Review of Administrative Charges. The Contract Administrator may assess administrative charges pursuant to this Article 17 on a monthly basis. At the end of each month during the term of this Contract, the Contract Administrator shall issue a written notice to CONTRACTOR (“Notice of Assessment”) of the administrative charges assessed and the basis for each assessment.

17.05.1 The assessment shall become final unless, within ten (10) calendar days of the date of the notice of assessment, CONTRACTOR provides a written request for a meeting with the Contract Administrator to present evidence that the assessment should not be made.

17.05.2 The Contract Administrator shall schedule a meeting with the CONTRACTOR as soon as reasonably possible after timely receipt of CONTRACTOR’S request.

17.05.3 The Contract Administrator shall review CONTRACTOR’S evidence and render a decision sustaining or reversing the administrative charges as soon

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as reasonably possible after the meeting. Written notice of the decision shall be provided to CONTRACTOR.

17.05.4 In the event CONTRACTOR does not submit a written request for a meeting within ten (10) calendar days of the date of the Notice of Assessment, the Contract Administrator's determination shall be final and the administrative charges shall be due within thirty (30) calendar days of the date of the Notice of Assessment.

17.05.5 The DISTRICT'S assessment or collection of administrative charges shall not prevent the DISTRICT from exercising any other right or remedy, including the right to terminate this Contract, for CONTRACTOR'S failure to perform the work and services in the manner set forth in this Contract.

Article 18. Performance Bond

18.01 Performance Bond. Within ten (10) calendar days from the date the DISTRICT approves this Contract, the CONTRACTOR shall furnish to the DISTRICT, and keep current, a Performance Bond in a form as set forth in Exhibit 3, or as agreed to by the parties, which is included in and attached to this Contract, for the faithful performance of this Contract and all obligations arising hereunder in an amount as follows:

18.01.1 From July 1, 2022 and so long as this Contract or any extension thereof shall remain in force, the CONTRACTOR shall maintain a performance bond in the amount of fifty thousand dollars (\$50,000).

18.01.1.1 The performance bond shall be executed by a surety company licensed to do business in the State of California; having an "A-" or better rating by A. M. Best or Standard and Poors; and included on the list of surety companies approved by the Treasurer of the United States.

18.01.2 Letter of Credit. As an alternative to the performance bond required by this Section 18.01, at the DISTRICT'S option, CONTRACTOR may deposit with the DISTRICT an irrevocable letter of credit in an amount as set forth in Sections 18.01.1. If allowed, the letter of credit must be issued by an FDIC insured banking institution chartered to business in the state of California, in the DISTRICT'S name, and be callable at the discretion of the DISTRICT. Nothing in this Section shall, in any way, obligate the DISTRICT to accept a letter of credit in lieu of the performance bond.

Article 19. Insurance

19.01 Insurance Policies. CONTRACTOR shall secure and maintain throughout the term of this Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with CONTRACTOR'S performance of work or services under this Contract. CONTRACTOR'S performance of work or services shall

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include performance by CONTRACTOR'S employees, agents, representatives and subcontractors.

19.01.1 Minimum Scope of Insurance. Insurance coverage shall be at least this broad:

19.01.1.1 Insurance Services Office Form No. GL 0002 (Ed. 1/96) covering Comprehensive General Liability and Insurance Services Office Form No. GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001), including X, C, U where applicable.

19.01.1.2 Insurance Services Office Form No. CA 0001 (Ed. 12/93) covering Automobile Liability, code 1 "any auto", or code 2 "owned autos" and endorsement CA 0025. Coverage shall also include code 8, "hired autos" and code 9 "non-owned autos".

19.01.2 Workers' Compensation insurance as required by the California Labor Code and Employers Liability Insurance.

19.01.3 Hazardous Waste and Environmental Impairment Liability Insurance.

19.02 Minimum Limits of Insurance. CONTRACTOR shall maintain insurance limits no less than:

19.02.1 Comprehensive General Liability: \$3,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Contract or the general aggregate limit shall be \$5,000,000.

19.02.2 Automobile Liability: \$3,000,000 combined single limit per accident for bodily injury and property damage.

19.02.3 Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$3,000,000 per accident.

19.02.4 Hazardous Waste and Environmental Impairment Liability: \$3,000,000 per occurrence.

19.03 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to, and approved by, the DISTRICT. At the option of DISTRICT, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the DISTRICT, its officers, employees, agents and contractors; or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the DISTRICT.

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19.04 Endorsements. The policies are to contain, or be endorsed to contain, the following provisions:

19.04.1 General Liability and Automobile Liability Coverage.

19.04.1.1 The DISTRICT, its officers, employees, agents and contractors are to be covered as additional insureds as respects: liability arising out of activities performed by, or on behalf of, CONTRACTOR; products and completed operations of CONTRACTOR; premises owned, leased or used by CONTRACTOR; and automobiles owned, leased, hired or borrowed by CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to DISTRICT, its officers, employees, agents and contractors.

19.04.1.2 CONTRACTOR'S insurance coverage shall be primary insurance as respects the DISTRICT, its officers, employees, agents and contractors. Any insurance, or self-insurance maintained by the DISTRICT, its officers, employees, agents or contractors shall be in excess of CONTRACTOR'S insurance and shall not contribute with it.

19.04.1.3 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the DISTRICT, its officers, employees, agents, or contractors.

19.04.1.4 Coverage shall state that CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

19.04.1.5 The Automobile Liability policy shall be endorsed to delete the Pollution and/or the Asbestos exclusion, if applicable, and add the Motor Carrier Act endorsement (MCS-90) TL 1005, TL 1007.

19.04.2 All Coverage. Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in limits except after thirty (30) calendar days prior written notice has been given to the DISTRICT.

19.05 Verification of Coverage. CONTRACTOR shall furnish the DISTRICT with certificates of insurance and with original endorsements affecting coverage required by this Contract. The certificates and endorsement for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. CONTRACTOR shall furnish the DISTRICT with a new certificate of insurance and endorsements on each renewal of coverage or change of insurers.

19.05.1 Proof of insurance shall be mailed to the following address or any subsequent address as may be directed in writing by the DISTRICT.

General Manager/District Engineer

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Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683

19.06 Subcontractors. CONTRACTOR shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor.

19.07 Modification of Insurance Requirements. The insurance requirements provided in this Contract may be modified or waived by the DISTRICT, in writing, upon the request of CONTRACTOR if the DISTRICT determines such modification or waiver is in the best interest of the DISTRICT considering all relevant factors, including exposure to the DISTRICT.

19.08 Rights of Subrogation. All required insurance policies shall preclude any underwriter's rights of recovery or subrogation against the DISTRICT with the express intention of the parties being that the required insurance coverage protects both parties as the primary coverage for any and all losses covered by the above-described insurance. CONTRACTOR shall ensure that any companies issuing insurance to cover the requirements contained in this Contract agree that they shall have no recourse against the DISTRICT for payment or assessments in any form on any policy of insurance. The clauses 'Other Insurance Provisions' and 'Insured Duties in the Event of an Occurrence, Claim or Suit' as it appears in any policy of insurance in which the DISTRICT is named as an additional insured shall not apply to the DISTRICT.

Article 20. Indemnification

20.01 Mutual/Reciprocal Indemnification of DISTRICT. Each of CONTRACTOR and the DISTRICT shall indemnify and hold harmless the other, the other's contractors, and the public officials, officers, directors, employees, agents and other contractors of each of them, from and against any and all claims, costs, losses and damages (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals as well as all Court or other dispute resolution costs), liabilities, expenditures or causes of action of any kind (including negligent, reckless, willful or intentional acts or omissions of the indemnifying party, any subcontractor, any supplier, any person or organization directly or indirectly employed by any of them to perform or furnish any services or anyone for whose acts any of them may be liable), arising from, or caused by the indemnifying party, or an agent or employee of said party in the performance of the services. This indemnity includes but is not limited to claims attributable to bodily injury, sickness, disease or death and to injury or destruction of tangible property.

20.02 CONTRACTOR agrees to protect and defend the DISTRICT with counsel selected by CONTRACTOR and approved by the DISTRICT, to pay all attorneys' fees, and to indemnify and hold the DISTRICT harmless from and against all fines or penalties

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imposed by the California Integrated Waste Management Board if the diversion goals specified in California Public Resources Code Section 41780 as of the date hereof and hereafter throughout are not met by the DISTRICT with respect to the Materials Collected by CONTRACTOR and if the lack in meeting such goals are attributable to the failure of the CONTRACTOR to implement and operate the recycling or diversion programs or undertake the related activities required by this Contract.

20.03 Consideration. It is specifically understood and agreed that the consideration inuring to the CONTRACTOR for the execution of this Contract consists of the promises, payments, covenants, rights and responsibilities contained in this Contract.

20.04 Obligation. The execution of this Contract by the CONTRACTOR shall obligate the CONTRACTOR to comply with the foregoing indemnification provision; however, the collateral obligation of providing insurance must also be complied with as set forth in Article 21 above.

20.05 Subcontractors. The CONTRACTOR shall require all subcontractors to enter into a contract containing the provisions set forth in the preceding subsection in which contract the subcontractor fully indemnifies the DISTRICT in accordance with this Contract.

20.06 Damage by CONTRACTOR. If CONTRACTOR'S employees or subcontractors cause any injury, damage or loss to the DISTRICT property, including but not limited to DISTRICT streets or curbs, CONTRACTOR shall reimburse the DISTRICT for the DISTRICT'S cost of repairing such injury, damage or loss. Such reimbursement is not in derogation of any right of the DISTRICT to be indemnified by CONTRACTOR for any such injury, damage or loss. With the prior written approval of the DISTRICT, CONTRACTOR may repair the damage at CONTRACTORS sole cost and expense.

Article 21. Default of Contract

21.01 Termination for Default. The DISTRICT may cancel this Contract, except as otherwise provided below in this Section, by giving the CONTRACTOR thirty (30) calendar days advance written notice, to be served as provided in Article 37, upon the happening of any one of the following events:

21.01.1 The CONTRACTOR shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy (court) or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the Federal bankruptcy laws or under any other law or statute of the United States or any state thereof, or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

21.01.2 By order or decree of a Court, the CONTRACTOR shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of the stockholders of the CONTRACTOR, seeking its reorganization or the

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readjustment of its indebtedness under the Federal bankruptcy laws or under any law or statute of the United States or of any state thereof, provided that if any such judgment or order is stayed or vacated within sixty (60) calendar days after the entry thereof, any notice of default shall be and become null, void and of no effect; unless such stayed judgment or order is reinstated in which case, said default shall be deemed immediate; or

21.01.2.1 By, or pursuant to, or under the authority of any legislative act, resolution or rule or any order or decree of any Court or governmental board, agency or officer having jurisdiction, a receiver, trustee or liquidator shall take possession or control of all or substantially all of the property of the CONTRACTOR, and such possession or control shall continue in effect for a period of sixty (60) calendar days; or

21.01.3 The CONTRACTOR has defaulted, by failing or refusing to pay in a timely manner the administrative charges or other monies due the DISTRICT and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so; or

21.01.4 The CONTRACTOR has defaulted by allowing any final judgment for the payment of money to stand against it unsatisfied and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so; or

21.01.5 In the event that the monies due the DISTRICT under Section 23.01.3 above or an unsatisfied final judgment under Section 21.01.4 above is the subject of a judicial proceeding, the CONTRACTOR shall not be in default if the sum of money is bonded. All bonds shall be in the form acceptable to the DISTRICT Attorney; or

21.01.6 The CONTRACTOR has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Contract or any of the rules and regulations promulgated by the DISTRICT pursuant thereto or has wrongfully failed or refused to comply with the instructions of the Contract Administrator relative thereto and said default is not cured within thirty (30) calendar days of receipt of written notice by the DISTRICT to do so, or if by reason of the nature of such default, the same cannot be remedied within thirty (30) calendar days following receipt by the CONTRACTOR of written demand from the DISTRICT to do so, the CONTRACTOR fails to commence the remedy of such default within said thirty (30) calendar days following such written notice or having so commenced shall fail thereafter to continue with diligence the curing thereof (with the CONTRACTOR having the burden of proof to demonstrate (a) that the default cannot be cured within thirty (30) calendar days, and (b) that it is proceeding with diligence to cure said default, and such default will be cured within a reasonable period of time). However, notwithstanding anything contained herein to the contrary, for the failure of the CONTRACTOR to provide Collection Services for a period of three (3) consecutive Work Days, the DISTRICT may secure the CONTRACTOR'S records on the fourth (4th) Work Day in order to provide interim Collection services until such time as the matter is resolved and the CONTRACTOR is again able to perform pursuant to this Contract; provided, however,

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if the CONTRACTOR is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease and this Contract may be deemed terminated by the DISTRICT.

21.02 Termination for Habitual Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this Contract under this Article, in the event that the CONTRACTOR'S record of performance show that the CONTRACTOR has frequently, regularly or repetitively defaulted in the material performance of any of the covenants and conditions required herein to be kept and performed by the CONTRACTOR, in the opinion of the DISTRICT and regardless of whether the CONTRACTOR has corrected each individual condition of default, the CONTRACTOR shall be deemed a "habitual violator", shall be deemed to have waived the right to any further notice or grace period to correct, and all of said defaults shall be considered cumulative and collectively shall constitute a condition of irredeemable default. The DISTRICT shall thereupon issue the CONTRACTOR a final warning citing the circumstances therefore, and any single default by the CONTRACTOR of whatever nature, subsequent to the occurrence of the last of said cumulative defaults, shall be grounds for immediate termination of the Contract. In the event of any such subsequent default, the DISTRICT may terminate this Contract upon giving of written final notice to the CONTRACTOR, such cancellation to be effective upon the date specified in the DISTRICT'S written notice to the CONTRACTOR, and all contractual fees due hereunder plus any and all charges and interest shall be payable to said date, and the CONTRACTOR shall have no further rights hereunder. Immediately upon the specified date in such final notice the CONTRACTOR shall proceed to cease any further performance under this Contract.

21.03 Immediate Termination for Bond or Insurance Default. The DISTRICT may terminate this Contract upon written notice to CONTRACTOR in the event CONTRACTOR fails to provide and maintain the performance bond as required by this Contract within seven (7) days of such notice, CONTRACTOR fails to obtain or maintain insurance policies endorsements as required by this Contract, CONTRACTOR fails to provide the proof of insurance as required by this Contract, or CONTRACTOR offers or gives any gift prohibited by the DISTRICT.

21.04 Effective Date of Termination. In the event of Contract termination as provided in sections 21.01, 21.02, or 21.03, and except as otherwise provided in said subsections, termination shall be effective upon the date specified in the DISTRICT'S written notice to the CONTRACTOR and upon said date this Contract shall be deemed immediately terminated and upon such termination all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease, and the DISTRICT shall have the right to call the performance bond and shall be free to negotiate with other contractors for the operation of the herein specified services. The CONTRACTOR for failure to perform shall reimburse the DISTRICT all direct and indirect costs of providing interim Collection Services.

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21.05 Termination Cumulative. The DISTRICT'S right to terminate this Contract is cumulative to any other rights and remedies provided by law or by this Contract.

Article 22. Modifications to the Contract

22.01 Modifications. The DISTRICT shall have the power to make changes in this Contract as the result of changes in law, to impose new rules and regulations on the CONTRACTOR under this Contract relative to the scope and methods of providing Collection Services as shall from time-to-time be necessary and desirable for the public welfare. The DISTRICT shall give the CONTRACTOR notice of any proposed change and an opportunity to be heard concerning those matters. The scope and method of providing Collection Services as referenced herein shall also be liberally construed to include, but is not limited to the manner, procedures, operations and obligations, financial or otherwise, of the CONTRACTOR.

22.02 Change in Law. The DISTRICT and the CONTRACTOR understand and agree that the California Legislature has the authority to make comprehensive changes in Solid Waste Management legislation and that these and other changes in law in the future which mandate certain actions or programs for counties or municipalities may require changes or modifications in some of the terms, conditions or obligations under this Contract. In the event any future change materially alters the obligations of the CONTRACTOR, then the affected Collection Service Rates, as established in Exhibit 1 of this Contract shall be adjusted. Nothing contained in this Contract shall require any party to perform any act or function contrary to law. The DISTRICT and CONTRACTOR agree to enter into good faith negotiations regarding modifications to this Contract which may be required in order to implement changes in the interest of the public welfare or due to change in law. When such modifications are made to this Contract, the DISTRICT and the CONTRACTOR shall negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of the CONTRACTOR due to any modification in the Contract under this Article. The DISTRICT and the CONTRACTOR shall not unreasonably withhold agreement to such compensation adjustment.



Article 23. Legal Representation

23.01 Acknowledgement. It is acknowledged that each party was, or had the opportunity to be, represented by counsel in the preparation of and contributed equally to the terms and conditions of this Contract and, accordingly, the rule that a contract shall be interpreted strictly against the party preparing the same shall not apply herein due to the joint contributions of both parties.

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Article 24. Financial Interest

24.01 Representation. CONTRACTOR warrants and represents that no elected official, officer, agent or employee of the DISTRICT has a financial interest, directly or indirectly, in this Contract or the compensation to be paid under it and, further, that no DISTRICT employee who acts in the DISTRICT as a “purchasing agent” as defined in the appropriate Section of California Statutes, nor any elected or appointed officer of the DISTRICT, nor any spouse or child of such purchasing agent, employee or elected or appointed officer, is a partner, officer, director or proprietor of the CONTRACTOR and, further, that no such DISTRICT employee, purchasing agent, DISTRICT elected or appointed officer, or the spouse or child of any of them, alone or in combination, has a material interest in the CONTRACTOR. Material interest means direct or indirect ownership of more than three percent (3%) of the total assets or capital stock of the CONTRACTOR.

Article 25. Contractor’s Personnel

25.01 Personnel Requirements. The CONTRACTOR shall employ and assign qualified personnel to perform all services set forth herein. The CONTRACTOR shall be responsible for ensuring that its employees comply with all applicable laws and regulations and meet all federal, state and local requirements related to their employment and position.

25.01.1 The DISTRICT may request the transfer of any employee of the CONTRACTOR who materially violates any provision hereof, or who is wanton, negligent, or discourteous in the performance of his duties.

25.01.2 CONTRACTOR’S field operations personnel shall be required to wear a clean uniform shirt bearing the CONTRACTOR’S name. CONTRACTOR’S employees, who normally come into direct contact with the public, including drivers, shall bear some means of individual photographic identification such as a name tag or identification card.

25.01.3 Each driver of a Collection vehicle shall at all times carry a valid California driver’s license and all other required licenses for the type of vehicle that is being operated.

25.01.4 Each driver of a Collection vehicle shall at all times comply with all applicable state and federal laws, regulations and requirements.

25.01.5 CONTRACTOR’S employees, officers, and agents shall at no time be allowed to identify themselves or in any way represent themselves as being employees of the DISTRICT.

25.01.6 The CONTRACTOR’S name and the Customer Service telephone number shall be properly displayed on all Collection vehicles.

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Article 26. Exempt Waste

26.01 The CONTRACTOR shall not be required to Collect or dispose of Exempt Waste, but may offer such services. All such Collection and disposal of Exempt Waste is not regulated under this Contract, but if provided by the CONTRACTOR shall be in strict compliance with all federal, state and local laws and regulations. If CONTRACTOR decides at its sole discretion to offer such services, said services are outside the scope of this Contract and at the sole risk of CONTRACTOR.

Article 27. Independent Contractor

27.01 In the performance of services pursuant to this Contract, CONTRACTOR shall be an independent contractor and not an officer, agent, servant or employee of the DISTRICT. CONTRACTOR shall have exclusive control of the details of the services and work performed and over all persons performing such services and work. CONTRACTOR shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors, if any. Neither CONTRACTOR nor its officers, employees, agents, contractors or subcontractors shall obtain any right to retirement benefits, Workers Compensation benefits, or any other benefits which accrued to DISTRICT employees and CONTRACTOR expressly waives any claim it may have or acquire to such benefits.

Article 28. Laws to Govern

28.01 The law of the State of California shall govern the rights, obligations, duties and liabilities of the DISTRICT and CONTRACTOR under this Contract and shall govern the interpretation of this Contract.

Article 29. Consent to Jurisdiction

29.01 The parties agree that any litigation between the DISTRICT and CONTRACTOR concerning or arising out of this Contract shall be filed and maintained exclusively in the Superior Courts of Sacramento County, State of California, or in the United States DISTRICT Court for the Eastern DISTRICT of California to the fullest extent permissible by law. Each party consents to service of process in any manner authorized by California law.

Article 30. Assignment

30.01 No assignment of this Contract or any right occurring under this Contract shall be made in whole or in part by the CONTRACTOR without the express written consent of the DISTRICT, which shall not be unreasonably withheld. CONTRACTOR shall provide information to DISTRICT's satisfaction showing the qualifications, equipment, and financial capabilities necessary for the proposed assignee to successfully complete this Contract.

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Any assignment of this Contract made by the CONTRACTOR without the express written consent of the DISTRICT shall be null and void and shall be grounds for the DISTRICT to declare a default of this Contract and immediately terminate this Contract by giving written notice to the CONTRACTOR, and upon the date of such notice this Contract shall be deemed immediately terminated, and upon such termination all liability of the DISTRICT under this Contract to the CONTRACTOR shall cease, and the DISTRICT shall have the right to call the performance bond and shall be free to negotiate with other contractors, the CONTRACTOR, or any other person or company for the service which is the subject of this Contract. In the event of any assignment, the assignee shall fully assume all the liabilities of the CONTRACTOR.

30.02 The use of a subcontractor to perform services under this Contract shall not constitute delegation of CONTRACTOR'S duties provided that CONTRACTOR has received prior written authorization from the Contract Administrator to subcontract such services and the Contract Administrator has approved a subcontractor who will perform such services. CONTRACTOR shall be responsible for the satisfactory completion of any work performed by CONTRACTOR'S subcontractors and any compensation due or payable to CONTRACTOR'S subcontractor shall be the sole responsibility of CONTRACTOR. The Contract Administrator shall have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in Exhibit 6, which is attached to and incorporated in this Contract, are hereby approved by the DISTRICT.

Article 31. Compliance with Laws

31.01 In the performance of this Contract, CONTRACTOR shall comply with all applicable laws, regulations, ordinances and codes of the federal, state and local governments, including without limitation those of the DISTRICT.

31.02 The DISTRICT shall provide written notice to CONTRACTOR of any planned amendment to applicable laws, regulations, ordinances and codes of the DISTRICT that would substantially affect the performance of CONTRACTOR'S services pursuant to this Contract. Such notice shall be provided at least thirty (30) calendar days prior to the DISTRICT'S approval of such an amendment.

Article 32. Permits and Licenses

32.01 CONTRACTOR shall obtain, at its own expense, all permits and licenses required by law or ordinance and maintain same in full force and effect throughout the term of this Contract. CONTRACTOR shall provide proof of such permits, licenses or approvals and shall demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the Contract Administrator.

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Article 33. Ownership of Written Materials

33.01 All reports, documents, brochures, public education materials, and other written, printed, electronic or photographic materials developed by the DISTRICT or CONTRACTOR exclusively for the services to be performed under this Contract, whether developed directly or indirectly by the DISTRICT or CONTRACTOR shall be and shall remain the property of the DISTRICT without limitation or restrictions on the use of such materials by the DISTRICT. CONTRACTOR shall not use such materials in connection with any project not connected with this Contract without the prior written consent of the Contract Administrator. This Article 33 does not apply to ideas or concepts described in such materials and do not apply to the format of such materials.

Article 34. Waiver

34.01 Waiver by the DISTRICT or CONTRACTOR of any breach for violation of any term covenant or condition of this Contract shall not be deemed to be a waiver of any other term, covenant or condition or any subsequent breach or violation of the same or of any other term, covenant or condition. The subsequent acceptance by the DISTRICT of any fee, tax, or any other monies which may become due from CONTRACTOR to the DISTRICT shall not be deemed to be a waiver by the DISTRICT of any breach for violation of any term, covenant or condition of this Contract.

Article 35. Prohibition Against Gifts

35.01 CONTRACTOR represents that CONTRACTOR is familiar with the DISTRICT'S prohibition against the acceptance of any gift by a DISTRICT officer or designated employee. CONTRACTOR shall not offer any DISTRICT officer or designated employee any gifts prohibited by the DISTRICT.

Article 36. Point of Contact

36.01 The day-to-day dealings between the CONTRACTOR and the DISTRICT shall be between the CONTRACTOR and the Contract Administrator.

Article 37. Notices

37.01 Except as provided herein, whenever either party desires to give notice to the other, it must be given by written notice addressed to the party for whom it is intended, at the place last specified and to the place for giving of notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective persons and places for giving of notice:

As to the DISTRICT:

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Contract Administrator
General Manager/District Engineer
Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683
Telephone: (916) 354-3700
Fax: (916) 354-2082

As to the CONTRACTOR:
David Vaccarezza, Owner
California Waste Recovery Systems, LLC
175 Enterprise Court
Galt, CA 95632
Telephone: (916) 354-4154
Fax: (209) 369-2703

37.02 Notices shall be effective when received at the address as specified above. Changes in the respective address to which such notice is to be directed may be made by written notice. Facsimile transmission is acceptable notice, effective when received, however, facsimile transmissions received (i.e. printed) after 4:30 p.m. or on weekends or holidays, will be deemed received on the next business day. The original of items that are transmitted by facsimile equipment must also be mailed as required herein.

37.03 Notice by the DISTRICT to CONTRACTOR of a Collection or other Service Recipient problem or complaint may be given to CONTRACTOR orally by telephone at CONTRACTOR'S local office with confirmation sent to CONTRACTOR through the Customer Service System by the end of the Work Day.

Article 38. Transition to Next Contractor

38.01 In the event CONTRACTOR is not awarded a Contract to continue to provide Collection Services following the expiration or early termination of this Contract, CONTRACTOR shall cooperate fully with the DISTRICT and any subsequent contractors to assure a smooth transition of services described in this Contract. Such cooperation shall include but not be limited to transfer of computer data, files and tapes; providing routing information, route maps, vehicle fleet information, and list of Service Recipients; providing a complete inventory of all carts and bins; providing adequate labor and equipment to complete performance of all Collection Services required under this Contract; taking all actions necessary to transfer ownership of carts and bins, as appropriate, to the DISTRICT; including transporting such containers to a location designated by the Contract Administrator; coordinating Collection of materials set out in new containers if new containers are provided for a subsequent Contract and providing other reports and data required by this Contract.

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Article 39. Contractor's Records

39.01 CONTRACTOR shall maintain any and all letters, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Service Recipients for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to CONTRACTOR pursuant to this Contract.

39.02 CONTRACTOR shall maintain all documents and records which demonstrate performance under this Contract for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this Contract.

39.03 Any records or documents required to be maintained pursuant to this Contract shall be made available for inspection or audit, at any time during regular business hours, upon written request by the Contract Administrator, the DISTRICT Attorney, DISTRICT Auditor, DISTRICT General Manager/DISTRICT Engineer, or a designated representative of any of these officers. Copies of such documents shall be provided to the DISTRICT for inspection at the DISTRICT offices when it is practical to do so. Otherwise, unless an alternative site is mutually agreed upon, the records shall be available at CONTRACTOR'S address indicated for receipt of notices in this Contract.

39.04 Where the DISTRICT has reason to believe that such records or documents may be lost or discarded due to the dissolution, disbandment or termination of CONTRACTOR'S business, the DISTRICT may, by written request or demand of any of the above named officers, require that custody of the records be given to the DISTRICT and that the records and documents be maintained in the DISTRICT Administrative Office. Access to such records and documents shall be granted to any party authorized by CONTRACTOR, CONTRACTOR'S representatives, or CONTRACTOR'S successor-in-interest.

Article 40. Entire Contract

40.01 This Contract and the Exhibits attached hereto constitute the entire Contract and understanding between the parties hereto, and it shall not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties hereto. Any prior oral or written discussions, communications, or understandings between the parties shall be of no legal effect unless specifically incorporated in this written Contract and/or addendums thereto.

Article 41. Severability

41.01 If any provision of this Contract or the application of it to any person or situation shall to any extent be held invalid or unenforceable, the remainder of this Contract

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and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected, shall continue in full force and effect, and shall be enforced to the fullest extent permitted by law.

Article 42. Right to Require Performance

42.01 The failure of the DISTRICT at any time to require performance by the CONTRACTOR of any provision hereof shall in no way affect the right of the DISTRICT thereafter to enforce same. Nor shall waiver by the DISTRICT of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

Article 43. All Prior Contracts Superseded

43.01 This document incorporates and includes all prior negotiations, correspondence, conversations, Contracts and understandings applicable to the matters contained in this Contract and the parties agree that there are no commitments, Contracts or understandings concerning the subject matter of this Contract that are not contained in this document. Accordingly, it is agreed that no deviation from the terms of this Contract shall be predicated upon any prior representations or Contracts, whether oral or written.

Article 44. Headings

44.01 Headings in this document are for convenience of reference only and are not to be considered in any interpretation of this Contract.

Article 45. Exhibits

45.01 Each Exhibit referred to in this Contract forms an essential part of this Contract. Each such Exhibit is a part of this Contract and each is incorporated by this reference.

Article 46. Effective Date

46.01 This Contract shall become effective at such time as it is properly executed by the DISTRICT and the CONTRACTOR and the CONTRACTOR shall begin Services, as covered herein, as of January 1, 2023.

IN WITNESS WHEREOF, the DISTRICT and the CONTRACTOR have executed this Contract on the respective date(s) below each signature.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

CONTRACTOR

By: _____
Signature

By: _____
Signature

Title: _____

Title:
David Vaccarezza, President
CWR Industries, Inc.
Managing Member of California Waste
Recovery Systems, LLC

Date: _____

Date: _____

APPROVED AS TO FORM

By: _____
Signature

Title: DISTRICT's Counsel

Date: _____

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APPROVED RATE SHEET

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Rancho Murieta
CSD

Exhibit 1

CONTRACTOR COLLECTION SERVICE RATES

EFFECTIVE 01/01/2023

COLLECTION SERVICES - Rates include weekly gray trash service, weekly 95-gallon green organics waste collection and bi-weekly 95-gallon blue recyclables collection and are based upon gray trash cart size selected.

Beginning July 1, 2023, rates will be adjusted annually according to the provisions of Section 4.02, plus the phased-in adjustments for weekly organics collection, as shown below on July 1, 2023 and July 1 2024. Thereafter, adjustments per Section 4.02 will apply.

Trash Cart Size	Monthly Rates; 1/1/23 - 6/30/23	Phased organics collection rate added to the new Collection Service Rates After Section 4.02 CPI adjustment 7/1/23 - 6/30/24	Phased organics collection rate added to the new Collection Service Rates After Section 4.02 CPI adjustment 7/1/24 - 6/30/25
35 Gallon Gray Cart	\$25.98	\$3.75	\$3.50
65 Gallon Gray Cart	\$31.92	\$3.75	\$3.50
95 Gallon Gray Cart	\$53.34	\$3.75	\$3.50

B. ADDITIONAL CARTS

1	Gray Garbage Cart Sizes (gallons)	35	65	95
2	MONTHLY COST FOR EACH ADDITIONAL GRAY GARBAGE CART	\$9.06	\$12.08	\$27.76
3	MONTHLY COST FOR EACH ADDITIONAL BLUE RECYCLING CART IN EXCESS OF ONE (1) BLUE RECYCLING CART	N/A	N/A	\$7.47

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4	MONTHLY COST FOR EACH ADDITIONAL GREEN ORGANICS WASTE CART IN EXCESS OF TWO (2) GREEN ORGANIC WASTE CARTS	N/A	N/A	\$7.47
C. ADDITIONAL LARGE ITEM COLLECTION SERVICE RATE (ON-CALL)				
1	Additional Large Item Size	1 Cu. Yd.		
2	Large Item Collection Rate	\$74.00		
D. LARGE ITEM CONTAINING FREON COLLECTION SERVICE RATE (ON-CALL)				
1	Additional Cost Per Large Item Containing Freon	\$53.50		
E. EXCESS CART EXCHANGE SERVICE RATE (Each occurrence)				
1	Garbage Cart Sizes (gallons)	35	65	95
2	Excess Cart Delivery Service Rate	\$20.58		
F. EMERGENCY SERVICE RATES				
1	Laborer (per hour)	\$50.57		
2	Automated truck with driver (per hour)	\$133.06		
3	Front loader truck with driver (per hour)	\$125.67		
4	Roll off truck with driver (per hour)	\$125.67		
5	Foreman and pickup (per hour)	\$73.91		
6	Transfer truck and trailer with driver (per hour)	\$133.06		
G. EXTRAS/SPECIAL RATES FOR DUMPING TRASH CARTS				
1	Garbage Cart Sizes (gallons)	35	65	95
2	Rate for Dumping Extra/Special Trash Cart per Occurrence	\$8.27	\$13.94	\$20.91

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EXHIBIT 2

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EXHIBIT 2
RATE ADJUSTMENT METHODOLOGY

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EXHIBIT 3

PERFORMANCE BOND

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RLI Insurance Company
Renewable Performance Bond
BOND#

KNOW ALL MEN BY THESE PRESENTS: That _____
located at _____ (hereinafter called the
Principal), and **RLI Insurance Company** (hereinafter called the Surety), are held and firmly
bound unto _____ located at _____
(hereinafter called the Obligee), in the full and just sum of _____ Dollars (\$ _____),
the payment of which sum, well and truly to be made, the said Principal and Surety bind
themselves, and each of their heirs, administrators, executors, and assigns, jointly and severally,
firmly by these presents.

WHEREAS, the Principal and Obligee have entered into a written Contract dated the
_____ day of _____ with the Obligee for _____

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that if,
during the effective period of this bond, the Principal shall well and truly perform each and every
obligation in said Contract at the time and in the manner specified, and shall reimburse said
Obligee for any loss which said Obligee may sustain by reason of default on the part of said
Principal, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is subject to the following conditions:

1. This bond is for the term beginning _____ and ending _____
2. In the event of default by the Principal, Obligee shall deliver concurrently to the
Surety its notice of default to the Principal, along with a written statement of the
facts of such default, which shall be sent to the Surety by overnight courier at the
address stated in section 9 below. The Surety shall have the right and opportunity,
at its sole discretion and within thirty (30) days after its receipt of said notice of
default, to: a) cure the default; b) assume the remainder of the Contract and to
perform or sublet the same; or, c) tender to the Obligee funds sufficient to pay
actual excess costs of performance which occurred during the effective period
of this bond, not to exceed the penal sum of this bond. In no event shall the
Surety be liable for fines, penalties, liquidated damages, or forfeitures assessed
against the Principal.
3. No claim, action, suit or proceeding shall be had or maintained against the Surety
on this instrument unless the same be brought or instituted upon the Surety
within six (6) months of the expiration date of this bond, the cancellation date of
this bond, or the last effective day of the Contract, whichever occurs first.

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4. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrator or successors of Obligee.
5. The aggregate liability of the Surety is limited to the penal sum stated herein regardless of the number or amount of claims brought against this bond and regardless of the number of years this bond remains in force.
6. This bond may be cancelled by the Surety at any time provided notice is sent to the Obligee at its above address by certified mail at least thirty (30) days prior to the effective date of such cancellation.
7. The bond may be renewed for additional terms at the option of the Surety, by continuation certificate executed by the Surety. Neither non-renewal nor cancellation by the Surety, nor the failure or inability of the Principal to file a replacement bond shall constitute a loss to the Obligee recoverable under this bond.
8. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this bond and as described in the underlying Contract, then the terms of this bond shall prevail.
9. This bond shall not bind the Surety unless the bond is accepted by the Obligee. If the Obligee objects to any language contained herein, then within thirty (30) days of the date this bond is signed and sealed by the Surety, Obligee shall return this bond by overnight courier to the Surety at its following address:

RLI Commercial Surety
 9025 N. Lindbergh Drive
 Peoria, IL 61615

Failure to return the bond as described above shall constitute Obligee's acceptance of the terms and conditions herein.

Signed and sealed this ____ day of _____

PRINCIPAL:

_____ (seal)

(Name & Title)

SURETY:

RLI Insurance Company (seal)

_____. Attorney-in-Fact

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EXHIBIT 4
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Exhibit 5

RESERVED

None

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Exhibit 6

LIST OF APPROVED SUBCONTRACTORS

None

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Exhibit 7

SB 1383 REQUIREMENTS

A. SB 1383 ADMINISTRATION, EDUCATION, AND OUTREACH

1. Program Administration

- a. CONTRACTOR shall designate a SB 1383 Program Administrator to oversee the SB 1383 Program including the activities of administration, public outreach, compliance monitoring, enforcement coordination and reporting.
- b. CONTRACTOR shall designate its SB 1383 Program Administrator not later than January 1, 2023.
- c. The SB 1383 Program Administrator will be CONTRACTOR's primary public education and outreach representative, virtually or in-person, with community organizations and at special events. CONTRACTOR's SB 1383 Program Administrator shall participate with DISTRICT in educational/informational events as mutually agreed.

2. Outreach and Education

Outreach to Residential Customers will occur in the following manner.

- a. Recycling Guide. CONTRACTOR shall create, submit to the DISTRICT for approval, edit, print and distribute a Recycling Guide with each green Cart delivered. CONTRACTOR shall also direct mail a Recycling Guide to each existing Residential Customer and to new Customers upon delivery of carts.
- b. Community Outreach. CONTRACTOR's SB 1383 Program Administrator will be CONTRACTOR's primary public outreach and education representative, virtually or in-person, for community organizations.
- c. Written Outreach. Written outreach (by hard copy or electronic copy) shall consist primarily of the following: articles, recycling guides, and webpages.
- d. Monthly Articles. CONTRACTOR shall assist the DISTRICT in keeping Customers informed about Solid Waste programs, services, and events through the provision of articles to be printed in monthly newsletters issued by the DISTRICT.
- e. SB 1383 Recycling Guides. The CONTRACTOR shall design and prepare an SB 1383 recycling guide for the following distribution methods:
 - **Commencement of Program**. With the initial distribution of green Carts to Residential customers who do not currently use green cart Collection Service, CONTRACTOR shall distribute an SB 1383 recycling guide as part of the delivery of each Cart. Simultaneous with the distribution of green Carts, CONTRACTOR shall also mail or electronically distribute an SB 1383 recycling guide to each existing green Cart Customer.

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- **Annual Distribution.** Annually after the initial distribution, the CONTRACTOR shall include the SB 1383 educational information within the Annual Collection Service Notice as described in Article 12 of this Contract.
- f. **Webpage.** CONTRACTOR shall maintain webpages on its website with current information regarding the recycling programs with active links to CalRecycle and DISTRICT’s office webpages. Customers may also access CONTRACTOR information utilizing their third-party application.

B. SB 1383 COLLECTION SERVICE COMPLIANCE

1. Cart Colors, Identification, and Labels

All Carts provided to Customers by CONTRACTOR shall be of the proper color with identification of purpose and labeling complying with the requirements of SB 1383. Cart colors, identification, and labels shall be approved by DISTRICT.

DISTRICT acknowledges that existing Carts provided to Customers do not meet the requirements of SB 1383 for color and labeling and DISTRICT hereby authorizes CONTRACTOR to transition from non-compliant to compliant Carts as part of its on-going replacement of aged-out Carts as provided for by CalRecycle Regulations. For Carts already in service, CONTRACTOR shall affix compliant labeling stickers as soon as reasonably possible.

DISTRICT and CONTRACTOR will cooperate on the use of QR Codes in labels to enable residents to access a mobile device application to access updated lists of accepted materials and special information and messages related to recycling and organic waste recycling.

2. SB 1383 ACCEPTED MATERIALS

CONTRACTOR shall collect the Accepted Materials listed below for the Residential Recycling Program and the Residential Organic Waste Recycling program. The presence of Prohibited Materials may result in extra charges in accordance with the approved Rate Schedule and/or enforcement actions by DISTRICT.

RESIDENTIAL NON-ORGANIC RECYCLING PROGRAM		
Category	Accepted Materials	Prohibited Materials
Cardboard (OCC)	Clean, uncoated & flattened cardboard	Soiled cardboard, Wax-coated cardboard
Paper	Cereal boxes, envelopes, file folders, frozen food boxes, junk mail, magazines, mixed paper, office paper, newspaper, telephone books, white paper	Facial tissue
Plastics	ID codes & common products: #1 PET – soda water bottles, cups, jars, trays & clamshells #2 HDPE – milk jugs, detergent & shampoo bottles, flowerpots, grocery bags	Rigid plastic toys, Plastic furniture, Cling wrap for food, Frozen food bags, #6 PS – to go containers hot cups, shipping cushion. #7 Other – polycarbonate, Lexan, CDs, ABS, Garden hoses

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	<p>#3 PVC – cleaning supply jugs, pool liners, twine, sheeting, automotive product bottles</p> <p>#4 LDPE – bread bags, paper towel & tissue overwrap, squeeze bottles, trash bags, six-pack rings</p> <p>#5 PP – yogurt tubs, cups, juice bottles, straws, hangers, sand & shipping bags</p>	
Metal	Aluminum cans, Aluminum foil, Empty aerosol cans, Pie tins, Tin, steel, bi-metal cans	Coat hangers
Glass	Jars, Bottles	Light bulbs, Mirrors, Window glass, Ceramics, Dishes
Other		Green waste, Food waste, C&D, Electronic waste, Animal waste, Diapers, Hazardous waste

RESIDENTIAL ORGANIC WASTE RECYCLING PROGRAM		
Category	Accepted Materials	Prohibited Materials
Green Waste	<p>Grass clippings, leaves, weeds, prunings, flowers,</p> <p>Wood waste & lumber (untreated & unpainted)</p> <p>Other yard waste</p>	<p>stumps, soil, pressure-treated wood, painted wood, wood with foreign objects (nails, screws, brackets, etc.), glass, metal, plastic-coated or wax-coated cardboard, any material too large for container, palm fronds, soiled cardboard</p>
Food Waste	<p><u>Bagged food waste ONLY</u></p> <p>Fruits & vegetables, dairy products & bread, cooked meat & seafood (including bones & shells), coffee grounds & filters (except K-pods), food soiled paper products, food-soiled cardboard products, fiber-based & certified compostable foodware</p>	<p>Raw meat & seafood, rubber bands, twist ties, plastic & non-certified compostable food containers & foodware, Recyclables (plastic, glass, metal), K-pods</p>
Other		Hazardous waste, Non-organic waste

3. Changes to Accepted Materials

CONTRACTOR may update the list of Accepted Materials to reflect changes in markets, recyclability of materials, or acceptance by processor by giving sixty (60) day advance written notice to DISTRICT and thirty (30) day advance written notice to Residential Customers.

The advance notice to Residential Customers may be made through the CONTRACTOR's quarterly newsletter. Any changes in the list of Accepted Materials shall also be accompanied by either a new Container label or a sticker affixed by CONTRACTOR to existing Container labels which clearly indicates the updated listing of materials accepted and not accepted.

Any changes in the list of Accepted Materials shall also be accompanied by either a new Container label or a graphic sticker affixed by CONTRACTOR to Containers which clearly indicate the updated listing of materials accepted and not accepted, or through the use of a Quick Response Code (QR Code) affixed by CONTRACTOR to Containers from which Commercial Customers can access the updated listing of materials accepted and not accepted using a smart phone or tablet.

C. OBSERVED CONTAMINATION

If CONTRACTOR's Collection driver or other representative encounters a Container with noticeable contaminants, the driver or representative shall:

- Photograph the Container's contents.
- Report the service address to CONTRACTOR's dispatch office by electronic tablet or by radio or phone.
- Leave the Container uncollected for later collection as disposed waste.

CONTRACTOR shall notify the Customer of the condition by telephone or electronic mail and advise Customer of the need to remove the contaminates for proper recycling or disposal.

A report of observed contamination shall be reported to DISTRICT electronically or in writing.

1. Uncollected Containers

Blue or Green Containers uncollected by CONTRACTOR due to contamination shall be collected for disposal as Gray Container Solid Waste. Containers identified with contamination before noon shall be collected for disposal the same day, while Containers identified with contamination after noon shall be collected for disposal the following workday. Containers with contamination collected as Refuse shall be subject to the return trip charge specified in the approved Rate Schedule except that return trip charge shall be waived as courtesy for a Customer's first offence.

D. CONTAMINATION MONITORING AND HAULER ROUTE REVIEWS

1. Written Work Plan

Within thirty (30) days following the Effective Date of the Contract and prior to January 1 of each subsequent year, CONTRACTOR shall provide DISTRICT with a written schedule for the calendar year for performing Hauler Route reviews and Waste Evaluations. During the course of a calendar year, CONTRACTOR may amend the schedule by providing DISTRICT with a revised written schedule.

2. Contamination Monitoring Program

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DISTRICT has elected to utilize the Three-Container Organic Waste Collection Service as described in SB 1383 Regulation Section 18984.1 as its approach to Standard Collection Service for Residential collections.

SB 1383 Regulation Section 18984.5 requires that DISTRICT monitor Containers for contamination.

CONTRACTOR shall perform contamination monitoring of its Residential services.

- a. Residential Contamination Monitoring. CONTRACTOR's Residential contamination monitoring shall consist of Hauler Route reviews and Waste Evaluations.

Residential Hauler Route reviews entail visual inspections of select individual Residential Containers for contamination and are intended to satisfy the SB 1383 contamination monitoring requirement (Section 18984.5(b)).

Residential Waste Evaluations entail physical inspections of samplings taken from truckloads of Gray Container waste to determine the amount of Accepted Materials present and are intended to provide DISTRICT with a means of monitoring diversion progress and the effectiveness of public education and outreach efforts.

Following the end of each calendar year, the Parties shall meet to evaluate the contamination monitoring program.

3. Hauler Route reviews

Hauler Route review means monitoring select Customer Containers for contamination and entails:

- A visual inspection for the presence of prohibited materials in each Gray, Blue, or Green Container used by an individual Customer;
- That are available for collection on Customer's regular collection day;
- Where the Customer is part of a sample population selected at random;
- From each of CONTRACTOR's Gray Container daily routes.

For each Gray Container selected for inspection, every Container will be inspected as part of the work.

- a. Visual Inspection. A "visual inspection" entails scrutinizing the contents of Containers by CONTRACTOR's representative for the obvious presence of Prohibited Materials (which may involve probing the contents with a poker but does not mean the opening of bags or boxes within the Container, nor the removal of the contents of the Container to perform the inspection).
- b. Inspection Schedule. CONTRACTOR's Hauler Route review inspections of Containers on an individual route shall be conducted on the same day, however, visual inspections for different routes need not be conducted on the same day or even in the same week.
- c. Sample Selection. Customers chosen to be part of a sample population for Hauler Route review inspection shall be selected at random by route.
- d. Inspection Day & Sample Size. Residential Hauler Route review inspections shall occur on the day of collection. If any of the Containers of a Customer have been

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collected prior to inspection, the inspector will move on to the next Customer on the target list.

To maintain the target sample size, the number of randomly selected accounts to be sampled on a route will be tripled so that the target sample size can still be achieved even if some accounts are not inspected because one or more Containers of an account have already been collected.

Once CONTRACTOR's inspector has performed the required number of inspections on a route or exhausted the list of randomly selected accounts, inspections for that route shall be determined as concluded.

- e. Hauler Route review Procedures. When conducting a visual inspection as a part of a Residential or Commercial Hauler Route review, CONTRACTOR's inspector shall perform the following procedures with the intent of determining if any Prohibited Material is present:
1. Confirm the service address;
 2. Record the Customer's subscribed number and size of Containers by type (gray, blue, or green);
 3. Record the number and size of Containers by type (gray, blue, or green) available for inspection;
 4. Open the lid of each Container;
 5. Inspect the contents of each Container for the presence of any Prohibited Materials visible to the inspector (which may involve probing the contents with a poker, but does not mean the removal of the contents of the Container to perform the inspection; if waste is bagged, inspector will slash open the top one or two bags and probe the contents);
 6. Make a finding of either: "PASS" (meaning that no Prohibited Materials were observed), or "FAIL" (meaning that some Prohibited Materials were observed);
 7. Record the finding for each Container;
 8. Attach a PASS or a FAIL notice to each Container.
- f. Post-Inspection Notices. All post-inspection notices shall include a message advising the Customer that the inspection was performed as required by State Regulations solely for the purpose of minimizing Prohibited Materials in Containers and shall contain the date of inspection and identification of the inspector.
- PASS notices shall carry a positive message congratulating the Customer on their environmental awareness and participation.
 - FAIL notices shall identify the Prohibited Material(s) found and direct the Customer to the DISTRICT's and CONTRACTOR's websites for more information regarding correct recycling practices.

The form and content of post-inspection notices shall be approved by the DISTRICT in advance of their use.

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4. Contamination Monitoring Reporting

- a. Hauler Route Review Reports. CONTRACTOR shall maintain a record of each Route Review inspection including the date of inspection, Customer name, service address, Container description (including type, size, and number), PASS or FAIL finding, notification made, if any, and recommended follow-up action, if any.

For Containers with excessive amounts of Prohibited Waste, the record shall include a photographic record of the inspection and a copy of written notification to the Customer.

- b. Monthly Report. Monthly, CONTRACTOR shall provide DISTRICT summary of inspections performed. Records of individual inspections shall be maintained and available for inspection by the DISTRICT.
- c. Annual Report. Within thirty (30) days of completing the Residential Hauler Route reviews for the calendar year, CONTRACTOR shall submit a report to the DISTRICT which shall summarize the overall findings by Container type, summarize the findings by Container type by daily route, provide a listing of each account inspected organized by route, and indicating the finding for each Container by type for that Customer.
- d. Waste Evaluation Reports. Within thirty (30) days of completing Waste Evaluations for the calendar year, CONTRACTOR shall submit a report to the DISTRICT describing the procedures, dates, routes evaluated, and the amounts of Prohibited Materials expressed as a percentage of the total weight of the samples.
- e. Outreach and Education by DISTRICT. As a follow-up to CONTRACTOR's reports of Hauler Route reviews, DISTRICT shall perform outreach and education to individual Residential generators that acknowledges Customers achieving a PASS rating and educates Customers receiving a FAIL rating.

E. ADDITIONAL SB 1383 REQUIREMENTS

1. Recovered Organic Products

- a. Recovered Organic Product Giveaway. In conjunction with the Community Clean-Up Drop-Off Event, CONTRACTOR shall provide up to 40-cubic yards of bulk compost or bulk mulch for distribution to DISTRICT Residents who shall be allowed to fill containers that they provide on a first-come, first serve basis at no cost. Any compost and/or mulch remaining after the event shall be utilized by DISTRICT at a site designated by DISTRICT.
- b. Recovered Organic Product Usage. CONTRACTOR shall report to DISTRICT any recovered organic products used by CONTRACTOR in its operation including bulk material or recovered biogas.

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MEMORANDUM

Date: October 27, 2022
To: Finance Committee
From: Paula O'Keefe, Director of Administration
Subject: Utility Billing Updates

Recommendation

Staff are requesting the Finance Committee provide direction with refunds/collections for utility billing.

Background

As reported last month to the Committee, staff found and corrected several errors found in over 90 residential accounts. Staff have reviewed the past due balances for the residents in question and have found slightly over \$48,300 in billing errors. Many of these errors were created during the "move in/move out" process and resulted in the District undercharging residents for specific flat rate charges in the solid waste, sewer, security and drainage fees in FY 2020-21, FY 2021-22 and FY 2022-23. Of this amount, the District owes a handful of residents refunds totaling nearly \$1,600 for overcharging trash beginning in FY 2020-21. Approximately \$29,000 is in relation to the Trash Surcharge fee that went from \$1.30 to \$2.00 in FY 2021-22. However, this flat charge, while set up correctly, did not automatically update in nearly all of the residential accounts. This is approximately 2/3 of the amount due to the District. The remaining inaccuracies are related to manual amounts charged, flat fees charged in lieu of the correct fees and fees not included when setting up the residential account. The lowest amount due to the District by a single residential account is \$0.91 for an incorrectly applied extra recycling charge, while the largest amount due is \$3,027 for a resident who was not charged for several flat charges for the entire life of the account (this amount only goes back three years).

Previously, the General Manager worked with the District's attorney who provided information regarding Revenue and Tax Code that allows the District to go back as far as four years to collect (or refund) outstanding amounts relating to both Measure J and K, however the three-year bar is the general rule for liabilities based on statute. Most agencies have policies that allow for three years' worth to both collect a debt and refund overpayments.

The District would like the Finance Committee to make the determination on how far back the District will go to collect/refund outstanding balances. Once the Finance Committee provides clear direction, District staff will work with the District's attorney to update policies to the Finance Committee for approval to move forward to the Board for introduction and approval. After the policy has been adopted by the Board, District staff will begin reaching out to the affected residents to explain the corrections and the impact they will have on their bills.