

City of Santa Paula

City Council

MAYOR JENNY CROSSWHITE
VICE MAYOR ANDY SOBEL
COUNCILMEMBER RICHARD ARAIZA
COUNCILMEMBER CARLOS JUAREZ
COUNCILMEMBER LESLIE CORNEJO



CITY COUNCIL REGULAR MEETING OF THE SANTA PAULA CITY COUNCIL

WEDNESDAY, JUNE 1, 2022

6:30 PM - City Council Regular Meeting

SANTA PAULA CITY HALL
970 VENTURA STREET
SANTA PAULA, CA 93060

JULIE LATSHAW, CITY CLERK
DAN SINGER, CITY MANAGER
JOHN C. COTTI, CITY ATTORNEY

BRINGING ITEMS BEFORE THE CITY COUNCIL

You are invited to participate in all Regular City Council meetings. Agendas are posted in the front of Santa Paula City Hall, 970 Ventura Street, Santa Paula, 72 hours in advance of the scheduled meetings. The City Council's regular meetings start at 6:30 p.m. the first and third Wednesday of each month in the City Hall Council Chambers located at 970 Ventura Street in Santa Paula.

HOW TO PARTICIPATE IN PERSON DURING THE MEETING: If you wish to speak at a City Council meeting, please fill out a **Public Comment Form** noting your name and address and submit the form to the City Clerk. Include the Agenda item number, when appropriate. **Public comments are limited to 3 minutes.**

1. **Items Not on the Agenda:** If you wish to discuss an item which is not scheduled on the Agenda, you may address the City Council during *Public Comment*. Please realize that due to the limitations placed on the City Council by provisions of the *California Government Code*, the City Council ordinarily cannot take action on any item that is not on the agenda. Because of these restrictions, expect that matters that you identify during public comment will be referred to staff or considered on a future agenda.
2. **Agenda Items:** Items being considered by the City Council may appear on the Consent Calendar, as an Action Item, or as a Public Hearing. Public comments on each type of item are handled differently, as explained below:
 - a. For items appearing on the Consent Calendar, please submit a Public Comment Form before the Council takes action on the Consent Calendar. Items that receive a Public Comment Form may be pulled from the Consent Calendar by the Mayor and discussed separately by the City Council.
 - b. For items appearing as an Action Item, the Mayor will announce the Agenda item and request the staff report, the staff member responsible will give a brief summary of the report; the City Council will have an opportunity to ask questions of staff; members of the public will be given an opportunity to comment on the item and ask additional questions (all members of the public should speak directly into the microphone at the speaker's platform); and the City Council will discuss the item and then take appropriate action.
 - c. For items on which a Public Hearing is scheduled, the Mayor will open the public hearing and receive the staff report; members of the public will be given an opportunity to comment on the item and ask additional questions (all members of the public should speak directly into the microphone at the speaker's platform); the City Council will discuss the item; and the Mayor will close the public hearing after City Council action.

HOW TO PARTICIPATE BEFORE THE MEETING: Members of the public are encouraged to submit email correspondence on any agenda item by sending an email to cityclerk@spcity.org. All public correspondence received by 3:00 p.m. (PT) on the meeting date will be provided to the legislative body before the meeting. Public Comments received after 3:00 p.m. will be provided to the legislative body the next day.

Your Participation in this meeting is in the public domain; meetings are cablecast; minutes of this meeting will reflect your participation in this meeting and are posted on the city's website.

PLEASE NOTE: *Be advised that if you bring a legal challenge to an action, you may be limited to raising only those issues you or someone else raised at the meeting described in this Agenda, or in written correspondence delivered to the City Council at or before the meeting.*

Any action is subject to the ninety-day time period set forth in Code of Civil Procedure § 1094.6.

*In compliance with the **Americans with Disabilities Act**, if you need special assistance to*

participate in this meeting, please contact the City Clerk at (805) 933-4208. Notification 48 hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35, 102-35.104 ADA Title II). Written materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's office.

REGULAR MATTERS - COUNCIL CHAMBERS

1. CALL TO ORDER

REMINDER: in order to minimize distractions during public meetings, all personal communication devices should be turned off or put in a non-audible mode.

2. INVOCATION

3. FLAG SALUTE

4. ROLL CALL

5. PRESENTATIONS

5.A 10th ANNIVERSARY OF CALIFORNIA AVOCADO MONTH - PROCLAMATION

5.B PUBLIC WORKS DEPARTMENT REPORT - JANUARY - MARCH 2022
RECOMMENDATION:

Staff recommends that the City Council:

1. Receive and file the Public Works Department Report for January – March 2022.

6. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda that is within the subject-matter jurisdiction of the City Council. A Public Comment Form must be submitted to the City Clerk prior to the beginning of the Public Comment period in order to be recognized to speak. Individuals submitting Public Comment Forms after the beginning of the Public Comment period will not be allowed to speak at this time, but may be recognized to speak by the Mayor at the conclusion of the meeting. Individual Councilmembers may briefly respond to Public Comments or ask questions for clarification. The City Council may direct staff to report to the City Council on the item at a later meeting. For items appearing on the Agenda, the public will be invited to make comments at the time the item comes up for City Council consideration. If a member of the public wishes to address a Consent Calendar item, please submit a Public Comment Form for that item. It may then be discussed separately by the Council, and the public will be invited to make comments at that time. At all times, please use the microphone and write your name and address on the Public Comment Form provided.

7. CITY COUNCIL REPORTS

8. CITY MANAGER REPORTS

9. **CONSENT CALENDAR**

Background information has been provided to the City Council on all matters listed under the Consent Calendar and these items are considered to be routine by the City Council and are normally approved by one motion. If discussion is requested by a Councilmember on any item, or a member of the public wishes to comment on an item, that item may be removed from the Consent Calendar for separate action.

9.A **APPROVAL OF MINUTES**

RECOMMENDATION:

Staff recommend Council approve the following minutes:

1. City Council Regular Minutes May 4, 2022;
2. City Council Special Minutes May 4, 2022; and
3. City Council Regular Minutes May 18, 2022.

9.B **EXTEND APPROVAL TO HOLD VIRTUAL CITY COUNCIL, COMMISSION, COMMITTEE, BOARD AND OTHER CITY BODIES, MEETINGS PURSUANT TO AB 361**

RECOMMENDATION:

Staff recommends that the City Council:

1. Extend Approval to hold Virtual City Council, Commission, Board, and other City Bodies Meetings Pursuant to AB 361.

9.C **EBELL PARK STREET PARKING**

RECOMMENDATION:

Staff recommends that City Council:

1. Approve the Transportation Safety Committee recommendation assigning a 4-hour time limit for all street parking spaces on the south side of Main Street from 7th Street to 8th Street.

10. **PUBLIC HEARING**

- Verification of posting notice by City Clerk
- Declaration of conflicts (if any)
- Declaration of ex parte contacts (if any)
- Open public hearing
- Staff presentation
- Discussion and action
- Close public hearing

10.A **GEOLOGIC HAZARD ABATEMENT DISTRICT ASSESSMENT**

RECOMMENDATION:

Staff recommends that the GHAD Board of Directors:

1. Conduct a public hearing on the proposed assessment for the Santa Paula Geologic Hazard Abatement District;
2. Adopt Resolution No. 7402 approving the fiscal year 2022/2023 budget and placing a **\$1,246** per parcel special assessment onto the fiscal year 2022/2023 tax roll for the Santa Paula Geologic Hazard Abatement District.

10.B **HILLSBOROUGH OPEN SPACE MAINTENANCE DISTRICT ASSESSMENT
RECOMMENDATION:**

Staff recommends that the City Council:

1. Conduct a public hearing on the proposed assessment for the Hillsborough Open Space Maintenance District;
2. Adopt Resolution No. 7403 placing a \$150 per parcel special assessment onto the December 2022 tax roll for the Hillsborough Open Space Maintenance District.

11. ACTION ITEMS

11.A **CONSIDERATION OF COMMUNITY CHOICE AGGREGATION (CCA)
ENERGY OPTIONS THROUGH CLEAN POWER ALLIANCE (CPA)
RECOMMENDATION:**

1. Discuss and provide staff direction regarding one or more Community Choice Aggregation (CCA) options.

Presented by: Jonathan Royas, Management Analyst

11.B **FIRST READING OF ORDINANCE No. 1318 RECREATION COMMISSION
CHANGES
RECOMMENDATION:**

Staff recommends that the City Council:

Waive reading and introduce Ordinance No. 1318 to amend the membership and terms of the members of the Recreation Commission.

Presented by: Greg Barnes, Parks & Recreation Director

11.C **SOLID WASTE FRANCHISE AGREEMENT BETWEEN THE CITY OF
SANTA PAULA AND ATHENS SERVICES
RECOMMENDATION:**

Staff recommends that the City Council:

1. Adopt Resolution 7404 Approving a Sixth Amendment to the Solid Waste Franchise Agreement with Athens Services for Residential, Commercial, Industrial, and Multi-Family Residential Solid Waste Collection, in a form approved by the City Attorney.
2. Adopt Resolution 7405 Awarding an Exclusive Solid Waste Franchise Agreement to Athens Services, in a form approved by the City Attorney.

Prepared by: Clete J. Saunier, Public Works Director
Christy Ramirez, Finance Director
Joseph Alvarado, Management Analyst
Kimberly Nilsson, Solid Waste Solutions, Inc.

11.D **HARVARD BOULEVARD AND PUBLIC RIGHT OF WAY IMPROVEMENTS
- INTERFUND LOAN
RECOMMENDATION:**

Provide Staff direction by selecting one of the supplemental funding options described in this report.

Presented by: Clete J. Saunier, Public Works Director

12. ITEMS FOR FUTURE AGENDAS

12.A FUTURE AGENDA ITEMS

RECOMMENDATION:

Staff recommends City Council Review Future Agenda Items.

13. ADJOURNMENT

State of California)-

County of Ventura)- ss

City of Santa Paula)-

I declare under penalty of perjury that I posted this City Council Agenda on the bulletin board near the front door of City Hall, 970 Ventura Street, Santa Paula, California.

On _____ at _____ Signed: _____

Julie Latshaw

City Clerk

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Clete J. Saunier, Public Works

Subject: PUBLIC WORKS DEPARTMENT REPORT
JANUARY – MARCH 2022

Date: June 1, 2022

RECOMMENDATION:

Staff recommends that the City Council:

1. Receive and file the Public Works Department Report for January – March 2022.

Presented by: Clete J. Saunier, Public Works Director

CAPITAL IMPROVEMENT PROGRAM (PROJECT ACTIVITY):

FY 2021 - 2022 Citywide Street Maintenance Program

The Street Maintenance Program is a critically integral component of the Pavement Management Program and consists of applying crack seals, rejuvenator seals, and micro-surfacing to maintain and extend the service life of City streets. For the spring/summer paving season, a range of City streets are being identified for work consisting of pothole repairs, dig-outs, and single-layer micro-surfacing to extend the service life of the affected roads an additional 5 - 10 years. These paving projections are being addressed in conjunction with previously identified needs, additional funding available from Measure T, and City Council input received in the April 2022 meeting. The streets addressed in this maintenance effort are summarized below:

SPRING/SUMMER 2022 STREET MAINTENANCE		
STREET NAME	FROM	TO
Santa Barbara Street	Cameron Drive	7 th Street
Santa Paula Street	Dean Drive	SR 150 (Ojai Road)
Virginia Terrace	Mill Street	SR 150 (Ojai Road)

The project scope is under review by the City's maintenance contractor J&H Construction, and construction is anticipated to start in July 2022 and is anticipated for completion in August 2022.

Harvard Boulevard Street/Sewer/Water Improvement Project

The project will improve 1.7 miles of Harvard Boulevard from Peck Road to 10th Street. The project scope includes street improvements for this section of Harvard Boulevard which include 750,000 SF of pavement, curb ramp reconstruction, and replacement of 9,000 LF of 12" water main and 8,000 Lf of 24" sewer main. The project was presented to Council for approval of PS&E in December, and the project is projected for construction to commence in the Summer of 2022.

Crosstown Pipeline Project

The project scope will provide a large diameter pipeline to link the wellfield and completed west side reservoir to the main reservoir on 10th Street. The Water Enterprise Fund will fund the project estimated to cost \$6.7M. Due to recent unit cost increases, staff anticipates the estimated total project cost could increase significantly by the time 100% design documents are completed. In that regard, staff has completed review of the 60% design and completed scope modifications that will reduce the project cost and streamline the Caltrans permitting and construction process.

Mesa Tank Study and Replacement Project

The project is located on Montclair Drive at the terminus (existing Mesa Tanks site). The project scope includes replacing the two aging aboveground steel water tanks with two new water storage tanks. Funding for the project will come from the Water Enterprise Fund. The City's design consultant has confirmed the new, combined tank capacity shall be 600,000 gallons in order to meet all fire, domestic and backup storage requirements. Staff has reviewed the feasibility study, including tank layout alternatives. The design consultant, MNS Engineering, has completed final construction documents as well as environmental documentation and related clearances. Staff anticipates construction to commence in 2022 contingent upon available funding.

FEMA Floodplain Restudy Project

A substantial portion of the City is influenced by flood hazard areas identified by the Federal Emergency Management Agency (FEMA). The areas of flood hazard are mapped on Flood Insurance Rate Map (FIRM) panels that are used by City and FEMA regulators and insurance companies to determine which properties in the City are required to purchase flood insurance. These FIRM panels are updated at intervals as new or updated flood information becomes available. Earlier in 2021, FEMA completed a County-wide flood re-study, which resulted in the release of updated flood maps. These preliminary maps presented significant changes to areas of flood hazard in multiple portions of the City, which would have resulted in 600 or more properties being added to the flood hazard boundary unless appealed by the City. City staff working in tandem with Ventura County Watershed Protection District (County) staff subsequently reviewed the technical studies and mapping and filed an appeal with FEMA. As part of the appeal process, City staff provided an updated study for Santa Paula Creek with the concurrence of the County, and will partner with County staff to restudy other areas of concern and jointly pursue funding opportunities for flood hazard reduction grants. Staff has been in discussion with FEMA representatives regarding the outcome of the appeal and expects to conclude

these discussions in the next few months. Staff will work with development engineers with East Area 1 on modelling for Santa Paula Creek to address map revisions for this watercourse, as well as the City's consultants to address flood hazards related to Fagan and Adams Canyon and the Peck Road Drain. These studies will then be coordinated with FEMA representatives to address the required mapping and map revision as appropriate.

Concurrently, staff will address the City's current floodplain management and development process to communicate hazards and development requirements for projects located in currently established flood hazard areas. These activities will include an update of the City's Municipal Code and associated provisions that address floodplain development and associated regulation. The intent of this process is to insure the City's current floodplain management process complies with FEMA requirements in the interim while the current appeal process is completed. American Rescue Plan Act (ARPA) funding in the amount of \$150,000 was allocated for this effort as authorized by the City Council on July 7, 2021.

Water Recycling Facility Biofilter Odor Control Project

The project scope included construction of a new biological odor control filter for the WRF. The new filter system replaced the existing Hawk scrubber and Aerisa odor control equipment. The new filter consists of a blower, a biological trickling filter tower, chemical feed facilities, and an extension to the existing cement block fence. The project was estimated to cost \$1.46M. This project resolves all Notices of Violation from the Ventura County Air Pollution Control District (VCAPCD) related to the failing Hawk and Aerisa equipment. The project is complete with the actual final cost totaling \$1.44M. The source test in compliance with APCD variances was completed February 1, 2022.

Project Schedule:

Design Complete	August 2020
Advertise for Bid	October 2020
Contract Award	January 2021
Construction Start	May 2021
Construction Completion	January 2022

Water Recycling Facility Advanced Water Treatment Facility Project

The project scope includes design and procurement for an Advanced Water Treatment Facility (reverse osmosis process) to manage the City's effluent chloride levels. The facility will be located northeast of and immediately adjacent to the WRF. The estimated total project cost is \$20.34M (including design, construction, and construction contingency). The updated Project Financial Projections were reviewed and approved by City Council on January 19, 2022. A Building Department review was performed on the 90% design and the Design Team is coordinating with the City Engineer and their reviewing consultant to address comments before completing the design and construction documents.

The City applied for a low-interest loan from Clean Water State Revolving Fund (CWSRF) through the State Water Board Division of Financial Assistance (DFA). The application is currently under detailed review. City staff and consultants worked with DFA environmental staff on their review of the project environmental documents through the end of 2021. In January 2022, City staff was notified that DFA completed their review of the environmental documents and concurred with the City's determination. DFA staff is currently performing the detailed financial, technical and legal reviews. City staff and the Design Team is coordinating with DFA staff as questions and additional information needs arise through the application review. Completion of DFA review of the application currently sets the schedule for the project. Based on conversations with DFA staff, the review may take an additional one to three months, and a loan agreement is anticipated by September 2022.

On March 18, 2022, the Los Angeles Regional Water Quality Control Board (LARWQCB) published a Tentative Order to amend the City's WRF Waste Discharge Requirements (R4-2018-0022) and a Tentative Amendment to the Cease and Desist Order (R4-2018-0023, CDO). City staff and WRF consultants had been working with LARWQCB staff for over two years requesting an extension to the interim milestone for construction completion in the CDO. The amendment incorporates the City's current project direction to develop and install the AWTF and reduce chloride concentrations in the treated effluent, provides an extension to the interim milestones in the CDO for project progress, which consider the anticipated funding schedule, and update the effluent requirements from a mass loading to a concentration limit. City staff and consultants reviewed the tentative order and tentative amendment and provided comments, most of which were incorporated into the draft updated documents. The LARWQCB considered these updates at the May 12, 2022 Board Meeting. City staff and consultants attended to observe and address any questions from the Board as applicable. The LARWQCB unanimously approved the updates to the tentative order and amendments.

Based on the anticipated schedule, which is dependent on DFA completing the loan application review and coordination with the City on a loan agreement, City staff estimates preparing final bidding documents and requesting authorization to advertise bid for construction in Fall/Winter 2022.

Water Recycling Facility Inlet Screen Repair

The inlet screens that protect the WRF from large solids developed cracks and damaged bearings in both process trains. A contract was awarded to the screen manufacturer (Hubner) in September 2020 to replace damaged screens and rebuild the screen system. While work was underway in February 2021, additional damage was discovered requiring substantial additional work. COVID-related shipping delays resulted in a six-month delay. Installation was completed in March.

Project Schedule:

Purchase order Issued	March 2021 (emergency authorization)
Screen received at WRF	January 2022
Installation start	March 2022

Installation complete

March 2022

Water Recycling Facility Screw Press Repair

The screw press that produces dried biosolids for disposal failed on March 17. The City issued a purchase order for repair on March 18. Additional orders for disposal of wet biosolids and ancillary work were issued to maintain WRF operation and facilitate the repair. Repairs were completed April 15 after significant effort by Huber, the manufacturer, and VRSD operations staff. Total cost of the emergency repair was \$41,015.

Project Schedule

Screw press failure	March 17, 2022 (emergency authorization)
Repair PO issued	March 18, 2022
Repair complete	April 15, 2022

Water Recycling Facility Reaction Basins 1 and 2 Cleaning / Repair

In FY 2020/2021 anoxic and aerobic basins #3 were cleaned and diffusers replaced. Basins 1 and 3 still need to be cleaned, and diffusers replaced. Diffusers were purchased and are onsite. Procurement documents for obtaining services to clean the basins were approved by Council May 4, and advertised for bid on May 5. Bids will be received in time for Council to consider contract award June 15. The FY 2021/2022 includes \$600,000 for this project.

Project Schedule:

Procurement docs complete	February 2022
Bids received	May 2022
Contract award	June 2022
Contract complete	September 2022

DIVISION PERFORMANCE REPORTS:

Permit Review / Approval / Inspection

Staff reviewed, approved and inspected the following permit applications for various utilities, companies and contractors:

Franchise Blanket Permits to SCE, SCG, Frontier and Spectrum = None

Encroachment Permits = 56

Oversize Transportation Permits = 27

Fire Flow Test Permits = 7

Temporary Hydrant Meter Permits = None

Water Softener Applications with Approved Rebate = None

Water Division:

CATEGORY	JAN	FEB	MAR
Total Potable Water Produced (MG)	91.7	102.2	115.4
Main, Service & Meter Leaks Repaired	24	21	20
Water Service Requests Addressed	42	34	27
USA Dig-Alert Tickets	162	130	143
Meter Profiles / Readings	3 / 8069	6 / 8104	6 / 8204
Meter Installations & Replacements	25	52	57
Meter Tags and Lock-Offs*	81	103	175

* Note: Only represents notices (tags) placed for public advisements when main line shut offs occurred. No lock-offs occurred for this reporting period.

Two Water Division employees completed the certification requirements established by the State Water Resources Control Board's Drinking Water Operator Certification Program:

- Isaac Calderon, Water Distribution Operator I, received his Water Distribution Operator Grade 1 Certification.
- Frank Almazan, Lead Water Production Operator, received his Water Treatment Operator Grade 3 Certification.

Wastewater Division:

The Water Recycling Facility (WRF) continues to run smoothly and all systems are functioning normally. Ventura Regional Sanitation District (VRSD) took over contract operation of the WRF on April 17, 2021 and has provided improved operation of the WRF. All regulatory requirements are being met. Onsite construction of the Biofilter Odor Control Project began in May 2021 and is now complete. Design of the Advanced Water Treatment Facility for chloride reduction is nearing completion. Synagro continues hauling biosolids from the WRF to their composting facilities near Bakersfield without incident. All critical equipment alarms, facility alarms and emergency response systems have been continuously monitored.

Referencing the table below, the average composite chloride concentration in the treated effluent and surrounding groundwater monitoring wells has showed a steady decrease over the last six months. The treated effluent has remained below the Regional Board's maximum allowable chloride concentration of 110 mg/L since it first dropped below in August. Staff has initiated a formal chloride source study to investigate possible reasons for the improved concentration readings aside from heightened vigilance by Santa Paula utility customers to reduce the amount of chlorides deposited into the waste collection system, including the replacement of old (prohibited) salt-based water softener systems.

This study is currently underway with MKN & Associates assisted by VRSD for collection system sampling. This study is anticipated to be completed Summer 2022.

CATEGORY	JAN	FEB	MAR
Total Raw Wastewater Received in Millions of Gallons (MG)*	64.6	63.6	73.7
Total Treated Effluent Discharged to Percolation Ponds (MG)	57.3	52.1	58.3
Total Reused Water Used Within Facility Process (MG)	1.14	3.83	2.69
Total Biosolids Transported to Permitted Disposal Facility (Tons)	320.2	277.4	135.4
Treated Effluent: Avg. Composite Chloride Concentration (mg/L)	97.2	99.0	115
Groundwater Monitoring Wells: Average, Composite Chloride Concentration (mg/L)	121	116	123

* Due to hydrologic factors resulting from the design of the WRF influent headworks, the influent flow meter experiences more turbulence than the effluent flow meter. Effluent flow meter reading accuracy has been verified.

Fleet Division:

The Fleet Division addressed 143 inspection, repair and maintenance service orders on 75 on-road and off-road vehicles and equipment (some units were assigned more than one service order). The Fleet Division took delivery on three new vehicles: two Police Department units (1 patrol unit and 1 command unit) and one Public Works Department unit to be used by the Water Division administration staff. The Fleet Division's quarterly vehicle service order record is provided below:

DEPARTMENT	VEHICLES SERVICED	SERVICE ORDERS
Police	29	60
Public Works	36	61
Parks & Recreation	9	21
Community Development	1	1
Administration	0	0
TOTAL	75	143

Streets Division:

CATEGORY	JAN	FEB	MAR
Street Sweeping Mileage	26	70	252
Potholes Repaired (Tons)	131 (10)	174 (11)	239 (13)

Curb Painting (LF)	64	50	75
Banners Setup	18	48	6
Permitted Event Setup	4	5	4
Camps / Dumpsites Removed	7	9	11
Hazmat Call Outs	2	0	1
Carcass Removal	2	0	2
Stormwater Systems Cleaned	6	4	3
Traffic Sign Installations	11	7	5
Road Closures	0	0	0
Sidewalks Repaired (LF)	5	3	5
USA Marking - Alert Tickets	137	115	133

Solid Waste Division:

Waste Collection Services:

Athens continues to provide solid waste collection and hauling services in accordance with their contract service agreement. For 2022, first quarter, Athens achieved the following solid waste and recycling waste milestones:

Milestone: Total No. Customers Served

- Solid waste customers: 6,095
- Recycling waste customers: 5,884

Milestone: Total Tonnage Collected

- Solid waste: 4,906 tons
- Recycling waste: 2,477 tons

Solid Waste Franchise Agreement Negotiations:

Since January 2022, staff and the Ad-Hoc Committee and Athens Services continue to finalize the details of an exclusive, 25-year solid waste franchise agreement (SWFA). Staff and Athens have met multiple times to negotiate SWFA terms and conditions. The City has drafted multiple SWFA versions for Athens review and both parties desire to reach a final draft version before the current agreement expires, under Amendment No. 5, on June 30, 2022.



**CITY OF SANTA PAULA
City Council Special
May 4, 2022, 5:00 PM
MINUTES**

SPECIAL MEETING - COUNCIL CHAMBERS

1) CALL TO ORDER

Mayor Crosswhite called the meeting to order at 5:00 p.m.

2) ROLL CALL

Members Present: Jenny Crosswhite, Andy Sobel, Carlos Juarez, and Richard Araiza

Members Absent: Leslie Cornejo

3) PUBLIC COMMENT

None.

4) ACTION ITEMS

4.A) SENIOR ADVISORY COMMITTEE INTERVIEW

Council interviewed Bruce Archer.

5) CLOSED SESSION

The City Council may move into a closed session pursuant to applicable law, including the Brown Act (Government Code § 54950, et seq.) for the following purpose:

5.A) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code § 54956.9(d)(1) - Ventura County Fire Protection District, et al, v. Santa Clara Waste Water Company, et al, Ventura County Superior Court Case No. 56-2016-00484523-CU-PO-VTA

5.B) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Pursuant to Government Code § 54956.9(d)(2) - February 11, 2022, Letter from attorney Jason Dominguez concerning the California Voting Rights Act

5.C) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code § 54956.9(d)(1) Schladetzky v. City of
Santa Paula, et al., Ventura County Superior Court Case No. 56-2022-
00563854-CU-OE-VTA

Council adjourned to Closed Session.

6) ADJOURNMENT

Mayor Crosswhite adjourned the Special City Council meeting.

ATTEST:

Julie Latshaw
City Clerk



**CITY OF SANTA PAULA
City Council Regular Meeting
May 4, 2022, 6:30 PM
MINUTES**

REGULAR MATTERS - COUNCIL CHAMBERS

1) CALL TO ORDER

Mayor Crosswhite called the meeting to order at 6:30 p.m.

2) INVOCATION

Rev. Audrey Vincent provided the Invocation.

3) FLAG SALUTE

Councilmember Araiza led the flag salute.

4) ROLL CALL

Members Present: Jenny Crosswhite, Andy Sobel, Carlos Juarez, and Richard Araiza

Members Absent: Leslie Cornejo

5) CLOSED SESSION REPORT

City Attorney John Cotti reported that City Council met in closed session on the three items below. Items B. and C., Council took no reportable actions. Item A., Council decided to dismiss the case against Santa Clara Waste Water Company for the following reasons: Case was filed in 2016 as a result of a fire occurred at the Santa Clara Waste Water Facility. The County has been representing all of the public entity plaintiffs up until this date. The County has now decided to transition that out to outside counsel. The Council has been advised the cost of that representation would be between \$250,000 and \$400,000. Council has also been advised the collectability of any money from the Santa Clara Waste Water defendants is daubiest at best. Given those facts, the Council has decided to file a request for dismissal of the lawsuit against Santa Clara Waste Water at this time. The City will have more information and will issue a release shortly on that item.

A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION -

Pursuant to Government Code § 54956.9(d)(1) - Ventura County Fire Protection District, et al, v. Santa Clara Waste Water Company, et al, Ventura County Superior Court Case No. 56-2016-00484523-CU-PO-VTA

B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION -
Pursuant to Government Code § 54956.9(d)(2) - February 11, 2022, Letter from attorney Jason Dominguez concerning the California Voting Rights Act

C. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION -
Pursuant to Government Code § 54956.9(d)(1) Schladetzky v. City of Santa Paula, et al., Ventura County Superior Court Case No. 56-2022-00563854-CU-OE-VTA

6) PRESENTATIONS

6.A) MENTAL HEALTH AWARENESS MONTH - PROCLAMATION

Mayor Crosswhite presented a Proclamation on Mental Health Awareness Month to Officer Daniel Gosselin.

6.B) MEASURE T COMMITTEE RECOMMENDATION OF SURPLUS FUNDS.

Andrew Seeley, Measure T Committee Member, presented a presentation on the Measure T Committee Recommendation of Surplus Funds.

6.C) INTRODUCTION OF NEW HOUSING AUTHORITY EXECUTIVE DIRECTOR, ELENORE VAUGHN

City Manager Dan Singer introduced new Housing Authority Executive Director, Elenore Vaughn. Ms. Vaughn provided information on her background and is looking forward to working with the Santa Paula Housing Authority.

6.D) HOMELESS UPDATE

James Mason, Economic Development Director, presented a presentation on the homeless activity and outreach.

7) PUBLIC COMMENT

None.

8) CITY COUNCIL REPORTS

Councilmember Araiza:

Attended the Homeless Housing Committee meeting; and Fire Station No. 20 ribbon cutting.

Councilmember Juarez:

Attended the Parks & Recreation meeting; Fire Station ribbon cutting; Farmers Market and announced Cruise Night will be in conjunction with Farmers Market; attended the Citizens Core meeting; and Senior Health Fair and

Luncheon.

Vice Mayor Sobel:

Participated in the Senior Health Fair and Luncheon; Economic Development Collaborative - Ventura County Board meeting; Broadband meeting; All Children Thrive; Social Justice Ad Hoc; and Business Roundtable.

Mayor Crosswhite:

Participated in Ventura Regional Sanitation District meeting; Social Justice Ad Hoc; Business Roundtable; All Children Thrive; Fire Station No. 20 ribbon cutting, and Cinco de Mayo event.

9) CITY MANAGER REPORTS

City Manager Dan Singer:

Participated in Cinco de Mayo event; Measure T Oversight meeting, announcing openings on the Committee; Ventura Community College East Campus Taskforce meeting; Business Roundtable; and announced the Police Chief started a community panel working with the community.

10) CONSENT CALENDAR

10.A) EXTEND APPROVAL TO HOLD VIRTUAL CITY COUNCIL, COMMISSION, COMMITTEE, BOARD AND OTHER CITY BODIES, MEETINGS PURSUANT TO AB 361

10.B) APPROVAL OF MINUTES

10.C) BIOSOLIDS HAULING SERVICES CONTRACT

10.D) PLANS AND SPECIFICATIONS FOR WATER RECYCLING FACILITY ANOXIC AND AEROBIC TANKS REHABILITATION PROJECT

Motion: Approve as amended 10) CONSENT CALENDAR with clerical changes on item 10.B Minutes.

Moved by Carlos Juarez, seconded by Richard Araiza

Vote: Motion carried 4-0

Yes: Jenny Crosswhite, Andy Sobel, Carlos Juarez, Richard Araiza

11) PUBLIC HEARING

11.A) VENTURA COUNTY WATERSHED PROTECTION DISTRICT BENEFIT ASSESSMENT PROGRAM FOR FY 2022-23

Mayor Crosswhite opened the public hearing.

Clete J. Saunier, Public Works Director, presented this item.

With no public comments, Mayor Crosswhite closed the public hearing.

Motion: Approve Adopting Resolution No. 7395 authorizing the City Manager to allow City participation in the Ventura County Watershed Protection District's Benefit Assessment Program for FY 2022-23 and continue the City's assessment of \$6.65 per Benefit Assessment Unit

(BAU) per year to fund a portion of the City's Stormwater Management Program.

Moved by Andy Sobel, seconded by Richard Araiza

Vote: Motion carried 4-0

Yes: Jenny Crosswhite, Andy Sobel, Carlos Juarez, Richard Araiza

12) ACTION ITEMS

12.A) APPOINTMENT - SENIOR ADVISORY COMMITTEE

Motion: Approve Appointment of Bruce Archer as member to the Senior Advisory Committee.

Moved by Richard Araiza, seconded by Carlos Juarez

Vote: Motion carried 4-0

Yes: Jenny Crosswhite, Andy Sobel, Carlos Juarez, Richard Araiza

12.B) ADVANCED WATER TREATMENT FACILITY PROJECT STATE REVOLVING FUND FINANCING - SANTA PAULA UTILITY AUTHORITY

This item was presented by Clete J. Saunier, Public Works Director.

Council is sitting as the City Council of the City and the Board of Directors of the Santa Paula Utility Authority.

Motion: Approve Adopt Resolution 7398 authorizing the Executive Director or his designee to apply for a Clean Water State Revolving Fund (CWSRF) loan for design and construction of the Advanced Water Treatment Facility (AWTF) project; and Adopt Reimbursement Resolution 7399 authorizing reimbursing expenditures and indicating a reasonably expected maximum principal amount of \$23 million for the AWTF project.

Moved by Andy Sobel, seconded by Carlos Juarez

Vote: Motion carried 4-0

Yes: Jenny Crosswhite, Andy Sobel, Carlos Juarez, Richard Araiza

12.C) INITIATING THE PROCESS OF CHANGING TO DISTRICT COUNCIL ELECTIONS

City Manager Dan Singer presented this item providing an update on initiating the process of changing to District Council Elections.

Lucia Marquez was called to speak wanting to strengthen district elections, indicating CAUSE would like to be a collaborative partner on the districting process.

Council provided direction to staff to follow the second option by using Best Best & Krieger (BB&K), vetted list for a demographer and public relations firm to begin the public engagement over the summer.

12.D) THIRD QUARTER FISCAL REPORT FY 21/22

City Manager Dan Singer presented this item. Staff will make corrections to the line items and bring back at the next meeting for final approval on the consent calendar.

12.E) ORDINANCE INCREASING CITY COUNCIL COMPENSATION

City Attorney John Cotti presented this item.

Motion: Approve Waive reading and introduce on first reading Ordinance No. 1317 increasing City Council compensation to \$600 per month, per member of the City Council.

Moved by Richard Araiza, seconded by Andy Sobel

Vote: Motion carried 4-0

Yes: Jenny Crosswhite, Andy Sobel, Carlos Juarez, Richard Araiza

13) ITEMS FOR FUTURE AGENDAS

13.A) FUTURE AGENDA ITEMS

14) ADJOURNMENT

Mayor Crosswhite adjourned the meeting at 8:45 p.m.

ATTEST:



**CITY OF SANTA PAULA
City Council Regular Meeting
May 18, 2022, 6:30 PM
MINUTES**

REGULAR MATTERS - COUNCIL CHAMBERS

1) CALL TO ORDER

Mayor Crosswhite called the meeting to order at 6:30 p.m.

2) INVOCATION

Rev. Betty Stapleford provided the Invocation.

3) FLAG SALUTE

Vice Mayor Sobel led the flag salute.

4) ROLL CALL

Members Present: Jenny Crosswhite, Andy Sobel, and Leslie Cornejo

Members Absent: Carlos Juarez, and Richard Araiza

5) PRESENTATIONS

5.A) OLDER AMERICANS MONTH PROCLAMATION

Mayor Crosswhite read the Proclamation for Older Americans Month and presented it to Gary Wellman on behalf of the Senior Advisory Committee.

5.B) VENTURA COUNTY FIRE DEPARTMENT REPORT AND INTRODUCTION OF NEW DISTRICT CHIEF WILLIAMS

New District Fire Chief Williams introduced himself and presented the Ventura County Fire Department Report.

5.C) CITY MANAGER'S DEPARTMENT QUARTERLY REPORT

City Manager Dan Singer presented the City Manager's Department Quarterly Report.

6) PUBLIC COMMENT

Richard Rudman spoke of the upcoming State of the City Community Awards.

7) CITY COUNCIL REPORTS

Councilmember Cornejo:

Attended the Property Business Improvement District; and subcommittee meeting on Harvest.

Vice Mayor Sobel:

Wished the City of Santa Paula a Happy 120th Birthday; was the Judge at the Isabel Middle School talent show; attended the Ventura County Transportation Commission; Heritage Valley Transit Policy Advisory Committee; Economic Development Committee; announced National Bike month and that Farmers Market will host bike theme on May 27th.

Mayor Crosswhite:

Attended the Ventura Regional Sanitation District; met with the Governors outreach office on the Governors priorities on Care Court; and attended the Mayors Roundtable with Cal Cities; Ventura Council of Governments; Development Agreement Ad Hoc Committee meeting; and preparing for the State of the City Community Awards.

8) CITY MANAGER REPORTS

City Manager Dan Singer:

Reported on the Cinco de Mayo celebration, followed by Cruise Night and Farmer's Market; participated in the Rotary's giving of scholarships to graduating seniors; the City Executive group spent the day together on retreat work; and attended the Development Agreement discussions.

9) CONSENT CALENDAR

9.A) APPROVAL OF MINUTES

Councilmember Cornejo abstained to item 9A, Minutes, due to not attending this meeting.

9.B) APRIL 2022 WARRANTS AND CERTIFICATIONS

9.C) AGREEMENT WITH INTERNATIONAL ENVIRONMENTAL CORPORATION FOR EUCALYPTUS TREE PROJECT AT FAGAN BARRANCA PARK AND TEAGUE PARK

9.D) SECOND READING OF ORDINANCE NO. 1317 INCREASING CITY COUNCIL COMPENSATION

9.E) SECOND READING TO ADOPT ORDINANCE NO. 1316 AMENDING CHAPTER 16.58 OF THE SANTA PAULA MUNICIPAL CODE TO EXCLUDE ESTABLISHMENTS WITHIN THE CENTRAL BUSINESS DISTRICT FROM THE SEPARATION REQUIREMENT FOR ON-SITE SALE OF ALCOHOL

9.F) THIRD QUARTER FISCAL REPORT FY 21/22

Motion: Approve CONSENT CALENDAR Items 9.B through 9.F, and pull Item 9.A for future meeting.

Moved by Andy Sobel, seconded by Leslie Cornejo

Vote: Motion carried 3-0

Yes: Jenny Crosswhite, Andy Sobel, Leslie Cornejo

10) PUBLIC HEARING

10.A) REVISED DRAFT HOUSING ELEMENT REVIEW & REQUEST FOR ADOPTION / RESUBMITTAL TO CALIFORNIA HCD

Mayor Crosswhite opened the public hearing.

Community Development Director, James Mason, and John Douglas with JHD Planning, presented this item.

Mary Ann Krause was called to speak on behalf of Santa Paula Affordable Housing Taskforce, providing feedback on the Housing Element.

Mayor Crosswhite closed the public hearing.

Motion: Approve Adopt Resolution No. 7401, adopting the 2021-2029 Housing Element, and directed Staff to incorporate any additional feedback and submit the adopted 2021-2029 Housing Element to the California Department of Housing and Community Development ("HCD") for review, pursuant to State law.

Moved by Leslie Cornejo, seconded by Jenny Crosswhite

Vote: Motion carried 3-0

Yes: Jenny Crosswhite, Andy Sobel, Leslie Cornejo

11) ACTION ITEMS

11.A) FIFTH AMENDMENT TO FRANCHISE AGREEMENT WITH ATHENS FOR RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY RESIDENTIAL SOLID WASTE COLLECTION

Clete J. Saunier, Public Works Director presented this item.

Motion: Approve Adopt Resolution No. 7397 Approving a Fifth Amendment to the Solid Waste Franchise Agreement with Athens Services for Residential, Commercial, Industrial, and Multi-Family Residential Solid Waste Collection, in a form approved by the City Attorney.

Moved by Leslie Cornejo, seconded by Andy Sobel

Vote: Motion carried 3-0

Yes: Jenny Crosswhite, Andy Sobel, Leslie Cornejo

11.B) AMENDMENTS TO VENTURA REGIONAL SANITATION DISTRICT

OPERATION AND MAINTENANCE CONTRACTS

Clete J. Saunier, Public Works Director, presented this item.

Motion: Approve Authorize the City Manager to execute Amendment No. 1 to VRSD Contract No. 21-004, Agreement for Wastewater Facility Operation, Management and Maintenance Between the City of Santa Paula and VRSD in a form approved by the City Attorney, and Authorize the City Manager to execute Amendment No. 2 to VRSD Contract No. 19-005, Wastewater Collection System and Stormwater Sewer Collection System Maintenance Agreement between the City of Santa Paula and VRSD in a form approved by the City Attorney.

Moved by Andy Sobel, seconded by Leslie Cornejo

Vote: Motion carried 3-0

Yes: Jenny Crosswhite, Andy Sobel, Leslie Cornejo

11.C) DISCUSS OPTIONS RELATED TO ADDING TWO YOUTH MEMBERS TO THE RECREATION COMMISSION

Greg Barnes, Parks & Recreation Director, presented this item.

Council provided direction to add two youth members to the Recreation Commission for ages 14-17 with appointment to a 1 or 2 year term at option of Council when appointed. Staff will bring back ordinance for adoption.

12) ITEMS FOR FUTURE AGENDAS

12.A) FUTURE AGENDA ITEMS

City Manager Singer provided Council with an update on Southern California Edison, who will provide a webinar for all residents on May 26th, 5:00 p.m. - 6:00 p.m., in English, and 6:30 p.m. - 7:30 p.m., in Spanish. The library will host the webinar for residents that do not have access to a computer.

13) CLOSED SESSION

13.A) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - Pursuant to Government Code § 54956.9(d)(1), Ventura County Fire Protection District, et al, v. Santa Clara Waste Water Company, et al, Ventura County Superior Court Case No. 56-2016-00484523-CU-PO-VTA

13.B) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION - Pursuant to Government Code § 54956.9(d)(2), August 12, 2020, Letter from the Ventura County Air Pollution Control District relative to Notices of Violation for hydrogen sulfide emission exceedances at the Water Recycling Facility

13.C) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Pursuant to Government Code §54957, Title: City Manager

Council adjourned to Closed Session. at 8:27 pm

14) CLOSED SESSION REPORT

Assistant City Attorney Monica Castillo reported out:

Item 13B and 13C had no reportable action.

Item 13A City Council voted 3-0 to appoint BB&K to represent the city in the matter of *Ventura County Fire Protection District, et al, v. Santa Clara Waste Water Company, et al*, in order to explore options moving forward in the litigation.

15) ADJOURNMENT

Mayor Crosswhite adjourned the meeting.

ATTEST:

Julie Latshaw, City Clerk

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Julie Latshaw, City Clerk

Subject: EXTEND APPROVAL TO HOLD VIRTUAL CITY COUNCIL,
COMMISSION, COMMITTEE, BOARD AND OTHER CITY BODIES,
MEETINGS PURSUANT TO AB 361

Date: June 1, 2022

Agenda Item: 9.B

RECOMMENDATION:

Staff recommends that the City Council:

1. Extend Approval to hold Virtual City Council, Commission, Board, and other City Bodies Meetings Pursuant to AB 361.

BACKGROUND:

On September 16, 2021, the Governor signed into law Assembly Bill 361. Effective October 1, 2021, AB 361 allows local governments to continue to conduct remote virtual meetings so long as there is a state-proclaimed state of emergency and the legislative body makes mandatory findings.

On October 6, 2021, the Council unanimously voted to continue virtual City Council meetings under AB 361 by adopting Resolution No. 7369. In November, however, the Council returned to in-person meetings and allowed Resolution No. 7369 to lapse.

On January 19, 2022, the Council again unanimously voted to continue virtual City Council, Commission, Board, and other City Bodies meeting under AB 361 by adopting Resolution No. 7384.

In order to extend the ability to hold virtual City Council, Commission, Board, and other City Bodies Meetings pursuant to AB 361, the City Council must make the findings and determinations under AB 361 to again allow the Council to meet virtually

ANALYSIS:

In order to continue to qualify for AB 361's waiver of in-person meeting requirements, the City Council must, within thirty (30) days of its first meeting under AB 361, and every thirty (30) days thereafter, make findings that (a) state or local officials continue to recommend measures to promote social distancing, or that (b) an in-person meeting would constitute an imminent risk to the safety of attendees.

The above conditions continue to exist at this time, and staff recommends the City Council by motion reconfirm the findings and determinations made in Resolution No. 7384 so that the City Council may continue to meet virtually under AB 361 as necessary.

Lastly, it is important to note that AB 361 is optional. If the City Council wishes, it may meet in person.

STRATEGIC PLAN:

None.

FISCAL IMPACTS:

There is no fiscal impact associated with this item.

OPTIONS:

1. Approve staff recommendations; or
2. Without a majority vote of the City Council every 30 days, to extend the time, Resolution No. 7384 approving virtual meetings pursuant to AB 361 would lapse, requiring Council to hold in-person meetings until extended by a majority vote.

ATTACHMENTS:

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Clete Saunier, Public Works Director

Subject: EBELL PARK STREET PARKING

Date: June 1, 2022

Agenda Item: 9.C

RECOMMENDATION:

Staff recommends that City Council:

1. Approve the Transportation Safety Committee recommendation assigning a 4-hour time limit for all street parking spaces on the south side of Main Street from 7th Street to 8th Street.

BACKGROUND:

Santa Paula is home to the historic Santa Paula Theater (Theater) on the south side of Ebell Park. The Theater has limited off-street parking, which is reserved for cast and crew during performances. Theater patrons, who primarily attend performances in the evenings and on weekends, are required to park on Main Street or 7th Street when spaces are available.

At one time, the Theater had an informal reciprocal agreement with Union Bank that allowed attendees after-hours use of the bank's parking lot located on the corner of 7th Street and Main Street. Unfortunately, this agreement ended resulting in the towing of many unaware patrons' vehicles from the parking lot while they attended performances. Recent attempts by the Theater to reach an agreement for reciprocal use of Union Bank's parking lot were unsuccessful.

ANALYSIS:

It is in the City's best interest to support the arts, culture and economic development, and help the Theater find a solution that will not disrupt other businesses, residents, visitors or place additional burdens on the Police Department.

After receiving support from the Police Department, the Public Works Department, and the Theater, the City Manager made a request to the Traffic Safety Committee to move the restricted 2-hour parking zone along Main Street from 7th Street to 8th Street to a 4-hour restricted zone. Theater performances are well within this time allowance, allowing patrons to go to dinner and the show prior to the expiration of the 4-hour time limit.

The Traffic Safety Committee (TSC) considered this matter at its May 17, 2022 public meeting. After reviewing the information and request to provide Theater patrons with parking spaces that provide a less restricted time limit, the TSC recommended reassigning the current 2- hour restricted parking zone along Main Street, from 7th Street to 8th Street, to a 4-hour restricted zone. The attached site plan (Exhibit A) illustrates this proposed solution.

The TSC and Staff, including the Police Chief and Public Works Director recommend that Council approve this recommendation.

STRATEGIC PLAN:

The approval of this agenda item does not directly address the strategic goals within the City's adopted strategic plan.

FISCAL IMPACTS:

There are no significant fiscal impacts associated with Staff's recommendation.

OPTIONS:

This Council has the following available alternative option to staff's recommendation:

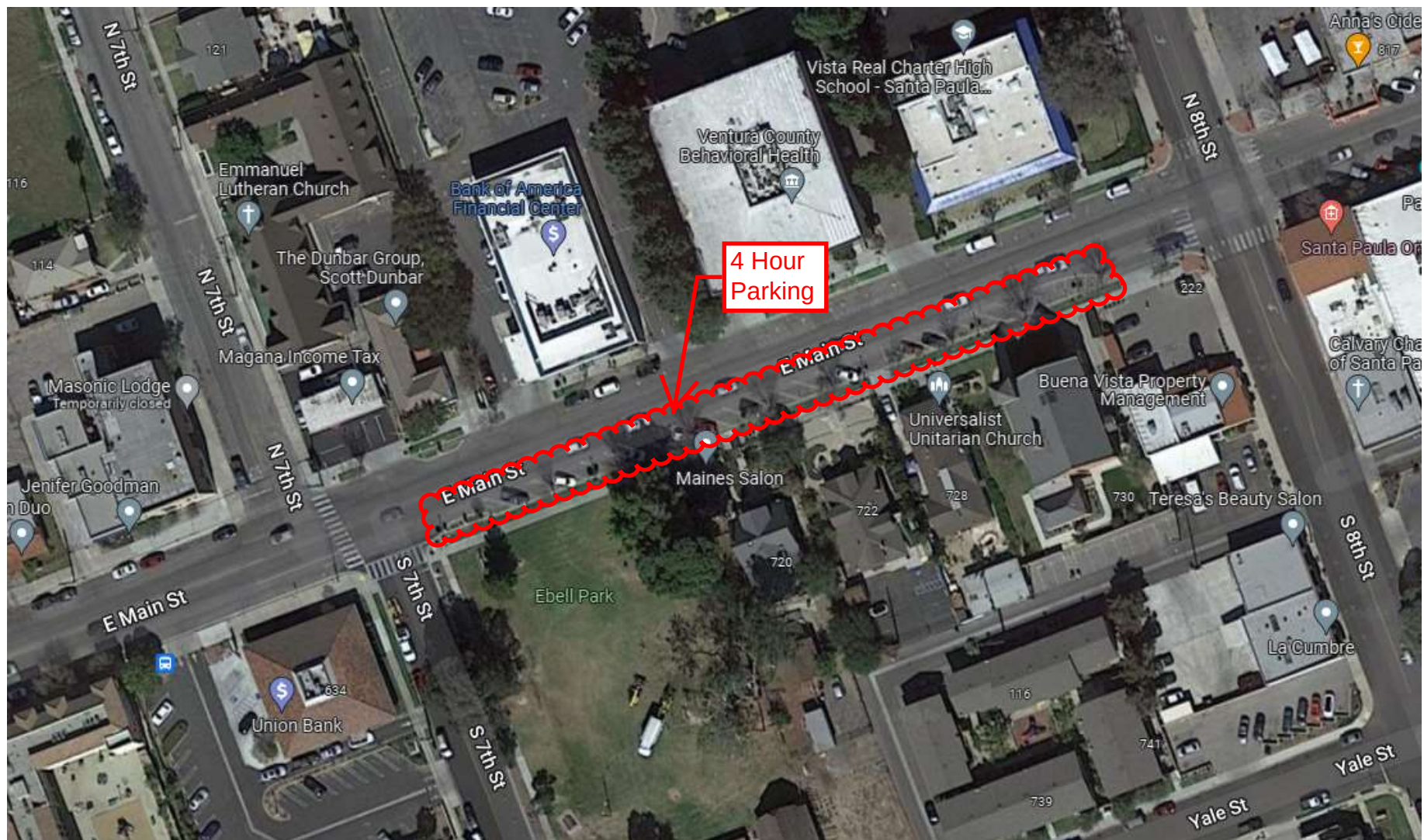
1. Do not approve the Transportation Safety Committee recommendation assigning a 4-hour time limit for all street parking spaces on the south side of Main Street from 7th Street to 8th Street. This action would result in limited parking for patrons of the Theater, which could have a direct financial impact on the theater, and the City's support of the arts, culture and economic development.

ATTACHMENTS:

[Exhibit A-Site Plan.pdf](#)

EXHIBIT A

STREET PARKING PLAN



**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Clete Saunier, Public Works Director

Subject: GEOLOGIC HAZARD ABATEMENT DISTRICT ASSESSMENT

Date: June 1, 2022

Agenda Item: 10.A

RECOMMENDATION:

Staff recommends that the GHAD Board of Directors:

1. Conduct a public hearing on the proposed assessment for the Santa Paula Geologic Hazard Abatement District;
2. Adopt Resolution No. 7402 approving the fiscal year 2022/2023 budget and placing a **\$1,246** per parcel special assessment onto the fiscal year 2022/2023 tax roll for the Santa Paula Geologic Hazard Abatement District.

BACKGROUND:

In 2008, the Santa Paula City Council formed the Santa Paula Geologic Hazard Abatement District (GHAD). Annually, the City Council convenes as the District Board and is required to set the assessment necessary to fund the maintenance and repair of the drainage, open space, and geologic slope stabilization facilities. For Fiscal Year 2022/2023 the maximum assessment limit is **\$1,991.66** for the Santa Paula GHAD.

Staff reviewed the draft Fiscal Year (FY) 2021/2022 GHAD Budget with the district's manager to set the assessment level for the next fiscal year. After reviewing the FY 2021/2022 Budget, staff concluded ultimately to set the assessment amount for Fiscal Year 2022/2023 at **\$1,246**. At that assessment level, the reserve balance at the end of Fiscal Year 2022/2023 is projected to be **\$583,997**. The District Board's approval of Resolution No. 7402 sets the assessment at **\$1,246** per parcel for FY 2022/2023.

ANALYSIS:

None. This is an annual assessment for the GHAD program.

STRATEGIC PLAN:

The approval of this agenda item does not directly address the strategic goals within the City's adopted strategic plan.

FISCAL IMPACTS:

The Fiscal Year 2022/23 assessment totals **\$93,450** for seventy-five parcels. The County of Ventura Assessor's Office collects the assessments. In addition to the assessment total for FY 2022/23, the interest on the districts reserves is estimated at about **\$1200.00**.

The Fiscal Year 2021/2022 and 2022/23 projected ending fund balances with activity are as follows:

Current Assessment (December 2021 Property Taxes)

Beginning Fund Balance	July 1, 2021	\$477,897
FY 2021 - 2022 Estimated Revenue		\$93,450
FY 2021 - 2022 Estimated Expenditures		(\$33,044)
Estimated Fund Balance	June 30, 2022	\$538,303
Estimated FY 2022 - 2023 Revenue		\$98,038
FY 2022 - 2023 Estimated Expenditures		(\$52,344)
FY 2022 - 2023 Estimated Fund Balance	June 30, 2023	\$583,997

OPTIONS:

The Council has the following available alternative option to staff's recommendations:

1. Do not adopt Resolution No. 7402 approving the FY 2022/2023 budget and placing a **\$1,246** per parcel assessment onto the December 2022 tax roll for the Santa Paula GHAD. This would preclude the Santa Paula GHAD from providing preventive maintenance and operations such as slope stabilization and erosion protection. Furthermore, this would reduce the GHAD reserve which is intended to fund unanticipated expenses that may occur.

ATTACHMENTS:

[Exhibit A - Resolution No. 7402.pdf](#)

[Exhibit B - Santa Paula GHAD FY 22-23 Budget.pdf](#)

[Exhibit C - 2022_NOTICE OF PUBLIC HEARING - GHAD.pdf](#)

EXHIBIT A

RESOLUTION NO. 7402

A RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS FOR
THE SANTA PAULA GEOLOGIC HAZARD ABATEMENT
DISTRICT

RESOLUTION NO. 7402

A RESOLUTION ADOPTED BY THE BOARD OF DIRECTORS FOR THE SANTA PAULA GEOLOGIC HAZARD ABATEMENT DISTRICT LEVYING ASSESSMENTS WITHIN THE DISTRICT.

BE IT RESOLVED by the Board of Directors of the Santa Paula Geologic Hazard Abatement District as follows:

SECTION 1:The Board of Directors finds as follows:

- A. The Santa Paula Geologic Hazard Abatement District ("GHAD") was established for the purpose of preventing, mitigating, abating and controlling geologic hazards, pursuant to Public Resources Code §§ 26500, *et seq.*
- B. The GHAD Board of Directors was presented with an Engineer's Report for the District prepared by a registered professional engineer certified in the State of California in compliance with Public Resources Code § 26651(a) and § 4(b) of Article XIII(D) of the California Constitution. The Engineer's Report, entitled Engineer's Report for Santa Paula Geologic Hazard Abatement District and dated March 31, 2008 and revised May 1, 2008, was adopted by the Board pursuant to GHAD Resolution No. 1 on June 2, 2008, and is incorporated herein by reference.
- C. The Engineer's Report describes the administration, monitoring and maintenance of improvements related to geologic hazards management within the Santa Paula GHAD and explains the estimated budget, the total assessment that will be chargeable to the entire Santa Paula GHAD, the assessment to be levied against each parcel of property within the boundaries of the Santa Paula GHAD, and a description of the method used in formulating the assessment.
- D. The GHAD Board of Directors approved the Engineer's Report pursuant to GHAD Resolution No. 1, and found that a reliable source of funding is required to pay for the cost and expenses of maintaining and operating GHAD improvements acquired or constructed for the GHAD pursuant to Public Resources Code §§ 26500, *et seq.*
- E. The special benefit derived from the GHAD by each parcel is proportionate to the entire costs of the GHAD, and the amount of the assessment is proportional to, and no greater than, the benefits conferred on each parcel. The assessment does not exceed the reasonable cost of the proportional special benefit conferred on each parcel.

- F. Public Resources Code §§ 26650, *et seq.* authorize, after a noticed public hearing, the levy and collection of an assessment upon specially benefited property within the GHAD to pay for the maintenance and operation of GHAD improvements. Article XIID of the California Constitution imposes additional requirements for the levy and collection of an assessment.
- G. On July 28, 2008, the Board held a public hearing to consider the results of a protest proceeding conducted in accordance with California Constitution Article XIID, § 4. Because the valid number of protests received by the GHAD did not represent a majority protest, the Board is authorized to levy the assessment. By this Resolution, the Board proposes to levy this assessment against each parcel of property within the boundaries of the Santa Paula GHAD.
- H. The Board further finds that levying assessments on the lots and parcels within Santa Paula GHAD is exempt from environmental review under Public Resources Code §§ 26601 and 21080(b)(4), as the California Environmental Quality Act does not apply to actions necessary to prevent or mitigate an emergency and all activities in furtherance of the GHAD are deemed necessary to prevent or mitigate an emergency.
- I. It is in the public interest for the GHAD to levy the assessments described in this Resolution.

SECTION 2: The Board of Directors orders the levy and collection of an annual assessment against the lots and parcels within Santa Paula GHAD of **\$1,246.00** per residential parcel for Fiscal Year 2022/2023.

SECTION 3: The Board of Directors directs the Clerk to file, in the office of the County Recorder for the County of Ventura, a copy of the assessment diagram, and comply with all other requirements set forth in Public Resources Code § 26654 and Streets and Highways Code § 3114.

SECTION 4: The assessments set forth in the Engineer's Report will be collected by the County Tax Collector in accordance with the procedures set forth in Public Resources Code § 26654.

SECTION 5: The revenues received by the GHAD as a result of the assessments to be levied pursuant to this resolution will be placed in a fund identified as the "Santa Paula Geologic Hazard Abatement District Fund." Payments from this fund can only be used in accordance with applicable law.

SECTION 6: This Resolution will take effect immediately upon adoption.

PASSED AND ADOPTED this 1st day of June, 2022

Jenny Crosswhite, Mayor

ATTEST:

Julie Latshaw, City Clerk

APPROVED AS TO FORM:

John C. Cotti, City Attorney

APPROVED AS TO CONTENT:

Dan Singer, City Manager

EXHIBIT B

**SANTA PAULA GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2022/2023**

**SANTA PAULA GEOLOGIC HAZARD ABATEMENT DISTRICT
PROGRAM BUDGET FOR FISCAL YEAR 2022/23**

May 25, 2022

Santa Paula Geologic Hazard Abatement District Board of Directors
Chair Jenny Crosswhite
Vice Chair Andy Sobel
Boardmember Rick Araiza
Boardmember Leslie Cornejo
Boardmember Carlos Juarez

Santa Paula Geologic Hazard Abatement District
970 East Ventura Street
Santa Paula, CA 93060-3637

Subject: Santa Paula Geologic Hazard Abatement District
Ridgeview at Vista Glen
Santa Paula, California

PROGRAM BUDGET FOR FISCAL YEAR 2022/23

Dear Chair Crosswhite and Boardmembers:

Attached is the program budget for the Santa Paula Geologic Hazard Abatement District (GHAD) for Fiscal Year (FY) 2022/23. The proposed program budget is \$52,344. The budget expenses break down into the following approximate percentages of the total revenue.

Major Repair	0 percent
Preventive Maintenance and Operations	34 percent
Special Projects	0 percent
Administration and Accounting	8 percent
Additional - Outside Professional Services.....	8 percent
Reserve	50 percent

The budget anticipates FY 2022/23 revenue of \$98,034 with an estimated contribution of \$45,694 to the reserve fund. A summary of the expenses is shown on Table 2, followed by a brief description of each budget item on the following pages.

If you have any questions regarding the contents of this letter, please contact us.

Sincerely,

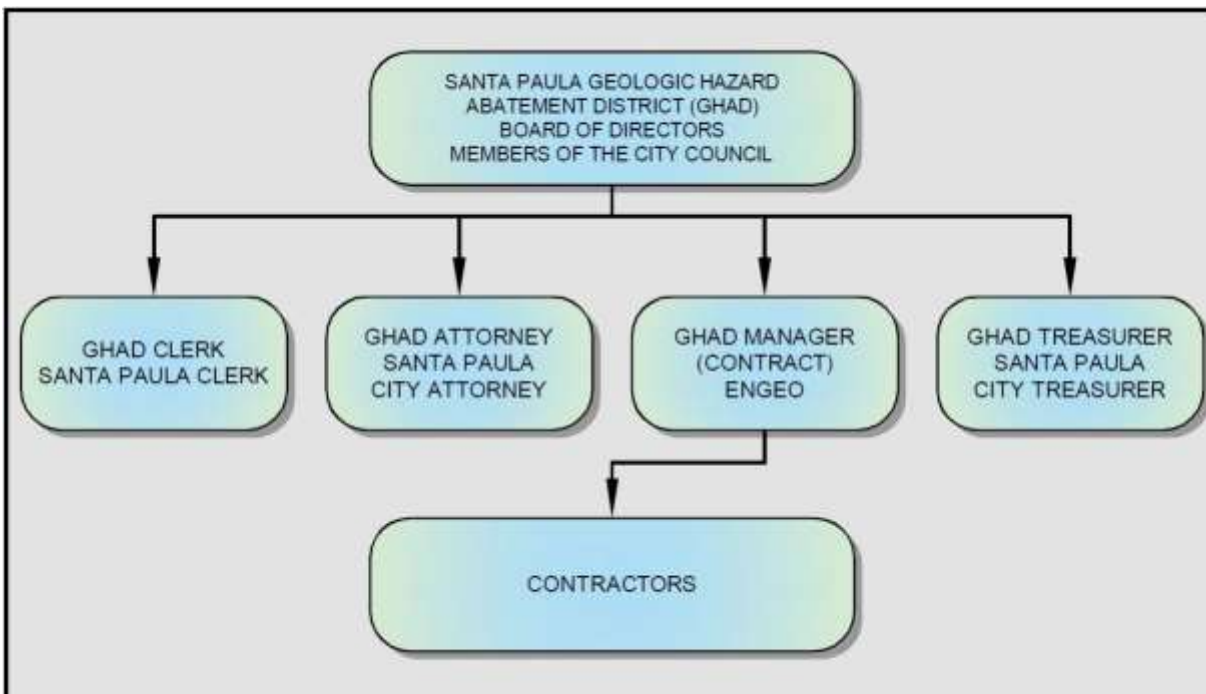
Santa Paula Geologic Hazard Abatement District
ENGEO Incorporated, GHAD Manager
ENGEO Project No. 7290.002.021


Haley Ralston
hjr/eh/cjn


Eric Harrell

**SANTA PAULA GEOLOGIC HAZARD ABATEMENT DISTRICT
PROPOSED PROGRAM BUDGET
FISCAL YEAR 2022/2023**

The following proposed program budget summarizes the anticipated revenues and expenditures for fiscal year (FY) 2022/23 for the Santa Paula Geologic Hazard Abatement District (GHAD), which currently includes the Ridgeview at Vista Glen ("Ridgeview") development. The structure of the Santa Paula GHAD is shown below.



The GHAD has had monitoring and maintenance responsibilities within the Ridgeview development since 2016 when the GHAD Board of Directors adopted Resolution No. 6974 accepting responsibility for GHAD maintained improvements.

REVENUE

The GHAD is funded through real property assessments. The initial assessment limit was approved by the Board of Directors with the adoption of Resolution 2008-03(G) on July 28, 2008 at \$1,414. The assessment limit is adjusted annually on April 30 to reflect the percentage change in the Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI) for All Urban Consumers. For fiscal year (FY) 2022/23, the assessment limit increased by 7.87 percent to reflect an increase in the CPI.

The annual assessment limits are as follows:

TABLE 1: CPI Adjustments

FISCAL YEAR	LOS ANGELES CPI (APRIL/APRIL)	ASSESSMENT LIMIT	ANNUAL ASSESSMENT LEVY
2008/2009		\$1,414.00	\$1,414.00
2009/2010	-1.31%	\$1,395.54	\$1,414.00

FISCAL YEAR	LOS ANGELES CPI (APRIL/APRIL)	ASSESSMENT LIMIT	ANNUAL ASSESSMENT LEVY
2010/2011	1.90%	\$1,422.13	\$1,414.00
2011/2012	3.28%	\$1,468.73	\$1,414.00
2012/2013	1.52%	\$1,491.06	\$1,414.00
2013/2014	0.92%	\$1,504.76	\$1,414.00
2014/2015	1.42%	\$1,526.13	\$1,414.00
2015/2016	0.47%	\$1,533.25	\$1,414.00
2016/2017	1.97%	\$1,574.01	\$1,414.00
2017/2018	2.66%	\$1,605.03	\$1,112.00
2018/2019	3.97%	\$1,668.76	\$1,156.00
2019/2020	3.34%	\$1,724.47	\$1,194.00
2020/2021	0.70%	\$1,782.04	\$1,202.00
2021/2022	3.61%	\$1,846.35	\$1,246.00
2022/2023	7.87%	\$1,991.66	\$1,246.00

For the 2021/22 FY, 75 parcels were subject to the levy of GHAD assessments. The Santa Paula GHAD assessment roll for FY 2021/22 totaled \$93,450 and is proposed to remain the same for FY 2022/23 as expenses were below estimates for FY 2021/22. In addition, as shown on Graph 1, the rate of accumulation towards the target reserve remains above the projected estimates in the approved 2008 Engineer's Report.

EXPENSES

The budget amounts listed are based on the Engineer's Reports approved by the Santa Paula GHAD Board of Directors in 2008. The budget amounts have been inflation adjusted to maintain a constant dollar value in the listed budget estimates. The budget is divided into four categories including Major Repair, Preventive Maintenance and Operations, Special Projects, and Administration and Accounting. As needed, the GHAD Manager may, in its discretion, reallocate funds within the budget.

MAJOR REPAIR

Included within the major repair category are those repair or improvement projects that are intermittent and, by their nature, do not fit within a scheduled maintenance program. Minor slope repair and erosion control items are generally funded within the Preventive Maintenance and Operations category. For the purposes of this budget, we define major repairs as those estimated at over \$50,000.

PREVENTIVE MAINTENANCE AND OPERATIONS

Preventive maintenance and operations include slope stabilization, erosion protection, and professional services within the District. Professional services include site-monitoring events as specified in the GHAD Plan of Control. Slope stabilization and erosion protection responsibilities include the open space slopes. GHAD-maintained improvements generally include detention and water-quality improvements, concrete-lined drainage ditches, retaining walls, splash walls, Geoblogg screen walls, subdrains, storm drain facilities, and vegetation management for fire suppression (Parcel "C" only, which is a GHAD-owned parcel).

SPECIAL PROJECTS

The Special Projects category allows the GHAD to budget for projects beneficial to the GHAD that do not fit into one of the other three categories. Although not proposed in the FY 2022/23 budget, special projects can include items such as global position system (GPS)/geographic information system (GIS) development for GHAD maintained improvements, website development and maintenance, and reserve studies to reevaluate the financial condition of the GHAD.

ADMINISTRATION AND ACCOUNTING

This category includes administrative expenses for tasks of the GHAD Manager, clerical, and accounting staff related to the operation and administration of the GHAD.

TABLE 2: Summary of Use of Funds

USE OF FUNDS				
	FY 2021/22 ESTIMATE*	FY 2021/22 BUDGET	FY 2022/23 PROPOSED	PERCENT CHANGE FROM FY 2021/22
MAJOR REPAIRS				
Subtotal	\$0	\$0	\$0	0.0%
PREVENTIVE MAINTENANCE AND OPERATIONS - PROFESSIONAL SERVICES				
Open Space Scheduled Monitoring Events	\$8,500	\$8,500	\$9,000	
Subtotal	\$8,500	\$8,500	\$9,000	5.9%
PREVENTIVE MAINTENANCE AND OPERATIONS - MAINTENANCE AND OPERATIONS				
Sediment Removal Concrete Structures	\$2,700	\$2,700	\$3,750	
Maintenance Stormwater Improvements	\$0	\$2,700	\$2,700	
Vegetation Management and Revegetation	\$5,100	\$5,000	\$5,500	
Subdrain Outlets	\$0	\$2,000	\$2,000	
Slope Stabilization and Erosion Repairs	\$1,050	\$12,300	\$12,500	
Subtotal	\$8,850	\$24,700	\$26,450	6.8%
SPECIAL PROJECTS				
Subtotal	\$0	\$0	\$0	0.0%
ADMINISTRATION AND ACCOUNTING				
Administration - City of Santa Paula to GHAD	\$3,000	\$3,700	\$3,700	
GHAD Manager	\$4,300	\$4,300	\$4,500	
Subtotal	\$7,300	\$8,000	\$8,200	2.5%
PROFESSIONAL SERVICES – NONTECHNICAL				
GHAD Manager - Contracting and Oversight	\$5,000	\$5,000	\$5,000	
GHAD Manager - Consultation and Meetings	\$2,000	\$2,000	\$2,200	
Treasurer	\$500	\$583	\$583	
Ventura County Assessor's Fees	\$275	\$282	\$282	
California Association of GHADs Membership	\$119	\$119	\$119	
Insurance – General Liability	\$500	\$500	\$500	
Subtotal	\$8,394	\$8,484	\$8,684	2.4%

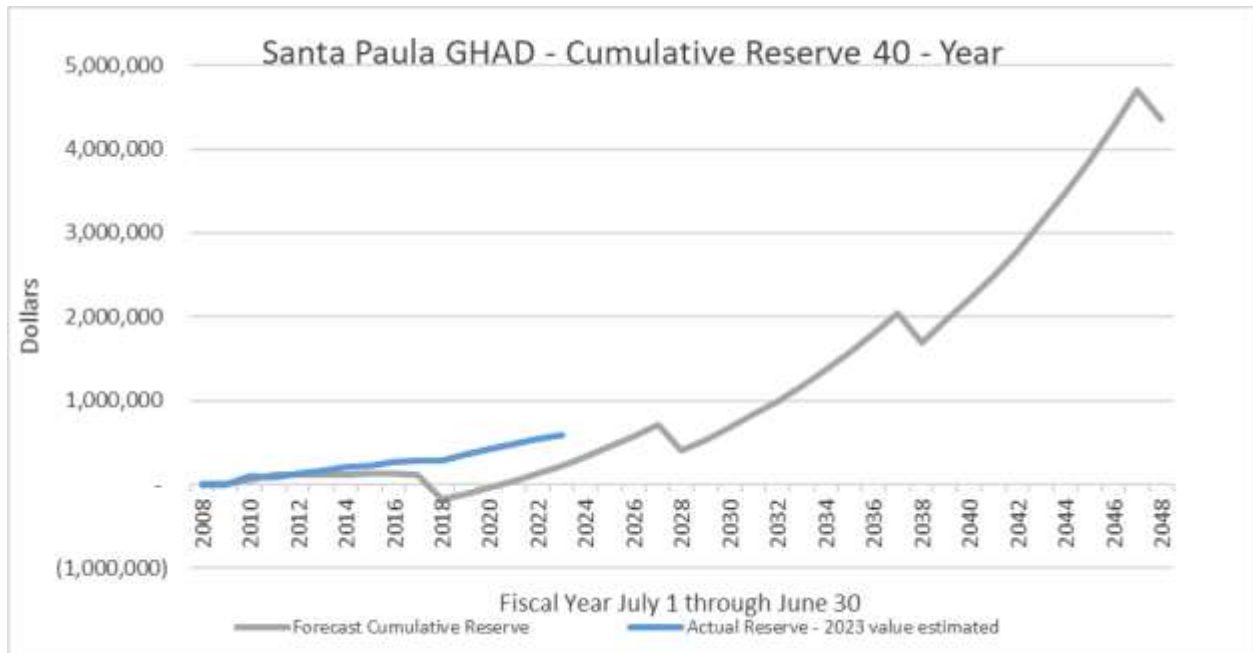
*FY 2021/22 Estimate Includes Actual Expenses through May 23, 2022 with estimate for remaining expenditures through June 30, 2022

TABLE 3: Summary of Proposed Fiscal Year 2022/23 Budget

BUDGET ITEM	LABEL	BUDGET AMOUNT	PERCENTAGE OF TOTAL REVENUE
MAJOR REPAIRS			
Major Projects	TOTAL	\$0	0%
PREVENTIVE MAINTENANCE AND OPERATIONS			
Professional Services			
Open Space Scheduled Monitoring Events		\$9,000	
	Subtotal	\$9,000	
MAINTENANCE AND OPERATIONS			
Sediment Removal – Concrete Structures		\$3,750	
Stormwater Improvement Maintenance		\$2,700	
Vegetation Management and Revegetation		\$5,500	
Subdrain/Stormdrain Outfall Maintenance		\$2,000	
Slope Stabilization and Erosion Protection		\$12,500	
	Subtotal	\$26,450	
	TOTAL	\$35,450	34%
SPECIAL PROJECTS			
	TOTAL	\$0	0%
ADMINISTRATION			
Administration - GHAD to City of Santa Paula		\$3,700	
GHAD Manager		\$4,500	
	Subtotal	\$8,200	8%
PROFESSIONAL SERVICES – NONTECHNICAL			
GHAD Manager - Contracting and Oversight		\$5,000	
GHAD Manager - Consultation and Meetings		\$2,200	
Treasurer		\$583	
Ventura County Assessor's Fees		\$282	
California Association of GHADs Membership		\$119	
Insurance – General Liability		\$500	
	Subtotal	\$8,684	8%
	TOTAL	\$16,884	
ESTIMATED EXPENDITURES	TOTAL	\$52,334	50%
Fund Balance (June 30, 2021)		\$477,897	
FY 2021/22 Estimated Revenue		\$93,450	
FY 2021/22 Estimated Expenditures		\$33,044	
ESTIMATED FUND BALANCE JUNE 30, 2022	TOTAL	\$538,303	
FY 2022/23 Estimated Revenue		\$98,038	
FY 2022/23 Expenses		\$52,344	
ESTIMATED RESERVE/FUND BALANCE ON JUNE 30, 2023	TOTAL	\$583,997	

The current Program Budget estimates that at the beginning of the 2022/23 fiscal year, the cumulative reserve will be about \$538,303 and \$583,997 at the end of FY2022/23. As shown on the graph below, the cumulative reserve is above than the amount estimated in the 2008 Engineer's Report and is estimated to reach approximately \$4,350,000 in current dollars by 2048. The GHAD reserve is intended to fund unanticipated expenses that may occur.

GRAPH 1: Cumulative Reserve



We attribute the additional reserve accumulation to a number of factors including (1) The expenditures for maintenance of the open space surrounding the development have been lower than anticipated in the 2008 Engineer's Report; (2) a large-scale repair has not been necessary within the GHAD-maintained areas; and (3) the budgets submitted and expenditures made by the current GHAD manager reflect the lower level of activity, thus allowing a higher percentage of the GHAD revenues to be applied to the reserve portion of the budget, while maintaining an appropriate monitoring and maintenance program.

MAJOR REPAIRS

There are currently no major repair projects anticipated in the 2022/23 fiscal year budget within the GHAD-maintained areas of the Santa Paula GHAD. While no major repairs are ongoing at this time, by their nature, major repairs such as landslides are unpredictable and could occur during the 2022/23 fiscal year. The reserve portion of the budget allows for the funding toward these unpredictable events.

PREVENTIVE MAINTENANCE AND OPERATIONS

Professional Services

Scheduled Monitoring Events

As provided in the Plan of Control, there are two scheduled monitoring events. In general, these monitoring events will occur in April, October, and after heavy rainfall events.

Estimated budget \$9,000

Maintenance and Operations

Sediment Removal - Concrete Structures

This budget item is to provide for the periodic removal of vegetation, cleaning, sealing, and minor repair of concrete-lined drainage ditches.

Estimated budget \$3,750

Maintenance – Stormwater Improvements

This budget item is to provide for the maintenance of stormwater improvements within the Ridgeview development including the CDS unit maintenance.

Estimated budget \$2,700

Vegetation Management and Revegetation

This budget item includes firebreak mowing on Parcel "C", vegetation management, and revegetation, which may occur during the 2022/23 fiscal year.

Estimated budget \$5,500

Subdrain Outlets

This budget item provides for subdrain outlets to be located, relocated, and repaired as necessary.

Estimated budget \$2,000

Slope Stabilization and Erosion Repairs

This is for unanticipated minor repairs, including slope instability or erosion, which may occur during the 2022/23 fiscal year.

Estimated budget \$12,500

SPECIAL PROJECTS

There are currently no special projects anticipated in the 2022/23 fiscal year budget within the GHAD-maintained areas of the Santa Paula GHAD.

ADMINISTRATION AND ACCOUNTING

GHAD Management

Administration

City Services

This budget item accounts for payment of GHAD-authorized fees for City of Santa Paula services. Administrative expenses include the Public Works Department duties related to the operation and administration of the GHAD.

Estimated budget \$3,700

GHAD Manager

Administrative expenses include the GHAD Manager duties related to the budgeting, operation, and administration of the GHAD. The budget estimate for the accounting and administrative services is derived from the original GHAD budget used to prepare the GHADs Engineer's Report.

Estimated budget \$4,500

Outside Professional Services – Nontechnical

GHAD Contracting and Oversight Services

This budget item includes contracting for GHAD Manager maintenance, repair, and emergency response that may occur during FY 2022/23.

Estimated budget \$5,000

Meeting and Consultation

This budget item allows for GHAD Manager meetings and consultation with the City of Santa Paula, the Ridgeview at Vista Glen Homeowners Association, and the GHAD Board of Directors during this period.

Estimated budget \$2,000

Treasurer

This budget item accounts for fees related to investment of the GHAD reserve funds and processing of accounts payable.

Estimated cost \$583

Ventura County Assessor's Fees

This budget item accounts for fees from the Ventura County Assessor's Office.

Estimated cost \$282

California Association of GHADs Membership

The GHAD maintains membership in the California Association of GHADs.

Estimated cost \$119

Insurance

The GHAD maintains general liability insurance for open space areas within the District.

Estimated cost \$500

EXHIBIT C

**2022 – NOTICE OF PUBLIC HEARING FOR SANTA PAULA
GEOLOGIC HAZARD ABATEMENT DISTRICT**



CITY OF SANTA PAULA NOTICE OF PUBLIC HEARING

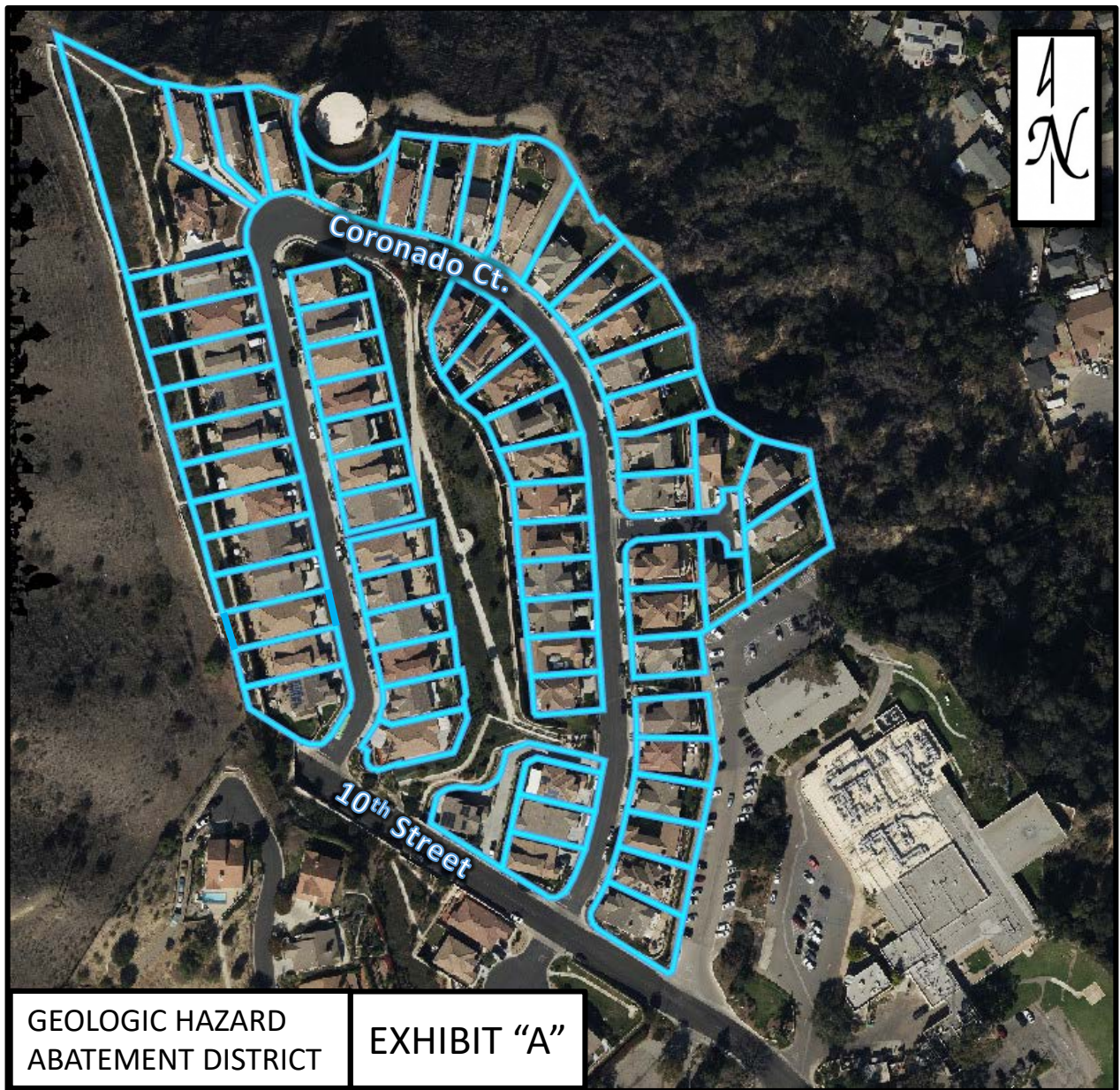
TAKE NOTICE that the Santa Paula City Council will hold a public hearing on Wednesday, June 1, 2022 commencing at 6:30 pm or as soon thereafter as possible, in the Santa Paula Council Chambers, 970 Ventura St. The public hearing will allow testimony regarding the City's proposed assessment for the Santa Paula Geologic Hazard Abatement District ("GHAD") and placing a \$1,246 per parcel assessment onto the December 2022 tax roll for the District. The assessment will only be placed on the properties shown below.

All interested persons are invited to be present and heard at the meeting. Anyone who seeks to challenge the decisions of the City Council in court with respect to these matters may be limited to raising only those issues raised by the public hearing described in this notice, or in written correspondence delivered to the city, at or before the public hearing. Public comment may be submitted at cityclerk@spcity.org. The deadline to submit comments is 3:00 PM (PT) the day of the City Council meeting. We will take your comments in the order they were sent.

Information relating to the above matter will be available upon request from the City Clerk's office starting 10-days prior to the hearing.

To be published in the Santa Paula Times on Friday May 20, 2022 and Wednesday May 25, 2022.

District Area Parcel Map: [Next Page]



**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Clete Saunier, Public Works Director

Subject: HILLSBOROUGH OPEN SPACE MAINTENANCE DISTRICT
ASSESSMENT

Date: June 1, 2022

Agenda Item: 10.B

RECOMMENDATION:

Staff recommends that the City Council:

1. Conduct a public hearing on the proposed assessment for the Hillsborough Open Space Maintenance District;
2. Adopt Resolution No. 7403 placing a \$150 per parcel special assessment onto the December 2022 tax roll for the Hillsborough Open Space Maintenance District.

BACKGROUND:

In January 1990, the City Council adopted an ordinance establishing the Hillsborough Open Space Maintenance District (District). Annually, the City Council convenes as the Maintenance District Board and is required to set the assessment necessary to fund maintenance and repair. The District initially consisted of sixty-nine parcels. An additional two parcels were annexed into the District when the Council approved the Vista Pointe Development. The purpose of the District is to pay the maintenance and repair of the flood control and drainage facilities located within the District. See Exhibit A for the location of the parcels to be maintained within the District.

It is anticipated that the estimated fund balance would be \$18,067 at the end of Fiscal year 2022/2023. Fiscal Year 2022/2023 expenses are currently estimated at \$9,750 with a breakdown as follows:

Landscaping	\$3,700
Tree Trimming & Maintenance	\$2,570
Pest Control	\$1,110
<u>Water</u>	<u>\$2,370</u>
Total	\$9,750

ANALYSIS:

None. This is an annual assessment.

STRATEGIC PLAN:

The approval of this agenda item does not directly address the strategic goals within the City's adopted strategic plan.

FISCAL IMPACTS:

State law requires the City to pay the costs for maintaining an open space maintenance district as they are incurred and then set the annual assessment accordingly. The fiscal year 2021-2022 expected ending fund balance is \$13,452.87. Anticipated 2022-2023 revenues are comprised of the \$150 per parcel assessment multiplied by the 71 parcels within the district (equaling \$10,650).

Beginning Fund Balance July 1, 2022	\$16,267
FY 2021 - 2022 Estimated Revenue	\$10,650
FY 2021 - 2022 Estimated Expenditures	(\$9,750)
Estimated Fund Balance June 30, 2023	\$17,167
Estimated FY 2022 - 2023 Revenue	\$10,650
FY 2022 - 2023 Estimated Expenditures	(\$9,750)
FY 2022 - 2023 Estimated Fund Balance	\$18,067

OPTIONS:

The Council has the following available alternative option to staff's recommendations:

1. Do not adopt Resolution 7403 placing a \$150 per parcel special assessment onto the December 2022 tax roll for the Hillsborough Open Space Maintenance District. This would preclude the District from providing maintenance services such as landscaping, pest control as well as the maintenance and repair of the flood control and drainage facilities located within the district.

ATTACHMENTS:

[Exhibit A - District Map.pdf](#)

[Exhibit B - Resolution No. 7403.pdf](#)

[Exhibit C - 2022_NOTICE OF PUBLIC HEARING - HILLSBOROUGH.pdf](#)

EXHIBIT A

HILLSBOROUGH OPEN SPACE DISTRICT MAP

HILLSBOROUGH OPEN
SPACE MAINTENANCE
DISTRICT

EXHIBIT "A"

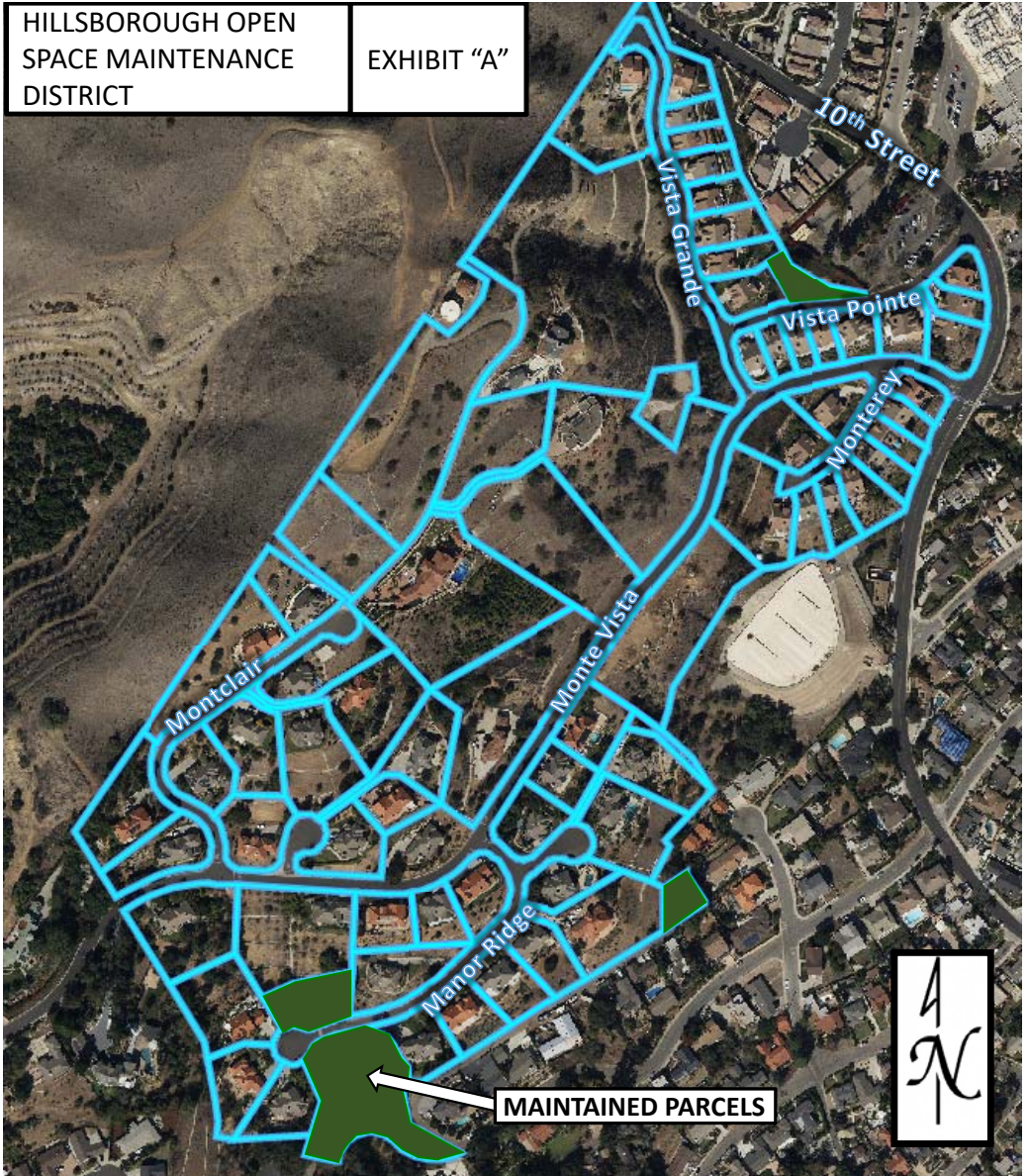


EXHIBIT B

RESOLUTION NO. 7403

A RESOLUTION CONFIRMING A \$150 ASSESSMENT ON THE
TAX TOLL FOR ALL 71 PARCELS IN THE HILLSBOROUGH
OPEN SPACE MAINTENANCE DISTRICT

RESOLUTION NO.7403

A RESOLUTION CONFIRMING A \$150 ASSESSMENT ON THE TAX ROLL FOR ALL 71 PARCELS IN THE HILLSBOROUGH OPEN SPACE MAINTENANCE DISTRICT IN ACCORDANCE WITH GOVERNMENT CODE § 54715.

The City Council for the City of Santa Paula does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

- A. The Hillsborough Open Space Maintenance District ("District") was established pursuant to Ordinance Nos. 925 and 932 in accordance with Government Code §§ 54703, et seq.;
- B. It is in the public interest for the City to take actions in accordance with Government Code § 54715, to fully fund the District's maintenance costs and maintenance of the parcels shown on Exhibit "A," which is incorporated by reference;
- C. Based upon the City Engineer's recommendations, it appears that a \$150 annual assessment on all properties located within the District will over time fully fund the maintenance costs.

SECTION 2: In accordance with the applicable sections of the Benefit Assessment Act of 1982 (Government Code §§ 54703, et seq.), the City Council adopts an annual assessment of \$150 on all 71 parcels within the District as listed on attached Exhibit "B," which is incorporated by reference.

SECTION 3: The City Manager, or designee, is directed, to take such actions that are needed to place this assessment on the December 2022 property tax rolls including, without limitation, forwarding this Resolution to the Ventura County Assessor's Office.

SECTION 4: This resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this 1st day of June, 2022

Jenny Crosswhite, Mayor

ATTEST:

Julie Latshaw, City Clerk

APPROVED AS TO FORM:

John C. Cotti, City Attorney

APPROVED AS TO CONTENT:

Dan Singer, City Manager

HILLSBOROUGH OPEN
SPACE MAINTENANCE
DISTRICT

EXHIBIT "A"

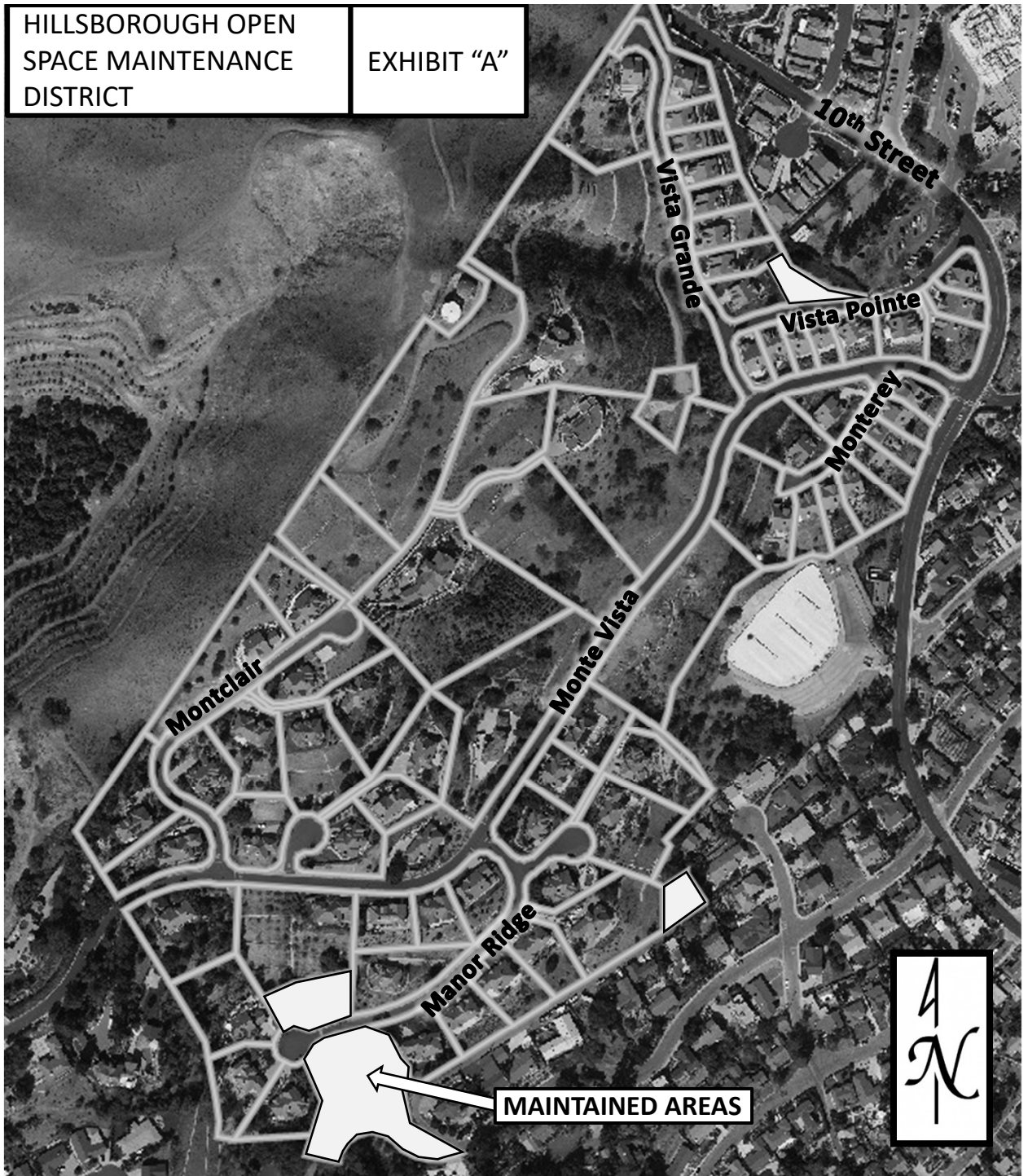


Exhibit "B"

HILLSBOROUGH OPEN SPACE MAINTENANCE DISTRICT

Parcel Number	Amount of Assessment	Parcel Number	Amount of Assessment
1000261015	150.00	1000280185	150.00
1000261025	150.00	1000280195	150.00
1000261035	150.00	1000280205	150.00
1000262015	150.00	1000280215	150.00
1000262025	150.00	1000280225	150.00
1000262035	150.00	1000280245	150.00
1000263015	150.00	1000280255	150.00
1000263025	150.00	1000280265	150.00
1000264015	150.00	1000280275	150.00
1000264025	150.00	1000280285	150.00
1000264035	150.00	1000280295	150.00
1000264045	150.00	1000280305	150.00
1000264055	150.00	1000280315	150.00
1000264065	150.00	1000280325	150.00
1000264085	150.00	1000280335	150.00
1000264095	150.00	1000280345	150.00
1000264105	150.00	1000280355	150.00
1000264145	150.00	1000280365	150.00
1000264155	150.00	1000280375	150.00
1000264165	150.00	1000280395	150.00
1000264175	150.00	1000280405	150.00
1000271015	150.00	1000280415	150.00
1000271025	150.00	1000280425	150.00
1000272025	150.00	1000280435	150.00
1000272035	150.00	1000280445	150.00
1000272045	150.00	1000280455	150.00
1000272055	150.00	1000300015	150.00
1000273015	150.00	1000300045	150.00
1000273025	150.00	1000300085	150.00
1000273035	150.00	1000300095	150.00
1000273045	150.00	1000300105	150.00
1000273055	150.00	1000300115	150.00
1000273065	150.00	1000300125	150.00
1000273075	150.00	1000300155	150.00
1000280145	150.00	1000300205	150.00
1000280175	150.00		



CITY OF SANTA PAULA NOTICE OF PUBLIC HEARING

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All interested persons are invited to be present and heard at the meeting. Anyone who seeks to challenge the decisions of the City Council in court with respect to these matters may be limited to raising only those issues raised by the public hearing described in this notice, or in written correspondence delivered to the city, at or before the public hearing. Public comment may be submitted at cityclerk@spcity.org. The deadline to submit comments is 3:00 PM (PT) the day of the City Council meeting. We will take your comments in the order they were sent.

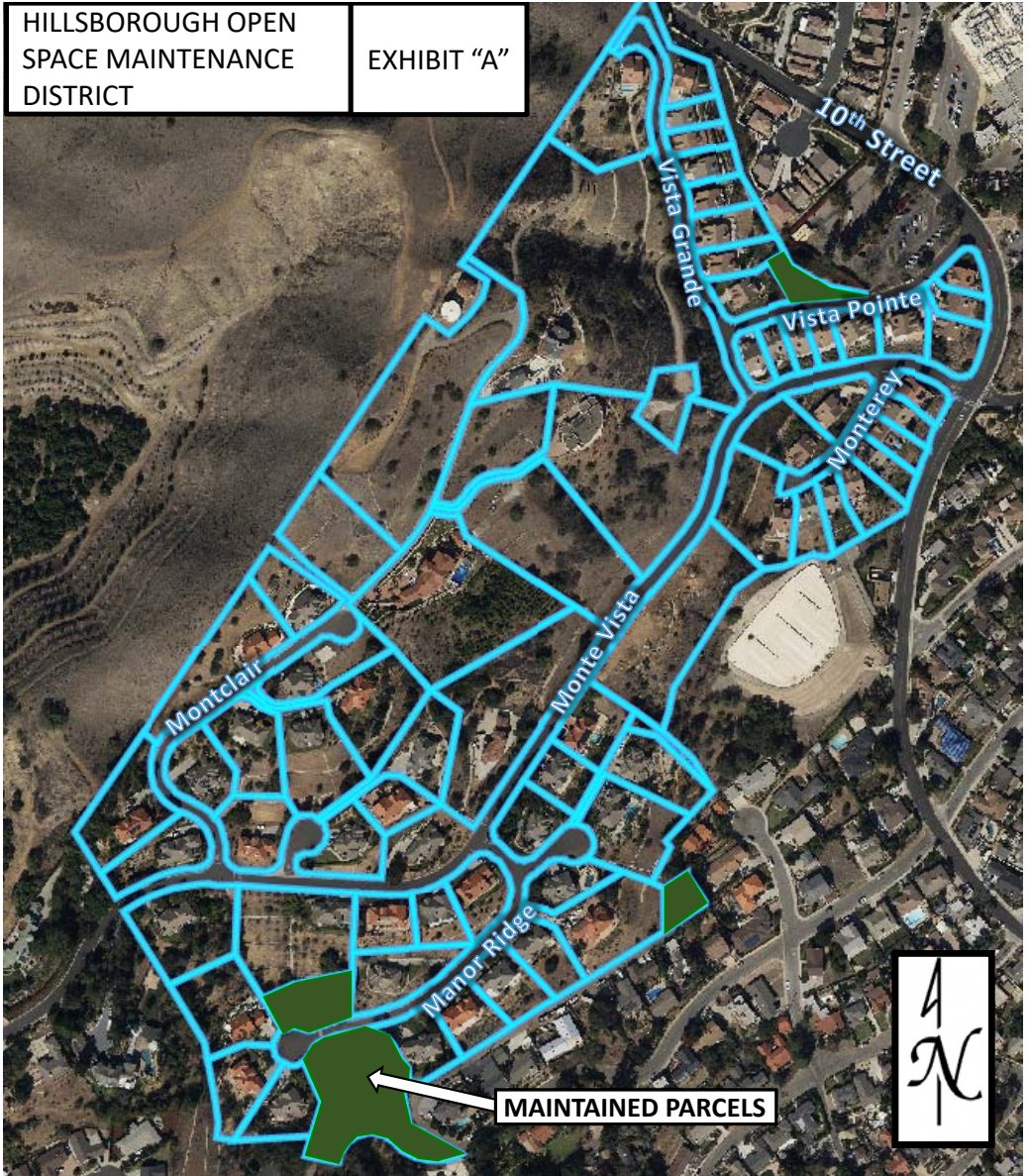
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District Area Parcel Map: [Next Page]

HILLSBOROUGH OPEN
SPACE MAINTENANCE
DISTRICT

EXHIBIT "A"



**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Jonathan Royas, Management Analyst

Subject: CONSIDERATION OF COMMUNITY CHOICE AGGREGATION (CCA)
ENERGY OPTIONS THROUGH CLEAN POWER ALLIANCE (CPA)

Date: June 1, 2022

Agenda Item: 11.A

RECOMMENDATION:

1. Discuss and provide staff direction regarding one or more Community Choice Aggregation (CCA) options.

Presented by: Jonathan Royas, Management Analyst

BACKGROUND:

In 2018, City Council considered whether the City of Santa Paula should join California Choice Energy Authority (CalChoice) or the Los Angeles Community Choice Energy for Community Choice Aggregation (CCA) energy operations. After considering both options, City Council introduced Ordinance 1277 authorizing the implementation of a CCA program through CalChoice.

CCA Program

CCA operations were made possible in California in 2002 with the passing of AB117 (Migden). CCA provides public agencies, such as the City, the opportunity to procure their own energy for their customers-the residents and businesses in their jurisdiction. CCA can purchase power and sell it to its customers, utilizing the infrastructure (poles and wires) of the existing Investor-owned Utility (IOU). In Santa Paula, the IOU is Southern California Edison (SCE). This results in customer bills that include both the IOU's delivery costs and the CCA's energy ("generation") costs. The IOU would typically continue to provide customer billing with a description of the CCA's charges included.

One of the biggest benefits a CCA offers is the ability to control the energy portfolio. This has been used most commonly to increase the percentage of renewable energy in the portfolio compared to that currently offered by the IOUs. Another important feature of a CCA is that once a public agency chooses to form or join a CCA, every customer within the agency's jurisdiction is automatically enrolled into the program. The agency sets a default initial renewable energy level for both its municipal accounts and all other community accounts. Customers then have the option of opting out of the CCA entirely and going back to their

original IOU for energy. Customers also have the option of changing their individual renewable energy level or remaining at the original default level set by the jurisdiction. The public agency also has the option of changing its citywide default renewable energy level if necessary.

In almost all situations, cities looking to reduce greenhouse gas emissions or implement a Carbon Neutral Plan join a CCA to help bolster their efforts. Currently, Ventura County cities such as Ojai, Camarillo, Oxnard, Ventura, Thousand Oaks, Simi Valley and Moorpark are all part of a CCA in an attempt to lower their carbon footprint.

City of Santa Paula Former Implementation Plan

As noted above, in 2018, Council took steps to move Santa Paula forward in joining a CCA through CalChoice. On February 28, 2019, the California Public Utilities Commission's Energy Division (Energy Division) reviewed the City of Santa Paula's (City) Implementation Plan and Statement of Intent and approved the plan to begin CCA service effective May 2020. While the Plan indicated a target launch date of May 2020, the Plan also included language that stated the City may consider other phase-in options based on market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts. As a result, due to fluctuations in market conditions and the COVID-19 pandemic, the City postponed the launch date twice, once in April 2019 and again in April 2020.

On March 17, 2021, staff revisited our Implementation Plan launch consistent with the March 30, 2021 deadline for a 2022 launch however, several factors raised concerns in staff moving forward at that time due to the following:

- effects of the coronavirus pandemic and other market fluctuations in the energy sector;
- potential for resident and commercial energy rate increases which would be much higher than established Southern California Edison rates at the time;
- inability to garner additional larger energy partners due to our small population size

As a result, Council authorized staff to move forward with steps to decertify the City from joining a CCA.

ANALYSIS:

Over a year later since the decertification process with CalChoice in March 2021, Clean Power Alliance (CPA), an alternative CCA and the largest in California, reached out to staff to join their Joint Powers Authority (JPA).

Potential CCA Options Available

Should Council wish to consider joining a CCA again, three CCA options are detailed below. Additionally, Council could decide that it is still not prudent to join a CCA at this time and continue to utilize Southern California Edison as our energy provider.

1. Form our own standalone CCA;
2. Join CalChoice, a hybrid CCA model affiliated with Lancaster Choice Energy; or
3. Join Clean Power Alliance.

Standalone Santa Paula CCA

There would be significant administrative and financial burdens associated with formation of a new CCA. Though all the revenue of the CCA would go directly to the City of Santa Paula in this scenario, so would all potential risk. Though most likely operated by contractors and consultants, City staff would be required to oversee these operations and interface between Council and the CCA. This would require additional, specialized City staff to administer the program.

CalChoice

This option was the previous path Council and staff took in 2018 before we decertified from this process in 2021. CalChoice provides a hybrid CCA option in which the City would technically have our own CCA, but it would be overseen administratively by Lancaster Choice Energy. CalChoice has a team of consultants that handles administration and energy procurement for its members, and each member pays a fee for these services. The City would have minor voting power to control rate-setting, branding, billing and programs due to the size of Santa Paula and our energy consumption needs in totality. In fact, in March 2021, CalChoice personnel indicated over ongoing discussions that Santa Paula would likely not be a viable member for CalChoice due to our small size and CalChoice encouraged us to partner with another larger agency to make the move to CCA economically feasible. The City was unable to garner interest from other unserved communities, thereby negating most of the value associated with this option.

Clean Power Alliance (CPA)

CPA is the largest CCA in California, covering 32 agencies in Los Angeles and Ventura counties. CPA is a JPA and each member agency has a representative on the Board of Directors. The JPA format relieves the member agencies from any liability to their general funds. The Board of Directors determines the programs, rates, and policies of the JPA with the guidance from Clean Power Alliance staff. Current CPA program offerings include: solar plus clean backup power for critical member agency facilities; rebates for publicly accessible electric vehicle chargers; demand response incentives for residential and commercial smart technologies; and community solar for customers in disadvantaged communities. CPA handles all customer billing and administration for its members though each member's governing board determines its agency's default renewable energy rates. CPA currently offers three energy options: Lean Power (40 percent clean energy, similar to SCE's base product), Clean Power (50 percent clean energy), and 100 percent Green Power (100 percent renewable energy).

Risks Associated with a CCA

The most likely risk associated with CCA is based on the potential for errors made in forecasting energy needs and costs. If Santa Paula had its own CCA with its own unique energy needs, forecasting and purchasing supplies would be critically important. In the CCA model, there is no real threat of outages due to underestimating energy loads, but there could be exorbitant costs associated with procuring energy in real-time in the event of an unexpected shortfall. Because the CCA would be connected to the General Fund, any potential shortfalls experienced in the standalone CCA model could impact the City's overall budget.

Clean Power Alliance's combination of low-risk with cooperative local control has made it a popular option among local agencies, including Ventura County cities such as Ojai, Camarillo, Oxnard, Ventura, Thousand Oaks, Simi Valley and Moorpark.

Individual customers have the option of choosing lower clean energy content or opting out of the program altogether and returning to paying SCE for both generation and delivery costs. From 2018 through 2020, Clean Power Alliance's rates were 1-2 percent less expensive than SCE's for Lean Power, at parity with SCE for Clean Power, and 7-9 percent more expensive for 100 percent Green Power. In 2021, the Lean Power and Clean Power rates became more expensive than SCE due to an increase in the Power Charge Indifference Adjustment (PCIA) (commonly referred to as the "exit fee") and market conditions that forced CPA to purchase system power at historically high prices. The 100 percent Green Power rate remained around the nine percent premium as falling prices for renewable energy offset the rise in system power prices. Clean Power Alliance expects that in March 2022 all three Clean Power Alliance rate products will be less expensive than SCE if the PCIA goes down and SCE generation rates go up. The Clean Power Alliance Board conducts an annual rate setting process in June, at which time the rate comparisons will likely return to levels similar to the 2018-2020 period for Lean and Clean, with a 3-4 percent premium for 100 percent Green.

Possible Next Steps

Tonight, Ted Bardacke, Executive Director for CPA, will make a presentation to Council on the CPA to assist Council in determining whether to pursue a CCA option with CPA. Should Council wish to pursue joining CPA, a \$10,000 one-time cost would be required to develop a feasibility study that would assess the City's current and projected power needs and help determine what additional resources Clean Power Alliance would need to secure to accommodate Santa Paula customers.

Lastly, should this feasibility study support the City's inclusion in the Clean Power Alliance, Clean Power Alliance would then discuss with the City its next steps. These would include the City Council officially declaring its interest in joining Clean Power Alliance in late 2022, adopting an ordinance to join the JPA, and then developing an outreach plan. The majority of outreach to the community and customers would be done by Clean Power Alliance itself with a goal of opting in all customers citywide in 2024.

Additionally, staff has attached as Exhibit A, a draft CPA Membership Application Letter which outlines potential next steps.

STRATEGIC PLAN:

This agenda item does not directly address the strategic goals within the City's two-year adopted Strategic Plan.

FISCAL IMPACTS:

A \$10,000, one-time cost, would be required to develop a feasibility study. Should Council direct staff to proceed in moving forward with these efforts, staff will return at a later time with a budget expenditure and revenue adjustment from the General Fund to cover this cost.

OPTIONS:

1. Direct staff to research forming our own standalone CCA;
2. Direct staff to pursue alternative energy options with CalChoice;
3. Direct staff not to pursue moving forward with a CCA at this time.

ATTACHMENTS:

[CPA Draft.pdf](#)

[CPA Presentation - City of Santa Paula City Council 2022-06-01.pdf](#)

**EXHIBIT A -
CPA Draft
Membership
Application
Letter**

May 24, 2022

Dan Singer
City Manager
City of Santa Paula
970 Ventura St.
Santa Paula, CA 93060

Dear:

Clean Power Alliance (CPA) understands that the City of Santa Paula City Council is considering taking the required actions necessary for the City to join Clean Power Alliance before December 31st, 2022 so that customers in your city could begin enrollment in CPA in 2024. We welcome your interest and look forward to working together.

The process to join will involve several steps as outlined below.

1. **Data gathering** (begin immediately): Santa Paula will need to submit a Form 14-769, Community Choice Aggregator Non-Disclosure Agreement, and Form 14-770, Community Choice Aggregation Service Declaration, to Southern California Edison (SCE) authorizing SCE to supply energy usage data for your community for the most recent period available. CPA will assist you with this request to SCE.
2. **Applicant Impact Study** (completed by the end of August): CPA will conduct an analysis of the impact to existing CPA customers should Santa Paula join. The study will be at a fixed fee cost of \$10,000, payable by the City of Santa Paula. The study will determine what, if any, conditions may apply to Santa Paula's membership and will include the following elements:
 - a. Impact on CPA peak load and total generation
 - b. Financial analysis including net benefits compared to additional procurement, administrative, financing, implementation costs, and any other financial impacts.
 - c. Impacts to renewable energy and greenhouse gas content of CPA's overall portfolio.
 - d. Sensitivity analysis of various market scenarios.
 - e. Summary of expected impacts and recommended mitigation measures, if needed.
3. **CPA Board considers Applicant Study** (considered at the September 1, 2022 CPA Board meeting): The CPA Board will decide if Santa Paula should be invited to join the JPA and, if so, any special conditions that would apply.

4. **Santa Paula adopts Ordinance to join CPA and adopts JPA Agreement** (completed by end of November): Santa Paula adopts implementing ordinance and JPA agreement. Please note that the ordinance adoption requires two readings and that both votes must take place by the end of November.
5. **Updated Implementation Plan and JPA amendment** (considered at the December 1, 2022 CPA Board meeting): CPA Board votes to amend its JPA to include Santa Paula and to file an amended Implementation Plan with the CPUC to cover the addition of Santa Paula beginning in 2024. CPA may do the Implementation Plan Amendment in-house or engage a consultant to prepare this filing. Depending on the results of the feasibility study and any subsequent conditions attached by the CPA Board to Santa Paula's invitation to join CPA, Santa Paula and any other cities joining CPA in 2022 may be asked to share in the costs of preparing the Implementation Plan Amendment.

Please note that the process outlined above only applies to Santa Paula joining CPA during 2022. The process may look different in 2023 and a new impact analysis would be required at that time. If you agree with the terms outlined in this letter, please sign and return the attached Authorization to Proceed and CPA staff will begin conducting the impact study.

We look forward to working together through the process. If you have any additional questions please contact Karen Schmidt, Senior Advisor, Strategy, at (805) 798-1629 or at kschmidt@cleanpoweralliance.org.

Sincerely,

Ted Bardacke
Chief Executive Officer

Enc: Authorization to Proceed Form

Authorization to Proceed

The City of Santa Paula hereby authorizes Clean Power Alliance of Southern California to conduct an Applicant Impact Study which will cover the items listed in the above January 26, 2022 letter from CPA Chief Executive Officer Ted Bardacke. The cost of the Applicant Impact Study will be a fixed fee of \$10,000, payable within 30 days of invoicing.

Dan Singer
City Manager
City of Santa Paula

Date

Clean Power Alliance: Helping Ventura County Communities Meet Their Clean Energy Goals

City of Santa Paula
City Council Meeting
June 1, 2022



Clean Power Alliance is a publicly-owned electricity provider serving customers clean energy at competitive rates

- ⚡ Clean Power Alliance purchases clean power and Southern California Edison delivers it.
- ⚡ SCE sends a single monthly bill, which includes SCE charges for electricity delivery and CPA charges for electricity supply/generation.
- ⚡ CPA charges are NOT an added fee; they simply replaces the SCE supply/generation charges on the bill.

We work together to bring you access to the most sustainable energy available



Community Choice Aggregators (CCAs)

CCAs serve a growing share of electricity customers across California

- ⚡ Enabled by state legislation in 2002
- ⚡ Serve ~ 1/3 of electricity load in CA; most are Joint Powers Authorities
- ⚡ Provide consumer choice, competition, innovation, local control and investment, and tools for climate action and resilience
 - When a city joins a CCA, all customers in that city are automatically defaulted into the CCA service unless they affirmatively opt-out.
 - Most customers stay with the CCA – in CPA's case there is a 95% participation rate
- ⚡ CCAs have driven the vast majority of clean energy development in CA over the past 5 years
- ⚡ Because CCAs are regulated by Boards made up of local elected officials and not the California Public Utilities Commission, they more closely reflect the goals and values of the local communities they serve

Clean Power Alliance is a JPA made up of 30 Cities and the Counties of Los Angeles and Ventura

- ⚡ CPA serves approximately 1 million customer accounts representing 3 million residents and businesses
- ⚡ Largest CCA in CA; more customers on 100% renewable energy rates than any utility in the nation
- ⚡ Each member has a seat on Board of Directors – One member, one vote
- ⚡ Experienced staff from private and public sectors



Three Energy Products – The Power of Choice

Start Making Your
Community Better



Lean Power
40% clean power

Support the Future of
Your Community



Clean Power
50% clean power

Invest in Your
Community and the
World

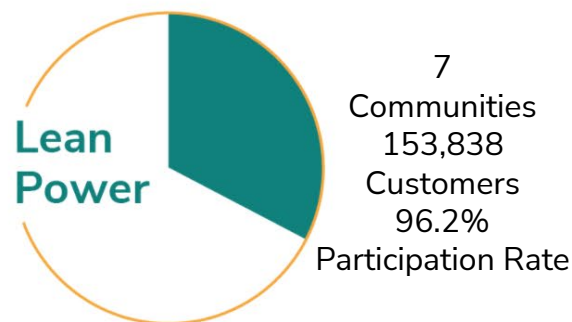


100% Green Power
100% renewable energy

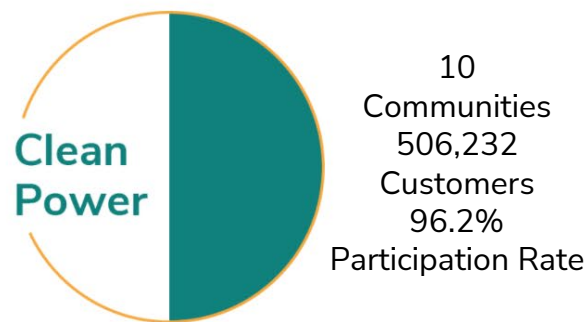
Greenhouse Gas Emissions Impact

- ⚡ CPA's Lean Power offers similar GHG emissions to SCE
- ⚡ CPA's Clean Power has an emissions profile 5%-10% lower than SCE
- ⚡ CPA's 100% Green Power zeros out a customer's and potentially an entire community's electricity-based GHG emissions through the provision of 100% renewable energy, mostly generated here in Southern California
- ⚡ Electricity use is the second largest source of GHG emissions after transportation
- ⚡ As transportation increasingly electrifies, the emissions reduction impact of the 100% Green Power rate is compounded
- ⚡ Price differentials of Lean, Clean and 100% Green Power have narrowed to less than 5%

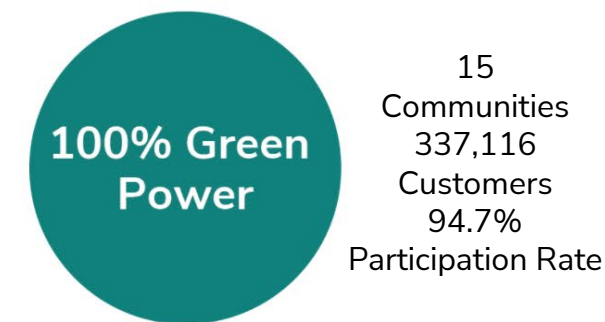
Customers are automatically enrolled at the default rate selected by their community



- ⚡ Arcadia
- ⚡ Camarillo
- ⚡ Hawthorne
- ⚡ Paramount
- ⚡ Simi Valley
- ⚡ Temple City
- ⚡ Westlake Village



- ⚡ Alhambra
- ⚡ Beverly Hills
- ⚡ Carson
- ⚡ Claremont
- ⚡ Downey
- ⚡ Hawaiian Gardens
- ⚡ Los Angeles County
- ⚡ Moorpark
- ⚡ Redondo Beach
- ⚡ Whittier



- ⚡ Agoura Hills
- ⚡ Calabasas
- ⚡ Culver City
- ⚡ Malibu
- ⚡ Manhattan Beach
- ⚡ Ojai
- ⚡ Oxnard
- ⚡ Rolling Hills Estates
- ⚡ Santa Monica
- ⚡ Sierra Madre
- ⚡ South Pasadena
- ⚡ Thousand Oaks
- ⚡ Ventura County
- ⚡ Ventura
- ⚡ West Hollywood

Default change to 100% Green scheduled for October 2022 (279,161 customers)

Default change to 100% Green scheduled for October 2023 (27,006 customers)

Default change to 100% Green scheduled for October 2024 (111,502 customers)

Non-Residential Customers to 100% Green scheduled for October 2022 to align with existing 100% Green residential default (1,825 customers)

Low-income customers in 100% Green default communities receive 100% renewable energy at the Clean Power rate

Power Procurement – Reliable and Renewable

- ⚡ 21 long-term contracts signed to date, totaling 1,613 MW of renewable energy and 878 MW of storage
- ⚡ Diverse portfolio reduces more than one million tons of greenhouse gases (GHG) annually while improving system reliability
- ⚡ Approximately 2,500 jobs created
- ⚡ Preferences for projects that:
 - ⚡ Are in or close to CPA territory
 - ⚡ Prioritize workforce development
 - ⚡ Bring benefits to disadvantaged communities
 - ⚡ Show high levels of environmental stewardship



Programs that Benefit the Community

- ⚡ Our Board of Directors has adopted a five-year strategic plan calling for \$200 million in local investment in customer programs and project development that benefit communities in three priority areas:
 - ⚡ Resiliency and Demand Management
 - ⚡ Building and Transportation Electrification
 - ⚡ Local Renewable Energy Procurement



CPA Local Programs

- **Clean Energy Backup Power** systems for member agencies' critical facilities
- **Community Solar** with 20% bill discounts for low-income customers
- **Demand Response** incentives/bill credits for residents to reduce electricity use when energy is most expensive and dirty
- **EV Charging Station Incentives** for publicly accessible installations
- **Over \$1 Million** in scholarship and workforce development programs in partnership with Community Colleges and IBEW
- **All low-income customers** in 100% Green default cities get 100% renewable energy at CPA's Clean energy rate

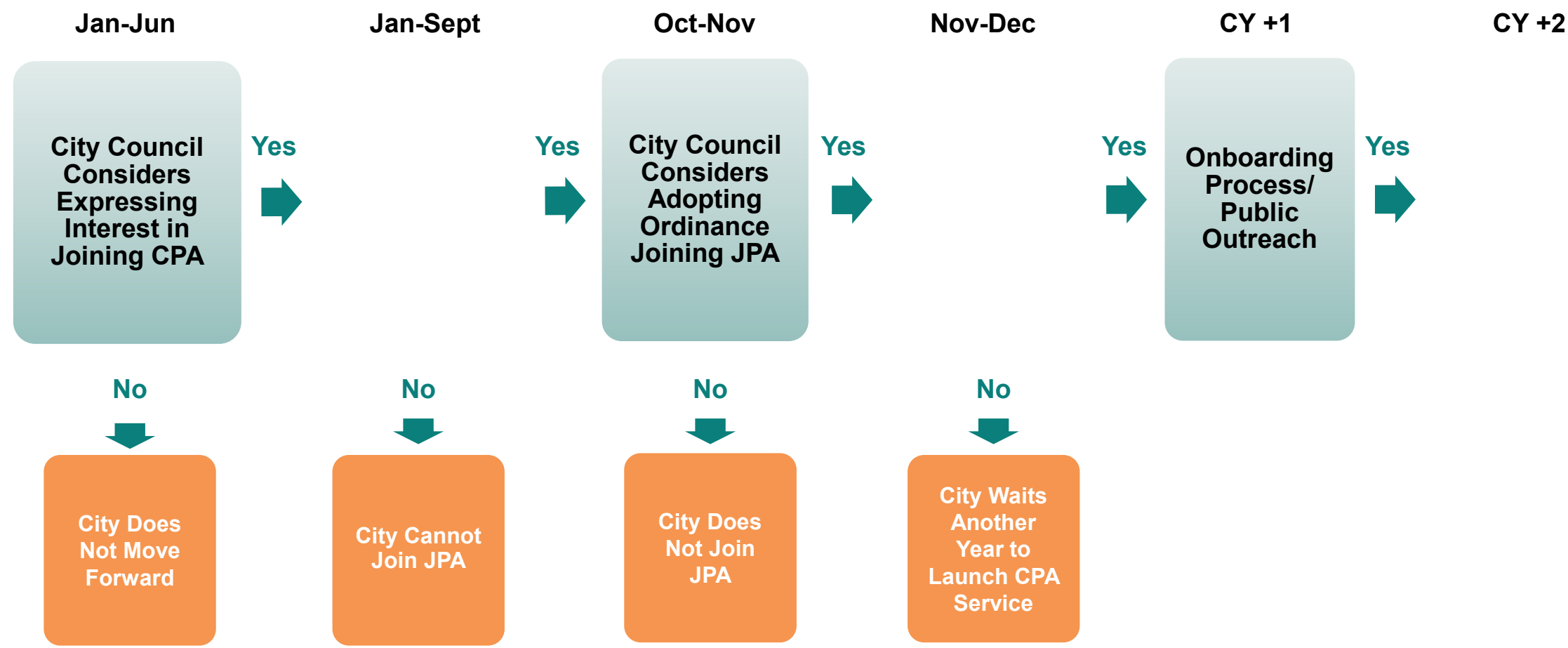


2022/23 Rate Outlook

- ⚡ Part of CPA's value proposition is to always have rates that are competitive with SCE.
- ⚡ Due to market conditions, multiple SCE rate changes, and annual volatility in the PCIA, or "exit fee," comparisons can fluctuate over the course of a year.
- ⚡ In July 2022, CPA will implement its annual FY 22/23 rates. Bills for CPA customers will be similar to January 2022 levels, and very competitive with SCE's base rates.

Residential Bills	Jan 2022 Typical Bill	Comparison to SCE base	July 2022 Typical Bill	Comparison to SCE base
SCE base rate	\$161		\$172	
Lean Power	\$171	6.3%	\$171	-1.0%
Clean Power	\$172	7.1%	\$172	0.0%
100% Green Power	\$176	9.7%	\$177	3.0%

Typical Process to join CPA



Power for Good



CPA brings multiple opportunities and benefits

- ⚡ Reliable clean energy at competitive rates
- ⚡ Community and customer choice
- ⚡ Accelerated and cost-effective emission reductions
- ⚡ Local control and values alignment
- ⚡ Investment in local needs, green jobs and green economy



Connect with CPA

Karen Schmidt, Senior Advisor, Strategy

ksmidt@cleanpoweralliance.org

Gina Goodhill, Director, Government Affairs

ggoodhill@cleanpoweralliance.org



**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Greg Barnes, Parks and Recreation Director

Subject: FIRST READING OF ORDINANCE No. 1318 RECREATION
COMMISSION CHANGES

Date: June 1, 2022

Agenda Item: 11.B

RECOMMENDATION:

Staff recommends that the City Council:

Waive reading and introduce Ordinance No. 1318 to amend the membership and terms of the members of the Recreation Commission.

Presented by: Greg Barnes, Parks & Recreation Director

BACKGROUND:

The Santa Paula Municipal Code (Sections 32.45 & 32.46), establishes the terms of the membership for the City's Recreation Commission. The Ordinance sets forth an advisory commission made up of five commissioners serving three-year terms. Commission members must be at least 18 years of age and Santa Paula residents.

ANALYSIS:

In December of 2021, Council adopted Resolution No. 7378 dissolving the Youth Advisory Committee. With that committee no longer in existence, City Council directed staff to add two youth positions to the Recreation Commission. That direction is reflected in the attached ordinance.

Staff, along with the City Attorney, have drafted Ordinance No. 1318, which reflects the addition of two youth members, between the ages of 14-17 at the time of appointment. In addition, the two youth members will be appointed to serve a one year term. A copy of the Ordinance is attached to this report.

Staff will begin advertising to fill these two positions immediately following the second reading of the ordinance on June 15, 2022.

STRATEGIC PLAN:

Approval of this item moves us closer to completing the City Council's two-year Strategic Plan,

Section F, Community Vitality, Objective #10, Expanding Youth Programs.

Although this action is not directly creating a new youth program, it does expand the Recreation Commission and provide new opportunities for youth growth and development.

FISCAL IMPACTS:

None.

OPTIONS:

1. If Council does not adopt Ordinance No. 1318 this evening, staff will not bring back the item for a second reading and the Recreation Commission will stay a five member commission.
2. Council can provide direction to staff if any changes are needed to the attached Ordinance; staff will bring back a revised Ordinance at the first meeting in August of 2022.

ATTACHMENTS:

[EXHIBIT A: Ordinance No. 1318.pdf](#)

EXHIBIT A

ORDINANCE NO. 1318

**AN ORDINANCE OF THE CITY OF SANTA
PAULA, CALIFORNIA, AMENDING SECTIONS
32.45 AND 32.46 OF THE SANTA PAULA
MUNICIPAL CODE RELATING TO THE
MEMBERSHIP AND TERM OF MEMBERS FOR
THE RECREATION COMMISSION**

ORDINANCE NO. 1318

AN ORDINANCE OF THE CITY OF SANTA PAULA, CALIFORNIA, AMENDING SECTIONS 32.45 AND 32.46 OF THE SANTA PAULA MUNICIPAL CODE RELATING TO THE MEMBERSHIP AND TERM OF MEMBERS FOR THE RECREATION COMMISSION

The City Council of the City of Santa Paula does ordain as follows:

SECTION 1. The City Council finds and declares as follows:

- A. The Santa Paula Municipal Code establishes the Recreation Commission. The Recreation Commission currently consists of five members appointed by and serving at the pleasure of the City Council;
- B. In that the City Council has dissolved the Youth Advisory Committee, the City Council now wishes to amend the Municipal Code to add two youth members to the Recreation Commission, increasing the total number of voting members from five to seven.

SECTION 2. Section 32.45 of the Santa Paula Municipal Code, entitled "Created, Membership," is hereby amended to read as follows:

"§32.45 CREATED; MEMBERSHIP.

(A) A Recreation Commission is created for the city. The Commission will consist of seven voting members appointed in conformance with this code."

SECTION 3. Section 32.46 of the Santa Paula Municipal Code, entitled "Meetings," is hereby amended to read as follows:

"§32.46 QUALIFICATIONS; TERMS OF MEMBERS.

(A) There shall be five (5) members of the Commission that are 18 years of age and older that serve terms of three (3) years, or until a successor has been duly qualified and appointed.

(B) There shall be two (2) youth members of the Commission between the ages of 14 and 17 at the time of appointment that serve for terms of one (1) year, or until a successor has been duly qualified and appointed.

(C) Members appointed to fill vacancies arising during a term shall serve only for the remainder of the term of the member they replace."

SECTION 4. Upon the effective date of this Ordinance, the provisions hereof shall supersede any inconsistent or conflicting provisions of the Santa Paula Municipal Code.

SECTION 5. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by

the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 6. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause a summary thereof to be published within fifteen (15) days of the adoption and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

PASSED, APPROVED, AND ADOPTED this ____ day of June, 2022

Jenny Crosswhite, Mayor

ATTEST:

Julie Latshaw, City Clerk

APPROVED AS TO FORM:

John C. Cotti, City Attorney

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Clete Saunier, Public Works Director

Subject: SOLID WASTE FRANCHISE AGREEMENT BETWEEN THE CITY OF
SANTA PAULA AND ATHENS SERVICES

Date: June 1, 2022

Agenda Item: 11.C

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt Resolution 7404 Approving a Sixth Amendment to the Solid Waste Franchise Agreement with Athens Services for Residential, Commercial, Industrial, and Multi-Family Residential Solid Waste Collection, in a form approved by the City Attorney.
2. Adopt Resolution 7405 Awarding an Exclusive Solid Waste Franchise Agreement to Athens Services, in a form approved by the City Attorney.

Prepared by: Clete J. Saunier, Public Works Director
Christy Ramirez, Finance Director
Joseph Alvarado, Management Analyst
Kimberly Nilsson, Solid Waste Solutions, Inc.

BACKGROUND:

The City of Santa Paula currently receives solid waste service from Athens Services under the terms of its non-exclusive solid waste franchise agreement (agreement). This agreement was set to expire on May 31, 2022 but was extended through Franchise Amendment No. 5 to June 30, 2022.

The City and Athens have been negotiating a successor agreement and recently reached a tentative agreement. The tentative new agreement includes all the requirements of SB 1383 Organics, which has caused rate increases due to the additional organics program costs. The new organics programs will be designed to meet all requirements of City Ordinance 1313 mandating the implementation of SB 1383 and defining the requirements as outlined by CalRecycle. These program cost increases cannot be adopted until a Proposition 218 majority protest hearing is held. Note: a Proposition 218 process takes approximately three (3) months to execute as a result of mandatory public noticing requirements.

Due to the time that it takes to implement the Proposition 218 process there is a need to extend the existing franchise agreement through to the end of the three (3) month process. It is not possible to have the new franchise agreement, with new rates in effect prior to the

expiration of the existing agreement. Therefore, staff recommends extending the existing agreement until September 30, 2022, by adopting Resolution 7404 (Exhibit A) executing Amendment No. 6.

ANALYSIS:

As a result of SB 1383 and the upcoming expiration of the current franchise, the City has been negotiating with Athens regarding a successor franchise. The Council appointed an ad-hoc committee of two councilmembers and with staff's assistance they have reached a tentative agreement with Athens. Below is a summary of Key additions in the new agreement:

- Transitions from a non-exclusive to an exclusive franchise agreement. Meaning Athens Services is the only authorized solid waste service provider within the City limits.
- Implements all required SB 1383 program requirements as defined by CalRecycle and City Ordinance 1313. This includes mandatory organic service to all sectors (residential, multi-family, commercial and industrial), contamination monitoring and reporting, and required outreach to affected customers.
- Modifies franchise and related fees. The new franchise includes a 23.66% franchise fee (tentative percentage, see Fiscal Impacts section below), 5% solid waste management fee, 4.5% stormwater quality fee and a \$0.50 per customer per month household hazardous waste fee. These fees are based on the reasonable cost of providing the service or regulatory programs or franchise fees that are reasonably related to the value of the rights provided in the agreement.
- A significant portion of the franchise fee will fund approximately \$300,000 annually for street paving maintenance and improvements and supporting local community programs.
- Incorporates all street sweeping services in compliance with State Water Quality Control Board requirements previously provided under a separate contract.
- Provides \$36,300 toward the purchase of twenty-two (22) dual garbage and recyclable containers for use in the downtown area of the City.
- The new agreement term is twenty-five years with two, five-year extensions. Assuming an effective date of October 1, 2022, the contract will expire September 30, 2047.
- Diversion requirements are in accordance with the CalRecycle mandates. This is currently 50% overall with the Green Building Code requiring 65% diversion on construction and demolition debris recycling.
- Self-Haul of material by contractors and residents is allowed if a Self-Haul permit is on file and diversion reporting is submitted to the Public Works Department.
- Athens Services must supply new single-family carts in the SB 1383 defined colors of Black/grey for trash, blue for recycling and green for organics.
- Athens Services must provide newly painted collection containers using the same colors as defined in the residential sector.
- City services have been enhanced to include the provision of roll-off containers for clean ups and downed trees, assist with identifying illegal dumping sites and subsequent collections.

Based on the cost of providing the State mandated new programs and services, Athens is proposing significant rate increases. The Council will consider approving these new rates at a Proposition 218 majority protest hearing scheduled for August. Going forward with the assumption the protest hearing does not result in a 51% majority protesting the rates, the new rates will increase annually contingent upon Athens Services compliance with all contract

requirement, including all CalRecycle reporting requirements.

FINAL ISSUES TO BE ADDRESSED:

There are two significant issues that have yet to be resolved in the Agreement: Collection Vehicles (Fleet Age) and the Rate Review Process.

Agreement Section 15.01.3 – Collection Vehicles : This contract requires that Athens Services must replace collection vehicles (and street sweeping vehicles as referenced in Section 17.11.1, Exhibit 6) so that beginning the sixth year of the Agreement, no collection vehicle and street sweeping vehicle is more than thirteen years old during the Agreement term. In addition to this requirement, the Ad Hoc Committee and staff had requested an additional condition be added that the average age of all collection vehicles, including street sweeping vehicles, shall be no more than ten (10) years old. The current draft Agreement does not include this language. However, staff recommends this requirement be included in the Agreement as a condition of Agreement approval. The added language is highlighted in a revised Section 15.01.3 below:

*15.01.3 Collection Vehicles. Contractor must replace Collection Vehicles during the term of this Agreement so that beginning in Agreement Year 6, no Collection Vehicle is more than thirteen (13) years old during the term of the Agreement. **In addition, the average age of all Collection Vehicles shall be no more than ten (10) years.** If during the term of the Franchise Agreement, new technologies are available such as renewable natural gas, hybrid or electric powered collection vehicles, the City or the Contractor may request/negotiate implementation of such new collection vehicles, with a corresponding change to the Maximum Service Rates to reflect additional cost or savings. During the Term, to the extent required by law, Contractor shall provide its Collection Vehicles to be in full compliance with all Applicable Laws, including State and Federal clean air requirements that are adopted or proposed to be adopted, including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards as currently proposed to be contained in California Code of Regulations, title 13, sections 2020 et seq., the Federal EPA's Highway Diesel Fuel Sulfur regulations and all other applicable air pollution control laws.*

Agreement Section 4.08 - Rate Review: This contract incorporates a generous annual increase formula, whereby calculated increases are set at the annual average CPI + 1%, with a minimum floor of 3.5% and a cap not to exceed 7%. Staff and the Assistant City Attorney developed language that requires a comparable rate review analysis of all Ventura County agencies in comparison with the City's rates.

Given the 25-year initial term and size of these rate adjustments, it is possible that the City may see large increases in solid waste rates over time. To mitigate against this, the franchise includes a “rate review” in the fifth year and every three years thereafter. These reviews will compare the Athens rates to the rates of other Ventura County agencies. If it is found that the rates have escalated too high, it may require reductions in the rates. The rate review process is established to ensure the City rates do not become disproportionately higher than rates charged to other communities in Ventura County.

Numerous sessions between Athens Services representatives and City staff occurred over several days in an attempt to finalize the rate review language, but consensus was not achieved. On May 25, 2022, the Assistant City Attorney with guidance from staff revised the

language in Section 4.08 and provided it to Athens Services for final review. The following was provided:

4.08 Rate Reviews. Beginning on the fifth anniversary date of this Agreement and each three years thereafter, Contractor guarantees that the Customer Rates and/or the Maximum Service Rates shall not be greater than the lowest thirty -fifth (35th) percentile of Comparable Rates charged for Similar Service to Residential and Commercial Service Recipients within any government entity within Ventura County. In the event that, the Maximum Service Rates are greater than any of the Comparable Rates for Similar Service, City shall notify Contractor of its obligations under this Section. Such notification shall specify the Maximum Service Rates that are greater and are subject to adjustment under this Section. Within sixty (60) days of receipt of such notice, Contractor shall ensure that any Maximum Service Rates are not greater than the lowest thirty-fifth (35th) percentile of Comparable Rates.

The following definitions were also added for clarity:

1.30 Comparable Rates. "Comparable Rates" means the rate charged to a customer for Collections Services, whether it be Contractor or another person, for Similar Services.

1.91 Similar Service. "Similar Service" means the Collections Services provided in similar type of service, Collection Container capacity and frequency of Collection. Similar Service for Residential Collection Service shall refer to an automated Cart system utilizing one Cart for Solid Waste, one Cart for Recyclables and one Cart for Organic Waste, collected not less than once per week. Similar service for Commercial Collection Service shall refer to Solid Waste, Organic Waste, or Recyclables Collected using Bins in which Solid Waste, Organic Waste, and Recyclables are Collected every week.

As of this report date, Athens Services has rejected this Rate Review section and clarifying definitions.

Should Athens Services agree to sign the Agreement after incorporating the Rate Review provisions and amended Collection Vehicles section as referenced above without increasing the rate amounts as presented to Council on November 17, 2021 (Exhibit C), Staff recommends the City Council adopt Resolution 7405 Awarding an Exclusive Solid Waste Franchise Agreement to Athens Services (Exhibit B). The Agreement and associated rate schedule will take effect October 1, 2022 subject to the outcome of the Proposition 218 protest hearing. Concurrent with adoption of Resolution 7404, Staff also recommends adoption of Resolution 7404 extending the existing waste collections agreement term to September 30, 2022.

STRATEGIC PLAN:

The approval of this agenda item does not directly address the strategic goals within the City's adopted Strategic Plan.

FISCAL IMPACTS:

City staff is working with Athens staff to determine the final Franchise Fee percentage in order to achieve the rates last discussed between the Ad Hoc Committee and Athens Services. This rate is tentatively set at 23.66%. The rate is broken down as noted in the table below:

Fund	Description	Current	Proposed
General Fund - 100	Franchise Fee	5%	14.16%
Solid Waste - 206	AB 939 (ACT) Fee	5%	5%
Solid Waste - 206	Solid Waste Fee	4.5%	4.5%
	Total	14.5%	23.66%

The proposed Agreement includes future increases (outside of extraordinary events) to be based on Consumer Price Index (CPI), with a 3.5% floor and 7% ceiling. This means that if there is no change in the CPI (overall costs of products - in this case all consumer products in the Greater Los Angeles Area) the provider will still be eligible for a rate increase of 3.5%. Likewise if the CPI is greater than 7%, the provider would be ineligible to get a rate increase greater than 7%. In comparison, contracts in surrounding areas have no CPI floor and a max of 4%.

Also included in the contract is an additional 1% increase over and above the CPI (subject to the same max 7%). This means the rates can increase 1% every year for 25 years, over and above the cost of goods (all consumer products in the Greater Los Angeles Area). While the floor of 3.5% (even when there is no inflationary increase) and the additional 1% could see future rates increase above the comparable market pool, staff is recommending certain rate review provisions to inhibit Santa Paula rates from exceeding the current standing of being in the lowest third of the comparable market. Without these rate review provisions, the residents would be subject to rates increasing beyond the ordinary inflationary factors.

The following table compares Santa Paula's proposed first year rates to the current rates and the Ventura County Cities average rates as presented to Council on November 17, 2021:

Santa Paula	Current 21-22	City Average	YR1
Residential 64 Gallon Rate	\$22.13	\$33.38	\$30.90
Residential 96 Gallon Rate	\$27.05	\$39.05	\$34.91
Commercial 1-3-1	\$263.63	\$202.20	\$281.78*

*City staff is working with Athens to determine a Franchise Fee rate that will return to these rate numbers. Currently, the 23.66% rate brings the 64 Gallon and 96 Gallon back to the rates as shown above (YR 1) with the exception for the Commercial 1-3-1 bundle, which is currently at \$295.94.

OPTIONS:

The Council has the following available alternative options to Staff's recommendations:

1. Adopt Resolution 7405 Awarding an Exclusive Solid Waste Franchise Agreement to Athens Services by incorporating Athens Services recommended Rate Review language and excluding staff's recommended 10-Year average fleet age provision. Based upon the latest Rate Review language provided by Athens Services for this section, this could result in contested rate adjustments by Athens Services and corresponding litigation at the fifth year and every three years thereafter during the 25-year Agreement term. Without considering the added 10-Year average fleet age provision, all waste collection and street sweeping vehicles would not require replacement until each vehicle reached 13 years in service.
2. Adopt Resolution 7405 Awarding an Exclusive Solid Waste Franchise Agreement to

Athens Services contingent upon excluding a rate review section and 10-Year average fleet age provision entirely. In this case, staff would highly recommend reducing the contract term to ten (10) years.

3. Do not Adopt Resolution 7405 Awarding an Exclusive Solid Waste Franchise Agreement to Athens Services and direct staff to obtain bids from other qualified waste collection haulers and award a short-term contract to the lowest responsive bidder. This action is not desirable, but would be necessary in order to avoid an interruption in citywide waste collection service after the Fifth Amendment with Athens Services expires on June 30, 2022. The contract term would need to be long enough to provide sufficient time for the City to solicit competitive bids for a long-term waste collection services contract.

ATTACHMENTS:

[EXHIBIT A - RESOLUTION NO 7404 - 6th Amendment to SWFA.pdf](#)

[EXHIBIT B - RESOLUTION NO 7405 - Exclusive Collection Services Agreement.pdf](#)

[EXHIBIT C - November 17, 2021 Final Option Rate Sheets.pdf](#)

EXHIBIT A

Resolution No. 7404

RESOLUTION NO. 7404

A RESOLUTION APPROVING AN EXTENSION TO SEPTEMBER 30, 2022 OF THE
FRANCHISE AGREEMENT FOR RESIDENTIAL, COMMERCIAL,
INDUSTRIAL AND MULTI-FAMILY RESIDENTIAL SOLID WASTE
COLLECTION

The City Council for the City of Santa Paula does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

- A. On April 18, 2011, the City and Crown Disposal Company entered into a Franchise Agreement for Residential, Commercial, Industrial and Multi-Family Residential Solid Waste Collection (the "Franchise Agreement") that governed the collection, transferring, recycling, composting, and disposing of solid waste from residential, commercial and industrial premises within City's jurisdiction.
- B. The Franchise Agreement was subsequently assigned to Araco Enterprises, LLC, dba Athens Services (Athens Services) on July 17, 2017 and, on December 17, 2017, the Santa Paula City Council extended the contract term for an additional two years through May 31, 2020;
- C. On May 20, 2020, the Council again extended the period during which collection services are to be provided to May 31, 2022;
- D. On May 18, 2022, the City Council again extended the period during which collection services are to be provided to June 30, 2022
- E. The City and Athens Services have been negotiating the terms of a new franchise agreement but such negotiations have not concluded as rate increases require a Proposition 218 process that is estimated to take 3 months, and;
- F. Athens Services continues to satisfactorily perform as required by the Franchise Agreement relative to quality of service, service recipient complaints, and its performance in meeting the goals and reporting requirements under the California Integrated Waste Management Act of 1989 (Public Resources Code §40000, et seq.); and
- G. The City Council believes that it is in the best interest of the City to extend the Agreement to September 30, 2022, subject to the provisions of the Sixth Amendment to the Agreement.

SECTION 2: Term Extension. The Santa Paula City Council hereby approves a three-month extension of the Franchise Agreement to September 30, 2022.

SECTION 3: Sixth Amendment to the Franchise Agreement. The City Council hereby directs the Mayor to execute the Sixth Amendment to the Franchise Agreement, which is attached hereto as Exhibit A and incorporated by this reference.

SECTION 4: The City Clerk is directed to certify the adoption of this Resolution.

SECTION 5: This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this ____st day of June, 2022

Jenny Crosswhite, Mayor

ATTEST:

Julie Latshaw, City Clerk

APPROVED AS TO FORM:

John C. Cotti, City Attorney

APPROVED AS TO CONTENT:

Dan Singer, City Manager

Exhibit A: Sixth Amendment to Franchise Agreement for Residential, Commercial,
Industrial and Multi-Family Residential Solid Waste Collection

**SIXTH AMENDMENT TO THE FRANCHISE AGREEMENT FOR
RESIDENTIAL, COMMERCIAL, INDUSTRIAL, AND MULTIFAMILY
RESIDENTIAL SOLID WASTE COLLECTION**

This SIXTH AMENDMENT (“Amendment”) is made and entered into this __ day of June, 2022, by and between The City OF SANTA PAULA, a general law city and municipal corporation (“City”), and ATHENS SERVICES, a California corporation (“Athens”).

1. **RECITALS.** This Amendment is made with reference to the following facts and objectives:
 - A. On April 18, 2011, the City and Crown Disposal Co., Inc. entered into non-exclusive solid waste franchise agreement relative to the collecting, transferring, recycling, composting, and disposing of solid waste from all residential, commercial and industrial premises within City's jurisdiction (the “Agreement”). On October 21, 2013, the parties amended the Agreement to extend the initial term through May, 2018, and delay any escalation in solid waste fees until July 1, 2015;
 - B. On February 2, 2015, the Santa Paula City Council consented to assignment of the Agreement to Recology Los Angeles, subject to the provisions of a Second Amendment to the Agreement;
 - C. On July 17, 2017, the Santa Paula City Council again consented to the assignment of the Agreement from Recology Los Angeles to Athens and, on December 17, 2017, the Santa Paula City Council extended the contract term for an additional two years through May 31, 2020;
 - D. On May 20, 2020, the Santa Paula City Council extended the contract term for an additional two-years through May 31, 2022;
 - E. On May 4, 2022, the Santa Paula City Council extended the contract term to June 30, 2022;
 - F. The City and Athens now mutually desire by this SIXTH Amendment to the Agreement (“AMENDMENT”) to amend the terms of the Agreement.
2. **AMENDMENT.** In consideration of the foregoing, the Franchise Agreement is amended as follows:
 - A. **TERM.** Section 5.01 of the Franchise Agreement is amended to extend the term of the Franchise Agreement to September 30, 2022.
3. **COUNTERPARTS.** This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

4. **ORIGINAL AGREEMENT.** Except as modified by this Amendment, all other terms and conditions of the Agreement remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF SANTA PAULA

ATHENS SERVICES

Jenny Crosswhite
Mayor

Gary Clifford
Executive Vice President

ATTEST:

Julie Latshaw, City Clerk

APPROVED AS TO FORM:

John C. Cotti, City Attorney

APPROVED AS TO CONTENT:

Dan Singer, City Manager

EXHIBIT B

Resolution No. 7405

RESOLUTION NO. 7405

A RESOLUTION GRANTING AN EXCLUSIVE FRANCHISE AGREEMENT
FOR RESIDENTIAL, COMMERCIAL, INDUSTRIAL AND MULTI-FAMILY
RESIDENTIAL SOLID WASTE COLLECTION

The City Council for the City of Santa Paula does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

- A. Public Resources Code section 40059 authorizes cities to award exclusive franchises for the collection of solid waste, and to determine the procedure by which such franchises will be awarded;
- B. Athens Service (Athens) currently provides solid waste collection services under the terms and conditions of a non-exclusive franchise agreement;
- C. City staff and Athens representatives undertook good faith negotiations which resulted in a new franchise agreement that enhances the services provided by Athens and reflects current best practices; and
- D. The City Council believes that it is in the best interest of the City to new franchise agreement as set forth in this Resolution.

SECTION 2: The City Council of the City of Santa Paula hereby approves and awards the Exclusive Collections Services Agreement (“Agreement”) between the City and Arakelian Enterprises, Inc. d/b/a Athens Services, attached to as Exhibit “A” and incorporated by this reference. The Mayor is authorized to sign the Agreement subject to approval as to form by the City Attorney.

SECTION 3: The City Clerk is directed to certify the adoption of this Resolution.

SECTION 4: This Resolution will become effective immediately upon adoption.

PASSED AND ADOPTED this ____st day of June, 2022

Jenny Crosswhite, Mayor

ATTEST:

Julie Latshaw, City Clerk

APPROVED AS TO FORM:

John C. Cotti, City Attorney

APPROVED AS TO CONTENT:

Dan Singer, City Manager

Exhibit A: Exclusive Collections Services Agreement between the City of Santa Paula and Athens Services

EXCLUSIVE COLLECTION SERVICES AGREEMENT

**Executed Between the
City of Santa Paula**

and

**Arakelian Enterprises, Inc.
d/b/a Athens Services**

June ____, 2022

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EXCLUSIVE COLLECTION SERVICES AGREEMENT

This Exclusive Collection Services Agreement ("Agreement") is effective as of October 1, 2022 ("Effective Date"), and is between the City of Santa Paula, a general law city of the State of California, referred to as "City" and Arakelian Enterprises, Inc. d/b/a Athens Services referred to as "Contractor".

Now, therefore, in consideration of the mutual covenants, agreements and consideration contained in this Agreement, City and Contractor agree as follows:

Article 1. Definitions

For the purpose of this Agreement, the definitions contained in this Article 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 includes the feminine gender. The meaning of terms or words not defined in this Article will be as commonly understood in the solid waste collection services industry when the common understanding is uncertain.

1.01 AB 341. "AB 341" means State of California Assembly Bill No. 341 approved October 5, 2011. AB 341 requires businesses, defined to include commercial or public entities that generate more than 4 cubic yards of commercial solid waste per week or multifamily residential dwellings of 5 units or more, to arrange for recycling services and requires jurisdictions to implement a commercial solid waste recycling program.

1.02 AB 827. "AB 827" means State of California Assembly Bill No. 827 approved October 02, 2019. AB 827 requires businesses that are mandated to recycle under AB 341 ("MCR") and/or mandated to recycle organics under AB 1826 ("MOR") or SB 1383 and that provide customers access to the business, to provide customers with a recycling bin and/or organics collection bin for those waste streams that is visible, easily accessible, and adjacent to each bin or container for trash.

1.03 AB 939. "AB 939" or "The Act" means "The California Integrated Waste Management Act of 1989" codified in part in Public Resources Code §§ 40000 et seq, as it may be amended and as implemented by the regulations of the California Department of Resources Recycling and Recovery (CalRecycle), or its successor agency.

1.04 AB 1594. "AB 1594" means State of California Assembly Bill No. 1594 approved September 28, 2014. AB 1594 provides that as of January 1, 2020, the use of green material as Alternative Daily Cover does not constitute diversion through recycling and would be considered disposal.

1.05 AB 1826. "AB 1826" means State of California Assembly Bill No. 1826 approved September 28, 2014. AB 1826 requires each jurisdiction, on and after January 1, 2016, to implement an organic waste recycling program to divert from the landfill

organic waste from businesses. Each business meeting specific organic waste or solid waste generation thresholds phased in over time, is required to arrange for organic waste recycling services.

1.06 Agreement Administrator. "Agreement Administrator" means the Public Works Director, or his or her designee, designated to administer and monitor the provisions of the Agreement.

1.07 Agreement Year. "Agreement Year" means each twelve (12) month period from October 1st to September 30th during the term of this Agreement.

1.08 Annual Rate Adjustment. "Annual Rate Adjustment" means the annual adjustment of Maximum Service Rates by the greater of (i) an increase of three and one half percent (3.5%) or (ii) the percentage increase in CPI for the prior 12-month period (January 1 to December 31 of the current year) plus one (i.e., CPI +1), provided that the adjustment shall not exceed seven percent (7%).

1.09 Applicable Law. "Applicable Law" means all federal, state and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any federal, state, county, city, and local governmental agency having jurisdiction over the collection and disposition of Solid Waste, including Recyclable Materials, Organic Waste, and Construction and Demolition Waste.

1.10 Bin. "Bin" means a metal or plastic waste container designed or intended to be mechanically serviced by a commercial front-end loader vehicle. It shall be designed to hold from one (1) to six (6) cubic yards of material with the lid properly closed. The specifications for Contractor-provided Bins are set forth in Exhibit 3.

1.11 Biohazardous or Biomedical Waste. "Biohazardous" or "Biomedical Waste" means any waste which may cause disease or reasonably be suspected of harboring pathogenic organisms; included is waste 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.

1.12 Brown Goods. "Brown Goods" means electronic equipment such as stereos, televisions, computers, VCR's and other similar items collected from SFD Service Units.

1.13 Bundled Service. "Bundled Service" means collection services inclusive of at least one Container of the following: Garbage, Recycling, and Organic Waste.

1.14 Business Day. "Business Day" means any Monday through Friday, excluding any holidays as defined in Section 3.08.

1.15 Calendar Year. "Calendar Year" means each twelve (12) month period from January 1 to December 31.

1.16 Cart. "Cart" means a heavy plastic receptacle with a rated capacity of at least twenty (20) and not more than one-hundred (100) gallons, having a hinged tight-fitting lid and wheels, that is provided by Contractor, approved by the City, and used by Service Recipients for collection, accumulation, and removal of solid waste from commercial, industrial, or residential premises in connection with Collection Services. The specifications for Contractor-provided Carts are set forth in Exhibit 3.

1.17 CERCLA. "CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 and following, as may be amended and regulations promulgated thereunder.

1.18 Change in Law. "Change in Law" means any of the following events or conditions which has a material and adverse effect on the performance by the parties of their respective obligations under this Agreement (except for payment obligations), or on the siting, design, permitting, acquisition, construction, equipping, financing, ownership, possession, management operation or maintenance of the operating assets or providing the franchise service or other matters to which Applicable Law applies:

1.18.1 the enactment, adoption, promulgation, issuance, modification, or written change of or in Applicable Law, including but not limited to new or increased fees and charges imposed by the State of California or the U.S. Federal government, directly related to the collection, handling, processing, recycling or disposal of Solid Waste, or the enactment, adoption, promulgation, issuance, modification, or written change in administrative or judicial interpretation on or after Effective Date of any Applicable Law;

1.18.2 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 City 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; or

1.18.3 the denial of an application for, delay in the review, issuance or renewal of, suspension, termination, interruption or imposition of a new or more stringent condition in connection with the issuance, renewal or failure of issuance or renewal on or after the Effective Date of any legal entitlement to the extent that such denial, delay, suspension, termination, interruption, imposition or failure materially and adversely interferes with the performance of this Agreement, of and to the extent that such denial, delay, suspension, termination, interruption, imposition or failure is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the City or of the Contractor, whichever is asserting the occurrence of a Change of Law; provided, however, that the contesting in good faith or failure in good faith to contest any such denial, delay, suspension, termination, interruption, imposition or failure shall not be construed as such a willful or negligent action, error or omission or lack of reasonable diligence.

1.19 City. “City” means the City of Santa Paula, California.

1.20 City Collection Service. “City Collection Service” means City Solid Waste Collection Service, City Organic Waste Collection Service, and City Recycling Service.

1.21 City Facility. “City Facility(ies)” means any building or other site owned or leased by the City and occupied by more than seventy-five percent (75%) by employees or contractors of the City.

1.22 Code. “Code” means the Santa Paula Municipal Code.

1.23 Collection. “Collection” means the process whereby Residential, Commercial, and City Solid Waste are removed and transported to a Disposal Facility, Organic Waste Processing Facility or Materials Recycling (or Recovery) Facility as appropriate.

1.24 Collection Container. “Collection Container” means a Bin, Cart, or Roll-Off Container that is approved by the Agreement Administrator for use by Service Recipients for Collection Services under this Agreement.

1.25 Collection Services. “Collection Services” means Residential Collection Service, Commercial Collection Service, and City Collection Service.

1.26 Collection Vehicle. “Collection Vehicle” means a licensed vehicle that is approved by the Agreement Administrator for use by Contractor for the collection and hauling of Solid Waste.

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

1.28 Commercial Collection Service. “Commercial Collection Services” means Commercial Garbage Collection Service, Commercial Organic Waste Collection Service, and Commercial Recycling Service. Specifically includes the following:

1.28.1 Commercial Garbage Collection Service. The Collection of Commercial Garbage by Contractor, from Commercial Service Units in the Service Area and the delivery of that Commercial Garbage to a Disposal Facility.

1.28.2 Commercial Organic Waste Collection Service. The Collection of Organic Waste, by Contractor, from Commercial Service Units in the Service Area, the delivery of those Organic Waste materials to an Organic Waste Processing Facility and the processing and marketing of those Organic Waste materials, and the disposal of all Commercial Organic Waste Processing Residue.

1.28.3 Commercial Recycling Collection Service. The Collection of Recyclable Materials, by Contractor, from Commercial Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility and the processing and marketing of those Recyclable Materials, and the disposal of all Commercial Recyclable Materials Processing Residue.

1.29 Compactor. "Compactor" means any Roll-Off Container which has a compaction mechanism, whether stationary or mobile.

1.30 Comparable Rates. "Comparable Rates" means the rate charged to a customer for Collections Services, whether it be Contractor or another person, for Similar Services.

1.31 Complete Sweep. "Complete Sweep" means street sweeping along all curbs including Median Islands and the corners from any cross street intersecting the subject street. Does not include additional passes down the middle of lanes except to clean around curbed Median Islands and within striped center lanes.

1.32 Compost. "Compost" means the product resulting from the controlled biological decomposition of Organic Wastes that are source separated from the municipal waste stream, or which are separated at a centralized facility. Compost may also include the product of anaerobic digestion or other conversion technologies.

1.33 Composting. "Composting" means the controlled and monitored process of converting Organic Waste into Compost.

1.34 Construction and Demolition Waste. "Construction and Demolition Waste" or "C & D" means Solid Waste consisting of building materials, packaging and rubble resulting from construction, remodeling, repair, and demolition operations on pavement, residential, commercial or industrial premises, buildings, and other structures, and land clearing operations.

1.35 Consumer Price Index (CPI). "CPI" means the index sets published by the United States Bureau of Labor Statistics. The CPI set used to calculate the Maximum Service Rates is All Urban Consumers (CPI-U), Los Angeles-Long Beach-Anaheim.

1.36 Contaminant. "Contaminant" means any material that is placed in a waste stream intended for recycling, including organics, that cannot be recycled or reclaimed within the waste stream in which it is placed. A Contaminant of the Recycling stream is any material placed in that waste stream that cannot be recycled or reclaimed after processing. A Contaminant of the Green Waste stream is any material not normally produced from gardens or landscapes such as, but not limited to, brick, rocks, gravel, large quantities of dirt, concrete, sod, non-organic wastes, oil and wood or wood products, including but not limited to, stumps, diseased elms, and other diseased trees. A Contaminant of the Food Waste stream is any non-Food Waste material placed in that waste stream.

1.37 Contamination Notice. "Contamination Notice" means a form developed and used by Contractor, as approved by City, to notify Service Recipients of Contaminants in a Container.

1.38 Contract Manager. "Contract Manager" means the Contractor representative identified in Section 22.03.

1.39 County. "County" means Ventura County, California.

1.40 Curb Miles. "Curb Miles" mean distance along one side of a paved street.

1.41 Dispose or Disposal. "Disposal" or "Dispose" means the final disposition of Solid Waste at a permitted Landfill or other permitted Solid Waste disposal facility, as defined in California Public Resources Code 40192.

1.42 Disposal Facility. "Disposal Facility" means the Toland Road Sanitary Landfill or such place or places specifically designated by the City for the disposal, or processing as appropriate, of Garbage, Residue, and other materials as appropriate and acceptable.

1.43 Dwelling Unit. "Dwelling Unit" means any individual living unit in a single-family dwelling, condominium, or town home (SFD), MFD Units, or building intended for, or capable of, being utilized for residential living.

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

1.45 Edible Food Recovery. "Edible Food Recovery" means the practice of gleaning or recovering edible food for human consumption that would otherwise go to waste from places such as, but not limited to, restaurants, grocery stores, produce markets, school cafeterias, or dining facilities and distributing it to local emergency food programs

1.46 Effective Date. "Effective Date" means the date designated in the Agreement as the effective date. If no such date is indicated, it shall mean the date on which the Agreement is signed and delivered by the last of the parties to sign and deliver.

1.47 Exempt Waste. "Exempt Waste" means Biohazardous or Biomedical Waste, Hazardous Waste, Sludge, automobiles, automobile parts, boats, boat parts, boat trailers, internal combustion engines, lead-acid batteries, dead animals, and those wastes under the control of the Nuclear Regulatory Commission.

1.48 Food Recovery. “Food Recovery” means actions to collect and distribute Edible Food for human consumption which otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

1.49 Food Recovery Organization. “Food Recovery Organization” means an entity that primarily engages in the collection or receipt of Edible Food from commercial edible food generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities, including: (i) a food bank as defined in Section 113783 of the Health and Safety Code; (ii) a nonprofit charitable organization; and (iii) a nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code. If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply.

1.50 Food Recovery Service. “Food Recovery Service” means a person or entity that collects and transports Edible Food from a commercial edible food generator to a Food Recovery Organization or other entities for Food Recovery, or is as otherwise defined in 14 CCR Section 18982(a)(26).

1.51 Food Waste. “Food Waste” means all putrescible solid, semisolid, and liquid food, such as, fruit, vegetables, cheese, meat, bones, poultry, seafood, bread, rice, pasta, and oils; coffee grounds and filters and tea bags; and any putrescible matter produced from human or animal food production, preparation, and consumption activities.

1.52 Franchise. “Franchise” means the right to provide exclusive Collection Services and other services as set forth in this Agreement.

1.53 Franchise Fee. “Franchise Fee” means that fee identified in Paragraph 3.05.3.

1.54 Garbage. “Garbage” means all putrescible and non-putrescible solid, semi-solid and associated liquid waste, as defined in California Public Resources Code section 40191. Garbage does not include Recyclable Materials, Organic Waste, Large Items, or Exempt Waste. Garbage must be generated by and at the Service Unit wherein the Garbage is Collected.

1.55 Green Waste. “Green Waste” means Solid Waste consisting of any vegetative waste generated from the maintenance or alteration of residential, commercial, or industrial premises including, but not limited to, grass clippings, leaves, tree trimmings, prunings, brush, weeds, flowers, herbs, and holiday trees

1.56 Gross Revenue. “Gross Revenue” means all monetary amounts actually collected or received by Contractor for the provision of Franchise services pursuant to this Agreement. Gross Revenue shall include all receipts from customers including late charges, contamination charges etc., including Solid Waste Management Fees, Franchise Fees and other fees owed to the City referenced in this Agreement. The term Gross Revenues, for purposes of this Agreement, does not include any revenues generated from the sale of Recyclable Material, compost product or energy, grants, cash awards or rebates resulting from the performance of this Agreement.

1.57 Hazardous Waste. “Hazardous Waste” means a waste, or combination of wastes as defined by Code of Federal Regulations, Title 40.

1.58 Holiday. “Holiday” means those days of the year identified in Section 3.08.

1.59 Household Hazardous Waste. “Household Hazardous Waste” or “HHW” means that waste resulting from products purchased by the general public for household use which, because of its quantity, concentration or physical, chemical or infectious characteristics, may pose a substantial known or potential hazard to human health or the environment when improperly treated, disposed or otherwise managed, or, in combination with other Solid Waste, may be infectious, explosive, poisonous, caustic, toxic, or exhibit any of the characteristics of ignitability, corrosivity, reactivity, or toxicity as per California Code of Regulations Title 22, Division 4.5, Chapter 11, Section 66261.3

1.60 Large Green Waste. “Large Green Waste” means oversized Green 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 SFD Service Unit. Large Green Waste must be generated by and at the SFD Service Unit where the Large Green Waste is Collected.

1.61 Large Items. “Large Items” or “Bulky Waste” means Solid Waste consisting of discarded white goods, furniture, tires, carpets, mattresses, and similar large items which do not fit in a regular Collection Container and require special handling due to their size but can be collected and transported without the assistance of special loading equipment (such as forklifts or cranes) and without violating vehicle load limits. It does not include abandoned automobiles and other vehicles, nor does it include items defined as Exempt Waste.

1.62 Materials Recovery Facility. “Materials Recovery Facility” (MRF) means a facility to which commingled Solid waste, Organic waste and Recyclable Materials are brought for separation into marketable Recyclables.

1.63 Materials Recycling Facility. Same as Materials Recovery Facility.

1.64 Maximum Service Rate. “Maximum Service Rate(s)” means the maximum amount that Contractor may charge Service Recipients for Collection Services and any ancillary services, as listed in Exhibit 1, and as may be adjusted in accordance with the provisions of this Agreement.

1.65 Median Islands. “Median Islands” mean the area between opposing lanes of traffic defined by a curb or road markings.

1.66 Multi-Family Dwelling (MFD) Collection Service. “MFD Solid Waste Collection Service” means service of an apartment, townhome or condominium complex, and specifically includes the following, MFD Garbage Collection Service, MFD Large Item Collection Service, MFD Organic Waste Collection Service, and MFD Recycling Service:

1.66.1 MFD Garbage Collection Service. The Collection of Residential Garbage, by Contractor, from MFD Service Units in the Service Area and the delivery of that Residential Garbage to a Disposal Facility.

1.66.2 MFD Large Item Collection Service. The periodic on-call Collection of Large Items, by Contractor, from MFD Service Units in the Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery Facility or such other facility as may be appropriate under the terms of this Agreement. MFD Large Item Collection Service may include the Collection of Large Items using Roll-Off Containers.

1.66.3 MFD Organic Waste Collection Service. The Collection of Organic Waste, by Contractor, from MFD Service Units in the Service Area, the delivery of those Organic Waste materials to an Organic Waste Processing Facility and the processing and marketing of those Organic Waste materials, and the disposal of all MFD Organic Waste Processing Residue.

1.66.4 MFD Recycling Service. The Collection of Recyclables Materials by the Contractor from MFD Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility and the processing and marketing of those Recyclable Materials, and the disposal of all MFD Recyclables Materials Processing Residue.

1.67 Multi-Family Dwelling - Centralized (MFD-C) Collection Service. "MFD-C Solid Waste Collection Service" means service that is centralized for the apartment, townhome or condominium complex, and specifically includes the following: MFD-C Garbage Collection Service (as defined in 1.65.1), MFD-C Large Item Collection Service (as defined in 1.65.2B), MFD-C Organic Waste Collection Service (as defined in 1.65.3), and MFD-C Recycling Service (as defined in 1.65.4).

1.68 Multi-Family Dwelling - Individual (MFD-I) Collection Service. "MFD-I Solid Waste Collection Service" means service where units have individual carts within the apartment, townhome or condominium complex and specifically includes the following: MFD-I Garbage Collection Service (as defined in 1.65.1), MFD-I Large Item Collection Service (as defined in 1.65.2), MFD-I Organic Waste Collection Service (as defined in 1.65.3), and MFD-I Recycling Service (as defined in 1.65.4).

1.69 Non-Collection Notice. "Non-Collection Notice" means a form developed and used by Contractor, as approved by City, 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 Agreement.

1.70 Non-putrescible Material. "Non-putrescible Material" means Solid Waste consisting of waste which is not organic and not subject to decomposition by microorganisms.

1.71 Organic Waste. "Organic Waste" means Food Waste, Green Waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with Food Waste.

1.72 Organic Waste Collection Service. “Organic Waste Collection Service” means the Collection of Organic Waste from Service Units and processing at an Organic Waste Processing Facility, and the disposal of all Organic Waste Processing Residue.

1.73 Organic Waste Processing Facility. “Organic Waste Processing Facility” means a State permitted commercial Solid Waste facility which accepts and processes Organic Materials in compliance with Applicable Law, including SB 1383.

1.74 Overage. “Overage” means excess Solid Waste, Organic Waste, and Recyclable Materials (i) placed inside a Container that prevents the lid on the Container from being completely closed (i.e., lid remains open greater 45-degrees) or excess materials placed on top of or around a Container and (ii) could potentially result in excess materials spilling/dislodging during collection activity by Contractor’s vehicles.

1.75 Premises. “Premises” means any land or building in the City where waste is generated or accumulated.

1.76 Putrescible Material. “Putrescible Material” means Solid Waste consisting of waste which is organic and subject to decomposition by microorganisms.

1.77 Recyclable Materials. “Recyclable Materials” means Solid Waste consisting of any material which retains useful properties and can be reclaimed after the production or consumption process.

1.78 Recycling. “Recycling” means the process of collecting, sorting, cleansing, treating and/or marketing Recyclable Materials that would otherwise be disposed of in a landfill. The collection, transportation or disposal of Solid Waste not intended for, or capable of, reuse is not Recycling.

1.79 Residential Collection Service. “Residential Collection Service” means ongoing regularly scheduled collection of Residential Solid Waste from Residential Service Units and the delivery of that Residential Solid Waste to a Disposal Facility, Recycling Facility, and/or Organics Processing Facility.

1.80 Residential Garbage. “Residential Garbage” means Garbage originating from Residential Premises.

1.81 Residential Premises. “Residential Premises” means a Premises used for residential purposes.

1.82 Residential Solid Waste. “Residential Solid Waste” means Solid Waste originating from Residential Premises.

1.83 Residual or Residuals. “Residual” or “Residuals” means Solid Waste that is not diverted from landfill disposal after it has been delivered to an Organic Waste Processing Facility or a Recyclables Processing Facility for processing for diversion from landfill disposal. Residual does not include Recyclable Materials or Organic Material that is processed for diversion but has no available markets.

1.84 Roll-Off Container. “Roll-Off Container” means a metal container with a capacity of ten (10) or more cubic yards that is normally loaded onto a specialized Collection Vehicle and transported to an appropriate facility.

1.85 SB 1383. “SB 1383” means State of California Senate Bill 1383, which mandates a fifty (50) percent reduction in disposal of Organic Materials from the 2014 levels by 2020 and seventy-five (75) percent reduction by 2025. Further, SB 1383 requires jurisdictions to implement Edible Food Recovery Programs designed to recover edible food that is currently landfilled by twenty (20) percent by 2025. 1383 include any regulations adopted by CalRecycle to implement SB1383..

1.86 Self-Haul. “Self-Haul” means the transportation of Solid Waste by the Generator of such materials to an appropriate facility for Recycling, processing or disposal or the transportation of Organic Waste by a third party landscaper to an Organic Waste Processing Facility.

1.87 Service Area. “Service Area” means the city limits of the City as existing at any time during the Term of the Agreement.

1.88 Service Recipient. “Service Recipient” means an individual or company located within the Service Area and receiving SFD Collection Service, Commercial Collection Service, and/or MFD Collection Service from Contractor.

1.89 Service Unit. SFD Service Units, MFD Service Units, City Service Units or Commercial Service Units. Service Unit specifically includes the following:

1.89.1 City Service Unit. City Facility(ies) that utilize a Bin, Cart, or Roll-Off Container(s) for the accumulation and set-out of Solid Waste. City Service Units are the properties set forth in Exhibit 10 and may be modified by written notice to Contractor by the City.

1.89.2 Commercial Service Unit. All retail, professional, wholesale and industrial facilities, and other commercial enterprises offering goods or services to the public that utilize a Garbage Bin, Cart, Compactor, Roll-Off Container for the accumulation and set-out of Commercial Solid Waste.

1.89.3 MFD-C Service Unit. Five (5) or greater Dwelling Units in the Service Area utilizing a centralized Cart or Bin, or any combination of MFD Dwelling Units sharing Collection Containers for the accumulation of and set out of Residential Solid Waste.

1.89.4 MFD-I Service Unit. Five (5) or greater Dwelling Units in the Service Area each utilizing a Cart, or individual units of MFD Dwelling Units each served by Carts, for the accumulation and set out of Residential Solid Waste.

1.89.5 SFD Service Unit. Any Single-Family Dwelling Unit in the Service Area utilizing a Cart for the accumulation and set out of Residential Solid Waste.

1.90 SFD Collection Service. SFD Garbage Collection Service, SFD Recycling Service, SFD Organic Waste Collection Service, SFD Large Item Collection Service, SFD Used Oil Collection Service and SFD Manure Collection Service.

1.90.1 SFD Garbage Collection Service. The Collection of Residential Garbage, by Contractor, from SFD Service Units in the Service Area and the delivery of that Residential Garbage to a Disposal Facility.

1.90.2 SFD Large Item Collection Service. The periodic on-call Collection of Large Items, by Contractor, from SFD Service Units in the Service Area and the delivery of those Large Items to a Disposal Facility, Materials Recovery Facility or other such facility as may be appropriate under the terms of this Agreement. SFD Large Item Collection Service does not include the Collection of Large Items using Roll-Off Containers.

1.90.3 SFD Organic Waste Collection Service. The Collection of Organic Waste, by Contractor, for SFD Service Units in the Service Area, the delivery of those Organic Waste Materials to an Organic Waste Processing Facility and the processing and marketing of those Organic Waste materials, and the disposal of all SFD Organic Waste Processing Residual.

1.90.4 SFD Recycling Service. The Collection of Recyclable Materials by the Contractor from SFD Service Units in the Service Area, the delivery of those Recyclable Materials to a Materials Recovery Facility and the processing and marketing of those Recyclable Materials.

1.91 Similar Service. "Similar Service" means the Collections Services provided in similar type of service, Collection Container capacity and frequency of Collection. Similar Service for Residential Collection Service shall refer to an automated Cart system utilizing one Cart for Solid Waste, one Cart for Recyclables and one Cart for Organic Waste, collected not less than once per week. Similar service for Commercial Collection Service shall refer to Solid Waste, Organic Waste, or Recyclables Collected using Bins in which Solid Waste, Organic Waste, and Recyclables are Collected every week

1.92 Single-family Dwelling or SFD. "Single-family/duplex dwelling" or "SFD" means a single detached dwelling unit, and/or a duplex structure of two (2) single attached dwelling units, each designed for use by one bona fide housekeeping group.

1.93 Sludge. "Sludge" means 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 appurtenances or any other such waste having similar characteristics or effects.

1.94 Solid Waste. "Solid Waste" means all putrescible and non-putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically

fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes, as set forth in California Public Resources Code Section 40191(a)(b), as amended from time to time, and includes Brown Goods, Commercial Solid Waste, Construction and Demolition Debris, Food Waste, Garbage, Green Waste, Large Green Waste, Large Items, Organic Waste, Recyclable Materials, White Goods.

1.95 Solid Waste Management Fee. “Solid Waste Management Fee” means that fee identified in Section 3.05.2.

1.96 Source separated. “Source separated” means the segregation, by the waste generator, of materials designated for separate collection for some form of materials recovery or special handling.

1.97 Split-bin. “Split-bin” means a single Collection Container divided into two separate compartments, with individual lids for each compartment, to allow for separation of two waste streams.

1.98 SRRE (Source Reduction and Recycling Element). “SRRE” means a formal planning document prepared and adopted by a California jurisdiction, and submitted to the California Department of Resources Recycling and Recovery (CalRecycle), that demonstrates how the jurisdiction will comply with the California Integrated Waste Management Acts (AB 939) diversion goals. The jurisdiction’s SRRE must include specific components, as defined in Public Resources Code sections 41003 and 41303

1.99 Term. “Term” means the time period or duration of this Agreement.

1.100 Tier One Commercial Edible Food Generator. “Tier One Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: (i) Supermarket; (ii) Grocery Store with a total facility size equal to or greater than 10,000 square feet; (iii) Food Service Provider; (iv) Food Distributor; or (v) Wholesale Food Vendor. If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply.

1.101 Tier Two Commercial Edible Food Generator. “Tier Two Commercial Edible Food Generator” means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982: (i) restaurant with 250 or more seats or a total facility size equal to or greater than 5,000 square feet; (ii) hotel with an on-site food facility and 200 or more rooms; (iii) health facility with an on-site food facility and 100 or more beds; (iv) large venue; (v) large event; (vi) State agency with a cafeteria with 250 or more seats or a total cafeteria facility size equal to or greater than 5,000 square feet; or (vii) local education agency with an on-site food facility. If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(74) shall apply.

1.102 Universal Waste or U-Waste. “Universal Waste” means E-Waste, dry-cell batteries, non-empty aerosol cans, fluorescent lamps, and fluorescent bulbs, mercury thermostats, and other mercury containing equipment.

1.103 Waste. “Waste” means the useless, unused, unwanted or discarded material and debris resulting from normal residential and commercial activity or materials which, by their presence, may injuriously affect the health, safety, and comfort of persons or depreciate property values in the vicinity thereof.

1.104 Waste diversion. “Waste diversion” means to divert Solid Waste, in accordance with all applicable Federal, State, and local requirements, from disposal at landfills or transformation facilities through source reduction, composting or recycling.

1.105 Waste generator. “Waste generator” means any person, as defined by the most current version of the Public Resources Code, whose act or process produces solid waste as defined in that same code, or whose act first causes solid waste to become subject to regulation.

1.106 Waste Reporting System. “Waste Reporting System” means a data management system designed to facilitate tracking and reporting of Solid Waste.

1.107 White goods. “White goods” means enamel-coated major appliances, such as washing machines, clothes dryers, hot water heaters, stoves, and refrigerators.

1.108 Work Day. “Work Day” means any day, Monday through Saturday, that is not a Holiday.

1.109 Wood waste. “Wood waste” means Solid Waste consisting of stumps, large branches, tree trunks, and wood pieces or particles that are generated from the manufacturing or production of wood products, harvesting, processing or storage of raw wood materials, or construction and demolition activities.

Article 2. Term of Agreement

2.01 Initial Term. The initial Term of this Agreement will be for twenty-five (25) year period beginning October 1, 2022 and terminating on September 30, 2047.

2.02 Extension of Term. Contractor may request up to two, five (5) year extensions to the Term, and at City’s sole option, City may grant Contractor’s request to extend the Term for such extensions. Under no circumstances will City be obligated to extend the Term. Contractor must request the first five (5) year extension by September 30, 2046 in order to be eligible for the first extension, and the second by September 30, 2051 in order to be eligible for the second extension.

2.03 Performance Review Prior to Five (5) Year Extension. A billing audit and performance review shall be conducted two years prior to the end of the initial Term (i.e. during 2045, and to be completed by September 30, 2045) as described in Section 14.02. The cost of the review shall be paid as specified in that Section.

2.04 Conditions for Effectiveness. Notwithstanding anything to the contrary in this Agreement, the Agreement is expressly contingent on the following:

2.04.1 Accuracy of Representation. All representations and warranties made by Contractor and set forth in this Agreement shall be accurate, true, and correct on and as of the Effective Date of this Agreement.

2.04.2 Absence of Litigation or Referendum Petition. There shall be no litigation pending in any court challenging the award of this Franchise to Contractor or the execution of this Agreement or seeking to restrain or enjoin its performance.

2.04.3 Furnishing of Insurance and Bond. Contractor shall have furnished evidence of the insurance and surety, and shall comply with all ongoing requirements relating thereto.

2.04.4 Effectiveness of City Council Action. The City Council's action approving this Agreement shall have become effective pursuant to California law.

Article 3. Conditions Governing Services Provided by Contractor

3.01 Grant of Franchise. City hereby grants to Contractor, on the terms and conditions set forth herein, the exclusive Franchise, right and privilege to collect, remove and dispose of, in a lawful manner, Solid Waste, Recyclable Materials, Organic Materials, and C&D Waste accumulating in the City's Service Area that are accumulated and offered for collection to the Contractor by Service Recipients in accordance with the Code, for the Term of and within the scope set forth in this Agreement.

3.02 Exceptions. The exclusive Franchise granted by this Agreement does not include:

3.02.1 Gardeners, tree trimmers, roofers, carpenters, masons or similar contract enterprises who haul or dispose of grass clippings, prunings, wood or other materials collected in the course of their business using their own equipment; and

3.02.2 Commercial and industrial generators of Solid Waste, Recyclables or Organics who haul, sell or otherwise dispose of material generated on their own property during the course of their normal business using their own equipment and employees; and

3.02.3 Residents who utilize Self-Hauling if permitted by the Code; and

3.02.4 Any contractors entitled to continue service to existing customers under Public Resources Code section 49520.

3.02.5 Any Service Recipient from Self-Hauling or selling Recyclable Materials or Organic Waste or giving Recyclable Materials or Organic Waste away to persons or entities other than Contractor. However, in either instance: (1) the Recyclable Materials or Organic Waste must be source separated from and not mixed with other

Solid Waste; and (2) the seller/donor may not pay the buyer/donee any consideration for collecting, processing or transporting such Recyclable Materials or Organic Waste. A discount or reduction in the price for collection, disposal and/or recycling services for any form of un-segregated or segregated Solid Waste is not a sale or donation of Recyclable Materials or Organic Waste and such Solid Waste does not qualify for this exception. However, once the Recyclable Materials or Organic Waste have been placed in the Collection Container and the Container set out for Collection, the Recyclable Materials or Organic waste become the property of Contractor.

3.03 Intentionally omitted.

3.04 Responsibility for Service Billing and Collection. Contractor is responsible for the billing and collection of payments for Collection Services. City shall not be responsible for any unpaid or delinquent charges arising from Collection Services, unless expressly specified otherwise.

3.05 Contractor's Payments to City.

3.05.1 Reimbursement for the Cost of Procurement Process. Contractor shall reimburse the City for the cost of preparing, reviewing, analyzing, and awarding the Agreement. This one-time payment is due within thirty (30) days of an invoice from City identifying such costs. Third party consultant costs shall not exceed Seventy-Five Thousand Dollars (\$75,000).

3.05.2 Solid Waste Management Fee. In consideration of the administrative costs of managing the City's Solid Waste program, Contractor shall pay City a Solid Waste Management Fee equal to five percent (5%) of the Gross Revenue received by the Contractor from Franchise services provided in the City pursuant to this Agreement.

3.05.3 Household Hazardous Waste Fee. To fund the City's cost of providing household hazard waste programs, Contractor shall pay the City a Household Hazardous Waste Fee equal to fifty cents (\$.50) per month per Service Recipient.

3.05.4 Stormwater Quality Fee. To offset costs incurred in the City in the operation of its stormwater quality system due to Contractor's operations under this Agreement, shall pay City a Stormwater Quality Fee equal to four and one-half percent (4.5%) of the Gross Revenue received by the Contractor from Franchise services provided in the City pursuant to this Agreement.

3.05.5 Franchise Fee. In consideration of the Franchise provided for in Section 3.01 of this Agreement, Contractor shall pay the City a Franchise Fee equal to sixteen and one-half percent (16.5%) of the Gross Revenue received by the Contractor from Franchise services provided in the City pursuant to this Agreement. The Franchise Fee shall reflect a reasonable estimate of the value of the franchise and shall be established and adjusted as necessary by City Council by resolution. If adjusted during the term of this Agreement, Contractor shall be entitled to a rate adjustment as a City-directed change in accordance with Section 27.01.

3.05.6 Time and Method of Payment; Late Fees. Fees shall be computed each calendar month based on Gross Revenue received as specified in the Agreement or as specified in Section 3.05.3. Contractor shall prepare and mail such remittance on a quarterly basis to the Finance Director, and such remittance must be hand-delivered or postmarked no later than the last business day of the month following the end of each quarter. For hand-delivered remittance, the Contractor must request and receive a receipt or time stamp with the exact date remittance is received by the City Finance Director or designee.

3.05.7 Reporting. The remittance will be accompanied by a report, prepared in a format acceptable to City Manager or designee, setting forth the basis, and calculations used for computing the amount due. The figures used shall be taken from the general books of account of the Contractor. All supporting documentation must be retained by the Contractor in accordance with the records retention requirements in Section 43.01.

3.05.8 Penalty for Late Contractor Payment. If the Contractor fees to the City are not paid by the date set by this Agreement, then in addition to the fees, the Contractor shall pay a penalty as specified in Exhibit 9, except to the extent that such lateness is due to extenuating circumstances.

3.05.9 Interest; Unpaid Fees. In addition, the Contractor shall pay interest on all unpaid fees at the rate of six percent (6%) per annum or the prime (lending) rate, whichever is higher but not to exceed the legal rate, from the date the fees were due and payable to the date actually paid.

3.05.10 Contractor Report and Payment Delays. If the delay is due to extenuating circumstances, Contractor must request approval in writing from the City Manager or designee at least five (5) business days prior to the date on which fees and reports are due. City shall contact Contractor within three (3) business days of receiving request for submission delay as to whether delay shall be permitted.

3.05.11 Taxes and Utility Charges. The Contractor shall pay all Taxes lawfully levied or assessed upon or in respect of the Operating Assets or the Franchise Services, or upon any part thereof or upon any revenues necessary for the Contractor's operation and the provision of the Franchise services, when the same shall become due.

3.05.12 Disputes. In the event of any disputes between the Contractor and the City with respect to the fees described in Article 3, the City shall provide the Contractor with written objection within 180 days of the receipt of the report described in Section 3.05.8, indicating the position of the report that is disputed and providing all reason then known to the City for its objection to or disagreement with such amount. If any such amount is adjusted in the City's favor pursuant to agreement, mediation, legal proceeding, or otherwise, the Contractor shall pay the amount of such adjustment to the City, with interest from the date such disputed amount was due the City to date of payment in full of such amount. Nothing contained in this subsection shall limit the authority of any authorized office of the City or any other governmental agency to raise a further objection

to any amount billed by the Contractor pursuant to an audit conducted pursuant to Applicable Law. If the Contractor prevails in the dispute, the Contractor shall have the right to recover from the City its reasonable costs incurred in connection with the dispute resolution procedure.

3.05.13 Fee Adjustment. City may adjust any fee in this Section 3.05 with written notice to Contractor. Such adjustment shall be grounds for an adjustment in the Maximum Service Rates under Section 4.09.

3.05.14 Service Standards. Contractor must perform all Collection Services under this Agreement in a thorough and professional manner as described in Section 23, while meeting the minimum performance and diversion standards listed in Section 15 according to the Sustainability and Compliance Plan (Exhibit 12) developed by the Contractor and approved by the City.

3.06 Intentionally omitted.

3.07 Labor and Equipment. Contractor must provide and maintain all labor, equipment, tools, facilities, and personnel supervision required for the performance of Contractor's obligations under this Agreement. Contractor must always have sufficient backup equipment and labor to fulfill Contractor's obligations under this Agreement. No compensation for Contractor's services or for Contractor's supply of labor, equipment, tools, facilities or supervision will be provided or paid to Contractor by City or by any Service Recipient except as expressly provided by this Agreement.

3.08 Holiday Service. The City observes New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day as legal holidays. Contractor is not 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, SFD 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 Friday SFD Collection Services being performed on Saturday. Commercial Collection Services will be adjusted as set forth in Article 8 but must meet the minimum frequency requirements of one (1) time per week. Collection Services will not take place on Sundays.

3.09 Inspections. The City has the right to inspect Contractor's facilities or Collection Vehicles and their contents used to provide services pursuant to this Agreement at any reasonable time while operating inside or outside the City.

3.10 Commingling of Materials.

3.10.1 SFD Materials. Unless specified otherwise in this Agreement, Contractor may not at any time commingle any SFD materials Collected pursuant to this Agreement with any other material Collected by Contractor inside or outside the City without the express prior written authorization of the Agreement Administrator.

3.10.2 Commercial Materials. Contractor may commingle Commercial materials collected pursuant to this Agreement with other materials collected outside the

City, provided that Contractor tracks the tonnage of Commercial material collected inside the City separately using a City-approved allocation methodology. Changes to the allocation methodology may only be made with the express prior written authorization of the Agreement Administrator.

3.10.3 Recyclable Materials. Subject to Sections 7.03.2 and 8.03.4, Contractor may not at any time commingle SFD or Commercial Recyclable Materials Collected pursuant to this Agreement with any other material type Collected by Contractor without the express prior written authorization of the Agreement Administrator.

3.10.4 Organic Waste. Subject to Sections 7.03.2 and 8.04.7, Contractor may not at any time commingle SFD or Commercial Organic Waste Collected pursuant to this Agreement with any other material type Collected by Contractor, without the express prior written authorization of the Agreement Administrator.

3.10.5 Commingled Garbage and Recyclables. Only with prior written authorization of the Agreement Administrator, Contractor will Collect Commercial Garbage and Recyclable Materials in the same Collection Container for the purposes of processing Recyclable Materials for diversion.

3.11 Recyclable Materials and Organic Waste Contamination. Contractor must offer the Service Recipients the correct combination of Cart and Bin sizes and collection frequency beyond the minimum bundled service requirements as necessary, that matches their unique service needs to reduce contamination of Recyclable Materials and Organic Waste, and provide service at the least cost to Service Recipient. To support City's diversion goals and Contractor's Diversion Requirements as set forth in Article 5, Contractor is only required to collect and process Recyclable Materials if they have been separated by the Service Recipient from Garbage and Organic Waste and is only be required to collect Organic Waste if it has been separated by the Service Recipient from Garbage and Recyclable Materials.

3.11.1 Outreach; Contamination Protocols. As part of Contractor's public education services under this Agreement, Contractor has agreed to provide outreach and support to Service Recipients as described in the Contractor's Sustainability and Compliance Plan provided as Exhibit 12. Additionally, Contractor's route collection personnel will report to Contractor's supervisors if they observe potential contamination problems, and/or insufficient collection capacity. For purposes of determining if Recyclable Materials or Organic Waste are deemed to be contaminated, if, by visual or digital inspection, Recyclable Materials are commingled with ten percent (10%) by weight or volume of Garbage or Organic Waste, or if, by visual inspection, Organic Waste is commingled with three percent (3%) by volume of Garbage or Recyclable Materials, then Recyclable Materials and/or Organic Waste will be deemed to be contaminated and Contractor may take the following steps:

3.11.2 Violations by SFD Service Recipients.

3.11.2.1 First and Second Occurrence. For the first and second occurrence within any one Calendar Year of contamination for a particular container (i.e., Recyclable Materials or Organic Waste), Contractor must collect the contaminated container (as Solid Waste) and must affix a Contamination Notice to the contaminated container which contains instructions on the proper procedures for sorting Recyclable Materials or Organic Waste, and must notify the Service Recipient by phone, U.S. mail, e-mail, or in person (which may be a container tag), that for the third and subsequent incidents of excess contamination, the Service Recipient may be charged a contamination fee for the contaminated container, and Contractor may increase the Collection Container size, or require an additional Collection Container. Contractor's representative must also contact the Service Recipient by phone, U.S. mail, e-mail, or in person (which may be a container tag) to ensure that they have the appropriate level of service for proper collection of Recyclable Materials and/or Organic Waste. Contractor must also document the contamination issue in the Waste Reporting System provide digital/visual documentation to the Service Recipient that clearly documents the Service Recipient's on-going contamination problems.

3.11.2.2 Third and Subsequent Occurrence. For the third or subsequent occurrence within any one Calendar Year of contamination for a particular container (i.e., Recyclable Materials or Organic Waste), Contractor must collect the contaminated Container (as Solid Waste) and must charge the Service Recipient a contamination fee as set forth in Exhibit 1. Contractor must continue providing the Recyclable Materials or Organic Waste Collection Services. Contractor must provide (or have provided) digital/photographic documentation to the Service Recipient that clearly documents the Service Recipient's on-going contamination problems and written contamination Notices as described above. Contractor may increase the Container size or collection frequency and impose a contamination surcharge on the account for a period of six months or until the Service Recipient has demonstrated no contamination for a period of three consecutive months. Contractor must document contamination issue and surcharge in Waste Reporting System and notify City within five (5) Business Days if Contractor increases the Container size or collection frequency for excessive contamination or imposes the contamination surcharge to the account. City will consult with Contractor and consider, and pursue as applicable, appropriate legal remedies against offending Service Recipients in order to secure discontinuance of the contamination.

3.11.3 Violations by Commercial and MFD Service Recipients. The following provisions will apply to all Commercial and MFD Service Recipients except those eligible for temporary treatment pursuant to Section 3.09.3.

3.11.3.1 First and Second Occurrence. For the first and second occurrences within any one Calendar Year of contamination for a particular container (i.e., Recyclable Materials or Organic Waste), Contractor must collect the contaminated container (as Solid Waste) and must affix a

Contamination Notice to the contaminated container which contains instructions on the proper procedures for sorting Recyclable Materials or Organic Waste, and must notify the Service Recipient by phone, U.S. mail, e-mail, or in person (which may be a container tag), that for the third and subsequent incidents of contamination, the Service Recipient will be charged a contamination fee for the contaminated container, and Contractor may increase the Container size, require locking Bins, increase collection frequency, and impose a contamination surcharge on the account for a period of six months or until the Service Recipient has demonstrated no contamination for a period of three consecutive months. Contractor's representative must also contact the Service Recipient by phone, U.S. mail, e-mail, or in person (which may be a container tag) to ensure that they have the appropriate level of service for proper collection of Recyclable Materials and/or Organic Waste. Contractor must also provide digital/visual documentation to the Service Recipient that clearly documents the Service Recipient's contamination problem and document in the Waste Reporting System.

3.11.3.2 Third and Subsequent Occurrence. For the third and subsequent occurrence within any one Calendar Year of contamination for a particular container (i.e., Recyclable Materials or Organic Waste), Contractor will provide a Contamination Notice that contains instructions on the proper procedures for setting out Recyclable Materials or Organic Waste, and Contractor must collect the contaminated Container (as Solid Waste) and will charge the Service Recipient a contamination fee as set forth in Exhibit 1. For any contamination fee charge being assessed, Contractor must provide digital/visual documentation to the Service Recipient that clearly documents the Service Recipient's on-going contamination problems. Contractor may increase the Container size, require locking Bins, or increase collection frequency, and impose a contamination surcharge on the account for a period of six months or until the Service Recipient has demonstrated no contamination for a period of three consecutive months. Contractor must document contamination issue and surcharge in the Waste Reporting System and notify City within five (5) Business Days if Contractor increases the Container size, require locking Bins, increase collection frequency for excessive contamination, or imposes the contamination surcharge to the account. City will consider, and pursue as applicable, appropriate legal remedies against offending Service Recipients in order to secure discontinuance of the contamination

3.11.4 Tracking Occurrences of Contamination. Regarding Sections 3.12.2 – 3.12.3, each Contamination occurrence is tracked annually per Calendar Year, and resets at the start of each Calendar Year if contamination occurrences are not active and consecutive. Where contamination is occurring, and occurrences are consecutive and unremedied their count shall continue across Calendar Years until remedy occurs. In this case, once the Service Recipient has demonstrated no contamination for a period of three consecutive months the tracking calendar will reset.

3.11.5 Disputes Over Excess Contamination Charges. If Service Recipient disputes a contamination charge (which must be within 30 days of them being assessed), Contractor will temporarily halt any contamination charge and/or increased Maximum Service Rate resulting from increasing the Collection Container size, or collection frequency, and Contractor may request a ruling by the Agreement Administrator to resolve the dispute. During the pendency of any request, Contractor may restore Container size or number, or collection frequency to the prior levels. A request by Contractor to the Agreement Administrator to rule on any such dispute must be filed within ten (10) Business Days of Contractor's halting of contamination charge, or increased Maximum Rate, and must include written documentation and digital/visual evidence of ongoing overall problems. The Agreement Administrator may request a meeting (in person or phone) with both the Service Recipient and Contractor to resolve the dispute. Following such a meeting, the Agreement Administrator will rule on the dispute within ten (10) Business Days, and the Agreement Administrator's decision on resolving the dispute between and Service Recipient will be final. If the Agreement Administrator rules in favor of the Service Recipient, Contractor will credit the disputed contamination charges or increased Maximum Service Rate. If the Agreement Administrator rules in favor of Contractor, Contractor may charge Service Recipient the prior halted contamination charge and/or increased Maximum Service Rate resulting from increasing the Collection Container size or collection frequency and may follow the steps in Section 4.04 for collection of delinquent accounts.

3.12 Container Overage and Correction Procedures. If a Service Recipient is found to habitually overflow their Collection Container(s), i.e. lid will not close, Contractor may take the steps as listed below to correct Service Recipients' on-going overflow of material.

Service Recipients receiving Residential, Commercial or Multi-Family services will be notified of Collection overages. The process for Service Recipient overages, is as follows:

3.12.1 Garbage Overage and Correction Procedures.

3.12.1.1 Contractor shall provide the Service Recipients the correct combination of Collection Containers and collection frequency that matches each Service Recipient's unique service needs to enable clean, efficient, and cost-effective collection of Solid Waste, Recyclable Materials, and Organic Waste. City and Contractor agree that overflow of Solid Waste that is not properly in the Service Recipient's Solid Waste Collection Containers may negatively impact public health and safety. Contractor has also agreed to conduct recycling audits and provide outreach and support to Service Recipient accounts receiving the correct service level. However, if Service Recipients are found to habitually overflow their Solid Waste Collection Containers, Contractor may take the steps as listed below to correct Service Recipient's on-going overflow of Solid Waste.

3.12.1.2 Prior Arrangements For Collection. If the Service Recipient has made prior arrangements with Contractor for collection of Solid

Waste Overages, Contractor must collect such overages as arranged, and may charge the Service Recipient the Solid Waste Overage fee (prior arrangement) rate set forth in Exhibit 1.

3.12.1.3 No Prior Arrangements. If the Service Recipient has not made prior arrangements with Contractor for collection of Solid Waste Overage, (i) Contractor may collect such Solid Waste Overage at no additional charge as a courtesy, (ii) Contractor may not collect the Solid Waste Overage and leave a Non-Collection Notice explaining the reason for non-collection of the Solid Waste Overage, (iii) Contractor may collect the Solid Waste Overage (up to two lifts) and charge the Service Recipient the Solid Waste Overage fee (no prior arrangement) rate set forth in Exhibit 1 as provided below, or increase the capacity or frequency of collection of the existing Collection Container(s) to match documented service needs as provided below. In managing Solid Waste Overages, the following apply:

3.12.2 SFD Service Recipients.

3.12.2.1 Each Occurrence. For each occurrence Contractor will not collect the Solid Waste Overage if the Collection Container could not be serviced by normal operating procedures or cause spillage upon servicing and Contractor must provide the following written notice via e-mail, U.S. mail, or in person (which may be by Non-Collection Notice) to the Service Recipient: (i) the date, description and photograph of the Solid Waste Overage and document in the Waste Reporting System. Contractor's Non-Collection Notice for SFD Service Recipients shall also contain instructions on (a) how to schedule a Large Item Collection or (b) request an additional Collection Container to eliminate future Overages.

3.12.3 Commercial and MFD Service Recipients.

3.12.3.1 Each Occurrence. Contractor must provide a written notice on the Container and may provide a copy of the notice via e-mail, U.S. mail, or in person (which may be by Non-Collection Notice) to the Service Recipient with the date, description and photograph of the Solid Waste Overage. Contractor may collect the Solid Waste Overage and may charge the Service Recipient a Solid Waste Overage fee as set forth in Exhibit 1, and increase the capacity, or collection frequency of the Collection Container to match documented service needs. At least ten (10) Business Days prior to increasing the Collection Container size, or frequency of Collection, Contractor's representative must also contact the Service Recipient by phone, U.S. mail, e-mail or in person (which may be by Non-Collection Notice) to ensure that Service Recipient has the appropriate level of service. Contractor must document overage issue in the Waste Reporting System and notify City within ten (10) Business Days of any changes in Service Recipient's Collection Container size or collection frequency. The increased capacity or collection frequency will remain in effect until Contractor determines that it is no longer needed to prevent

overages, which may be longer than the one Calendar Year stated above. Such determination will be in Contractor's sole but reasonable discretion and will be subject to the dispute resolution procedure set forth below. City will consider, and pursue as applicable, appropriate legal remedies against offending Service Recipients in order to secure discontinuance of the overages.

3.12.4 Tracking Occurrences of Solid Waste Overage. Regarding Sections 3.12.1 – 3.12.3, after twelve (12) months have passed from the last applicable Solid Waste Overage occurrence, the next Solid Waste Overage occurrence will be deemed a first Solid Waste Overage occurrence.

3.12.5 Disputes Over Container Overflow Charges. If Service Recipient disputes a Solid Waste Overage charge or container size or collection frequency change within 30 days of the disputed action, Contractor must temporarily halt Solid Waste Overage charge and/or increased Maximum Service Rate resulting from increasing the Collection Container size or collection frequency, and Contractor may request a ruling by the Agreement Administrator to resolve the dispute. During the pendency of any request, Contractor may restore Container size or number, or collection frequency, to the prior levels. A request by Contractor to the Agreement Administrator to rule on any such dispute must be filed within ten (10) Business Days of Contractor's halting of Solid Waste Overage charge, or increased Maximum Rate, and must include written documentation and digital/visual evidence of ongoing overall problems. The Agreement Administrator may request a meeting (in person or phone) with both the Service Recipient and Contractor to resolve the dispute. Following such a meeting, the Agreement Administrator will rule on the dispute within ten (10) Business Days, and the Agreement Administrator's decision on resolving the dispute between and Service Recipient will be final. If the Agreement Administrator rules in favor of the Service Recipient, Contractor must credit the disputed charge or increased Maximum Service Rate. If the Agreement Administrator rules in favor of Contractor, Contractor may charge Service Recipient the prior halted Solid Waste Overage charge and/or increased Maximum Service Rate resulting from increasing the Solid Waste Collection Container size or collection frequency and may follow the steps in Section 4.04 for collection of delinquent accounts.

3.13 Ownership of Materials. Except as provided otherwise under Applicable Law, title to Residential Waste, Commercial Solid Waste, Recyclable Materials, and Organic Waste will pass to Contractor at such time as said materials are set out for Collection.

3.14 Spillage and Litter. Contractor may not litter premises in the process of providing Collection Services or while its vehicles are on the road. Contractor must transport all materials Collected under the terms of this Agreement in such a manner as to prevent the spilling or blowing of such materials from Contractor's vehicles. Contractor must exercise all reasonable care and diligence in providing Collection Services so as to prevent spilling or dropping of Residential Waste, Commercial Solid Waste, Recyclable Materials, or Organic Materials and must immediately, at the time of occurrence, clean up such spilled or dropped Residential Waste, Commercial Solid Waste, Recyclable Materials, or Organic Materials.

3.14.1 Except as provided in Section 8.02.3, Contractor is not responsible for cleaning up unsanitary conditions caused by the carelessness of the Service Recipient; however, Contractor must clean up any material or residue that is spilled or scattered by Contractor or its employees.

3.14.2 Equipment oil, hydraulic fluids, spilled paint, or any other liquid or debris resulting from Contractor's operations or equipment repair must be covered immediately with an absorptive material and removed from the street surface. Contractor must document spillage in the Waste Reporting System and notify City's stormwater compliance coordinator within two (2) hours of any spills resulting from Contractor's operations or equipment. When necessary, Contractor must apply a suitable cleaning agent and cleaning technique to the street surface to provide adequate cleaning as approved by the City's stormwater compliance coordinator to be compliant with the City's stormwater permit.

3.14.3 The above paragraphs notwithstanding, Contractor must clean up any spillage or litter caused by Contractor within four (4) hours upon notice from the City. If City deems necessary, Contractor must engage third-party environmental clean-up specialist to remove any equipment oil, hydraulic fluids, or any other liquid or debris that remains on street after Contractor's own clean-up efforts. If clean-up is not conducted to satisfaction of City, City has right to engage environmental clean-up specialist to perform additional clean-up work at the expense of Contractor.

3.14.4 In the event where damage to City streets is caused by a hydraulic fluid spill (i.e., any physical damage in excess of a simple cosmetic stain caused by the spill), Contractor shall be responsible for all repairs to return the street to the same condition as that prior to the spill. Contractor shall be responsible for all clean-up activities related to the spill. Repairs and clean-up shall be performed in a manner satisfactory to the City and at no cost to the City.

3.14.5 To facilitate immediate cleanup, Contractor's vehicles must always carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

3.15 Green and Organic Waste Capacity. Contractor shall guarantee capacity for all City Green and Organic Waste collected by Contractor for the term of the Agreement using a facility listed in Exhibit 11.

3.16 Regulations and Record Keeping. Contractor must comply with emergency notification procedures required by applicable laws and regulatory requirements. All records required by regulations must be maintained at Contractor's facility. These records must include waste manifests, waste inventories, waste characterization records, inspection records, incident reports, and training records.

3.17 Disposal Facility. The Contractor shall dispose of all Solid Waste at the Disposal Facility. The Contractor may change the designated Disposal Facility with the written consent of the City, which may not be unreasonably withheld. No change in the

Maximum Service Rates will be permitted for a Contractor-initiated change in the Disposal Facility. Contractor shall ensure that any Disposal Facility is properly licensed and otherwise in compliance with Applicable Law.

Article 4. Billing, Charges and Rates

4.01 Collection Services. Contractor is responsible for the billing and collection of payments for all Collection Services. Contractor must charge Service Recipients the Maximum Service Rates established in Exhibit 1 as such rates may be adjusted under this Agreement. Service Recipients of sixty-five years of age shall be charged the discounted Maximum Service Rates established in Exhibit 1 as such rates may be adjusted under this Agreement. Contractor may require reasonable verification of eligibility.

4.02 Partial Month Service. If, during a month, a Service Recipient begins service, Contractor's billing will be pro-rated based on the weekly service rate (i.e. the service rate established in Exhibit 1 divided by four (4) times the number of actual weeks in the month that service was provided to the Service Unit).

4.03 Production of Invoices. The Contractor shall prepare, mail or electronically transmit, and collect bills (or shall issue written receipts for cash payments) for Franchise services provided by Contractor under this Agreement in advance but no less than six (6) times per year. Billing shall not be permitted more than 15 days prior to the initiation of collection service period. Bills shall not be subject to late notification or charges until 30 days following the closing day of the service period. If made by mail, Billings shall be placed in an envelope at least 22 square inches in size and shall include a return envelope for each billing period. Contractor shall include e-mail address on all billing notices and shall accept payment by check, credit card or ACH debit. Billings shall include sufficient space on the statement to accommodate up to 20 typed characters as specified by the City. City shall have the right to revise the billing format, provided that reasonable notice is given. Where it has been determined that a Service Recipient has overpaid for service for any reason, Contractor must provide the Service Recipient a credit against future invoices or a refund (where the account is closing or as selected by the Service Recipient, and where the refund amount exceeds the lesser of the regular invoicing amount or \$200) within thirty (30) days of such determination.

4.04 Delinquent Service Accounts. Through the Waste Reporting System, Contractor must report to the Agreement Administrator, monthly, all Service Recipients who have received Collection Service and whose account is over ninety (90) days past due. The provisions of Exhibit 1 shall apply to billing generally, including penalties for late payments and collection of delinquent accounts. The Contractor may discontinue service to a Service Recipient who is delinquent in paying for services rendered no earlier than 60 days after the last day of the billing period or that date on which the billing for the service period is delivered to the Service Recipient, whichever is later. For this purpose, delivery of the billing shall include the date such billing is deposited by Contractor into the U.S. Mail or delivered electronically. The Contractor shall notify the Service Recipient

and the City Manager or designee in writing of its intent to discontinue service not less than 10 business days before such discontinuation shall occur.

4.05 Adjustments to Maximum Service Rates using Consumer Price Index (CPI). Beginning on July 1, 2023, and annually thereafter, Contractor shall, subject to compliance with all provisions of this Section, receive the Annual Rate Adjustment to the Maximum Service Rates as set forth in Exhibit 1 to this Agreement..

4.05.1 Annual CPI Calculation. The Maximum Service Rate adjustment shall be calculated in accordance with the Annual Rate Adjustment. Therefore, the first Annual Rate Adjustment (effective July 1, 2023) will be based on the percentage change between the CPI for the base year, January 1, 2021 through December 31, 2021 (the prior preceding 12-month period), and the CPI for the period of January 1, 2022 through December 31, 2022 (the preceding 12-month period).

4.05.2 Rounding. Adjustments to the overall Maximum Service Rates 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. All CPI indices shall be rounded at two (2) decimal places for the adjustment calculations.

4.06 City Notice of Maximum Service Rates. On or before March 1, 2023, and annually thereafter during the term of this Agreement, Contractor shall notify City of the Annual Rate Adjustments to the affected Maximum Service Rates to take place on July 1st.

4.07 Contractor payment for CPI review. Contractor shall be responsible for paying the cost of reviewing or correcting the Annual Rate Adjustment if the City determines that Contractor has made substantial errors and has not correctly calculated the Annual Rate Adjustment.

4.08 Rate Reviews. Beginning on the fifth anniversary date of this Agreement and each three years thereafter, Contractor guarantees that the Customer Rates and/or the Maximum Service Rates shall not be greater than the lowest thirty-fifth (35th) percentile of Comparable Rates charged for Similar Service to Residential and Commercial Service Recipients within any government entity within Ventura County. In the event that, the Maximum Service Rates are greater than any of the Comparable Rates for Similar Service, City shall notify Contractor of its obligations under this Section. Such notification shall specify the Maximum Service Rates that are greater and are subject to adjustment under this Section. Within sixty (60) days of receipt of such notice, Contractor shall ensure that any Maximum Service Rates are not greater than the lowest thirty-fifth (35th) percentile of Comparable Rates.

4.09 Extraordinary Adjustment to Maximum Service Rates.

4.09.1 Contractor may apply to the City Council for consideration of a special, interim rate review should an event or circumstance arise which results in an increase in the cost of operations by Contractor. An application for special, interim rate cannot be unreasonably denied upon Contractor's demonstration of any of the following:

4.09.1.1 City-directed change as specified in Section 27.01;

4.09.1.2 Change in Law as specified in Section 27.02; and

4.09.2 In addition to foregoing, Contractor may apply to the City Council for consideration of a special, interim rate review should an event or circumstance occurred or will occur which is not reasonably foreseeable or within the control of Contractor, and is not a usual business risk of Contractor. A final determination concerning an application for special, interim rate review hereunder is subject to the sole discretion of the City, which shall not be exercised in an arbitrary or capricious manner. "Usual business risk" shall include routine changes in the costs of providing services, external economic conditions existing in the normal course of business, and changes in the market for recyclables.

4.09.3 The Parties may negotiate and agree on the amount of any Maximum Service Rate adjustment pursuant to this Section 4.09 without a detailed rate review. Contractor shall bear the burden of justifying to City any adjustment due to a material Change in Law and shall bear its own costs of preparing its request for an adjustment and supporting documentation. City 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. City 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 City. Any such change will be implemented on the following July 1st, or within any other time frame agreed upon between City and Contractor. The adjustment in Maximum Service Rates shall be approved by the City Council and memorialized in a written amendment to this Agreement. As an alternative or in addition any Maximum Service Rate adjustment, City and Contractor may also agree to other modifications to this Agreement.

4.10 Performance Standards for Adjustments to Rates. To be eligible for a CPI adjustment under Section 4.05 or an extraordinary adjustment under Section 4.09 Contractor must cure any material default under Article 26 of this Agreement for which City has provided notice to Contractor, including the failure to submit all records and reports required under Article 19. If Contractor has initiated cure during the period in which Contractor is otherwise entitled to an Annual Rate Adjustment under Section 4.05, the Annual Rate Adjustment shall take effect on the first day of the month following Contractor's cure of any material default.

4.11 Procedures in Event of Inability to Adjust Rates. As determined necessary or advisable, the City may subject any proposed adjustment in the Maximum Service Rates to a majority protest or similar proceeding under Proposition 218 (California Constitution Article XIII D). The cost of all such mailings shall be paid by Contractor. In the event that City is unable by operation of Proposition 218 or Applicable Law to approve or implement a rate increase under this Article 4, or some or all of the Maximum Service Rates are disallowed by operation of Applicable Law, Contractor will have the right, within thirty (30) days after notice of any such inability to approve or invalidation of an approved rate increase, to request, in writing, that City negotiate in good faith regarding reductions

in programs, services, or fees to compensate for any negative impact from the unapproved or invalidated rate increase. If City fails to commence negotiations in good faith or negotiations are not completed within forty-five (45) days following the date of receipt of Contractor's request, either party may terminate this Agreement no earlier than one hundred and eighty (180) days after written notice to the other.

Article 5. Diversion Requirements

5.01.1 Minimum Requirements. City requires Contractor to achieve minimum annual CalRecycle diversion as required of the City under Public Resources Code Section 41780.

5.02 If City fails to comply with CalRecycle diversion due to Contractor's failure to implement the diversion and public education programs provided for in this Agreement, Contractor is subject to liquidated damages as specified in Exhibit 9 and Contractor must submit a corrective action plan to assist City to comply with Public Resources Code Section 41780 and other Applicable Laws by March 15th following the year the diversion requirements were not met. Contractor's corrective action plan is subject to approval by the Agreement Administrator, and to be approved, must constitute a good faith corrective action plan to allow City to comply with Public Resources Code section 41780 and other Applicable Laws. Implementation of the corrective action plan will be at Contractor's sole cost and expense. If Contractor fails to submit or implement a corrective action plan acceptable to the City, Contractor may be subject to liquidated damages as specified in Exhibit 9.

5.02.1 If City fails to comply with CalRecycle diversion, and Contractor has implemented all required Contractor diversion programs, the City may direct Contractor to modify its programs or implement new diversion programs. Any such modification of Contractor's existing diversion programs or addition of new diversion programs done at the City's request would be in accordance with Article 27.

5.02.2 Notwithstanding any other provision of this Agreement to the contrary, where CalRecycle has determined that there are no commercially viable markets for a specific type of Recyclable Material(s), or with written notice to the Agreement Administrator, Contractor is unable to identify a market for one or more Recyclable Material(s) despite the exercise of commercially reasonable efforts to process and market the material, and determines, in the interest of safeguarding public health, to dispose of the Recyclable Material(s), such a determination shall not constitute a failure to implement service, a failure to implement a program, or an event of default hereunder.

5.03 Warranties and Representations. Contractor warrants that it is aware of and familiar with City's waste stream, and that it has the ability to and will provide sufficient programs and services designed to ensure City will meet or exceed the diversion requirements as set forth in this Article 5, as well as the diversion requirements of other Applicable Laws (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) (including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and all amendments and related subsequent

legislation), and that it will do so without imposing any costs or fees other than those set forth on Exhibit 1, except as provided in Article 27.

5.04 Mutual Cooperation. City and Contractor will reasonably cooperate in good faith with all efforts by each other to meet City's diversion and other compliance requirements imposed by AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383 and other Applicable Laws, and to meet Contractor's obligations under this Article 5. In this regard, City's obligations include, without limitation, making such petitions and applications as may be reasonably requested by Contractor for time extensions in meeting diversion goals, or other exceptions from the terms of Applicable Laws, and to agree to authorize such changes to Contractor's Recycling, Organic Waste, or Solid Waste programs as may be reasonably requested by Contractor in order to achieve the minimum requirements of this Article 5.

5.05 Guarantee. Except for programs currently required by Applicable Law but not set forth in this Agreement, or programs Contractor is expressly instructed by City not to implement, or services which a Service Recipient refuses to accept, Contractor shall implement the diversion programs set forth in this Agreement such that: (i) Contractor and City will at all times be in compliance with the requirements of the Applicable Laws applicable to them including specifically AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and (ii) City will meet or exceed the diversion requirements (including, without limitation, amounts of Solid Waste to be diverted, time frames for diversion, and any other requirements) set forth in this Article 5 and the Applicable Laws including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, and all amendments thereto (subject to Article 27). In this regard Contractor agrees that it will, in addition to any other Agreement requirement, at its sole cost and expense:

5.05.1 Assist City in responding to inquiries from CalRecycle or any other regulatory agency;

5.05.2 Assist City in preparing for, and participating in, CalRecycle's biannual review of City's SRRE pursuant to Public Resources Code section 41825;

5.05.3 Assist City in applying for any extension, including under Public Resources Code section 41820, if so directed by City;

5.05.4 Assist City in any hearing conducted by CalRecycle, or any other regulatory agency, relating to City's compliance with the Applicable Laws including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383;

5.05.5 Assist City with the development of and implement a public awareness and education program that is consistent with City's SRRE and Household Hazardous Waste Element, as well as any related requirements of the Applicable Laws;

5.05.6 Provide City with Recycling, source reduction, and other technical assistance as may be needed to comply with the Applicable Laws including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383;

5.05.7 Be responsible for and pay, any fees, penalties or other costs imposed against City by CalRecycle, and defend, indemnify and hold harmless City from and against any fines, penalties, or other liabilities, levied against it for violation of the diversion requirements, set forth in the Applicable Laws, including AB 939, AB 341, AB 1826, AB 1594, SB 1016, and SB 1383, or for violation of any other provision of the Applicable Laws, arising from or in any way related to Contractor's performance of its obligations under this Agreement.

5.06 Notwithstanding other provisions of this Agreement, Contractor's obligations in this Article 5 will not extend to any loss, cost, liability, fine, penalty, damage, action, suit, duty, obligation, requirement, nonperformance, or noncompliance relating to, arising or resulting from, acts or omissions (i) not within the control of Contractor, (ii) constituting sole negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City, its officers or employees or (iii) as limited by Public Resources Code section 40059.1.

Article 6. Service Unit Types

6.01 Service Units. Service Units include all the following categories of Premises which are in the Service Area 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 Agreement during term of this Agreement:

6.01.1 SFD Service Units. Services are specified in Article 7 below.

6.01.2 MFD Service Units. Where individual units within an MFD are each served by Carts, services are defined under Article 9 (MFD-I Service) below. Where the MFD complex is served by centralized Collection Containers, service is defined under Article 10 (MFD-C) below.

6.01.3 Commercial Service Units

6.01.4 City Service Units

6.01.5 Any question as to whether a premise falls within one of these categories will be determined by the Agreement Administrator and the determination of the Agreement Administrator will be final.

6.02 Service Unit Changes. Contractor must provide services described in this Agreement to new Service Units in Contractor's Service Area within five (5) Work Days of receipt of notice from City or the new Service Unit to begin such Service.

6.03 Annexation. If during term of the Agreement, additional territory within or adjacent to the Contractor's Service Area is acquired by City through annexation, subject to the requirements of Public Resources Code section 49520, Contractor agrees to provide Collection Services in such annexed area in accordance with the provisions and Maximum Service Rates set forth in this Agreement. Such Collection Services must begin within five (5) Work Days of receipt of written notice from City or request from the Service

Recipient. Contractor may not begin Collection Service without written authorization from City.

6.04 Route Map Update. Contractor must revise the Service Unit route maps to show the addition of Service Units added due to annexation and must provide such revised maps to the Agreement Administrator as requested.

Article 7. SFD Service

7.01 SFD Conditions of Service. Except as set forth below, Contractor must provide SFD Collection Services to all SFD Units in the Service Area including MFD-I. The SFD Services are governed by the following terms and conditions:

7.01.1 Bundled SFD Service. A weekly Bundled SFD Solid Waste Collection Service system will be utilized with one (1) 64-Gallon Garbage Cart (with the option to downsize to a 32- or upsize to a 96-Gallon Garbage Cart), one (1) 96-Gallon Recycling Cart (with the option to downsize to a 64-Gallon Recycling Cart), and one (1) 96-Gallon Organic Waste Cart as part of the base SFD Solid Waste Collection Service. Pricing for upsizing or downsizing Carts, and additional Carts, relative to the base Bundled Service are included in Exhibit 1. SFD Service Recipients may add Green Waste only Bins to their SFD Service at pricing included in Exhibit 1. The actual configuration of Garbage, Recycling and Organic Waste Cart sizes shall be at the option of the Service Recipient unless determined by the City. Carts shall be 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 Contractor and Service Recipient, that will provide safe and efficient accessibility to Contractor's Collection crew and vehicle.

7.01.2 On-Premises Service. Notwithstanding any term or definition set forth in this Agreement, Contractor must provide Collection of SFD Solid Waste, Recyclable Materials, and Organic Waste on the SFD Service Recipients premises to an SFD Service Unit as follows.

At no additional cost to the SFD Service Unit:

SFD Service Units where all adult Service Recipients residing therein have disabilities that prevent them from setting their Garbage, Recycling or Organic Waste Cart at the curb for Collection, and if a request for on-premises service has been made.

7.01.2.1 SFD Service Units where topography, steep driveways, below grade dwellings, or limited access to public streets that prevents the SFD Service Recipient from setting their Garbage, Recycling or Organic Waste Cart at the curb for Collection, as determined by the City and agreed by the Contractor, and if a request for on-premises service has been made.

At an additional cost to the SFD Service Unit:

7.01.2.2 SFD Service Units inaccessible by standard 3 or 4 axel Collection Vehicles as determined by the Contractor and agreed by the City. Stinger/scout truck services shall be provided for the retrieval of Collection Containers from locations with accessibility constraints that make Containers difficult or impossible to access using regular trash collection trucks.

7.01.2.3 Contractor must offer "push services" to SFD Service Recipients other than those listed above on a subscription basis upon request for the Service Rate set forth in Exhibit 1. Push services include, but are not limited to, dismounting from the Collection Vehicle, moving the Collection Containers from their storage location for Collection and returning the Collection Containers back to their storage location.

Contractor must provide on-premises Collection Service on the same Work Day that curbside Collection would otherwise be provided to the SFD Service Unit.

7.01.3 Frequency and Scheduling of Service. SFD Collection Service must be provided one (1) time per week on a scheduled route basis. SFD Collection Service must be scheduled so that all Service Units receive Solid Waste Collection Service, Recycling Collection Service, and Organic Waste Collection Service on the same Work Day. SFD Collection Service must be provided, commencing no earlier than 7:00 a.m. and terminating no later than 7:00 p.m., Monday through Friday, except for Holidays in accordance with Section 3.08. The hours, day, or both of Collection may be extended due to extraordinary circumstances or conditions with the prior verbal or written consent of the Agreement Administrator.

7.01.4 Manner of Collection. The Contractor must provide Collection Service with as little disturbance as possible and must leave any Garbage, Recycling or Organic Waste Cart in an upright position at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks or mail boxes. Contractor's employees providing Collection Service must follow the regular walk for pedestrians while on private property and may 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.

7.01.5 Replacement of Carts. Contractor's employees must take care to prevent damage to Carts by unnecessary rough treatment. However, any Cart damaged by the Contractor must be replaced by Contractor, at Contractor's expense, within five (5) Work Days at no cost or inconvenience to the Service Recipient.

7.01.5.1 Upon notification to Contractor by City or a Service Recipient that the Service Recipient's Cart(s) has been stolen or damaged beyond repair through no fault of Contractor, Contractor must deliver a replacement Cart(s) to such Service Recipient within five (5) Work Days. Contractor must maintain records documenting all Cart replacements occurring and report through the Waste Reporting System monthly.

7.01.5.2 Each Service Recipient is entitled to the replacement of one (1) lost, destroyed, or stolen Cart every ten (10) years during the life of this Agreement 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 will 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 Agreement, in accordance with the "Cart Exchange" Service Rate set forth in Exhibit 1, or as may be adjusted by the City from time to time as provided under this Agreement.

7.01.5.3 Contractor understands and agrees that this provision is intended to be applied on a per Cart type, individual Service Recipient basis and accordingly each Service Recipient could receive up to three (3) replacement Carts, one (1) of each type, every ten (10) years during the term of the contract.

7.01.5.4 New Carts. At the start of this Agreement, Contractor must supply new carts which comply with Collection Container specifications in Exhibit 3. If any changes to these specifications are adopted after the Effective Date that results in Contractor being required to replace Collection Containers before they have been fully depreciated, Contractor will be eligible for additional compensation in accordance with Section 4.09.

7.01.5.5 Repair of Garbage, Recycling and Organic Waste Carts. Contractor is responsible for the repair of Carts, including but not be limited to, hinged lids, wheels and axles. Within five (5) Work Days of notification by the City or a Service Recipient of the need for such repairs, Contractor must repair the Cart or if necessary, remove the Cart for repairs and deliver a replacement Cart to the Service Recipient.

7.01.5.6 Cart Exchange. Upon notification to Contractor by City or a Service Recipient that a change in the size of a Cart is requested, Contractor must deliver such Cart to such Service Recipient within five (5) Work Days. Each SFD Service Unit is eligible to receive one (1) free Cart exchange per Calendar Year during the term of this Agreement for moving to a larger Cart size. Each SFD Service Unit is eligible to receive unlimited Cart exchanges per Calendar Year during the term of this Agreement for moving to a smaller Cart size. Accordingly, Contractor will be compensated only for the cost of those exchanges in excess of one (1) per Calendar Year for those Service Units receiving larger Cart sizes, in accordance with the "Cart Exchange" service rate as set forth in Exhibit 1 or as may be adjusted this Agreement.

7.01.5.7 Additional Cart Request. Upon notification to the Contractor by City or a Service Recipient that additional Carts for Garbage, Recyclable Materials, or Organic Waste are requested, Contractor shall deliver

such Carts to such Service Recipient within five (5) Work Days, at the rate set forth in Exhibit 1.

7.01.5.8 Ownership of Carts. Ownership of Carts is vested in the Contractor.

7.02 SFD Solid Waste Collection Service. This service is governed by the following terms and conditions:

7.02.1 Non-Collection. Contractor is not required to Collect any Residential Garbage that is not placed in a Garbage Cart. In the event of non-collection, Contractor will follow the steps set forth in Section 3.12.

7.02.2 Disposal Facility. Except as set forth below, all Residential Solid Waste Collected as a result of performing Solid Waste Collection Services must be transported to, and disposed of, at the Disposal Facility. In the event the Disposal Facility is closed on a Work Day, Contractor must transport and dispose of the Residential Solid Waste at another legally permitted disposal facility. Failure to comply with this provision will result in the levy of a penalty as specified in Exhibit 9 and may result in Contractor being in default under this Agreement. City has the right to designate Disposal Facility and agrees to adjust Maximum Service Rates to reflect City's exercise of flow control rights prior to the effectiveness of such change.

7.03 SFD Recycling Service. This service is governed by the following terms and conditions:

7.03.1 Overages. Corrugated cardboard that will not fit inside the Recycling Cart may be placed beside the Recycling Cart if flattened during the three-week period beginning December 26th each year during the term of this Agreement.

7.03.2 Recycling - Improper Procedure. The Contractor is not required to Collect Recyclable Materials if the Service Recipient does not segregate the Recyclable Materials from Solid Waste or Organic Waste. Furthermore, Contractor is not required to Collect Recyclable Materials that are contaminated through commingling with Solid Waste or Organic Waste. To address contamination, Contractor must follow the steps set forth in Section 3.11.

7.03.3 Materials Recovery Facility. Except as provided in Section 3.11, all Recyclable Materials collected as a result of performing recycling services must be delivered to the Materials Recovery Facility. Failure to comply with this provision will result in the levy of a penalty as specified in Exhibit 9 and may result in Contractor being in default under this Agreement. All expenses related to materials processing and marketing will be the sole responsibility of Contractor. City has the right to designate Materials Recovery Facility and agrees to adjust Maximum Service Rates to reflect City's exercise of flow control rights.

7.03.4 Move In/Out Collection Service. Within three (3) months of opening a new account, at no additional charge, each SFD Service Recipient may request that

Contractor provide one on-call Move-In/Out Recyclable Material Collection Service for recyclable packaging materials such as flattened cardboard boxes, and bundled newspaper and packaging foam. This will be offered as a one-time service for each new account. This service shall only include Recyclable Materials, and in the event that the Service Recipient includes Garbage in the materials set out for Collection by Contractor, this service shall be counted as one of the SFD Service Recipient's free annual Large Item Collections as set forth in Section 7.05.

7.03.5 Recycling - Changes to Services. Should changes in Applicable Law arise that necessitate any additions or deletions to the services described in this Section 7.03, including the type of items included as Recyclable Materials, the parties will negotiate any necessary cost changes and will enter into an Agreement amendment covering such modifications to the services to be performed and the compensation to be paid in accordance with Article 27 before undertaking any changes or revisions to such services.

7.04 SFD Organic Waste Collection Service. This service is governed by the following terms and conditions:

7.04.1 Organic Waste Processing Services. Contractor must ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill in accordance with AB 939, AB 1826, AB 1594, SB 1016 and SB 1383, and any subsequent or other Applicable Law. Contractor must ensure that the Organic Waste Collected pursuant to this Agreement is not disposed of in a landfill, except for residue resulting from processing. If the organics processing facility accepts bagged organic waste (where bags are biodegradable or otherwise), then Contractor is obligated to accept bagged Organic Waste.

7.04.2 Organic Waste Processing Facility. Contractor must deliver all Collected Organic Waste to a fully permitted Organic Waste Processing Facility, that has been agreed upon by the City. All expenses related to Organic Waste processing and marketing will be the sole responsibility of Contractor. Failure to comply with this provision will result in the levy of liquidated damages as specified in Exhibit 9 and may result in Contractor being in default under this Agreement. City has the right to designate Organic Waste Processing Facility and agrees to adjust Maximum Service Rates to reflect City's exercise of flow control rights. Contractor warrants and agrees that the Organic Waste Processing Facility has sufficient capacity during the Term for all Franchise services.

7.04.3 Holiday Tree Collection. Contractor must Collect Holiday Trees set out at the curb for Collection during the three-week period beginning December 26th each year during the term of this Agreement. Contractor must deliver the Collected Holiday Trees to an appropriate facility for processing. This annual service will be provided at no additional charge to the Service Recipient. Contractor is not required to divert Holiday Trees with tinsel, flocking or ornaments.

7.04.4 Non-Collection. Contractor is not required to Collect Organic Waste if the Service Recipient does not segregate the Organic Waste from Solid Waste or

Recyclable Materials. Furthermore, Contractor is not required to Collect Organic Wastes that are contaminated through commingling with Solid Waste or Recyclable Materials. Contractor will address contamination in accordance with Section 3.12.

7.05 SFD Large Item Collection Service. This service is governed by the following terms and conditions:

7.05.1 Conditions of Service. Contractor must provide Large Item Collection Service to all SFD 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 Contractor and Service Recipient, that will provide safe and efficient accessibility to Contractor's Collection crew and vehicle. Up to two (2) times per Calendar Year each Service Recipient is entitled to receive large item disposal amounting to a combined annual maximum of the equivalent of (a) 1.5 cubic yards of uncontainerized Solid Waste, or (b) six (6) large items, or (c) ten (10) 32-gallon bags at no additional cost and expense. For subsequent collection in any Calendar Year, the Contractor shall receive compensation from the Service Recipient at the rate for such service as set in Exhibit 1.

7.05.2 Frequency of Service. Large Item Collection Service will be provided on the next regular Collection day if the request is received at least two (2) Work Days in advance of the next regular Collection day. The Service Recipient may not intentionally commingle residential Large Items with other Residential Waste.

7.05.3 Large Items Containing Freon. In the event Contractor Collects Large Items that contain Freon, Contractor must 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.

7.05.4 Maximum Reuse and Recycling. Contractor must dispose of Large Items collected from Service Units pursuant to this Agreement in accordance with the following hierarchy:

7.05.4.1 Reuse as is (where energy efficiency is not compromised)

7.05.4.2 Disassemble for reuse or Recycling

7.05.4.3 Recycle

7.05.4.4 Disposal

7.05.5 Disposal of Large Items. Contractor may not landfill such Large Items unless the Large Items cannot be reused or recycled.

7.05.6 City Direction of Large Items. City reserves the right to direct Contractor to take specific types of Large Items Collected pursuant to this Section to designated sites not more than twenty (20) miles from City Hall for the purpose of reuse

or recycling at no cost. Contractor has no obligation to dispose of the Large Item residue remaining at the directed site or sites after scavengers and recyclers have removed reusable or recyclable Large Items.

Article 8. Commercial Service

8.01 Commercial Conditions of Service. Except as set forth below, Contractor must provide Commercial Collection Services to all Commercial Service Units in the Service Area, including MFD-C Service Units and City Service Units. This service is governed by the following terms and conditions:

8.01.1 Provision of Service. Contractor must provide Commercial Solid Waste Collection Service, Commercial Recycling Service and Commercial Organic Waste Collection Service to all Commercial Service Units in the Service Area whose Solid Waste, Recyclable Materials, and Organics Waste are properly containerized in Collection Containers as appropriate where the Collection Containers are accessible as set forth in Section 8.01.4. Contractor must offer Solid Waste, Recyclable Materials, and Organic Waste Carts in 32, 64, and 96-gallon sizes. Contractor must offer Solid Waste and Recyclable Materials Bins in 1, 2, 3, 4, and 6-cubic yard sizes and 1, 1.5, 2, 3 and 4-cubic yard sizes for Organic Waste Bins. Contractor must offer Roll-off Containers in 10, 20, 30, and 40-cubic yard sizes, and Compactors. The size of the container and the frequency (above the minimum) of collection will be determined between the Service Recipient and Contractor unless otherwise determined by City. However, the size and frequency must be sufficient to provide that no Solid Waste, Recyclable Materials, or Organic Waste need be placed outside the Collection Container. The base Solid Waste Collection Service will include Commercial Recycling Service as described in Section 8.03.2 below, and Commercial Organic Waste Collection Service as described in Section 8.04.2 below.

8.01.2 Bundled Service. For the Commercial Solid Waste Collection Service system, the City wishes to utilize Garbage Bins as requested by the Commercial Service Recipient, and including at no additional cost the equivalent volume of recycling, and one (1) 32-Gallon Organic Waste Cart per 2 cu yd of weekly trash (garbage plus recycling) service as part of the base bundled Commercial Collection Service. The actual configuration of Recycling and Organic Waste Cart and/or Bin sizes shall be based on the total equivalent volume and configured in a manner determined by the Service Recipient in consultation with the Contractor. Additional services may be requested by the Commercial Service Recipient. To be exempted from Commercial Recycling Service or Commercial Organic Waste Collection Service, Service Recipient must apply for exemption to the Contractor. All such exemption applications must be reported in the Waste Reporting System and approved by the City.

8.01.3 Hours of Collection. Commercial Collection Service must be provided, commencing no earlier than 7:00 a.m., and terminating no later than 7:00 p.m., Monday through Saturday, except for Holidays. There will be no Commercial Collection Service on Sundays. The hours, day, or both of Collection may be extended due to

extraordinary circumstances or conditions with the prior verbal or written consent of the Agreement Administrator.

8.01.4 Accessibility. Contractor must Collect all Collection Containers that are readily accessible to Contractor's crew and vehicles and not blocked. However, Contractor must provide "push services" and "stinger/scout truck services" as necessary upon request during the provision of Commercial Collection Services for the Service Rate set forth in Exhibit 1. Push services include, but are not limited to, dismounting from the Collection Vehicle, moving the Collection Containers from their storage location for Collection and returning the Collection Containers back to their storage location. Stinger/scout truck services provide for the retrieval of Collection Containers from locations with accessibility constraints that make Containers difficult or impossible to access using regular trash collection trucks.

8.01.5 Manner of Collection. Contractor must provide Commercial Collection Service with as little disturbance as possible and must leave any Collection Container at the same point it originally located without obstructing alleys, roadways, driveways, sidewalks or mail boxes.

8.01.5.1 Purchase and Distribution of Collection Containers for New Commercial Service Units. Contractor must also distribute newly-painted Collection Containers as specified in Exhibit 3 to new Commercial and MFD Service Units that are added to Contractor's Service Area during the term of this Agreement. The added Containers shall be new or like-new and in good working condition. The size and mix of the Collection Containers will be in accordance with this Agreement and the distribution must be completed within five (5) Work Days of receipt of the request for service.

8.01.6 Replacement of Collection Containers. Contractor's employees must avoid damage to Collection Containers by unnecessary rough treatment. Any Collection Container damaged by the Contractor must be replaced by Contractor, at Contractor's expense, within five (5) Work Days at no cost or inconvenience to the Service Recipient.

8.01.6.1 Each Commercial Service Unit is entitled to the replacement of one (1) lost, destroyed, or stolen Garbage, Recycling, and Organic Collection Container during the initial term of this Agreement at no cost to the Service Unit. Accordingly, Contractor will be compensated for the cost of those replacements in excess of one (1) Garbage, Recycling, and Organic Collection Container per Commercial Service Unit during the initial term of the Agreement, in accordance with the "Collection Container Exchange" Service Rate, as appropriate, set forth in Exhibit 1. Contractor must deliver a replacement Collection Container to such Service Unit within five (5) Work Days.

8.01.7 Repair of Collection Containers. Contractor is responsible for repair of Collection Containers. Within five (5) Work Days of notification by City or a Service Recipient of the need for such repairs, Contractor must repair the Collection Container or if necessary, remove the Collection Container for repairs and deliver a replacement

Collection Container to the Service Recipient. Collection Container repair also includes the removal of graffiti from the Collection Container.

8.01.8 Collection Container Exchange. Upon notification to Contractor by City or a Service Recipient that a change in their Collection Containers is required, Contractor must deliver such Collection Containers to such Service Recipient within five (5) Work Days. Each Commercial Service Unit is eligible to receive one (1) free Collection Container exchange per Calendar Year during the term of this Agreement. Contractor is allowed to charge the Service Unit for the cost of those exchanges in excess of one (1) Collection Container exchange per Calendar Year, in accordance with the appropriate "Collection Container Exchange" service rate set forth in Exhibit 1 as may be adjusted by City under this Agreement. Additional Collection Containers or different size Collection Containers are subject to the applicable Service Rate set forth in Exhibit 1.

8.01.9 Newly painted Bins and Roll-off Containers. No later than October 1, 2022, Contractor must supply newly-painted Bins and Roll-off Containers in good condition which comply with Collection Container specifications in Exhibit 3. If any changes to these specifications are adopted after the Effective Date that results in Contractor being required to replace Collection Containers before they have been fully depreciated, Contractor will be eligible for additional compensation in accordance with Article 27.

8.01.10 Ownership of Collection Containers. Ownership of Collection Containers distributed by Contractor is vested in Contractor.

8.01.11 Cleaning of Collection Containers. Once each Calendar Year, if requested by the Commercial Service Unit, Contractor must clean all Collection Containers at the Commercial Service Unit's premises or must replace the dirty Collection Containers with clean Collection Containers. Any Collection Container cleanings must be done in such a manner that results in no water entering the City's storm drain system. This service must be provided at no charge to the Service Unit, so long as the service is not requested more than once per Calendar Year. In addition, regardless of whether or not this cleaning is requested by the Service Unit, Contractor will ensure that all Collection Containers are cleaned on an as-needed basis so as to maintain a clean appearance and proper function. Additional cleanings beyond once each Calendar Year will be subject to the Service Rate set forth in Exhibit 1.

8.02 Commercial Solid Waste Collection Service.

8.02.1 Conditions of Service. Contractor must provide Commercial Garbage Collection Service to all Commercial Service Units in the Service Area whose Solid Waste is properly containerized in Garbage Collection Containers, where the Garbage Collection Containers are accessible.

8.02.2 Size and Frequency of Service. This service must be provided as deemed necessary and determined between Contractor and the Commercial Service Unit, but such service must be received no less than one (1) time per week with no

exception for holiday(s) as set forth herein, except that Collection service scheduled to fall on a holiday may be rescheduled as determined between the Service Unit and Contractor as long as the minimum frequency requirement is met. The size of the container and the frequency (above the minimum) of Collection will be determined between the Commercial Service Unit and Contractor unless otherwise determined by City. However, size and frequency must be sufficient to provide that no Solid Waste need be placed outside the Collection Container. Contractor must provide containers as part of the Commercial Collection Maximum Service Rates set forth in Exhibit 1. Service Recipients may own and provide their own Compactor provided that the Service Recipient is completely responsible for its proper maintenance, and such Compactor is of a type that is compatible with Contractor's equipment. All other Collection Containers used by Service Recipients must be owned and supplied by Contractor.

8.02.3 Non-Collection. Contractor is not required to Collect any Commercial Solid Waste that is not placed in a Garbage Collection Container unless such Commercial Solid Waste is outside the Garbage Collection Container because of overflow. In the event of non-collection or overflow, Contractor must follow the steps as set forth in Section 3.12.

8.02.4 Disposal Facility. All Solid Waste collected as a result of performing Commercial Solid Waste Collection Services must be transported to, and disposed of, at the Disposal Facility. In the event the Disposal Facility is closed on a Work Day, Contractor must transport and dispose of Solid Waste at another legally permitted disposal facility. Failure to comply with this provision will result in the levy of a penalty as specified in Exhibit 9 and may result in Contractor being in default under this Agreement. City has the right to designate Disposal Facility and agrees to adjust Maximum Service Rates to reflect City's exercise of flow control rights prior to the effectiveness of any change. Contractor warrants and agrees that the Disposal Facility has sufficient capacity during the Term for all Franchise services.

8.03 Commercial Recycling Service. This service is governed by the following terms and conditions:

8.03.1 Conditions of Service. Contractor must provide Commercial Recycling Service to all Commercial Service Units in the Service Area whose Recyclable Materials are properly containerized in Recycling Collection Containers except as set forth below, where the Recycling Collection Containers are accessible. The Maximum Service Rates for Contractor's Commercial Recycling Services are set forth in Exhibit 1.

8.03.2 Base Commercial Recycling Service. All Commercial Service Recipients subscribing to Commercial Solid Waste Collection Service must receive weekly collection of Recycling Materials with a minimum of at least one 96-gallon Recycling Cart per Service Recipient and included in the Bundled Rate set forth in Exhibit 1. The actual configuration of Recycling Collection Container sizes to be provided will be based on the total equivalent volume and configured in a manner determined by the Service Recipient in consultation with Contractor unless otherwise determined by the City.

8.03.3 Size and Frequency of Service. This service will be provided as deemed necessary and determined between Contractor and the Service Recipient, but such service must be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that Collection service scheduled to fall on a holiday may be rescheduled as determined between the Service Recipient and Contractor as long as the minimum frequency requirement is met. Service may be provided by Collection Container at the option of the Service Recipient. The size of the Collection Container and the frequency (above the minimum) of Collection will be determined between the Service Recipient and Contractor unless otherwise determined by the City. However, size and frequency must be sufficient to provide that no Recyclable Materials need be placed outside the Collection Container. Contractor may charge for Commercial Recycling Services above the weekly trash volume equivalent and must provide Recycling Collection Containers as a part of the Bundled Service with rates set forth in Exhibit 1. Service Recipients may own and provide their own Compactor provided that the Service Recipient is completely responsible for its proper maintenance, and such Compactor is of a type that is compatible with Contractor's equipment. All other Collection Containers used by Service Recipients must be owned and supplied by Contractor.

8.03.4 Recycling - Improper Procedure. Contractor is not required to Collect Recyclable Materials if the Service Recipient does not segregate the Recyclable Materials from Commercial Solid Waste and Organic Waste. Furthermore, Contractor is not required to collect Recyclable Materials that are contaminated through commingling with Solid Waste or Organic Waste. To address contamination, Contractor must follow the steps as set forth in Section 3.11.

8.03.5 Materials Recovery Facility. All Recyclable Materials Collected as a result of performing Recycling Services must be delivered to the Materials Recovery Facility. Failure to comply with this provision will result in the levy of liquidated damages as specified in Exhibit 9 and may result in Contractor being in default under this Agreement. All expenses related to materials processing and marketing will be the sole responsibility of Contractor. City has the right to designate Materials Recovery Facility and agrees to adjust Maximum Service Rates to reflect City's exercise of flow control rights. Contractor warrants and agrees that the Materials Recovery Facility has sufficient capacity during the Term for all Franchise services.

8.03.6 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 will negotiate any necessary cost changes and will enter into an Agreement amendment covering such modifications to the work to be performed and the compensation to be paid in accordance with Article 27 before undertaking any changes or revisions to such work.

8.03.7 Compliance with AB 341. Contractor will develop and maintain its Commercial Recycling Service in a manner designed to assist City and the Service Recipients to achieve and maintain compliance with AB 341 and AB 1826. Contractor will notify Commercial Service Recipients of the requirements to comply with the laws starting January 1, 2022, and each January 1st thereafter. Contractor must provide the necessary

volume of collection service to Commercial Service Units in order to be in full compliance with the law. In conjunction with the City's ordinance supporting full compliance with AB 341 and AB 1826 by Commercial Service Units (i.e., "generators"), Contractor will conduct in-person outreach to all non-participating commercial covered generators a minimum of once per calendar year. Failure to conduct such outreach will result in a penalty as specified in Exhibit 9.

8.03.8 Additional Recycling Collection Containers. Contractor must provide additional Recycling Collection Containers to Commercial Service Recipients above the minimum requirements within five (5) days of request and may charge for such additional capacity set forth in Exhibit 1 provided that additional Collection Containers are used by Service Recipients for the purposes of setting out additional Recyclable Materials for regular weekly Commercial Recycling Service.

8.04 Commercial Organic Waste Collection Service. This service is governed by the following terms and conditions:

8.04.1 Conditions of Service. Contractor must provide Commercial Organic Waste Collection Service to all non-exempt (AB 3036) Commercial Service Units in the Service Area whose Organic Waste is properly containerized in Organic Collection Containers, except as set forth below in Section 8.04.5, where the Organic Waste Collection Containers are accessible. Contractor will conduct a site visit with each non-exempt Service Recipient to determine the specific materials to be included the Service Recipient's Organic Waste Collection (i.e., Food Waste, Green Waste, combined Food and Green Waste). Contractor will charge for collection of Organic Waste within the Bundled Service rate specified in Exhibit 1. For Organic Waste collected in Collection Containers beyond the size specified in the Bundled Service rate, Contractor will charge at the rate set forth in Exhibit 1. Contractor agrees that not all Service Units will elect to receive Organic Waste Collection Service in Carts, and that Contractor will provide Organic Waste Collection Bins upon request and as necessary. Service Recipients may elect to add Green Waste only Collection Bins to their service at pricing included in Exhibit 1. Contractor will provide a sufficient number of Collection Containers and at a collection frequency to allow for any such Service Unit to utilize the collection of Organic Waste unless otherwise determined by City. Commercial Organic Waste Collection will occur Monday through Saturday upon request and as necessary. City shall provide Contractor a list of the names and addresses of Commercial Service Units that are approved by City for exemption from Organic Waste Collection.

8.04.2 Organic Waste Processing Services. Contractor must ensure that all Organic Waste Collected pursuant to this Agreement is diverted from the landfill in accordance with AB 939, AB 1826, AB 1594, SB 1016 and SB 1383, and any subsequent or other Applicable Law. Contractor must ensure that the Organic Waste Collected pursuant to this Agreement is not disposed of in a landfill, except for residue resulting from processing. If the organics processing facility accepts bagged organic waste, then Contractor is obligated to accept bagged Organic Waste.

8.04.3 Organic Waste Processing Facility. Contractor must deliver all Collected Organic Waste to a fully permitted Organic Waste Processing Facility, that has been agreed upon by the City. Failure to comply with this provision will result in the levy of a penalty as specified in Exhibit 9 and may result in Contractor being in default under this Agreement. All expenses related to Organic Waste processing and marketing will be the sole responsibility of Contractor. City has the right to designate Organic Waste Processing Facility and agrees to adjust Maximum Service Rates to reflect City's exercise of flow control rights prior to the effectiveness of any change. Contractor warrants and agrees that the Organic Waste Processing Facility has sufficient capacity during the Term for all Franchise services.

8.04.4 Organic Waste Collection Frequency. Contractor must comply with CalRecycle collection frequency requirements as they may apply during the term of this Agreement. If any such changes to collection frequency are adopted after Effective Date that result in Contractor being allowed to reduce the frequency of Garbage or Organic Waste Collection, or otherwise cause Contractor to reduce its collection costs as a result in a change in Garbage or Organic Waste collection frequency, Contractor must provide City with its estimate of reduced its costs and shall make adjustments to the Maximum Service Rates.

8.04.5 Base Commercial Organic Waste Service. All Commercial Service Recipients subscribing to Commercial Garbage Collection Service must receive weekly collection of the equivalent volume of at least one (1) 64-gallon Organic Waste Cart (with the option to downsize to a 32- or upsize to a 96-Gallon Cart) per Service Recipient included in the Bundled Service rate. The actual configuration of Organic Waste Collection Container sizes to be provided will be based on the total equivalent volume and configured in a manner determined by the Service Recipient in consultation with Contractor unless otherwise determined by the City. Contractor may charge for Commercial Organic Waste Collection as set forth in Exhibit 1 for Commercial Organic Waste Service greater than the base 32-gallon Organic Waste Cart.

8.04.6 Size and Frequency of Service. This service will be provided as deemed necessary and determined between Contractor and the Service Recipient, but such service must be received no less than one (1) time per week with no exception for holiday(s) as set forth herein, except that Collection service scheduled to fall on a holiday may be rescheduled as determined between the Service Recipient and Contractor as long as the minimum frequency requirement is met unless otherwise determined by the City. Service may be provided by Bin or Cart at the option of the Service Recipient. The size of the container and the frequency (above the minimum) of Collection will be determined between the Service Recipient and Contractor. However, size and frequency must be sufficient to provide that no Organic Waste needs be placed outside the Collection Container. Service Recipients may own and provide their own Compactor provided that the Service Recipient is completely responsible for its proper maintenance, and such Compactor is of a type that is compatible with Contractor's equipment. All other Collection Containers used by Service Recipients must be owned and supplied by Contractor.

8.04.7 Organic Waste - Improper Procedure. Contractor is not required to Collect Organic Waste if the Service Recipient does not separate the Organic Waste from Solid Waste and Recyclable Materials. Furthermore, Contractor is not required to collect Organic Waste that is contaminated through commingling with Solid Waste or Recyclable Materials. To address contamination, Contractor must follow the steps set forth in Section 3.11.

8.04.8 Organic Waste Processing Facility. Subject to Section 8.04.3, all Organic Waste Collected as a result of performing Organic Waste Collection Services must be delivered to the Organic Waste Processing Facility. Failure to comply with this provision will result in the levy of an administrative charge as specified in this Agreement and may result in Contractor being in default under this Agreement.

8.04.9 Organic Waste - Changes to Services. Should changes in law arise that necessitate any additions or deletions to the services described in this Section 8.04 including the type of items included as Organic Waste, the parties will negotiate any necessary cost changes and will enter into an Agreement amendment covering such modifications to the services to be performed and the compensation to be paid in accordance with Article 27 before undertaking any changes or revisions to such services.

8.04.10 Compliance with AB 1826 and SB 1383. Contractor will develop and maintain its Commercial Organic Waste Collection Service in a manner designed to assist City and Service Recipients to achieve and maintain compliance with AB 1826 and SB 1383. Contractor will notify non-exempt covered businesses of the requirements to comply with the law annually starting January 1, 2022. Contractor will offer to provide the volume of collection service that covered businesses require to be in compliance with the law. In conjunction with the City's ordinance supporting full compliance with AB 341, SB 1383 and AB 827 by Commercial Service Units (i.e., "generators"), Contractor will conduct in-person outreach to all nonparticipating non-exempt commercial covered generators as specified in Section 17.02. Failure to conduct such outreach will result in a penalty as specified in Exhibit 9.

8.04.11 Additional Organic Waste Collection Containers. Contractor must provide additional Organic Waste Collection Containers to Service Recipients at the rates listed in Exhibit 1 provided that additional Collection Containers are used by Service Recipients for the proposes of setting out additional Organic Waste materials for regular weekly Organic Waste Collection Service

Article 9. Multi- Family Dwelling Service with Individual Carts (MFD-I)

9.01 Conditions of Service. As in Section 7.01.

9.01.1 MFD-I Bundled Service. A weekly Bundled MFD-I Solid Waste Collection Service system will be utilized with either one (1) 64-Gallon Garbage Cart (with the option to downsize to a 32- or upsize to a 96-Gallon Garbage Cart), one (1) 64-Gallon Recycling Cart (with the option to downsize to upsize to a 96-Gallon Recycling Cart), and one (1) 96-Gallon Organic Waste Cart as part of the base MFD-I Solid Waste Collection

Service; or for those MFD-I complexes without need for individual yard waste containers, one (1) 64-Gallon Garbage Cart (with the option to downsize to a 32- or upsize to a 96-Gallon Garbage Cart), one (1) 64-Gallon Recycling Cart (with the option to downsize to upsize to a 96-Gallon Recycling Cart), and one (1) 32-Gallon Organic Waste Cart (with the option to upsize to a 64- or 96-Gallon Organics Cart) as part of the base MFD-I Solid Waste Collection Service. Pricing for upsizing or downsizing Carts, and additional Carts, relative to the base Bundled Service are included in Exhibit 1. The actual configuration of Garbage, Recycling and Organic Waste Cart sizes shall be at the option of the Service Recipient unless otherwise determined by the City. MFD-I complexes which lack storage space for an Organics Waste Cart at each individual site may substitute a 2-bin service (Garbage Cart and Recycling Cart) provided that the Facility's management subscribe to service of centralized Organic Waste Collection Containers. Containers shall be 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 Contractor and Service Recipient, that will provide safe and efficient accessibility to Contractor's Collection crew and vehicle.

9.01.2 MFD-I On-Premises Service. Refer to 7.01.2.

9.01.3 MFD-I Frequency and Scheduling of Service. Refer to 7.01.3.

9.01.4 MFD-I Manner of Collection. Refer to 7.01.4.

9.01.5 MFD-I Replacement of Carts. Refer to 7.01.5.

9.02 MFD-I Solid Waste Collection Service. Refer to 7.02.

9.03 MFD-I Recycling Service. Refer to 7.03.

9.04 MFD-I Organic Waste Collection Service. Refer to 7.04.

9.05 MFD-I Large Item Collection Service. Refer to 7.05.

Article 10. Multi-Family Dwelling with Centralized Bin Service (MFD-C)

10.01 MFD-C Collection Service. Refer to 8.01.

10.02 MFD-C Solid Waste Collection Service. Refer to 8.02.

10.03 MFD-C Recycling Service. Refer to 8.03.

10.03.1 MFD-C Move In/Out Collection Service. Within three (3) months of opening a new account, at no additional charge, each MFD-C Service Recipient may request that Contractor provide one on-call Move-In/Out Recyclable Material Collection Service for recyclable packaging materials such as flattened cardboard boxes, and bundled newspaper and packaging foam. This will be offered as a one-time service for each new account. This service shall only include Recyclable Materials, and in the event that the Service Recipient includes Garbage in the materials

set out for Collection by Contractor, this service shall be counted as one of the MFD-C Service Recipient's free annual Large Item Collections as set forth in Section 10.05.

10.04 MFD-C Organic Waste Collection Service. Refer to 8.04.

10.05 MFD-C Large Item Collection Services. This service is governed by the following terms and conditions:

10.05.1 Conditions of Service. Contractor shall provide Large Item Collection service to MFD-C Service Units (subject to permission from each MFD-C Service Unit owner or property manager), by providing such Collection one (1) time per month on a designated date, at a designated location within the MFD-C Service Unit. Contractor shall work with the owner or property manager of each MFD-C Service Unit to arrange for a monthly Large Item Collection date. On each such Collection date, Contractor shall Collect all Large Items placed for Collection at the designated location at no charge.

10.05.2 Frequency of Service. Refer to 7.05.02.

10.05.3 Large Items Containing Freon. Refer to 7.05.3.

10.05.4 Maximum Reuse and Recycling. Refer to 7.05.4.

10.05.5 Disposal of Large Items. Refer to 7.05.5.

10.05.6 City Direction of Large Items. Refer to 7.05.6.

Article 11. City Services

11.01 City Collection Conditions of Service. City Collection Services shall be governed by the following terms and conditions:

11.01.1 Contractor shall provide Garbage, Recyclable Material, and Organic Waste Collection Services to all City Service Units (and where applicable, subject to the conditions in this section), where the Containers are not blocked and are accessible by Contractor's Collection Vehicles. The frequency of collection may be designated by the City, but not to exceed six (6) times per week per container. City may change the City Service Units receiving service, and the container volume and collection frequency provided to any City Service Unit. Contractor shall provide this service and charge the City in accordance with the Commercial Service Recipient Rates set forth in Exhibit 1.

11.01.2 Contractor shall receive written permission from the City before placing any Collection Containers on City owned property for service.

11.01.3 Contractor shall limit the number of trips and the path of travel for Collection Vehicles in City parking lots.

11.02 City Clean-Up Services.

11.02.1 City's Enforcement Clean-Up Services. Within one (1) Work Day of a request from the Agreement Administrator, Contractor shall provide Roll-off Containers to support City's Enforcement Clean-Up Services in the Service Area. City shall be responsible for loading or arranging for loading of each Roll-off Container. Contractor shall collect, transport and deliver City Code Enforcement Clean-Up Services Garbage, Recyclable Material, and Organic Waste to a Disposal Facility, the Materials Recovery Facility, or Organics Processing Facility, as appropriate given the characteristics of the load. Contractor shall deliver, and collect, transport and process the City's Enforcement Clean-Up Services waste from up to ten (10) Roll-off Containers each Agreement Year at no charge to the City. Contractor shall be entitled to charge the City for collected materials exceeding ten (10) collections per Agreement Year in accordance with the Service Recipient Rates as set forth in Exhibit 1.

11.02.2 City's Clean-up and Removal of Downed Trees. Within four (4) hours of a request from the Agreement Administrator, Contractor shall provide Roll-off Containers to support City's clean-up and removal of downed trees that result from natural events (storms, high winds etc.) in the Service Area. City shall be responsible for loading or arranging for loading of each Roll-off Container. Contractor shall collect, transport and deliver said Organic Waste to an Organics Processing Facility for recycling. Contractor shall deliver, and collect, transport and process organic material from up to ten (10) Roll-off Containers each Agreement Year at no charge to the City. Contractor shall be entitled to charge the City for Roll-Off Service exceeding ten containers per Agreement Year in accordance with the Service Recipient Rates as set forth in Exhibit 1.

11.02.3 Abandoned Waste/Illegal Dumping Reporting. When conducting service within the City, Contractor shall direct its Collection Vehicle drivers to report to Contractor sightings of illegal dumping of Waste by recording: (i) the addresses of any Service Area where Garbage, Recyclable Material, and/or Organics Waste is accumulating; and (ii) the address, or other location description at which Garbage, Recyclable Material, and/or Organics Waste has been dumped. Contractor shall report to the City sightings and the recorded address within three (3) Work Days.

11.02.4 Abandoned Waste/Illegal Dumping Clean-up. At City's direction, Contractor shall collect, transport and process dumped items from up to fifty (50) illegal dumping clean-up requests per year at no additional charge to City. Contractor shall be entitled to charge the City for requests in excess of fifty (50) collections per Agreement Year in accordance with the Service Recipient Rates as set forth in Exhibit 1.

11.03 City-Sponsored Events Service. Upon request by the City, Contractor shall provide Containers, Collection Services, and Street Sweeping Services at up to six (6) City-Sponsored Events annually, including but not limited to those specified in Exhibit 2 at no cost to the City.

11.04 Large Item Collection Service. Contractor shall collect Large Items, including E-Waste and Universal Waste, from City Services Units on an on-call basis on the same terms and conditions as are provided to SFD Service Units per Section 7.05 at rates specified in Exhibit 1.

Article 12. Additional Services

12.01 Public Area Waste Collection. At no additional cost or expense to the City, Contractor shall provide Garbage and Recyclable Material Collection Service from Collection Containers placed at up to 205 public-right-of-way locations designated by the City. City to provide containers. Garbage and Recyclable Material Collection Containers shall be serviced on a regular schedule of no less than two days per week, or as-needed basis as directed by the City to avoid any overflow of materials. Total Collection Container service shall not exceed the equivalent of 205 locations at 120 gallons per location collected two days per week. There will be flexibility in collection capacity at each location.

12.02 Downtown Solid Waste Bins. No later than October 1, 2022, Contractor shall make a one-time purchase of twenty-two (22) dual Garbage and Recyclable Containers for use in the downtown area of the City with to a not-to-exceed budget amount of \$36,300 and \$1,650 per container. If the foregoing amounts are insufficient to purchase twenty-two (22) dual Garbage and Recyclable Containers, the parties shall meet and confer to determine the appropriate number of Containers within said amount. Contractor shall service the purchased bins on a regular schedule of two days per week, or as-needed basis as directed by the City to avoid any overflow of materials.

12.03 Street Sweeping Services. To avoid the negative consequences of spillage and as part of the Collection Services Contractor shall perform street sweeping services as described in Exhibit 6. The designated parking areas for weekly street sweeping are listed in Exhibit 6.

12.04 Household Hazardous Waste Collection Service. Contractor shall Contractor shall host two (2) Household Hazardous Waste collection events per year on dates, at locations, and at times selected by City. The events are intended to provide Service Recipients the opportunity to dispose Household Hazardous at no charge to the City or Service Recipient.

12.05 E-Waste Events. Contractor shall host two (2) E-Waste Recycling events per year on dates, at locations, and at times selected by City. The events are intended to provide Recycling opportunities to interested Service Recipients and shall be provided by Contractor at no charge to the City or Service Recipient.

Article 13. Collection Routes

13.01 Service Routes. Contractor must provide City with maps precisely defining Collection routes, together with the days and the times at which Collection will regularly commence.

13.02 Service Route Changes. Contractor must submit to City, in writing, any proposed route change (including maps thereof) not less than sixty (60) calendar days prior to the proposed date of implementation. Contractor may not implement any route changes without the prior review of the Agreement Administrator. If the change will change the Collection day for a Service Recipient, Contractor must notify those Service

Recipients in writing of route changes not less than thirty (30) days before the proposed date of implementation.

13.02.1 Collection Route Audits. City reserves the right to conduct audits of Contractor's Collection routes. Contractor must cooperate with City in connection therewith, including permitting City employees or agents, designated by the Agreement Administrator, to ride in the Collection Vehicles to conduct the audits. Contractor has no responsibility or liability for the salary, wages, benefits or worker compensation claims of any person designated by the Agreement Administrator to conduct such audits.

Article 14. Minimum Performance and Diversion Standards

14.01 Intentionally omitted.

14.02 Billing/Financial Audit and Performance Reviews

14.02.1 Contractor shall review its billings to all Service Recipients. The purpose of the review is to determine that the amount which the Contractor is billing each Service Recipient is correct with regard to the level of service (i.e., frequency of collection, size of container, location of container) at the rates approved by City Council resolution. The Contractor shall review Service Recipient accounts not less than annually and ensure that all such billing is correct. The documentation of the review, as well as verification that any errors have been corrected should be provided to the City annually.

14.02.2 Selection and Cost. City may conduct billing audit, financial audit and performance reviews (together, "Reviews") of Contractor's performance during the term of this Agreement. The Reviews will be performed by the City or a qualified firm under contract to City. City will have the final responsibility for the selection of the firm. City may conduct Reviews at any time during the term of the Agreement. City and Contractor agree to each pay fifty-percent (50%) of the cost of the Reviews provided for under Section 14.02.

14.02.2.1 Full Reviews During Initial Term. City may conduct three (3) full Reviews with costs apportioned as stated in 14.02.2 during the initial Term of this Agreement. The purpose of these full Reviews will be as described in Section 14.02.2.3 below.

14.02.2.2 Full Review During Extension Period. In the event that Contractor is granted an extension to the Term of this Agreement as described in Section 2.02, City may conduct one (1) additional full Review during each of the five (5) year extension periods. The purpose of this full Review is described in Section 14.02.2.3. For each of these full Review costs will be apportioned as stated in Section 14.02.2.

14.02.2.3 Purpose. The Reviews will be designed to verify that Service Recipient billing rates have been properly calculated and they

correspond to the level of service received by the Service Recipient, verify that Contractor is correctly billing for all services provided, Franchise Fees, Solid Waste Management Fees and other fees required under this Agreement have been properly calculated and paid to City, verify Contractor's compliance with the reporting requirements and performance standards of this Agreement, verify the diversion percentages reported by Contractor, and verify any other provisions of the Agreement. City (or its designated consultant) may utilize a variety of methods in the execution of this review, including, but not limited to, analysis of relevant documents, on-site and field observations, and interviews. City (or its designated consultant) will review and document the items in the Agreement that require Contractor to meet specific performance standards, submit information or reports, perform additional services, or document operating procedures, that can be objectively evaluated. This information will be documented and be formatted in a "compliance checklist" with supporting documentation and findings tracked for each of the identified items. The Review will specifically include a determination of Contractor's compliance with the diversion requirements of Article 5, and the public outreach and education requirements of Article 17. City (or its designated consultant) may review the customer service functions and structure utilized by Contractor. This may include Contractor's protocol for addressing Service Recipient complaints and service interruption procedures. Complaint logs may be reviewed, along with procedures and systems for tracking and addressing complaints.

14.02.3 Contractor's Cooperation. Contractor shall cooperate fully with the Review and provide all requested data, including operational data, financial data of the type described in Section 14.02.1, and other data reasonably requested by City within fifteen (15) Work Days of the request.

14.02.4 Additional Billing/Financial Audit and Performance Review. In the event that the Review concludes that Contractor is not in compliance with all terms and conditions of this Agreement and such non-compliance is material, Contractor is subject to administrative fees and penalties as described in Exhibit 9 as well as reimbursement to the City for the full cost of the audit plus any underpayments discovered during the audit. Additionally, City may conduct an Review beyond the three specified in Section 14.02.2.1, to ensure that Contractor has cured any such area of non-compliance. Contractor will be responsible for the cost of any such additional Review for a maximum cost of One-hundred Twenty Thousand Dollars (\$120,000) (starting on January 1, 2022 and each January 1st thereafter, with the maximum cost for the review adjusted annually by the change in the CPI). For the purposes of a determination of non-compliance under this Agreement, audit findings which result in underpayments of \$100,000 or more, as adjusted by the annual change in CPI as of January 1 of each Calendar Year, shall be deemed material.

14.02.5 City Requested Program Review. City reserves the right to require Contractor to periodically conduct reviews of the SFD and Commercial Garbage, Recyclable Materials, and Organic Waste collection programs, provided that such reviews are reasonable and can be accomplished at no additional cost to Contractor and without

interfering with Contractor's operations. Such reviews could assess one or more of the following performance indicators: average volume of Recyclable Materials per setout per Service Recipient, average volume of Organic Waste per setout per Service Recipient, participation level, contamination levels, etc. Prior to the program evaluation review, City and Contractor will meet and discuss the purpose of the review and agree on the method, scope, and data to be provided by Contractor.

14.03 Cooperation with Other Program Reviews. Contractor shall cooperate with City and/or its agent(s) as reasonably requested to collect program data, perform field work, conduct route audits to investigate Service Recipient participation levels and setout volumes and/or evaluate and monitor program results related to Garbage, Recyclable Materials and Organic Waste collected in City by Contractor, provided that such cooperation can be accomplished at no additional cost to Contractor and without interfering with Contractor's operations.

Article 15. Collection Equipment

15.01 Equipment Specifications.

15.01.1 General Provisions. All equipment used by Contractor in the performance of services under this Agreement must be of a high quality and meet all Applicable Laws and air quality standards, including all applicable provisions of Ventura County Air Pollution Control District. Collection vehicles must be designed and operated so as to prevent collected materials from escaping from the vehicles. Hoppers must 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 must be watertight and must be operated so that liquids do not spill during Collection or in transit.

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

15.01.3 Collection Vehicles. Contractor must replace Collection Vehicles during the term of this Agreement so that beginning in Agreement Year 6, no Collection Vehicle is more than thirteen (13) years old during the term of the Agreement. If during the term of the Franchise Agreement, new technologies are available such as renewable natural gas, hybrid or electric powered collection vehicles, the City or the Contractor may request/negotiate implementation of such new collection vehicles, with a corresponding change to the Maximum Service Rates to reflect additional cost or savings. During the Term, to the extent required by law, Contractor shall provide its Collection Vehicles to be in full compliance with all Applicable Laws, including State and Federal clean air requirements that are adopted or proposed to be adopted, including, but not limited to, the California Air Resources Board Heavy Duty Engine Standards as currently proposed to be contained in California Code of Regulations, title 13, sections 2020 et seq., the Federal EPA's Highway Diesel Fuel Sulfur regulations and all other applicable air pollution control laws.

15.01.4 Collection Vehicle Technology. Contractor must use Collection Vehicles fitted with GPS tracking devices that can be used to record start and stop times, vehicle locations, and maximum speed. Contractor shall furnish to the City at no additional cost or expense any software and equipment necessary for City to track the location of Collection Vehicles in real time and to generate reports as needed. Collection Vehicles must also be fitted with cameras that are programmed to take photos, date and location stamped, to document violations, including contamination, overfilling, and lids not closed. GPS and camera data must be accessible by City.

15.01.5 Collection Vehicle Size Limitations / Overweight Vehicle Charge. Contractor may not use any Collection Vehicle in violation of weight limitations in Applicable Law. The Contractor may exceed the Collection Vehicle size limitation for a limited time due to extraordinary circumstances or conditions with the prior written consent of the Agreement Administrator. The limited time may not exceed 120 days. Contractor must report all instances of overweight vehicles to City monthly as part of its quarterly Franchise Fee submittal described in Section 3.05.6, and as part of its Annual Reports to the City described in Section 19.03.2. Contractor may be assessed administrative charges as specified in Exhibit 9 as a result of exceeding an overweight vehicle rate of five percent (5.00%) in any Calendar Year during the term of the Agreement. The overweight vehicle rate will be calculated as the total number of overweight Collection Vehicle instances during the Calendar Year, divided by the total number of Collection Vehicle loads transported during the Calendar Year. Prior to collecting administrative charges for overweight vehicles, the City shall afford Contractor a reasonable opportunity to provide the Agreement Administrator documentation of the extraordinary circumstance that caused the overweight vehicles. Extraordinary circumstances in this particular case include, but may be limited to, heavy rains or high winds that caused excess Green Waste to be generated, rain to accumulate in open Collection Containers, or normal Collection routes to be delayed or shortened to extreme weather conditions. The Agreement Administrator shall have authority to consider Contractor's documentation and uphold and collect the assessed charge, to reduce the charge, or waive and dismiss the charge. The Agreement Administrator shall also have the authority to waive charges in advance of an anticipated, or in response to and actual, emergency event.

15.01.6 Registration; Inspection. All vehicles used by Contractor in providing Collection Services under this Agreement, except those vehicles used solely on Contractor's premises, are to be registered with the California Department of Motor Vehicles. In addition, each such vehicle must be inspected by the California Highway Patrol in accordance with Applicable Law. Within two (2) Work Days of a request from the Agreement Administrator, Contractor must provide City a copy of its vehicle maintenance log and any safety compliance report, including, but not limited to, any report issued under California Vehicle Code sections 34500 and following, as well as the biennial "BIT" inspections conducted by the California Highway Patrol.

15.01.7 Safety Markings. All Collection equipment used by Contractor must have appropriate safety markings including, but not limited to, highway lighting, flashing and warning lights, clearance lights, and warning flags. All such safety markings

must be in accordance with the requirements of the California Vehicle Code, as may be amended from time to time.

15.01.8 Vehicle Signage and Painting. Collection Vehicles must be painted and numbered without repetition and must have 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 is permitted other than the name of Contractor, its logo and registered service marks, except promotional advertisement of the Recyclable Materials and Organic Waste programs, which is encouraged. City to approve any promotional material of the Recyclable Materials and Organic Waste Programs affixed to or painted on Contractor's Collection Vehicles and may require such promotion to be utilized from time to time in order to encourage correct recycling, reduce contamination, and provide relevant education. Contractor must repaint all vehicles (including vehicles striping) during the term of this Agreement on a frequency as necessary to maintain a positive public image as reasonably determined by the Agreement Administrator, but not less often than once every five years beginning January 1, 2022.

15.01.9 Bin and Roll-off Signage, Painting, and Cleaning. All metal bins and Roll-offs of any service type furnished by Contractor must be either painted or galvanized. All metal or plastic bins and Roll-offs must display Contractor's name, Contractor's customer service telephone number, and the number of the Bin or Roll-off and must be kept in a clean and sanitary condition. Bins and Roll-offs should be free of dents and newly painted at the start of this Agreement, and painted as needed to maintain an orderly appearance throughout the term of the Agreement, but not less frequently than once every three years. Bins and Roll-offs may be subject to periodic, unscheduled inspections by City and determination as to sanitary condition will be made by City.

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

15.02.1 No later than October 1, 2022, Contractor must submit to the Agreement Administrator verification that each of the Contractor's Collection Vehicles has passed the California Heavy Duty Vehicle Inspection. Thereafter, Contractor must cause each vehicle in Contractor's Collection fleet to be tested annually in the California Heavy Duty Inspection Program and must, upon request, submit written verification to City within ten (10) Work Days of the completion of such test. Contractor may not use any vehicle that does not pass such inspection.

15.03 Equipment Maintenance. Contractor must maintain Collection equipment in a clean condition and in good repair at all times. All parts and systems of the Collection equipment must operate properly and be maintained in a condition satisfactory to City. Contractor must wash all Collection Vehicles at least once a week.

15.04 Maintenance Log. Contractor must maintain a maintenance log for all Collection Vehicles. The log must at all times be accessible to City by physical inspection upon request of Agreement Administrator, and must show, at a minimum, each vehicle Contractor assigned identification number, date purchased or initial lease, dates of performance of routine maintenance, dates of performance of any additional maintenance, and description of additional maintenance performed.

15.05 Equipment Inventory. On or before October 1, 2022 Contractor shall provide to City an inventory of Collection Vehicles and major equipment used by Contractor for Collection or transportation and performance of services under this Agreement. The inventory must 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. Contractor must submit to the Agreement Administrator, either by fax or e-mail, an updated inventory annually to the City or more often at the request of the Agreement Administrator. Each inventory must also include the tare weight of each vehicle as determined by weighing at a certified scale used by Contractor. Each vehicle inventory must be accompanied by a certification signed by Contractor that all Collection Vehicles meet the requirements of this Agreement.

15.06 Reserve Equipment. 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 must correspond in size and capacity to the equipment used by the Contractor to perform the contractual duties.

Article 16. Contractor's Office

16.01 Contractor's Office. Contractor shall maintain an office or call center where calls and complaints can be received within the City. Such office must be equipped with enough telephones that all Collection Service-related calls received during normal business hours are answered by an employee within five (5) rings. The office must have responsible persons in charge during Collection hours and must be open during such normal business hours, 8:00 a.m. to 5:00 p.m. on Monday through Friday. Contractor must provide either a local or toll-free telephone number that connects to the call center, and 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 must be addressed the next Work Day morning. If call center is not local to the City, Contractor must also maintain a local office within the City where Contractor can be reached during such normal business hours, 8:00 a.m. to 5:00 p.m. on Monday through Friday.

16.01.1 Emergency Contact. Contractor must provide the Agreement Administrator with an emergency phone number where the Contractor can be reached outside of the required office hours.

16.01.2 Multilingual/TDD Service. Contractor must at all times maintain the capability of responding to telephone calls in English and such other languages as City may direct. Contractor must at all times maintain the capability of responding to telephone calls through Telecommunications Device for the Deaf (TDD) Services.

16.01.3 Service Recipient Calls. During office hours, Contractor must maintain a telephone answering system capable of accepting at least five (5) incoming calls at one time. Contractor must record all calls including any inquiries, service requests and complaints into a customer service log.

16.01.4 All incoming calls will be answered at the local office or call center within 5 rings. Any call "on-hold" in excess of 1.5 minutes must have the option to remain "on-hold" or request a "call-back" from a customer service representative. Contractor's customer service representatives must return Service Recipient calls. For all messages left before 3:00 p.m., all "call backs" must be attempted a minimum of one time prior to 5:00 p.m. on the day of the call. For messages left after 3:00 p.m., all "call backs" must be attempted a minimum of one time prior to noon the next Work Day. Contractor must make minimum of three (3) attempts within one (1) Work Day of the receipt of the call. If Contractor is unable to reach the Service Recipient on the next Work Day, Contractor must 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 17. Contractor Support Services

17.01 Sustainability/Compliance Representative. Contractor will staff a Sustainability/Compliance Representative to conduct site visits and provide outreach and education in support of meeting Franchise and CalRecycle Diversion requirements and to meet State mandates associated with AB 939, AB 341, AB 1826, AB 827, AB 1594, SB 1016, and SB 1383, and all amendments and related subsequent legislation. The Sustainability/Compliance Representative shall be available as needed to meet with the City and conduct site visits to implement Recycling and Organics programs in the Service Area.

17.02 Sustainability and Compliance Plan. Contractor, at its own expense, must prepare, submit and implement an annual (Calendar Year) Sustainability and Compliance Plan ("Plan") which will guide Contractor's staffs' work efforts. This Plan will include measures to meet diversion targets, increase diversion, and increase participation of Service Recipients in recycling and organics diversion programs, and should target certain Recyclable Materials or "problem" areas, including recycling and organics sorting and contamination, within Contractor's Service Area where improvements can be maximized. Planned outreach and education services, and outreach materials should be included as part of the Plan and updated annually. Targets of outreach should be based

on local trends and recycling patterns from data obtained by both the City and Contractor. Contractor will maintain current and state-of-the-art public outreach and education services throughout the term of this Agreement by providing outreach materials to Service Recipients electronically (via email and social media). Contractor must submit first year draft Plan to the City prior to the start of this Agreement and by October 1st each year thereafter for the term of the Agreement. City may review and provide comments on the draft Plan within thirty (30) days of receipt. Contractor must consider the comments and submit final Plan to City by October 1, 2022 for first year and thence by November 1st each year thereafter for the term of the Agreement. Contractor's Plan is provided in Exhibit 12. The Sustainability and Compliance Plan must include the following:

17.02.1 City-specific website. Contractor shall maintain a City-specific website that fully explains the Contractor's services and rates, the diversion options available, and allows Service Recipients to submit service changes, inquiries, complaints or queries. The website must describe and promote the use of the available Recyclable Materials and Organics services. Contractor's local website must provide information specific to the City's programs. Contractor will ensure that information provided on the website is maintained and up-to-date. Content will include proper container set out, educational materials, newsletters and program descriptions.

17.02.2 Recycling resources. Contractor shall maintain accurate list of recyclable materials on its website, and promote proper recycling to all Service Recipients. Contractor shall consult, collaborate, and coordinate its recycling outreach and educational materials and activities with the City and incorporate the City's input on the Contractor's recycling resources and programs.

17.02.3 School education and outreach. Contractor shall develop and utilize a program to educate on proper recycling that offers tools to assist with proper recycling for all ages. Educational information should include brochures, school resources such as recycling curriculums, kid's activity flyers, posters, myth busters, and recycling art activities. Contractor shall develop and distribute educational material, and conduct onsite outreach annually to all school campuses in the Service Area. Examples include: recyclable materials list, recycling tips, battery and bulb education, food waste collection and donation, and HHW education. Educational material shall be distributed to campuses by mail and/or in person on or before September 30th annually, and site visits must be completed by November 30th.

17.02.4 MOR Compliance Notices. Contractor shall send Mandatory Organics Recycling (MOR) compliance notices quarterly to all eligible Commercial entities and MFDs that do not subscribe to Organics Collection Service with the Contractor, and/or do not provide an alternate method for diverting organic waste, in conformance with SB 1383 and AB 1826. These notices shall also notify businesses of requirements under AB 827. Contractor shall mail notifications quarterly on or before the last day of the month following the end of the quarter.

17.02.5 MCR Compliance Notices. Contractor shall send Mandatory Commercial Recycling (MCR) compliance notices quarterly to all eligible Commercial

entities and MFDs that do not subscribe to recycling collection service with the Contractor, and/or do not provide an alternate method for diverting recyclable materials, in conformance with AB 341. These notices shall also notify businesses of requirements under AB 827. Contractor shall mail notifications quarterly on or before the last day of the month following the end of the quarter.

17.02.6 MOR Site Visits. Contractor shall conduct site visits to all eligible Commercial entities and MFDs once per year for the first three years and thereafter every other year for businesses that subscribe to Organics Collection Service and every year for businesses that do not subscribe to organics collection service in conformance with SB 1383 and AB 1826. Contractor shall conduct visits on or before June 30th.

17.02.7 MCR Site Visits. Contractor shall conduct site visits to all eligible Commercial entities and MFDs once per year for the first three years and thereafter every other year for businesses that subscribe to Recycling Collection Service and every year for businesses do not subscribe to Recycling Collection Service with the Contractor. Contractor shall conduct visits on or before June 30th.

17.02.8 Waste Audits. Contractor shall complete Recycling and Solid Waste audits in the number and frequency required by SB 1383 and provide recommendations to customers on how to improve overall resource efficiency.

17.02.9 Compliance Reporting. Contractor shall report contaminations and overage issues via the City's Waste Reporting System.

17.02.10 Right-sizing containers. Contractor must right-size Collection Containers to maximize diversion from SFD, MFD and Commercial Service Recipients.

17.02.11 Education and Outreach materials. Contractor must implement public education and outreach in conformance with applicable laws (e.g. SB 1383, AB 1826, AB 827, AB 939, AB 341, AB 1594, etc.) and in coordination with the City. Contractor shall attend public events and host booths to promote recycling education and awareness. Contractor will work with City to identify which special events will be attended. Contractor, together with City, shall work with local media to ensure information on new programs, events, recycling, organics etc. is communicated to the community. Contractor shall use a variety of options such as local paper, news, websites, Homeowners Associations, schools and civic groups to distribute information and education about City solid waste and recycling programs, and events. Contractor shall distribute educational material to Service Recipients a minimum of once a quarter by mail or electronically. These materials should include tips on recycling properly, use of organics containers, composting, battery and electronics education, prevention of contamination issues, proper Collection Container placement, resource information, and HHW education.

17.02.12 Service Recipient Personnel Training. Contractor shall advise and educate appropriate personnel (management, employees, janitors, etc.) at MFD and Commercial Service Units on methods and recommendations to increase recycling and

decrease landfilling including best practices for recycling, waste reduction and availability and use of in-house recycling containers.

17.02.13 Available Services Notice and Information. At least annually Contractor must publish and distribute (by mail or electronically) a notice to all Service Units regarding the full range of services offered. The notice must contain at a minimum (i) definitions of the materials to be Collected, (ii) procedures for setting out materials, (iii) the days when Garbage Collection Services, Recycling Services, and Organic Waste Collection Services will be provided, (iv) Contractor's local customer service phone number, (v) instructions on the proper filling of Containers, (vi) instructions as to what materials may or may not be placed in Recyclable Materials or Organic Waste Containers, (vii) how to select container sizes to maximize diversion, (viii) participation in recycling and organics programs, (ix) the fees for overage and contamination in the event of non-compliance, (x) the availability of on-premises Collection Services, including the availability of no-charge on-premises Collection Services for qualified persons, (xi) Large Items Collection Services, (xii) HHW Services, and (xiii) the dates and locations of Free Landfill Days. The notice must be provided in English, and other languages as directed by the City, and must be distributed by Contractor no later than February 1st of each year.

17.02.14 Approach to meeting City's diversion requirements. Contractor must document approach to meeting City's diversion requirements by specific diversion program type (SFD, MFD, Commercial, Recyclable Material, Organic Waste, Bulky Waste, etc.) and must be tied to both specific and public education programs. This must include an implementation schedule showing the specific programs and tasks, milestones, and time frames for meeting the diversion requirements.

17.02.15 Tonnage table. Contractor must provide as part of the Plan, a tonnage table segregated by SFD, MFD, Commercial, and additional services as specified in Article 12 that estimates tonnages for Recyclable Material and Organic Waste delivered and processed, and the estimated residual tonnages for each calendar year of the Franchise Agreement.

17.02.16 Environmental Stewardship. Contractor must describe all environmental management policies and activities related to the solid waste collection service, including the use of alternative fuel vehicles, reduction of air emissions and wear and tear on the City's streets, use of recycled products throughout operations, internal waste reduction and reuse protocol, water and resource conservation activities within facilities (design, construction and operation), compliance with laws governing e-waste, HHW, and u-waste, and use of non-toxic products when possible.

17.03 News Media Relations. Contractor will work with local media to ensure information is communicated to community (new programs, events, recycling information, etc.). Contractor to use options, such as; local Newspaper, Radio/TV News outlets, Websites and Social Media. Contractor will notify the City Representative by e-mail or phone of all requests for news media interviews related to the services covered under this Agreement within one (1) Work Day of Contractor's receipt of the request. When practicable, before responding to any inquiries involving controversial issues or any

issues likely to affect participation or Service Recipient's perception of services, Contractor will discuss Contractor's proposed response with the City Agreement Administrator.

17.04 Annual Recycling Awards. Contractor will recognize outstanding participation in Recycling and/or Organic Waste programs by identifying "recycling all-stars" for recognition at a City Council meeting during each November, beginning November 2022.

17.05 News Media Requests. Contractor will notify the Agreement Administrator by e-mail or phone of all requests for news media interviews related to the services covered under this Agreement within one (1) Work Day of Contractor's receipt of the request. When practicable, before responding to any inquiries involving controversial issues or any issues likely to affect participation or Service Recipient's perception of services, Contractor will discuss Contractor's proposed response with the Agreement Administrator.

17.05.1 Copies of draft news releases or proposed trade journal articles that use the name of City or relate to the services provided hereunder must be submitted to the Agreement Administrator for prior review and approval at least five (5) working 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 must submit such materials to City simultaneously with Contractor's submittal to such regulatory agency.

17.05.2 Copies of articles resulting from media interviews or news releases that use the name of City or relate to the services provided hereunder must be provided to the City within five (5) days after publication.

17.06 Acceptable Materials Labeling. Contractor must affix to each Recycling and Organics Collection Container a sticker that clearly lists acceptable materials to be placed in these containers. Stickers must comply with SB 1383 and be replaced annually and include any updates in the list of acceptable materials (Exhibit 5).

17.07 Mulch or Compost Delivery. At no cost to the City, Contractor must provide City with mulch or compost materials (i.e., "Recovered Organic Materials") at a volume to allow the City to comply with SB 1383. Contractor must deliver mulch or compost materials at a time and location mutually agreeable between the City and Contractor. Delivered mulch or compost can be in bulk form or bagged.

17.08 Edible Food Recovery Support. At no cost to the City, Contractor must provide support to the City's Edible Food Recovery program to ensure compliance with SB 1383. Contractor's compliance obligations hereunder shall be to educate commercial edible food generators Commercial Edible Food Generators, provide records of site visits, conduct education efforts, and provide lists of food recovery organizations. Contractor will also assist the City in conducting Food Waste and Green Waste surveys and diversion

programs by providing accurate and timely service data, conducting site visits, and distributing materials.

17.09 Programs and Services. Contractor must provide additional educational and outreach services and programs as requested by City at a price to be mutually agreed upon between the Contractor and the Agreement Administrator. In the event Contractor and the Agreement Administrator cannot reach a mutually agreed upon price for the requested service or program, City has the right to procure the service of other vendors or contractors to provide the requested service.

17.10 Intentionally omitted.

17.11 Operations Plans. Contractor must adhere to the Operations Plans attached as Exhibits 6 – 8 that present the specific collection and processing programs that will be implemented in the City.

17.11.1 Street Sweeping Operations Plan. See Exhibit 6.

17.11.2 Intentionally omitted.

17.11.3 Collection Service Operations Plan. See Exhibit 8.

Article 18. Emergency Service

18.01 Revised Services During an Emergency. In the event of a major storm, earthquake, fire, natural disaster, or other such event, the Agreement Administrator may grant the Contractor a variance from regular routes and schedules, which will not be withheld unreasonably. As soon as practicable after such event, Contractor must advise the Agreement Administrator when it is anticipated that normal routes and schedules can be resumed. The Agreement Administrator will 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 Contractor hire additional equipment, employ additional personnel, or work existing personnel on overtime hours to clean debris resulting from the event. Contractor will receive additional compensation, above the normal compensation contained in this Agreement, to cover the costs of rental equipment, additional personnel, overtime hours and other documented expenses based on the rates set forth in Exhibit 1 provided Contractor has first secured written authorization and approval from City through the Agreement Administrator. City will be given equal priority and access to resources as with other franchise jurisdictions held by Contractor or its affiliates.

18.02 Disaster Recovery Support. In the event of a tornado, major storm, earthquake, fire, natural disaster, or other such event, Contractor agrees to provide disaster recovery support to a reasonable degree, upon request by Agreement Administrator. This may include additional hauling of debris, special handling such as burrito wrapping, temporary storage of debris where feasible, additional disposal, use of different transfer and disposal facilities, and documentation of debris type, weight, and

diversion. Contractor should follow protocol laid out in the County of Ventura's Disaster Debris Plan (1999) and any subsequent County or City Disaster Debris Plans, as applied to solid waste hauling and handling.

Article 19. Record Keeping and Reporting Requirements

19.01 Record Keeping. Notwithstanding Article 43 herein:

19.01.1 Accounting Records. Contractor must maintain full, complete and 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 will be subject to audit, copy, and inspection for the purposes set forth in Section 14.02. Gross Revenues derived from provision of the Collection Services, whether such services are performed by Contractor or by a subcontractor or subcontractors, will be recorded as revenues in the accounts of Contractor. The Contractor shall keep and preserve, during the Term of this Agreement, and for a period of not less than four (4) years following expiration or other termination hereof, full, complete and accurate records, including all cash, billing and disposal records, as indicated in the Agreement.

19.01.1.1 City reserves the right to request audited, reviewed, or compiled financial statements prepared by an independent Certified Public Accountant, or as may be provided by Contractor or its parent company. In the event that Contractor does not maintain separate financial or accounting records prepared specifically for services provided under this Agreement, Contractor may use industry standard allocation methods to provide financial information as applicable to the service provided under this Agreement. Such records shall be treated as confidential by the City to the extent permitted by law.

19.01.2 Agreement Materials Records. Contractor must maintain records of the quantities of (i) Residential, MFD and Commercial Solid Waste Collected and disposed under the terms of this Agreement, (ii) Recyclable Materials, by type, Collected, purchased, processed, sold, donated or given for no compensation, and residue disposed under the terms of this Agreement, and (iii) Organic Waste by type, Collected, purchased, processed, sold, donated or given for no compensation, and residue disposed under the terms of this Agreement

19.01.3 Other Records. Contractor must maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Agreement.

19.01.4 Report Format. All reports to be submitted in a format approved by the City, including electronic data submission in the City's Waste Reporting System and in a format specified by the City.

19.02 Quarterly Reporting.

19.02.1 General. Quarterly reports must be submitted no later than 5 p.m. PT on the last day of the month following the end of quarter in which the receipts are collected and must be provided electronically using software acceptable to the City. If the last day of the month falls on a day that City is closed or a holiday, then the report will be due on the next business day. Failure to submit complete quarterly reporting by the due date will result in penalties as specified in Exhibit 9.

19.02.2 City Reports. Quarterly reports to City must include:

19.02.2.1 Franchise Fee and Solid Waste Management Fee Payment Reporting. The payment report must include an accounting of Contractor's Gross Revenues received during the preceding quarter, and the calculated Franchise Fee and Solid Waste Management Fee.

19.02.2.2 Franchised Tonnage and Service Data. Contractor must report the number of unique Residential accounts serviced, the number of unique Commercial and MFD accounts serviced, tonnage of Garbage, Recyclable Materials and Organic Waste collected and processed for diversion broken down by Container type, Residual amounts from Recycling and Organic Waste diversion operations that are landfilled. Quantities should be broken down by SFD, MFD, Commercial, and City Service Collection Services.

19.02.2.3 Overweight Vehicle Reporting. The quarterly report must include a summary total of all instances of overweight Collection Vehicles. This summary must include the number of overweight vehicle instances expressed as a percentage of the total number of Collection Vehicle loads transported during the reported quarter.

19.02.2.4 Non-Collection. The quarterly report must include a summary of each Service Unit receiving a Non-Collection Notice in the previous quarter along with a description for the Non-Collection Notice.

19.02.2.5 On-hold. The quarterly report must include each Service Unit that was not billed in the previous quarter due to vacation hold, vacancy etc.

19.02.2.6 Collection Overage Charges. The quarterly report must include each Service Unit incurring a charge for a Solid Waste Overage in the previous quarter.

19.02.2.7 Contamination Reporting. To the extent required by Applicable Law, the quarterly report must include a summary of all instances of qualifying contamination under the procedures in Section 3.11. This summary must include the total number of accounts where contamination occurred, the total number of Contamination Violation Notices issued by Contractor to Service Recipients, a list of accounts where such notices occurred, and the total number of instances where Collection Container size or Collection frequency was increased specifically due to contamination. Within twenty (20)

Work Days of request by City, Contractor will provide copies of the Contamination Violation Notices and the digital documentation of contamination.

19.02.2.8 Service Recipient Complaint Log. The quarterly report must include the Service Recipient call log collected from the previous quarter as required in Section 16.01 of this Agreement.

19.03 Annual Reporting.

19.03.1 General. An annual report must be submitted no later than 5 p.m. PT on April 1, 2023 and each April 1st thereafter for the previous Calendar Year. If April 1st falls on a day that City is closed, then the report will be due on the next business day. Annual reports must be submitted in hard copy and must also be provided electronically in software acceptable to the City. Failure to submit complete quarterly by the due date will result in penalties as specified in Exhibit 9.

19.03.2 City Reports. Annual reports to City must include:

19.03.2.1 Financial Report. Contractor must prepare an annual Financial Report for submittal to the City. At a minimum, the Financial Report must include the number of SFD Service Units, Commercial and MFD Service Units provided with Collection Services by Service Type, container size, frequency of service and current billing rate including any additional services, the Contractor's gross billing and amount collected for each type of Service Unit, and the amount received for the sale of Recyclable Materials.

19.03.2.2 Financial Statements. Contractor must submit annual financial statements for the local operation. Statements need not be reviewed or audited statements.

19.03.2.3 Annual Sustainability and Compliance Report. Contractor must complete and submit data sections within their Sustainability and Compliance Plan to document education and outreach conducted, public event participation, school visits, compliance notices mailed, site visits, waste audits completed, information distributed, and media used, and community events hosted. This must include public education 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, and must discuss the impact of these activities on recycling program participation and include amounts collected from SFD, MFD and Commercial Service Units. The report should include a complete list of all non-exempt commercial accounts, which includes each non-exempt account's status as a "covered generator" under AB 341, AB 1826 and SB 1383, the date and status of Contractor's outreach efforts at each non-exempt account, and the current level of Recycling and Organics program participation at each non-exempt account.

19.03.2.4 Summary of Programs. An analysis of any Recycling and Organic Waste Collection, processing and marketing issues or conditions (such as participation, setouts, contamination, etc.) and possible solutions, discussed separately for SFD and Commercial programs.

19.03.2.5 Solid Waste Data. The number of SFD, MFD and Commercial Service Units and the number of Collection Containers distributed by size and Service Unit type.

19.03.2.6 Waste Characterization Data. A breakdown of Residential and Commercial waste (Garbage, Recycling, and Organics) by material type as per CalRecycle material classifications.

19.03.2.7 Recycling Data. Gross tons Collected daily on average by material type by route for SFD and Commercial Recycling service, with map of routes. The average participation rates by quarter relative to the total number of Service Units by Service Unit type. Indicate, by material type (and grade where appropriate), annual totals of Recyclable Materials processed including facility name and location, average cost or price received per ton and total recycling cost or revenue received for the year. Indicate any quantities, by material type, donated or otherwise disbursed without compensation. Indicate number of Recycling Collection Containers distributed by size and Service Unit type. Also provide annual totals and location for residue disposed.

19.03.2.8 Organic Waste Data. Include average daily gross tons Collected by route, separated by Green Waste and Food Waste, with map of routes. Include the total number of generators that receive each type of Organic Waste Collection Service provided by the Contractor. Indicate average daily number of set-outs by route. Indicate average participation rates relative to the total number of Service Units in terms of weekly set-out counts. Indicate number of Organic Waste Collection Containers distributed by size and Service Unit type. Indicate, by material type, annual totals of Organic Materials processed including facility name and location, average cost or price received per ton and total organics cost or revenue received for the year. Provide totals and location for Residue Disposed. Include the number of route reviews conducted for prohibited contaminants and the number of Non-Collection Notices issued to Service Recipients.

19.03.2.9 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.

19.03.2.10 Green Pages. A copy of Contractor's most recent "Green Pages" (i.e., customer call center "cheat sheet") for the City of Thousand Oaks, or the equivalent information used by customer service

representatives if the “Green Pages” are renamed or otherwise reworked during the term of this Agreement.

19.03.2.11 Overweight Vehicle Data. A summary of all instances of overweight Collection Vehicles. This summary must also include the number of overweight vehicle instances as a percentage of the total number of Collection Vehicle loads transported during the Calendar Year.

19.03.2.12 Summary Narrative. 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. Include description of processed material loads rejected for sale, reason for rejection and disposition of load after rejection.

19.03.2.13 Collection Container and Vehicle Inventory. An updated complete inventory of Collection Containers by type and size, and an updated complete inventory of Collection Vehicles including for each vehicle: truck number, route number, date purchased, vehicle type, tare weight, license plate number, fuel type and vehicle make and model.

19.03.2.14 Diversion Rate. Contractor must provide documentation acceptable to City in its reasonable judgment stating and supporting the Calendar Year’s diversion rate, as calculated in accordance with the provisions of Article 5 and Applicable Law. Any tonnages diverted and disposed from large venues and events during the reporting period will be counted towards the calculated diversion rate.

19.03.2.15 AB 341, AB 1826, and SB 1383 Compliance Data. Contractor must report the total number of Commercial and MFD Service Units serviced and the number of containers, container sizes and frequency of collection for Garbage, Recyclable Materials and Organic Waste for each non-exempt Commercial and MFD Service Unit. Contractor must also provide the following information separately for both AB 341 and AB 1826:

19.03.2.16 The total number of non-exempt Commercial and MFD Service Units that fall under the AB 341 or AB 1826 thresholds, and the total number of those non-exempt Commercial and MFD Service Units that are not subscribed to Commercial or MFD/MXD Recycling Collection Service or Commercial or MFD Organics Collection Service.

19.03.2.17 A summary of the type of follow-up outreach that was provided to those non-exempt Commercial and MFD Service Units that are not subscribed to Commercial or MFD Recycling Collection Service or Commercial or MFD Organics Collection Service.

19.04 CalRecycle Reports. Contractor will provide reasonable assistance to City in preparing annual reports to CalRecycle (the "Electronic Annual Report" or EAR), including but not limited to supplying required data for preparation of the reports, and completing all required data input.

19.04.1 In the event that CalRecycle requires City to report an implementation schedule to comply with AB 341, AB 1826, SB 1383, SB 1594 and other Applicable Laws, Contractor will provide assistance to City in preparing a report, including Contractor's policies and procedures related to compliance with AB 341, AB 1826, SB 1383, and other Applicable Laws and how recycling or organics are collected, a description of the geographic area, routes, list of addresses served and a method for tracking contamination, copies of route audits, copies of notice of contamination, copies of notices, violations, education and enforcement actions issued, and copies of educational materials, flyers, brochures, newsletters, website, and social media.

19.05 Route Reviews. Contractor must conduct route review audits of Residential and Commercial Service Recipients' waste at the number frequency required by SB 1383, including Recycling, Garbage, and Organic Waste, and provide characterization data to the City as necessary to comply with SB 1383 and Applicable Law. Material types and guidance should follow CalRecycle requirements and/or recommendations applicable under SB 1383.

19.06 Additional Reporting. Contractor must furnish City with any additional reports as may reasonably be required, such reports to be prepared within a reasonable time following the reporting period.

Article 20. Nondiscrimination

20.01 Nondiscrimination. In the performance of all work and services under this Agreement, Contractor may not discriminate against any person based on such person's race, sex, color, national origin, religion, marital status or sexual orientation. Contractor must comply with all applicable local, State and Federal laws and regulations regarding nondiscrimination, including those prohibiting discrimination in employment.

Article 21. Service Inquiries and Complaints

21.01 Contractor's Customer Service. All service inquiries and complaints will be directed to Contractor. A representative of Contractor must be available to receive the complaints during normal business hours. All service complaints must be addressed and resolved within 3 Work Days. In the case of a dispute between Contractor and a Service Recipient, the matter will be reviewed, and a decision made by the Agreement Administrator.

21.01.1 Contractor will utilize the customer service log referenced in Section 19.03.2.10 to maintain a record of all inquiries and complaints in a manner prescribed by City.

21.01.2 For those complaints related to missed Collections, where Containers are properly and timely set out, that are received by 12:00 noon on a Work Day, Contractor will return to the 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 12:00 noon on a Work Day, Contractor will have until the end of the following Work Day to resolve the complaint. For those complaints related to repair or replacement of Collection Containers, the appropriate Sections of this Agreement will apply.

21.01.3 Contractor agrees that it is in the best interest of City that all Residential Garbage, Recyclable Materials, and Organic 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 Agreement Administrator will work with Contractor to determine an appropriate resolution to that situation. In the event Contractor believes any complaint to be without merit, Contractor will notify the Agreement Administrator, by e-mail. The Agreement Administrator will investigate all disputed complaints and render a decision.

21.01.4 Contractor's service and emergency telephone numbers must be accessible by a local (City) phone number or toll-free number. The service telephone number(s) must be listed in the area's telephone directories under Contractor's name in the White Pages and available through an online search and listed on the Contractor's website.

Article 22. Quality of Performance of Contractor

22.01 Intent. Contractor acknowledges and agrees that one of City's primary goals in entering into this Agreement 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.

22.02 Service Supervisor. Contractor must assign a qualified supervisor to be in charge of the Collection Service within the Service Area and must provide the name of that person in writing to the Agreement Administrator within thirty (30) days prior to the effective date of this Agreement, and annually by January 1st of each subsequent Calendar Year of the term of this Agreement, and any other time the person in that position changes. The supervisor must be physically located in the Service Area and available to the Agreement Administrator through the use of telecommunication equipment at all times that Contractor is providing Collection Services. In the event the supervisor is unavailable due to illness or vacation, Contractor must designate an acceptable substitute who will be available and who has the authority to act in the same capacity as the supervisor.

22.03 Contract Manager. Contractor must designate a Contract Manager and must provide the name of that person in writing to City within thirty (30) days prior to the Effective Date of this Agreement and annually by January 1st of each subsequent Calendar Year of this Agreement and any other time the person in that position changes. The Contract Manager must be available to the City through the use of telecommunications equipment at all times that Contractor is providing Collection Services in the Service Area. The Contract Manager must provide City with an emergency phone number where the Contract Manager can be reached outside of normal business hours.

22.04 Liquidated Damages. Quality performance by the Contractor is of primary importance. In respect of this, Contractor agrees to pay City liquidated damages as detailed in Exhibit 9 should Contractor fail to meet its responsibilities under this Agreement. Should Contractor be in breach of the requirements set forth in this Agreement, it is mutually understood and agreed that the public will necessarily suffer damages and that such damages, from the nature of the default in performance will be extremely difficult and impractical to fix. City finds, and the Contractor agrees, that as of the time of the execution of this Agreement, it is impractical, if not impossible, to reasonably ascertain the extent of damages which will be incurred by City as a result of a breach by Contractor of its obligations under this Agreement. The factors relating to the impracticability of ascertaining damages include, but are not limited to, the fact that: (i) substantial damage results to members of the public who are denied services or denied quality or reliable service; (ii) such breaches cause inconvenience, anxiety, frustration and deprivation of the benefits of this Agreement to individual members of the general public for whose benefit this Agreement exists, in subjective ways and in varying degrees of intensity which are incapable of measurement in precise monetary terms; (iii) services might be available at substantially lower costs than alternative services, and the monetary loss resulting from denial of services or denial of quality or reliable services is impossible to calculate in precise monetary terms; and (iv) the termination of this Agreement for such breaches, and other remedies are, at best, a means of future correction and not remedies which make the public whole for past breaches.

22.05 Procedure for Review of Liquidated Damages. The Agreement Administrator may assess liquidated damages as specified in Exhibit 9 pursuant to this Agreement monthly. At the end of each month during the Term of this Agreement, the Agreement Administrator will issue a written notice to Contractor ("Notice of Assessment") of the liquidated damages assessed and the basis for each assessment.

22.05.1 The assessment will 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 City Manager to present evidence that the assessment should not be made.

22.05.2 The Agreement Administrator will schedule a meeting between Contractor and the City Manager as soon as reasonably possible after timely receipt of Contractor's request.

22.05.3 The City Manager will 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 will be provided to Contractor.

22.05.4 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 Agreement Administrator's determination will be final.

22.05.5 City's assessment or collection of liquidated damages will not prevent City from exercising any other right or remedy, including the right to terminate this Agreement, for Contractor's failure to perform the work and services in the manner set forth in this Agreement.

22.06 Uncontrollable Circumstances.

22.06.1 If either party is prevented from or delayed in performing its duties under this Agreement by circumstances beyond its control, whether or not foreseeable, including, without limitation, acts of terrorism, landslides, lightning, forest fires, storms, floods, severe weather, freezing, earthquakes, other natural disasters, the threat of such natural disasters, pandemics (or threat of same), quarantines, civil disturbances, acts of the public enemy, wars, blockades, public riots, strikes, lockouts, or other labor disturbances of a third party, acts of government or governmental restraint or other causes, whether of the kind enumerated or otherwise, that are not reasonably within the control of the affected party, then the affected party will be excused from performance hereunder during the period of such disability.

22.06.2 The party claiming excuse from performance must promptly notify the other party when it learns of the existence of such cause, including the facts constituting such cause, the party's plan for addressing such cause which shall ensure performance with this Agreement except to the extent made impossible by such cause, and when such cause has terminated. Any plan provided hereunder shall be subject to the review, comment, and approval of the non-claiming party no later than five (5) days following notice of an Uncontrollable Circumstance.

22.06.3 Notwithstanding the foregoing, if Contractor claims that strikes, lockouts, or other labor disturbances affecting Contractor constitute an Uncontrollable Circumstance, Contractor must, within twenty-four (24) hours notify the City of such circumstances, including the facts thereof, and Contractor's plan for addressing the same. Contractor shall only be excused from performance under this Agreement arising from strikes, lock outs, and other labor disturbances under this Article 22 for a period of forty-eight (48) hours after which time such circumstances shall not be Uncontrollable Circumstances unless as determined in the sole discretion of the City.

22.06.4 The interruption or discontinuance of services by a party caused by circumstances outside of its control will not constitute a default or basis for liquidated damages under this Agreement.

Article 23. Performance Bond

23.01 Performance Bond. Within ten (10) Business Days from the date the City Council approves this Agreement, Contractor must furnish to City, and keep current, a performance bond, for the faithful performance of this Agreement and all obligations arising hereunder in an amount as follows:

23.01.1 During the Term of this Agreement, Contractor must maintain a performance bond in the amount of two hundred thousand dollars (\$200,000).

23.01.1.1 The performance bond must 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 Poor; and included on the list of surety companies approved by the Treasurer of the United States.

23.01.1.2 In the event City draws on the bond, all of City's costs of collection and enforcement of the Bond, including reasonable attorney's fees and costs, must be paid by Contractor.

23.01.1.3 The Performance Bond must be renewed annually for the entire term of the Agreement and evidence must be provided to City annually.

Article 24. Insurance

24.01 Insurance Policies. Contractor must secure and maintain throughout the term of this Agreement 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 includes performance by Contractor's employees, agents, representatives and subcontractors.

24.02 Minimum Scope of Insurance. Insurance coverage must be at least this broad:

24.02.1 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.

24.02.2 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 must also include code 8, "hired autos" and code 9 "non-owned autos".

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

24.02.4 Environmental Pollution Liability Insurance.

24.03 Minimum Limits of Insurance. Contractor must maintain insurance limits no less than:

24.03.1 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 an aggregate limit is used, the general aggregate limit will apply to this Agreement and the general aggregate limit must be \$5,000,000.

24.03.2 Automobile Liability: \$5,000,000 combined single limit per accident for bodily injury and property damage.

24.03.3 Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident.

24.03.4 Environmental Pollution Liability: \$3,000,000 aggregate. Coverage shall include bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants resulting from Contractor's operations.

24.03.5 If the City requires higher limits than the minimum shown above, and the City shall be entitled to coverage for the higher limits maintained by Contractor pursuant to Section 27.01.

24.04 Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to City's risk manager. Should City form a reasonable belief that Contractor may be unable to pay any deductibles or self-insured retentions, Contractor must procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by City's risk manager.

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

24.05.1 General Liability, Automobile and Environmental Liability Coverage.

24.05.1.1 City, 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 must contain no special limitations on the scope of protection afforded to City, its officers, employees, agents and contractors.

24.05.1.2 Contractor's insurance coverage must be primary insurance as respects City, its officers, employees, agents and contractors. Any insurance, or self-insurance maintained by City, its officers, employees, agents or contractors will be in excess of Contractor's insurance and will not contribute with it.

24.05.1.3 Any failure to comply with reporting provisions of the policies will not affect coverage provided to City, its officers, employees, agents, or contractors.

24.05.1.4 Coverage must State that Contractor's insurance will 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.

24.05.2 All Coverage. Each insurance policy required by this Agreement must be endorsed to State that coverage may not be canceled except after thirty (30) calendar days (ten (10) days in the event of cancellation for non-payment) prior written notice has been given to City. Moreover, Contractor will not order the cancellation of any required insurance policy or change in insurance policy limits without thirty (30) days prior written notice to City by Contractor.

24.06 Acceptability of Insurers. Insurance is to be placed with insurers having an A.M. Best rating of A-/VII or better.

24.07 Verification of Coverage. Contractor must furnish City with certificates of insurance and with original endorsements affecting coverage required by this Agreement. 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 must furnish City with a new certificate of insurance and endorsements on each renewal of coverage or change of insurers.

24.07.1 Proof of insurance must be mailed to the following address or any subsequent address as may be directed by the City:

[INSERT]

24.08 Subcontractors. Contractor must include all subcontractors performing services in the City as insureds under its policies or subcontractors must obtain separate certificates and endorsements.

24.09 Modification of Insurance Requirements. The insurance requirements provided in this Agreement may be modified or waived by City's risk manager, in writing, upon the request of Contractor if City's risk manager determines such modification or waiver is in the best interest of City considering all relevant factors, including exposure to City.

24.10 Rights of Subrogation. All required insurance policies must preclude any underwriter's rights of recovery or subrogation against City with respect to matters related

to Contractor's performance of its obligations under this Agreement, 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 must ensure that any companies issuing insurance to cover the requirements contained in this Agreement agree that they will have no recourse against City 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 City is named as an additional insured will not apply to City.

24.11 Failure to maintain insurance. Should Contractor fail to obtain or maintain insurance as required by this Agreement, Contractor shall have 7 days to cure the defect, during which time City shall have the option, but not the obligation to, at Contractor's sole expense: (i) hire replacement waste hauler services to perform Contractor's tasks until insurance coverage is resumed; or (ii) obtain replacement insurance coverage during said cure period. Should Contractor fail to correct this defect, City shall have the option to terminate this Agreement immediately.

Article 25. Hold Harmless and Indemnification

25.01 Defense and Indemnity of Third Party Claims/Liability. Contractor indemnifies and holds City harmless from and against any claim, action, damages, costs (including, without limitation, reasonable attorney's fees and penalties), injuries, or liability, arising out of this Agreement, or its performance including, without limitation, damages or penalties arising from Contractor's removal, remediation, response or other plan concerning any Hazardous Waste resulting in the release of any Hazardous Waste into the environment. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance by Contractor, Contractor will defend City (at City's request and with counsel reasonably satisfactory to City) and will indemnify (including, without limitation, insurance to the extent applicable) City for any judgment rendered against it or any sums paid out in settlement or otherwise.

25.01.1 Without limiting the foregoing, Contractor must indemnify, defend, protect and hold harmless City from and against all claims, actual damages (including, without limitation, special and consequential damages), natural resources damages, punitive damages, injuries, costs, response, remediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, including, without limitation, cleanup and abatement orders of the United States Environmental Protection Agency, the California Integrated Waste Management Board, the California Department of Toxic Substances Control, the State Water Resources Control Board, a Regional Water Quality Control Board, and any Local Enforcement Agency with jurisdiction; other administrative agencies, interest, fines, charges, penalties and expenses (including without limitation attorneys' and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, City arising from or attributable to any repair, cleanup or detoxification,

or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any Hazardous Waste in any Solid Waste collected by Contractor pursuant to this Agreement, which is or has been transported, transferred, processed, stored, disposed of or which has otherwise come to be located by Contractor, or its activities pursuant to this Agreement result in a release of a Hazardous Waste into the environment, except for such loss or damage arising from City's sole negligence or willful misconduct.

25.01.2 The foregoing indemnity is intended to operate as an agreement pursuant to 42 USC § 9607(e) (the Comprehensive Environmental Response, Compensation and Liability Act; "CERCLA") and Health & Safety Code § 25364 to defend, protect, hold harmless, and indemnify City from all forms of liability under CERCLA, or other applicable law, for any and all matters addressed in this Agreement.

25.01.3 For purposes of this section "City" includes City's officers; elected and appointed officials; employees; agents; representatives; and volunteers.

25.01.4 Contractor expressly agrees that this release, waiver, and indemnity agreement is intended to be as broad and inclusive as is permitted by the law of the State of California and that if any portion is held invalid, it is agreed that the balance will, notwithstanding, continue in full legal force and effect.

25.01.5 Notwithstanding other provisions of this Agreement to the contrary, Contractor's obligation to indemnify, hold harmless, protect and defend City, its officers and employees will not extend to any claims, actions, damages, costs (including, without limitation, reasonable attorney's fees and penalties), demands, injuries, penalties, suits, losses or other forms of liability specified in Sections 25.01 and 25.01.1 arising from (i) City's sole negligence or willful misconduct, (ii) acts or omissions not within the control of Contractor, its affiliates, officers, directors, employees, subcontractors or agents, (iii) City's material breach of this Agreement, or (iv) City's failure to comply with Applicable Law.

25.01.6 It is expressly understood and agreed that the foregoing provisions will survive termination of this Agreement.

25.02 The requirements as to the types and limits of insurance coverage to be maintained by Contractor as required by this Agreement, and any approval of said insurance by City, are not intended to and will not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to this Agreement, including, without limitation, to the provisions concerning indemnification.

Article 26. Default of Agreement

26.01 Termination. City may cancel this Agreement, except as otherwise provided below in this Section, by giving Contractor thirty (30) calendar days advance written notice, to be served as provided in this Agreement, upon the happening of any one of the following events:

26.01.1 Contractor takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files 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

26.01.2 By order or decree of a court, Contractor is adjudged bankrupt or an order is made approving a petition filed by any of its creditors or by any of the stockholders of 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 will be and become null, void and of no effect; unless such stayed judgment or order is reinstated in which case, such default will be deemed immediate; or

26.01.2.1 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 takes possession or control of all or substantially all of the property of Contractor, and such possession or control continues in effect for a period of sixty (60) calendar days; or

26.01.3 Contractor has defaulted, by failing or refusing to pay in a timely manner the damages or other monies due City and such default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or

26.01.4 Contractor has defaulted by allowing any final judgment for the payment of money owed to City to stand against it unsatisfied and such default is not cured within thirty (30) calendar days of receipt of written notice by City to do so; or

26.01.5 In the event that the monies due City under Section 26.01.3 above or an unsatisfied final judgment under Section 26.01.4 above is the subject of a judicial proceeding, Contractor will not be in default if the sum of money is bonded. All bonds must be in the form acceptable to the City Attorney; or

26.01.6 Contractor has defaulted, by failing or refusing to perform or observe the terms, conditions or covenants in this Agreement, including the maintenance of a performance bond in accordance with Article 23, or any of the rules and regulations promulgated by City pursuant thereto or has wrongfully failed or refused to comply with the instructions of the Agreement Administrator relative thereto and such default is not cured within thirty (30) calendar days of receipt of written notice by City 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 Contractor of written demand from City to do so, Contractor fails to commence the remedy of such default within such thirty (30) calendar days following such written notice or having so commenced fails thereafter to continue

with diligence the curing thereof (with 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 such 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 Contractor to provide Collection Services for a period of three (3) consecutive Work Days, City may secure 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 Contractor is again able to perform pursuant to this Agreement; provided, however, if Contractor is unable for any reason or cause to resume performance at the end of thirty (30) calendar days all liability of City under this Agreement to Contractor will cease and this Agreement may be terminated by City.

26.02 Violations. Notwithstanding the foregoing and as supplemental and additional means of termination of this Agreement under this Article, in the event that Contractor's record of performance shows that Contractor has defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by Contractor three (3) or more times in any twenty-four (24) month period, and regardless of whether the Contractor has corrected each individual condition of default, Contractor will be deemed a "habitual violator", will be deemed to have waived the right to any further notice or grace period to correct, and all such defaults will be considered cumulative and collectively will constitute a condition of irredeemable default. City will thereupon issue Contractor a final warning citing the circumstances therefore, and any single default by Contractor of whatever nature, subsequent to the occurrence of the last of such cumulative defaults, will be grounds for immediate termination of the Agreement. In the event of any such subsequent default, City may terminate this Agreement upon giving of written final notice to Contractor, such cancellation to be effective upon the date specified in City's written notice to Contractor, and all contractual fees due hereunder plus any and all charges and interest will be payable to such date, and Contractor will have no further rights hereunder. Immediately upon the specified date in such final notice Contractor must cease any further performance under this Agreement.

26.03 Effective Date. In the event of any the events specified above, and except as otherwise provided in such subsections, termination will be effective upon the date specified in City's written notice to Contractor and upon such date this Agreement will be deemed immediately terminated and upon such termination, except for payment of services rendered up to and including the date of termination, all liability of City under this Agreement to Contractor will cease, and City will have the right to call the performance bond and will be free to negotiate with other contractors for the operation of interim and long-term Collection Services. Contractor must reimburse City for all direct and indirect costs of providing any interim Collection Services as a result of Contractor's default in this Agreement.

26.04 Termination Cumulative. City's right to terminate this Agreement is cumulative to any other rights and remedies provided by law or by this Agreement.

26.05 Alternative Service. Should Contractor, for any reason, except the occurrence or existence of any of the events or conditions set forth in Section 22.06

[Uncontrollable Circumstances], refuse or be unable for a period of more than forty-eight (48) hours, to Collect a material portion or all of the Solid Waste which it is obligated under this Agreement to Collect, and as a result, Solid Waste should accumulate in City to such an extent, in such a manner, or for such a time that the City Manager, in the reasonable exercise of the City Manager's discretion, should find that such accumulation endangers or menaces the public health, safety or welfare, then City will have the right to Agreement with another Solid Waste enterprise to Collect any or all Solid Waste which Contractor is obligated to Collect pursuant to this Agreement. City must provide twenty-four (24) hours prior written notice to Contractor during the period of such event, before contracting with another Solid Waste enterprise to Collect any or all Solid Waste that Contractor would otherwise collect pursuant to this Agreement for the duration of period during which Contractor is unable to provide such services. In such event, Contractor must undertake commercially reasonable efforts to identify sources from which such substitute Solid Waste services are immediately available and must reimburse City for all of its expenses for such substitute services during period in which Contractor is unable to provide Collection services required by this Agreement.

Article 27. Modifications to the Agreement

27.01 City-Directed Change. City has the power to make changes in this Agreement to impose new rules and regulations on Contractor under this Agreement relative to the scope and methods of providing Collection Services as may from time-to-time be necessary and desirable for the public welfare. The size of Collection Containers specified herein for Bundled Service are designed to meet the requirements of the State's recycling mandates including AB 341, AB 1826 and SB 1383, and to be appropriate for the capabilities and capacities of available Materials Recovery Facilities and Organics Waste Processing Facilities at the start of this Agreement. The capabilities and capacities of such facilities may change during the term of this Agreement; as such City reserves the right to redirect materials to alternate facilities and change the designated sizes of Carts and/or Bins in Bundled Services in accordance with any such changes. City will give the Contractor notice of any proposed change and an opportunity to be heard concerning those matters, and agrees to adjust Maximum Service Rates to reflect additional costs borne by Contractor. When such modifications are made to this Agreement, City and Contractor will negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of Contractor due to any modification in the Agreement under this Article. City and Contractor will not unreasonably withhold agreement to such compensation adjustment. Should agreement between City and Contractor on compensation adjustment not be reached within six months of the change request, or other period as agreed upon by both parties, City and Contractor agree to submit the compensation adjustment to binding arbitration as described in Section 27.03.

27.02 Change in Law. City and Contractor understand and agree that the California Legislature has the authority to make comprehensive changes in Solid Waste Collection legislation, and that these and other changes in Applicable Law in the future which mandate certain actions or programs for counties, municipalities or Contractor may require changes or modifications in some of the terms, conditions or obligations under

this Agreement. Contractor agrees that the terms and provisions of the Code, as it now exists or as it may be amended in the future, will apply to all of the provisions of this Agreement and the Service Recipients of Contractor located within the Service Area. In the event any future change in Applicable Law alters the obligations of Contractor, then the affected Maximum Service Rates, as established in Exhibit 1 of this Agreement will be adjusted in accordance with Section 4.09. Nothing contained in this Agreement will require any party to perform any act or function contrary to law. City and Contractor agree to enter into good faith negotiations regarding modifications to this Agreement 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 Agreement, City and Contractor will negotiate in good faith, a reasonable and appropriate compensation adjustment for any increase or decrease in the services or other obligations required of Contractor due to any Change in Law or modification in the Agreement under this Article. City and Contractor will not unreasonably withhold agreement to such compensation adjustment. Should agreement between City and Contractor on compensation adjustment not be reached within six months of the change request, or other period as agreed upon by both parties, City and Contractor agree to submit the compensation adjustment to binding arbitration as described in Section 27.03.

27.03 Arbitration. Arbitration shall be conducted by a single arbitrator. If, within twenty (20) days from the receipt of a request to arbitrate (or such longer period mutually agreed to by the parties), the parties are unable to agree on an arbitrator, then a single arbitrator shall be appointed pursuant to the Commercial Arbitration Rules of the American Arbitration Association, which shall govern any arbitration requested under this provision. Each party shall bear its own costs and expenses of any arbitration. Each party shall pay one-half of the costs of the arbitrator.

Article 28. Legal Representation

28.01 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 Agreement and, accordingly, the rule that a contract will be interpreted strictly against the party preparing the same will not apply due to the joint contributions of both parties.

Article 29. Conflict of Interest

29.01 Financial Interest. Consultant is unaware of any City employee or official that has a financial interest in Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage or accept any financial interest in Consultant's business by any City employee or official.

Article 30. Contractor's Personnel

30.01 Personnel Requirements. Contractor must employ and assign qualified personnel to perform all services required under this Agreement. Contractor is

responsible for ensuring that its employees comply with all Applicable Laws related to their employment and position.

30.01.1 City may request the transfer of any employee of Contractor who materially violates any provision of this Agreement, or who is wanton, negligent, or discourteous in the performance of his or her duties under this Agreement.

30.01.2 Contractor's field operations personnel are required to wear a clean uniform shirt bearing Contractor's name. Contractor's employees, who normally come into direct contact with the public, including drivers, must bear some means of individual photographic identification such as a name tag or identification card.

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

30.01.4 Each driver of a Collection Vehicle must at all times comply with all applicable State and Federal laws, regulations and requirements.

30.01.5 Contractor's employees, officers, and agents may not identify themselves or in any way represent themselves as being employees or officials of City.

Article 31. Exempt Waste

31.01 Contractor is not 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 Agreement, but if provided by Contractor must be in strict compliance with all Applicable Laws.

Article 32. Independent Contractor

32.01 In the performance of services pursuant to this Agreement, Contractor is an independent contractor and not an officer, agent, servant or employee of City. Contractor will have exclusive control of the details of the services and work performed and over all persons performing such services and work. Contractor is 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 will obtain any right to retirement benefits, Workers Compensation benefits, or any other benefits which accrued to City employees and Contractor expressly waives any claim to such benefits.

32.02 Contractor shall require all subcontractors performing work in the City to enter into a contract containing the provisions set forth in the preceding subsection in which contract the subcontractor agrees that Contractor and subcontractor are independent contractors and have no other agency relationship with City.

32.03 Contractor must list in Exhibit 4 any Subcontractors to be used for any and all services (e.g. education and outreach, street sweeping, billing, customer service, HHW

Home Collection Program, etc.). Subcontractors are subject to approval by the City. Subcontractors must have all applicable federal, county, and/or City licenses for the work they are assigned to perform.

Article 33. Laws to Govern

33.01 The law of the State of California governs the rights, obligations, duties and liabilities of City and Contractor under this Agreement and govern the interpretation of this Agreement.

Article 34. Consent to Jurisdiction

34.01 The parties agree that any litigation between City and Contractor concerning or arising out of this Contract must be filed and maintained exclusively in the Superior Courts of Ventura County, State of California, or in the United States District Court for the Central 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 35. Assignment

35.01 No assignment of this Agreement or any right occurring under this Agreement may be made in whole or in part by Contractor without the express prior written consent of the City. City will have full discretion to approve or deny, with or without cause, any proposed or actual assignment by the Contractor. Any assignment of this Agreement made by Contractor without the express written consent of the City will be null and void and will be grounds for City to declare a default of this Agreement and immediately terminate this Agreement by giving written notice to Contractor, and upon the date of such notice Agreement will be deemed immediately terminated, and upon such termination all liability of City under this Agreement to Contractor will cease, and City will have the right to call the performance bond and will be free to negotiate with other contractors, for the services that are the subject of this Agreement. In the event of any assignment approved by City, the assignee must fully assume all the liabilities of Contractor by way of an assignment and assumption agreement. Notwithstanding the above, an assignment to an affiliate of Contractor may be undertaken upon notice to City, but without the requirement for its approval. For purposes of this provision, "affiliate" means any person or legal entity that, directly or indirectly, controls, is controlled by, or is under common control with Contractor.

35.02 The use of a subcontractor to perform services under this Agreement will not constitute delegation of Contractor's duties provided that Contractor has received prior written authorization from the Agreement Administrator to subcontract such services and the Agreement Administrator has approved a subcontractor who will perform such services. Contractor will be responsible for directing the work of Contractor's subcontractors and any compensation due or payable to Contractor's subcontractor will be the sole responsibility of Contractor. The Agreement Administrator will have the right to require the removal of any approved subcontractor for reasonable cause. The subcontractors listed in Exhibit 4, if any, are hereby approved by the City.

Article 36. Compliance with Laws

36.01 In the performance of this Contractor, Contractor must comply with all Applicable Laws, including, without limitation, the Code.

36.02 City shall endeavor provide written notice to Contractor of any planned amendment of the Code that would substantially affect the performance of Contractor's services pursuant to this Agreement. Such notice must be provided at least thirty (30) calendar days prior to the City Council's approval of such an amendment.

Article 37. Permits and Licenses

37.01 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 Agreement. Contractor must provide proof of such permits, licenses or approvals and must demonstrate compliance with the terms and conditions of such permits, licenses and approvals upon the request of the Agreement Administrator.

37.02 The Contractor must have a valid City business licensee throughout the Term of the Agreement.

Article 38. Ownership of Written Materials

38.01 Contractor hereby grants City a non-exclusive license as to all reports, documents, brochures, public education materials, and other similar written, printed, electronic or photographic materials developed by Contractor at the request of City or as required under this Agreement, and intended for public use, without limitation or restrictions on the use of such materials by City. Contractor may not use such materials that specifically reference City for other purposes without the prior written consent of the Agreement Administrator. This Article does not apply to ideas or concepts described in such materials and does not apply to the format of such materials.

Article 39. Waiver

39.01 Waiver by City or Contractor of any breach for violation of any term covenant or condition of this Agreement will 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 City of any fee, tax, or any other monies which may become due from Contractor to City will not be deemed to be a waiver by City of any breach for violation of any term, covenant or condition of this Agreement.

Article 40. Point of Contact

40.01 The day-to-day dealings between Contractor and City will be between the Agreement Manager and the Agreement Administrator.

Article 41. Notices

41.01 Except as provided in this Agreement, 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 Section. For the present, the parties designate the following as the respective persons and places for giving of notice:

As to the City:

[insert]

As to the Contractor:

[insert]

41.02 Notices will 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.

41.03 Notice by City 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 42. Transition to Next Contractor

42.01 In the event Contractor is not awarded an extension or new contract to continue to provide Collection Services following the expiration or early termination of this Agreement, Contractor will cooperate fully with City and any subsequent contractors to assure a smooth transition of services described in this Agreement. Such cooperation will 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 Collection Containers; providing adequate labor and equipment to complete performance of all Collection Services required under this Agreement; taking reasonable actions necessary to transfer ownership of carts and bins, as appropriate, to City; including transporting such containers to a location designated by the Agreement Administrator; coordinating Collection of Materials set out in new containers if new containers are provided for a subsequent Agreements and providing other reports and data required by this Agreement.

Article 43. Contractor's Records

43.01 Contractor shall keep and preserve, during the Term of this Agreement, full, complete, and accurate financial and accounting records, pertaining to cash, billing and disposal transactions for the franchise area, prepared on an accrual basis in accordance with generally accepted accounting principles. These records and reports are necessary

for the City to properly administer and monitor the Agreement and to assist the City in meeting the requirements of the Act. The Contractor shall keep and preserve, during the Term of this Agreement, and for a period of not less than four (4) years following expiration or other termination hereof or for any longer period required by law, full, complete and accurate records as indicated in the Agreement.

43.02 Any records or documents required to be maintained pursuant to this Agreement must be made available for inspection or audit for the purposes set forth in Section 14.02, at any time during regular business hours, upon written request by the Agreement Administrator, the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such documents will be provided to City electronically, available to City for inspection at the local Contractor office, or an alternate site if mutually agreed upon.

43.02.1 Contractor acknowledges that City is legally obligated to comply with the California Public Records Act ("CPRA"). City acknowledges that Contractor may consider certain records, reports, or information contained therein, ("Records") which Contractor is required to provide to City under this Agreement, to be of a proprietary or confidential nature. In such instances, Contractor will inform City in writing of which records are considered propriety or confidential and shall identify the statutory exceptions to disclosure provided under the CPRA that legally permit non-disclosure of the Records. At such time as City receives a request for records under the CPRA or Federal Freedom of Information Act ("FOIA") or a subpoena or other court order requesting disclosure of the Records, City will notify Contractor of the request, subpoena or order and of City's obligation and intent to provide a response within ten (10) calendar days. Contractor shall within five (5) calendar days either: (i) consent in writing to the disclosure of the Records; or (ii) seek and obtain, at Contractor's sole cost and expense, the order of a court of competent jurisdiction staying or enjoining the disclosure of the Records. If Contractor fails to timely respond, then City may proceed to disclosure the Records in which event Contractor agrees waives and releases City of any liability for the disclosure of the Records

43.03 Where City has reason to believe that such records or documents may be lost or discarded in the event of the dissolution, disbandment or termination of Contractor's business, City may, by written request or demand of any of the above named officers, require that custody of the records be given to City and that the records and documents be maintained in City Hall. Access to such records and documents will be granted to any party authorized by Contractor, Contractor's representatives, or Contractor's successor-in-interest.

Article 44. Entire Agreement; Modifications

44.01 This Agreement and the attached Exhibits constitute the entire Agreement and understanding between the parties, and the Agreement will not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties.

Article 45. Severability

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

Article 46. Right to Require Performance

46.01 The failure of City at any time to require performance by Contractor of any provision of this Agreement will in no way affect the right of City thereafter to enforce same. Nor will waiver by City of any breach of any provision of this Agreement be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

Article 47. All Prior Agreements Superseded

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

Article 48. Headings

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

Article 49. Exhibits

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

Article 50. Attorney's Fees

50.01 In the event that litigation is brought by a party in connection with this Agreement, the prevailing party will be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies under this Agreement or the enforcement of any of the terms, conditions, or provisions of this Agreement.

Article 51. Signatures

51.01 Counterparts. This Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument.

51.02 Scanned Signatures. In the event that any signature is delivered by facsimile transmission or submitted electronically as a scanned image (i.e. files with .pdf, .tiff or .jpeg extensions), such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or scanned signature page were an original thereof.

DRAFT

IN CONCURRENCE AND WITNESS WHEREOF, City and Contractor have executed this Agreement on the ____th day of _____, 2022.

**Arakelian Enterprises, Inc. d/b/a
Athens Services**

Ron Arakelian, III, Executive Officer

Adam Arakelian, Executive Officer

CITY OF SANTA PAULA

Mayor

ATTEST:

City Clerk

EXHIBIT 1
RATES, CHARGES, AND FEES

(Effective October 1, 2022)

DRAFT

EXHIBIT 2

CITY SPONSORED EVENTS

Arbor Earth Day Celebration and others as may be scheduled up to a maximum of five per year.

DRAFT

EXHIBIT 3

COLLECTION CART AND BIN SPECIFICATIONS

1.01.1 All new or replacement Carts must be manufactured with a minimum twenty percent (20%) recycled material content and come with a ten (10) year warranty against defects.

1.01.2 Carts must be constructed with material that resists deterioration from ultraviolet radiation and be incapable of penetration by household pets or small wildlife when lids are fully closed.

1.01.3 Contractor must provide Carts having an approximate volume of 32, 64 and 96 gallons. Actual cart volume may vary by +/- 10% depending on manufacturer.

1.01.4 Carts must include wheels and handles that accommodate ease of movement by able-bodied persons, have heavy duty wheels, attached hinged lids, and be designed to be resistant to inadvertent tipping due to high winds.

1.01.5 Carts must include lids that continuously overlap the Cart body so as to prevent the intrusion of rainwater and minimize odors. The lids would be of a design and weight so as to prevent the Cart body from tilting backward when flipping the lid open.

1.01.6 Carts must be capable of being lifted into the Collection Vehicle without damage or distortion under normal usage.

1.01.7 Carts must be hot-stamped, embossed, or labeled/decaled with the company name, a unique identification number (i.e., serial number for carts), weight limit, and images of the type of materials to be collected. All Carts shall also contain instructions for proper usage. If any of the above is accomplished via labels or decals, such labels or decals must be maintained and/or replaced as necessary throughout the term to maintain a near new appearance. Decals/labels showing types of materials collected in each Cart must be replaced annually.

1.01.8 Cart and lids must meet all applicable colors and labeling specifications as set forth by CalRecycle (i.e., blue = recycle, black = trash, green = yard waste/mixed organics).

EXHIBIT 4

LIST OF APPROVED SUBCONTRACTORS

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EXHIBIT 5

RECYCLABLE MATERIALS

City and Contractor agree to meet from time to time as needed to discuss additions or deletions from the list of Recyclable Materials. At a minimum this list will be updated annually on or before November 22 each year. Contractor may request removal of Recyclable Materials due to market limitations, which request will be decided by the Agreement Administrator.

Recyclable Materials currently being Collected in Collection Containers under this Agreement include all plastics #s 1 through 5, and #7, except where specifically excluded in list below:

Material	Type	Recyclable (Diversion)	Non-recyclable ¹
Aluminum	Metal	X	
Foil	Metal	X	
Steel	Metal	X	
Tin	Metal	X	
Bimetal	Metal		X
Ferrous Scrap Metal	Metal	X	
Non-Ferrous	Metal	X	
PET	Plastic	X	
HDPE Natural	Plastic	X	
HDPE Color	Plastic	X	
PVC	Plastic	X	
LDPE	Plastic	X	
Polypropylene	Plastic	X	
Polystyrene	Plastic		X
Film Plastics/Plastic Bags	Plastic		X
Expanded Polystyrene (Foam & Rigid)	Plastic		X
Bioplastic	Plastic		X
Glass Flint	Glass	X	
Glass Amber	Glass	X	
Glass Green	Glass	X	
Mixed Glass	Glass	X	
Mixed Paper	Paper	X	
Newspaper	Paper	X	
Corrugated Cardboard	Paper	X	
Tetra Pak, Aseptic Containers	Paper	X	

¹ Not recycled under this Agreement. May not be placed in Recycling Container.

Material	Type	Recyclable (Diversion)	Non- recyclable¹
Clothes	Textiles		X
Nylon/Polyester/Wool/etc.	Carpet		X
Concrete/Rock/Soil/Fines/Drywall/etc.	Building		X
Wood/Lumber	Building		X
Electronic Waste	E-waste		X

List of acceptable organic materials:

- 1.01.1 Food waste
- 1.01.2 Green Waste
- 1.01.3 Landscape and pruning waste
- 1.01.4 Non-hazardous wood waste
- 1.01.5 Food-soiled paper that is mixed in with food waste
- 1.01.6 compostable food containers
- 1.01.7 compostable foodware

List of materials which Contractor should explore means and markets to recycle but which Service Recipient make seek, and pay for, alternative recycling markets. . Also included are all materials listed as “Non-recyclable” in table above.

- 1.01.1 Plastics #6 and #7
- 1.01.2 plastic bags, wrap and film
- 1.01.3 laboratory ware (plastics, glass etc.)
- 1.01.4 mirrors
- 1.01.5 porcelain and ceramics
- 1.01.6 glass and metal cookware/bakeware
- 1.01.7 hoses, cords, wires
- 1.01.8 paper less than 4 inches in size in any dimension
- 1.01.9 microwaveable trays
- 1.01.10 window or auto glass
- 1.01.11 coated cardboard

- 1.01.12 coat hangers
- 1.01.13 white goods (household appliances)
- 1.01.14 needles, syringes, IV bags or other medical supplies
- 1.01.15 textiles, cloth or any fabric
- 1.01.16 propane tanks
- 1.01.17 universal waste (u-waste)
- 1.01.18 electronic waste (e-waste)

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EXHIBIT 6

STREET SWEEPING SERVICES OPERATION PLAN

1.01.1 Manner of Service. Contractor shall provide a Complete Sweep of all Curb Miles on all publicly maintained City streets. Within any Curb Mile, Contractor shall be responsible for sweeping all curbs including Median Islands and the corners from any cross street intersecting the subject street. Contractor shall obey all laws governing the operation of the sweepers on a public street and shall perform its operations so that sweepers are traversing their routes in the normal direction of traffic.

1.01.1.1 Contractor shall furnish all materials, labor, supervision and equipment necessary to perform all work required for regularly scheduled sweeping of all public streets in the City at the frequency and within the time frames described in this Exhibit. Within 90 days of the Effective Date, Contractor shall adopt a City approved street sweeping schedule that follows the City approved refuse collection schedule, including adjustments for Holidays. Exceptions resulting from equipment breakdowns shall be immediately reported to the City with a catch-up schedule.

1.01.1.2 Contractor shall also provide an annual 50-hour time bank for unscheduled sweeping and related services or as otherwise assigned by the City upon one (1) Work Day's notice ("Time Bank"). Contractor shall make reasonable efforts to respond to emergency incidents including vehicle accidents, illicit discharges, and other emergencies within two hours or best effort depending on the severity of the incident.

1.01.1.3 In areas where drainage is a problem, Contractor shall make as many passes as necessary to remove debris from standing water. In addition, all sand, dirt, rocks, gravel, vegetation, and other sweepable debris shall be removed from the street during the sweeping operation. If standing water is over the top of curb, then Contractor shall not be required to sweep that specific area. Sweeper operators shall report all areas with drainage problems to Contractor and City on a monthly basis, or as deemed appropriate by Contractor.

1.01.2 When possible, Contractor shall use reclaimed or tertiary recycled water.

1.01.3 Contractor shall not discharge liquid waste from the sweeper units onto City streets or into the storm drain system.

1.01.4 Washing of sweepers on City property is prohibited. Any and all washing of sweeper units shall be compliant with Section 1.03 of this Exhibit. Contractor shall implement best management practices when loading water into the street sweepers to prevent any overflow/potable water discharges into the storm drain system.

1.01.4.1 Construction or development on or along a street.

1.01.4.2 Pavement maintenance activities, including the chip seal program or the slurry seal program.

1.01.4.3 Inclement weather when running water renders sweeping ineffective.

1.01.4.4 Special sweeping on alternative schedule.

1.01.4.5 Other legitimate reasons that make sweeping impractical as determined by the City Representative.

1.01.5 In the event where damage to City streets is caused by a hydraulic fluid spill (i.e., any physical damage in excess of a simple cosmetic stain caused by the spill), Contractor shall be responsible for all repairs to return the street to the same condition that existed prior to the spill. Contractor shall be responsible for all clean-up activities related to the spill. Repairs and clean-up shall be performed in a manner satisfactory to the City and at no cost to the City.

1.01.6 To facilitate immediate cleanup, Contractor's vehicles must at all times carry sufficient quantities of petroleum absorbent materials along with a broom and shovel.

1.01.6.1 The City Representative may provide written comments to Contractor on such proposed change no later than ten (10) Work Days after receipt of the proposal from Contractor, and Contractor shall revise the routes to reflect such comments and return them to the City Representative within ten (10) Work Days of receipt of such comments.

1.01.6.2 Contractor shall not implement any route changes without the prior written approval of the City Representative. If the approved route change will change the day on which Street Sweeping Service will occur, Contractor shall notify the affected Service Recipients of route changes not less than thirty (30) Work Days before the proposed date of implementation in a manner approved by the City Representative.

1.01.7 When Contractor performs OAW, the labor, materials, and equipment used in the performance of such work shall be subject to the prior written approval of the City Representative.

1.01.8 Examples of OAW that Contractor may be required to perform include: performance of special sweeps, flood clean-up, street sanitation for parades celebrations, and similar special events not specified in Section 1.16 of this Exhibit. City requested clean-up services, work in excess of the Time Bank; street sweeping services Contractor could not have reasonably anticipated would be necessary, and any contingency where sweeper and supporting sweeper equipment could assist in a particular instance.

1.01.9 Contractor shall provide OAW at a rate of \$34.00 per curb mile. For the period beginning October 1, 2022, and annually thereafter on July 1st of

each year this Exhibit remains in effect, the hourly rate for Additional Work shall be automatically adjusted by the Annual Rate Adjustment.

1.01.10 Requirements. Contractor must use Street Sweeping vehicles in accordance with the collection vehicle requirements of Section 15.01.3 of the Agreement.

1.01.11 Vehicle Noise Level. All Street Sweeping operations shall be conducted as quietly as possible and must comply with Applicable Laws, including Federal EPA noise emission regulations, currently codified at Code of Federal Regulations, Title 40, Part 205.

1.01.12 Reserve Equipment. Contractor shall have available to it, at all times, reserve collection and Street Sweeping Service equipment that 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 Contractor to perform Contractor's duties under this Agreement.

1.01.13 Maintenance. All equipment shall be maintained in good mechanical condition, including brushes and brooms that shall be replaced at regular intervals. Contractor shall immediately clean any vehicle fluids (hydraulic fluids, lubricating oils, etc.) that leak or spill from equipment into the street or public right of way.

1.01.14 GPS Tracking. Sweepers shall be fitted with GPS tracking and cameras with all data accessible to City staff. Contractor shall furnish to the City at no additional cost or expense any software and equipment necessary for City to track the location of sweeping vehicles in real time and to generate reports as needed.

1.01.15 Storage. Sweeping equipment shall not be stored in the public right of way unless mechanical failure prevents immediate removal. In the event of mechanical failure, all efforts must be made to remove the equipment from the public right of way as soon as possible. The City must approve any overnight storage in public right of way. Contractor may enter into optional Storage Agreement with City to store Sweeper equipment at City facility. In the absence of such Storage Agreement with City, sweeping equipment shall not be stored on City Property.

1.01.16 Inspections. All equipment is subject to inspection by the City at any time.

1.01.17 Strobes; Alarms. All sweepers shall have an operational strobe and back-up alarm and shall conform to all City, Ventura County, State and Federal safety requirements.

1.01.18 Traffic Installations. Contractor shall supply a 24-hour message telephone number to the City Traffic Engineer so that the City can notify Contractor of traffic counter installations.

1.01.19 Traffic Counter Cables. Drivers shall be aware of their locations in order to raise their brooms and avoid destruction of traffic counter cables. Contractor shall use due diligence to avoid traffic counter cables.

EXHIBIT 7

Intentionally Omitted

EXHIBIT 8
COLLECTION SERVICE OPERATIONS PLAN

EXHIBIT 9

ADMINISTRATIVE CHARGES, PENALTIES, AND LIQUIDATED DAMAGES

-0- in the “If Cured in 30 Days” column indicates that a cure period will not be provided for those breaches.

Item		Amount if Not Cured in 30 Days	If Cured in 30 Days
a.	Failure to respond to each complaint within three (3) Work Days of receipt of complaint.	\$100 per incident per Service Recipient.	
b.	Failure to maintain call center hours as required by this Agreement.	\$100 per day.	-0-
c.	Failure to submit to City all reports by the deadlines required under the provisions of this Agreement.	\$100 per day.	-0-
d.	Failure to include all parts of quarterly and annual reports specified in Sections 19.02 and 19.03 in the submitted report	\$100 per day.	-0-
e.	Failure to submit to City all payments by the deadlines required under the provisions of this Agreement.	1% of the total amount due if fees are 1 – 10 days late; and 10% of the total amount due if fees are more than 10 days late.	
f.	Failure for Collection Container to be compliant with specifications of Exhibit 2 and Exhibit 3.	\$50.00/each Collection Container not compliant.	-0-
g.	Failure for Collection Container to be compliant with SB 1383 labeling requirements.	\$50.00/each Collection Container not compliant.	-0-
h.	Failure to display Contractor’s name and customer service phone number on Collection Vehicles.	\$100 per incident per day.	-0-
i.	Failure to collect a missed collection by close of the next Work Day upon notice to Contractor, that exceeds twenty (20) in any Calendar Year.	\$1,000 per Calendar year, plus \$10 per customer per day.	-0-

Item		Amount if Not Cured in 30 Days	If Cured in 30 Days
j.	Failure to repair or replace damaged Containers within the time required by this Agreement, that exceeds twenty (20) in any Calendar year.	\$1,000 per Calendar year, plus \$10 per incident per day.	
k.	Failure to maintain collection hours as required by this Agreement.	\$100 per day.	-0-
l.	Failure to have Contractor personnel in Contractor-provided uniforms.	\$25 per day per employee.	-0-
m.	Failure of Contractor to follow Recyclable Materials and Organic Waste Contamination and Overage procedures as set forth under Section 3.11 and 3.12.	\$100/day for failure to implement correction plan.	Submit for approval to City and implement plan of correction to City within 30 days.
n.	Vehicle mechanic fluid leak (e.g. hydraulic fluid or oil) incidents from Contractor Collection Vehicles in excess of three (3) during a calendar year.		\$5,000 per incident in excess of three (3)
o.	Failure of Contractor to provide proof of performance bond as required by this Agreement	Agreement Default	\$500 per day
p.	Failure of Contractor to provide proof of insurance as required by this Agreement	Agreement Default	\$500 per day
q.	Commingling Solid Waste, Recyclables and Organics segregated by Customer unless excused by Agreement Administrator or as provided in this Agreement.	\$50 per first occurrence per Calendar Year. \$100 per second occurrence per Calendar Year. \$500 per third occurrence per Calendar Year.	-0-

Item		Amount if Not Cured in 30 Days	If Cured in 30 Days
		\$1,000 per fourth and each additional occurrence per Calendar Year.	
r.	Failure to provide records of calculated CPI and adjusted rates and related financial information for the Annual Rate Adjustment.	\$100 per day.	

The Following Items If Not Cured Will Constitute Default

	Item	Amount if Not Cured in 90 Days	If Cured in 89 Days
s.	Failure to conduct outreach, education and outreach in accordance with Agreement and approved Sustainability Plan	Agreement Default.	\$500 per day.
t.	Failure to comply with City Municipal Code requirements.	Agreement Default.	\$500 per day.
u.	Failure to comply with State of California or Federal regulatory requirements.	Agreement Default.	\$500 per day.
v.	Failure submit a corrective action plan as set forth in Section 5.01.1.	Agreement Default.	\$500 per day.

EXHIBIT 10

LIST OF CITY SERVICE UNITS/LOCATIONS

EXHIBIT 11
LIST OF APPROVED FACILITIES

EXHIBIT 12

SUSTAINABILITY AND COMPLIANCE PLAN

EXHIBIT C

November 17, 2021 Final Option Rate Sheets

City of Santa Paula Solid Waste Collection
Residential Single Family Services: Phase-in Table
Refuse, Recyclable & Organic Services Mandatory All Accounts

Residential Cart Services	
Service Description: Costs are based on the refuse container size. Service includes a refuse container + 96 Gallon Recycling Cart + 96 gallon Green Waste/Organics Container. All three service types are mandatory.	Monthly Rate
32 gallon solid waste cart (weekly collection)	\$ 27.87
64 gallon solid waste cart (weekly collection)	\$ 30.90
96 gallon solid waste cart (weekly collection)	\$ 34.91
Each additional 32, 64 or 96 gallon solid waste cart	\$ 8.00
Each additional 96 gallon recyclable cart (32 or 64 gallon upon request)	\$ 6.00
Each additional 96 gallon organic waste cart (32 or 64 gallon upon request)	\$ 7.00
Senior and low income discount	10%
Active Military Discount	10%

Additional Cart Services	
Service Description	Rate
Backyard cart service for eligible customers (Seniors, disabled, etc.)	No Charge
Backyard cart service for ineligible customers (each cart)	\$ 30.00

Residential Bin Services						
Permanent Service Description	Monthly Rate Number Of Collections Per Week					
	1	2	3	4	5	6
1 cubic yard solid waste bin*	\$ 132.12	\$ 215.04	\$ 312.64	\$ 429.12	\$ 591.19	\$ 640.56
2 cubic yard solid waste bin*	\$ 216.02	\$ 384.05	\$ 548.93	\$ 766.42	\$ 958.04	\$ 1,099.53
3 cubic yard solid waste bin*	\$ 246.08	\$ 429.87	\$ 660.98	\$ 861.99	\$ 1,090.52	\$ 1,319.05
4 cubic yard solid waste bin*	\$ 378.62	\$ 674.59	\$ 961.81	\$ 1,322.30	\$ 1,652.87	\$ 1,919.26
* Any SFD solid waste bin service shall include recyclables and organic waste services. The total of recyclables plus organics must be at least 50% of the volume of the solid waste container size. Additional recycling and organics containers will be at the rates on the commercial rate sheet.						

Additional SFD Collection Services	
Service Description	Rate
E-Waste and white goods collection	\$ 55.00
Holiday (Christmas) tree collection outside organic waste container (free if inside container)	\$ 30.00
Household battery collection	\$ 55.00
Sharps waste collection	\$ 30.00

Temporary Bin Services Description	
Service Description	Rate
Additional bin collection (per collection):	
1.5 cubic yard solid waste bin	\$ 45.00
2 cubic yard solid waste bin	\$ 50.00
3 cubic yard solid waste bin	\$ 55.00
4 cubic yard solid waste bin	\$ 60.00

City of Santa Paula Solid Waste Collection Rates, 2022
Residential Multi-Family Services Cart, Bin & Temporary
Refuse, Recyclable & Organic Services Mandatory All Accounts
With Enhancements

Multi-Family Cart Services						
Service Description: Costs are based on the refuse container size. Service includes a refuse container + 96 Gallon Recycling Cart + 96 gallon Green Waste/Organics Container. All three service types are mandatory.						Monthly Rate
32 gallon solid waste cart (weekly collection)						\$ 58.54
64 gallon solid waste cart (weekly collection)						\$ 61.87
96 gallon solid waste cart (weekly collection)						\$ 65.20
Each additional 32, 64 or 96 gallon solid waste cart						\$ 61.37
Each additional 96 gallon recyclable cart (32 or 64 gallon upon request)						\$ 14.40
Each additional 96 gallon organic waste cart (32 or 64 gallon upon request)						\$ 24.00
Senior and low income discount						10%
Active Military Discount						10%
Multi-Family Bin Services						
		Monthly Rate				
		Number Of Collections Per Week				
Service Description	1	2	3	4	5	6
1 cubic yard solid waste bundle*	\$ 144.64	\$ 236.96	\$ 345.52	\$ 472.84	\$ 645.84	\$ 706.13
2 cubic yard solid waste bundle*	\$ 254.63	\$ 451.62	\$ 650.29	\$ 901.22	\$ 1,126.53	\$ 1,301.75
3 cubic yard solid waste bundle*	\$ 281.78	\$ 492.33	\$ 754.67	\$ 986.59	\$ 1,246.27	\$ 1,505.96
4 cubic yard solid waste bundle*	\$ 451.88	\$ 802.81	\$ 1,154.10	\$ 1,578.07	\$ 1,972.57	\$ 2,302.92
1 cubic yard recyclables extra bin	\$ 22.21	\$ 38.87	\$ 58.31	\$ 77.55	\$ 96.94	\$ 116.32
2 cubic yard recyclables extra bin	\$ 41.33	\$ 72.32	\$ 108.48	\$ 144.28	\$ 180.35	\$ 216.42
3 cubic yard recyclables extra bin	\$ 46.49	\$ 81.36	\$ 122.04	\$ 162.31	\$ 202.89	\$ 243.47
4 cubic yard recyclables extra bin	\$ 51.66	\$ 90.40	\$ 135.60	\$ 180.35	\$ 225.43	\$ 270.52
1 cubic yard organics extra bin	\$ 37.02	\$ 64.79	\$ 97.19	\$ 129.26	\$ 161.57	\$ 193.89
2 cubic yard organics extra bin	\$ 68.88	\$ 120.54	\$ 180.81	\$ 240.48	\$ 300.60	\$ 360.72
3 cubic yard organics extra bin	\$ 77.49	\$ 135.61	\$ 203.41	\$ 270.54	\$ 338.17	\$ 405.81
4 cubic yard organics extra bin	\$ 86.10	\$ 150.68	\$ 226.01	\$ 300.60	\$ 375.75	\$ 450.90
* Costs are based on the refuse container size. All refuse rates include an equivalent volume of recyclable materials and the equivalent of one 32-gallon organic waste cart per 2 cubic yards of refuse plus recyclable materials.						
Additional MFD Collection Services						
Service Description						Rate
E-Waste and white goods collection						\$ 55.00
Holiday (Christmas) tree collection outside of organic waste bin						\$ 30.00
Household battery collection						\$ 55.00
Sharps waste collection						\$ 30.00
Temporary Bin Services Description						Rate
Service Description						Rate
Additional bin collection (per collection):						
1 cubic yard solid waste, recyclables, or organics bin						\$ 45.00
2 cubic yard solid waste, recyclables, or organics bin						\$ 50.00
3 cubic yard solid waste, recyclables, or organics bin						\$ 55.00
4 cubic yard solid waste, recyclables, or organics bin						\$ 60.00

City of Santa Paula Solid Waste Collection Rates 2022
Commercial Services: Cart, Bin, Temporary & Roll-Off
Refuse, Recyclable & Organic Services Mandatory All Accounts
With Enhancements

Commercial Cart Services						
Service Description: Costs are based on the refuse container size. Service includes a refuse container + 96 Gallon Recycling Cart + 96 gallon Green Waste/Organics Container. All three service types are mandatory.						Monthly Rate
32 gallon solid waste cart (weekly collection)						\$ 58.04
64 gallon solid waste cart (weekly collection)						\$ 61.37
96 gallon solid waste cart (weekly collection)						\$ 64.70
Each additional 32, 64 or 96 gallon solid waste cart						\$ 61.37
Each additional 96 gallon recyclable cart (32 or 64 gallon upon request)						\$ 14.40
Each additional 96 gallon organic waste cart (32 or 64 gallon upon request)						\$ 24.00
Commercial Bin Services						
Service Description	Monthly Rate					
	Number Of Collections Per Week					
	1	2	3	4	5	6
1 cubic yard solid waste bundle*	\$ 144.64	\$ 236.96	\$ 345.52	\$ 472.84	\$ 645.84	\$ 706.13
2 cubic yard solid waste bundle*	\$ 254.63	\$ 451.62	\$ 650.29	\$ 901.22	\$ 1,126.53	\$ 1,301.75
3 cubic yard solid waste bundle*	\$ 281.78	\$ 492.33	\$ 754.67	\$ 986.59	\$ 1,246.27	\$ 1,505.96
4 cubic yard solid waste bundle*	\$ 451.88	\$ 802.81	\$ 1,154.10	\$ 1,578.07	\$ 1,972.57	\$ 2,302.92
1 cubic yard recyclables extra bin	\$ 41.33	\$ 72.32	\$ 108.48	\$ 144.28	\$ 180.35	\$ 216.42
2 cubic yard recyclables extra bin	\$ 46.49	\$ 81.36	\$ 122.04	\$ 162.31	\$ 202.89	\$ 243.47
3 cubic yard recyclables extra bin	\$ 51.66	\$ 90.40	\$ 135.60	\$ 180.35	\$ 225.43	\$ 270.52
4 cubic yard recyclables extra bin	\$ 80.07	\$ 140.12	\$ 210.18	\$ 279.54	\$ 349.42	\$ 419.31
1 cubic yard organics extra bin	\$ 68.88	\$ 120.54	\$ 180.81	\$ 240.48	\$ 300.60	\$ 360.72
2 cubic yard organics extra bin	\$ 77.49	\$ 135.61	\$ 203.41	\$ 270.54	\$ 338.17	\$ 405.81
3 cubic yard organics extra bin	\$ 86.10	\$ 150.68	\$ 226.01	\$ 300.60	\$ 375.75	\$ 450.90
4 cubic yard organics extra bin	\$ 133.46	\$ 233.55	\$ 350.32	\$ 465.93	\$ 582.41	\$ 698.89
* Costs are based on the refuse container size. All refuse rates include an equivalent volume of recyclable materials and the equivalent of one 32-gallon organic waste cart per 2 cubic yards of refuse plus recyclable materials.						
Temporary Bin Services Description						
Service Description						Rate
Temporary bin delivery and first collection						\$ 180.00
Additional bin collection or dead-run:						
1 cubic yard solid waste, recyclables, or organics bin						\$ 45.00
2 cubic yard solid waste, recyclables, or organics bin						\$ 50.00
3 cubic yard solid waste, recyclables, or organics bin						\$ 55.00
4 cubic yard solid waste, recyclables, or organics bin						\$ 60.00
Temporary bin demurrage (per day - no dump in 7 days)						\$ 7.50
Additional-Bin Services						
Service-Description						Rate
On-call bin collection:-						
1 cubic yard recyclables bin						\$ 45.00
2 cubic yard recyclables bin						\$ 50.00
3 cubic yard recyclables bin						\$ 55.00
4 cubic yard recyclables bin						\$ 60.00

City of Santa Paula Solid Waste Collection Rates 2022
Commercial Services: Cart, Bin, Temporary & Roll-Off
Refuse, Recyclable & Organic Services Mandatory All Accounts
With Enhancements

Roll-Off Services	
Service Description	Rate
Non-compacted collection	\$ 268.46
Compacted collection	\$ 353.31
Roll-Off Disposal per Ton - Trash	\$ 75.00
Roll-Off Disposal per Ton - Recycling	\$ 90.00
Roll-Off Disposal per Ton - Organics	\$ 135.00
Additional Roll-Off Services	
Service Description	Rate
Roll-off box rental (10, 20, 30 or 40 cubic yard)	\$ 180.00
Roll-off roll-top rental	\$ 60.00
Roll-off compactor monthly lease	\$ 695.00
Roll-off and compactor per day rental after 7 days without a pull	\$ 15.00
Roll-off same-day priority service	\$ 75.00
Roll-off go-back/dry-run/redelivery/return trip/relocation fee	\$ 180.00
Roll-off plastic liner	\$ 47.50
Roll-off "rocket-launcher" service per hour (one hour minimum)	\$ 165.00
Roll-off and compactor overweight penalty (per ton over 10 tons - plus disposal)	\$ 110.00
Roll-off and compactor repair (per hour, excluding parts)	\$ 90.00
Roll-off steam clean compactor:	
1x per year (each compactor)	\$ 300.00
2x or more per year (each compactor)	\$ 275.00
Roll-off and compactor load characterization - customer requested	\$ 550.00
Roll-off box impound fee for non-permitted haulers	\$ 900.00

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Clete Saunier, Public Works Director

Subject: HARVARD BOULEVARD AND PUBLIC RIGHT OF WAY
IMPROVEMENTS - INTERFUND LOAN

Date: June 1, 2022

Agenda Item: 11.D

RECOMMENDATION:

Provide Staff direction by selecting one of the supplemental funding options described in this report.

Presented by: Clete J. Saunier, Public Works Director

BACKGROUND:

The City's water and sewer systems consist of a network of pipelines that provide for domestic potable water delivery and waste collection for the community. This water and sewer infrastructure is aged in excess of 100 years in many areas and in need of continuing repair to maintain service and function to the City's residences and businesses. The City's capital improvement program (CIP) and associated budget provides for the incremental replacement of aging infrastructure over time. The 2005 Potable Water System Master Plan and the 2005 Wastewater System Master Plan identified needed water and sewer utility improvements for Harvard Boulevard based on both current and future demands. Subsequent design surveys and related investigation of Harvard sewer mains revealed additional deficiencies and areas of issue that will be addressed with the proposed project.

Water and sewer pipeline replacement efforts are coordinated with the City's Pavement Management Program (PMP) to allow for efficiencies in construction process and minimize disruption to the adjacent community associated with multiple infrastructure construction projects. Pavement condition along the entire length of Harvard has continued to deteriorate over time, and the comprehensive rehabilitation of street paving has been awaiting the completion of required water and sewer improvements. The repair and upgrading of pedestrian improvements within Harvard Boulevard will be required following completion of the water and sewer main replacements, including the upgrade of disabled access ramps at intersections, the replacement of crosswalks, and upgrading street striping and signage to current standards

ANALYSIS:

On December 15, 2021, Council approved budget changes to address the Water and Sewer

funding issues related to this project. The following report will address the remaining street related expenses that are in need of attention.

Staff identified a total project cost of \$1,984,800 for the street portion of the Harvard Blvd Street Improvement Program (non-enterprise related). Staff is presenting funding options for a total of \$3m inclusive of the \$1.98m mentioned above, as well as construction management costs and other escalating expenses related to the higher than expected construction costs currently being experienced.

Previously, two funding options were presented as noted below:

1. Austerity budgeting - This option would have seen current CIP projects such as the Citywide Street/Pavement Rehab & Preservation, Sidewalk Repairs, and ongoing Crosswalk Safety Improvements have all funds redirected to the Harvard Street Improvement & related crosswalk improvement programs.
2. Loan Funding - iBank - This option was underway with the Infrastructure State Revolving Fund team at iBank. However due to the rising market rates, it is anticipated that the City would repay an additional \$623,500 in interest payments. Staff has placed a brief hold on this option while we explore the next option.

Council indicated support for the iBank loan option and directed staff to begin the application process.

Since that time, and given the costs and limitations associated with the iBank loan option, staff has established a viable third option, as follows:

1. Loan Funding - Interfund Loan from Reserve Fund - The General Reserve Fund (101) and Measure T Reserve Fund (104) have a combined balance of over \$3.6m. Using the LAIF interest rate, the rate the City would have otherwise earned on Reserve Funds, the interest payment would only equal to approximately \$41,000. Unlike the iBank, there are no points or costs associated with the loan. The City's Reserve Policy allows for this loan to occur, however an exception to the amount that could be borrowed would need to be made, as described below.

RESERVE POLICY REQUIREMENTS

The Reserve Policy allows for up to **one-third** of the Contingency Reserve balance may be used to finance capital acquisitions, as long as a repayment plan is approved. The repayment plan must be financially feasible based on the City's adopted Long-Term Financial Forecast. Alternative financing options shall be presented for consideration along with the use of the Contingency Reserve (as noted above). Due to the timing of the projects, an exception would need to be made to allow for 1/2 of the reserve to be used.

A majority vote from the City Council is required to determine that it is necessary to use the Contingency Reserve for any of the uses listed above. With the exception of the emergency scenario, the reserve contingency balance allocated for other intended uses **shall not exceed 50% of the required balance in any given year**.

Staff shall bring for Council consideration a replenishment plan, within 90-days of allocation from the reserve. It would be Council's expectation that every effort would be made to replenish the reserve as soon as it is financially feasible and practical to do so. If the reserve

cannot be replenished by the next annual budget, a **repayment plan not to exceed five years** should be approved by council via a majority vote.

LOAN AMOUNT AND REPAYMENT

While \$1,250,000 has been budgeted for Pavement Slurry Seal and Citywide Street Preservation Projects for FY 22/23 (and projected for future years), the need for the Harvard street repair to be completed prompted a discussion of utilizing a portion of the Measure T Revenues to be used for a loan repayment (originally intended as an iBank loan - ISRF Loan). Based on an anticipated revenue stream of \$4m in Measure T Sales Tax, and a continued 30% allocation to streets, staff would still have \$595,000 annually for other street repair programs, more than the original anticipated amount of \$414,000 from 2020.

Anticipated MT	4,000,000
Anticipated PW portion	30%
Anticipated PW portion	1,200,000
Less Loan Repayment	(604,818)
Remaining amount	595,182

STRATEGIC PLAN:

The approval of this agenda item does not directly address the strategic goals within the City's adopted Strategic Plan.

FISCAL IMPACTS:

Staff anticipates a need of \$75,000 in the current fiscal year (FY 21/22), \$925,000 next fiscal year (FY 22/23) and \$2m in FY 23/24. With repayment amounts beginning in FY 22/23, the total loan need would be \$1.78m (below the 50% reserve balance requirement but in excess of the 33% loan amount limit). It should be noted that Measure T revenues continue to trend above the original projected amount of \$2.6m at time of adoption by the voters, up to a steady \$4m. Council may decide to allocate an additional Measure T allocation up to \$300,000 in anticipated surplus at the close of FY 21/22.

	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	Total
Crosswalk Safety Improvement	(75,000)	(925,000)					(1,000,000)
Harvard Street			(2,000,000)				(2,000,000)
TOTAL NEED	(75,000)	(925,000)	(2,000,000)	-	-	-	(3,000,000)
Repayment Amount	16,427	604,818	604,815	604,812	604,809	604,806	3,040,488
LOAN AMOUNT	58,573	320,182	1,395,185				1,773,940

*Measure T Surplus Anticipated	300,000						300,000
FY 21/22 expected \$300,000 over budget							

OPTIONS:

The Council may decide not to direct staff to pursue this interfund loan and instead:

1. Continue pursuing the iBank Loan with an additional \$582,000 to be paid in interest to iBank.
2. Utilize funding sources from other street projects (austerity budgeting) to fund these projects.
3. Direct staff to not continue improvements on Harvard and related crosswalk improvements projects.

ATTACHMENTS:



Santa Paula City Council Tentative Agenda Schedule

DEPARTMENT	MEETING DATE	Wednesday, June 15, 2022
Finance	6/15/2022	Contract Award for User and DIF Study
Finance		Finance Department Report
Attorney		Election Consolidation Resolutions
Admin		PBID – Public Hearing
PW		Mesa Tank Replacement Plan/Specs Bid Notice
PW		Harvard Blvd. Contract Award
		STUDY SESSION TOPICS
Admin		No Smoking Ordinance
CDD	6/15/2022	Cultural Arts Council
Admin		Homelessness Discussion
P&R	8/17/2022	Oil Museum Options
Admin		Diversity, Equity and Inclusion Workshop
		FUTURE AGENDA ITEMS
Admin		SoCal Edison discussion on rates
CDD		Franchise esVolta – Public Hearing
CDD		Housing Element Adoption
CDD		Inclusionary Housing DIF
P&R		Teague Park Restroom Construction Contract
Clerk		Election Consolidation
CDD		Cannabis Processing Ordinance
Admin		Election Districts Workshops
Attorney		Term Limits