CITY OF SOUTH PASADENA
CITY COUNCIL

AGENDA

SPECIAL CITY COUNCIL MEETING
MONDAY, APRIL 28, 2025, AT 5:00 PM

AMEDEE O. "DICK" RICHARDS JR. COUNCIL CHAMBERS
1424 MISSION STREET, SOUTH PASADENA, CALIFORNIA 91030

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

The South Pasadena City Council Meeting will be conducted in-person from the Amedee O. "Dick" Richards, Jr. Council Chambers, located at 1424 Mission Street, South Pasadena, CA 91030.

Public participation may be made as follows:

- In-Person – Council Chambers, 1424 Mission Street, South Pasadena, CA 91030
- Live Broadcast via the City website – http://www.spectrumstream.com/streaming/south_pasadena/live.cfm
- Via Zoom – Meeting ID: **825 9999 2830**
- Written Public Comment – written comment must be submitted by 12:00 p.m. the day of the meeting by emailing to ccpubliccomment@southpasadenaca.gov
- Via Phone–+1-669-900-6833 and entering the Zoom Meeting ID listed above.

Meeting may be viewed at:

1. Go to the Zoom website, https://zoom.us/join and enter the Zoom Meeting information; or
2. Click on the following unique Zoom meeting link: https://us06web.zoom.us/j/82599992830 or
3. By calling: +1-669-900-6833 and entering the Zoom Meeting ID listed above; and viewing the meeting via http://www.spectrumstream.com/streaming/south_pasadena/live.cfm

CALL TO ORDER:	Mayor	Janet Braun
ROLL CALL:	Mayor	Janet Braun
	Mayor Pro Tem	Sheila Rossi
	Councilmember	Michael A. Cacciotti
	Councilmember	Jon Primuth
	Councilmember	Omari Ferguson

PUBLIC COMMENT GUIDELINES

The City Council welcomes public input. Members of the public may comment on a non-agenda subject under the jurisdiction of the City Council or on an agenda item. Members of the public will have three minutes to address the City Council, however, the Mayor and City Council may adjust the time allotted, as needed.

Public Comments received in writing will not be read aloud at the meeting, but will be part of the meeting record. Written public comments will be uploaded to the City website for public viewing under Additional Documents. When submitting a public comment, please make sure to include the following:
1) Name (optional), and
2) Agenda item you are submitting public comment on.
3) Submit by no later than 12:00 p.m., on the day of the City Council meeting. Correspondence received after this time will be distributed the following business day.

PLEASE NOTE: The Mayor may exercise the Chair's discretion, subject to the approval of the majority of the City Council, to adjust public comment time limit to less than three minutes, as needed.

Pursuant to State law, the City Council may not discuss or take action on issues not on the meeting agenda, except that members of the City Council or staff may briefly respond to statements made or questions posed by persons exercising public testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.

CONSENT CALENDAR

OPPORTUNITY TO COMMENT ON CONSENT CALENDAR

Items listed under the Consent Calendar are considered by the City Manager to be routine in nature and will be enacted by one motion unless a public comment has been received or Councilmember requests otherwise, in which case the item will be removed for separate consideration. Any motion relating to an ordinance or a resolution shall also waive the reading of the ordinance or resolution and include its introduction or adoption as appropriate.

1. CONSIDERATION OF APPROVAL OF THE SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH MNJ ADVISORS, INC. FOR TEMPORARY STAFFING SERVICES, AT A COST OF $45,000 FOR A NEW TOTAL NOT-TO-EXCEED AMOUNT OF $100,000

Recommendation

It is recommended that the City Council consider approving the proposed Second Amendment to the Professional Services Agreement with MNJ Advisors, Inc., in the amount of $45,000, for continued temporary staffing services, for a new total not-to-exceed compensation amount of $100,000.

ACTION/DISCUSSION

2. CONSIDERATION OF APPOINTMENT TO CULTURAL HERITAGE COMMISSION FOR PARTIAL TERM

Recommendation

It is recommended by Mayor Braun that the City Council appoint Kristen Carlblom Boyle to the Cultural Heritage Commission for a partial-term ending on December 31, 2025.

3. CONSIDERATION AND DIRECTION OF TERMS OF AN AMENDMENT TO THE EXCLUSIVE SOLID WASTE HANDLING SERVICES AGREEMENT WITH ARAKELIAN ENTERPRISES, INC. (DBA ATHENS SERVICES) FOR COMPLIANCE WITH SENATE BILL 1383

Recommendation

Staff recommends that the City Council direct staff to execute a contract amendment with Athens Services to comply with Senate Bill 1383 which will add a third waste stream/blue container for recyclables for all solid waste customers.

CERTIFICATION OF POSTING

I declare under penalty of perjury that I posted this notice of agenda for the meeting to be held on April 28, 2025, on the bulletin board in the courtyard of City Hall located at 1414 Mission Street, South Pasadena, CA 91030, and on the City, website as required by law, on the date listed below.

04/24/2025	/S/
Date	Hector Gomez, Chief City Clerk

City Council Agenda Report

ITEM NO. 1

DATE: April 28, 2025

FROM: Todd Hileman, City Manager

PREPARED BY: Alma Medina, Senior Management Analyst

SUBJECT: **CONSIDERATION OF APPROVAL OF THE SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH MNJ ADVISORS, INC. FOR TEMPORARY STAFFING SERVICES, AT A COST OF $45,000 FOR A NEW TOTAL NOT-TO-EXCEED AMOUNT OF $100,000**

Recommendation

It is recommended that the City Council consider approving the proposed Second Amendment to the Professional Services Agreement with MNJ Advisors, Inc., in the amount of $45,000, for continued temporary staffing services, for a new total not-to-exceed compensation amount of $100,000.

Executive Summary

The City's Management Services Department has been utilizing the services of MNJ Advisors, Inc., due to the recent turnover of key staff in the department. The Management Services Department needs assistance with continuity of operations and, most importantly, MNJ's principal, Josette Reina-Luken, will continue to assist completion the Fiscal Year end accounting close and audit, while staff makes progress developing next fiscal year's budget. The current agreement with MNJ Advisors is set to expire on June 30, 2025, however, additional funds in the amount of $45,000 are needed to pay the vendor to continue services through June 30, 2025.

Background

MNJ Advisors, Inc. has provided temporary staffing for the Management Services Department since March 3, 2025, with an emphasis on timely completion of the Fiscal Year 2024-25 mid-year budget review and Fiscal Year 2025-26 budget development. The temporary staffing need in Management Services is ongoing and has been instrumental in performance of essential functions. The continued employment of existing temporary staffing would enable the Department to:

- Continue administrative departmental assignments
- Wrap up the Annual Comprehensive Financial Report (ACFR)
- Continue verifying Capital Assets
- Payroll improvements
- Develop the Fiscal Year 2025-2026 budget

In working with MNJ Advisors and in prioritizing major administrative, accounting and

budgeting tasks that lie ahead, staff proposes to continue the existing temporary staffing in Management Services and continue their momentum and ongoing work and capacity building.

Analysis
The initial MNJ Advisors, Inc. contract had a term from March 3, 2025 through June 30, 2025, for a maximum amount of $30,000. On March 19, 2025, the First Amendment was approved to increase the contract amount to $55,000. However, as services are currently being provided and will be needed through the next few months, an amendment is required for the continuation of services and will provide the ability for the City to make payment for such services.

Staff recommends the approval of the Second Amendment to increase the contract amount in the amount of $45,000 for a new total not to exceed the amount of $100,000 for continued and expanded temporary staffing services to tackle the priority areas listed above, as well as the development and finalization of the Fiscal Year 2025-2026 budget.

Fiscal Impact
The proposed amendment, if approved, will increase the contract total amount by $45,000, for a total contract not to exceed $100,000. It should be noted that these costs will be offset by salary savings from the vacant Management Services Director position.

Attachment:
Attachment 1- Proposed Second Amendment
Attachment 2- First Amendment
Attachment 3- Professional Services Agreement

SECOND AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT FOR CONSULTANT SERVICES

THIS AMENDMENT ("Amendment") is made on this 28th day of April 2025, by and between the CITY OF SOUTH PASADENA ("CITY") and MNJ ADVISORS, INC. ("CONSULTANT').

RECITALS

WHEREAS, on February 26, 2025, the CITY and CONSULTANT entered into an Agreement for PROFESSIONAL SERVICES ("Agreement") for CONSULTANT to perform Interim Director of Management Services services for the City; and

WHEREAS, the original Agreement was in the amount of $30,000, for the Scope of Services; and

WHEREAS, on March 19, 2025, the CITY executed an Amendment to increase the total contract in an amount not to exceed $25,000, for a new aggregate total of Agreement and Amendment sum total of $55,000; and

WHEREAS, the CITY desires to execute an Second Amendment to increase the total contract in an amount not to exceed $45,000, for a new aggregate total of Agreement and Amendments sum total of $100,000; and

NOW THEREFORE, THE CITY AND THE CONSULTANT AGREE AS FOLLOWS:

1. That Section 3.4 "Maximum Amount" of the Agreement is hereby amended to read as follows:
   "Maximum Amount": The highest total compensation and cost payable to CONSULTANT by CITY under this agreement. The Maximum Amount under this Agreement is One Hundred Thousand Dollars ($100,000).

2. All other terms, conditions, and provisions of the Agreement to the extent not modified by this Amendment, shall remain in full force and effect.

"City" City of South Pasadena	"Consultant" MNJ Advisors, Inc.
By:_____ *Signature*	By:_____ *Signature*
Printed: Todd Hileman	Printed: Josette Reina Luken
Title: City Manager	Title: Vice President
Date:_____	Date:_____

Attest:

By:_____
Hector Gomez, Chief City Clerk

Date:_____

Approved as to form:

By:_____
Roxanne M. Diaz, City Attorney

Date:_____

Docusign Envelope ID: 4E2EAD14-BE6D-4880-903A-95BC4D876F3B

FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT FOR CONSULTANT SERVICES

THIS AMENDMENT ("Amendment") is made on this 19th day of March 2025, by and between the CITY OF SOUTH PASADENA ("CITY") and MNJ ADVISORS, INC. ("CONSULTANT').

RECITALS

WHEREAS, on February 26, 2025, the CITY and CONSULTANT entered into an Agreement for PROFESSIONAL SERVICES ("Agreement") for CONSULTANT to perform Interim Director of Management Services services for the City; and

WHEREAS, the original Agreement was in the amount of $30,000, for the Scope of Services; and

WHEREAS, the CITY desires to execute an Amendment to increase the total contract in an amount not to exceed $25,000. The aggregate total of Agreement and this Amendment is a sum total of $55,000; and

NOW THEREFORE, THE CITY AND THE CONSULTANT AGREE AS FOLLOWS:

1. That Section 3.4 "Maximum Amount" of the Agreement is hereby amended to read as follows:
   "Maximum Amount": The highest total compensation and cost payable to CONSULTANT by CITY under this agreement. The Maximum Amount under this Agreement is Fifty-Five Thousand Dollars ($55,000).

2. All other terms, conditions, and provisions of the Agreement to the extent not modified by this Amendment, shall remain in full force and effect.

Docusign Envelope ID: 4E2EAD14-BE6D-4880-903A-95BC4D876F3B

"City"
City of South Pasadena

By: Signed by: Sean Joyce 0D867796FCFE42A...
Signature

Printed: Sean Joyce

Title: Interim City Manager

Date: 3/26/2025

"Consultant"
MNJ Advisors, Inc.

By: Signed by: Josette Reina Luken 1F105C114A13448...
Signature

Printed: Josette Reina Luken

Title: Vice President

Date: 3/26/2025

Attest:

By: DocuSigned by: Mark Perez 8C20A8A8EFB14A7...
Mark Perez, Deputy City Clerk

Date: 3/26/2025

Approved as to form:

By: DocuSigned by: Roxanne Diaz A7800E5CA8A241F...
Roxanne M. Diaz, City Attorney

Date: 3/26/2025

Docusign Envelope ID: B2575465-0155-4128-BF51-780083022DB0

PROFESSIONAL SERVICES AGREEMENT
FOR CONSULTANT SERVICES

(City of South Pasadena / MNJ Advisors, Inc.)

1. IDENTIFICATION

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the City of South Pasadena, a California municipal corporation ("City"), and MNJ Advisors, Inc.("Consultant").

2. RECITALS

2.1. City has determined that it requires the following professional services from a consultant: Interim Director of Management Services

2.2. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

2.3. Consultant represents that it has no known relationships with third parties, City Council members, or employees of City which would (1) present a conflict of interest with the rendering of services under this Agreement under Government Code Section 1090, the Political Reform Act (Government Code Section 81000 *et seq.*), or other applicable law, (2) prevent Consultant from performing the terms of this Agreement, or (3) present a significant opportunity for the disclosure of confidential information.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

3. DEFINITIONS

3.1. "Scope of Services": See Exhibit A

3.2. "Agreement Administrator": The Agreement Administrator for this project is Sean Joyce, Interim City Manager. The Agreement Administrator shall be the principal point of contact at the City for this project. All services under this Agreement shall be performed at the request of the Agreement Administrator. The Agreement Administrator will establish the timetable for completion of services and any interim milestones. City reserves the right to change this designation upon written notice to Consultant.

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3.3. "Approved Fee Schedule": Consultant's compensation rates are set forth in the fee schedule attached hereto as Exhibit B and incorporated herein by this reference. This fee schedule shall remain in effect for the duration of this Agreement unless modified in writing by mutual agreement of the parties.

3.4. "Maximum Amount": The highest total compensation and costs payable to Consultant by City under this Agreement. The Maximum Amount under this Agreement is Thirty Thousand Dollars ($30,000.00).

3.5. "Commencement Date": March 3, 2025

3.6. "Termination Date": June 30, 2025

4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Termination Date unless extended by written agreement of the parties or terminated earlier under Section 18 ("Termination") below. Consultant may request extensions of time to perform the services required hereunder. Such extensions shall be effective if authorized in advance by City in writing and incorporated in written amendments to this Agreement.

5. CONSULTANT'S DUTIES

5.1. **Services**. Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

5.2. **Coordination with City**. In performing services under this Agreement, Consultant shall coordinate all contact with City through its Agreement Administrator.

5.3. **Budgetary Notification**. Consultant shall notify the Agreement Administrator, in writing, when fees and expenses incurred under this Agreement have reached eighty percent (80%) of the Maximum Amount. Consultant shall concurrently inform the Agreement Administrator, in writing, of Consultant's estimate of total expenditures required to complete its current assignments before proceeding, when the remaining work on such assignments would exceed the Maximum Amount.

5.4. **Business License.** Consultant shall obtain and maintain in force a City business license for the duration of this Agreement.

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5.5. **Professional Standards.** Consultant shall perform all work to the standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of this Agreement, including all Cal/OSHA requirements, the conflict of interest provisions of Government Code § 1090 and the Political Reform Act (Government Code § 81000 et seq.).

5.6. **Avoid Conflicts.** During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if such work would present a conflict interfering with performance under this Agreement. However, City may consent in writing to Consultant's performance of such work.

5.7. **Appropriate Personnel.** Consultant has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Josette Reina-Luken shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

5.8. **Substitution of Personnel.** Any persons named in the proposal or Scope of Services constitutes a promise to the City that those persons will perform and coordinate their respective services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. If City and Consultant cannot agree as to the substitution of key personnel, City may terminate this Agreement for cause.

5.9. **Permits and Approvals.** Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

5.10. **Notification of Organizational Changes.** Consultant shall notify the Agreement Administrator, in writing, of any change in name, ownership or control of Consultant's firm or of any subcontractor. Change of ownership or control of Consultant's firm may require an amendment to this Agreement.

5.11. **Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. In addition, pursuant to

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Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under this Agreement.

6. SUBCONTRACTING

6.1. **General Prohibition.** This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not assign or transfer its interest in this Agreement or subcontract any services to be performed without amending this Agreement.

6.2. **Consultant Responsible.** Consultant shall be responsible to City for all services to be performed under this Agreement.

6.3. **Identification in Fee Schedule.** All subcontractors shall be specifically listed and their billing rates identified in the Approved Fee Schedule, Exhibit B. Any changes must be approved by the Agreement Administrator in writing as an amendment to this Agreement.

6.4. **Compensation for Subcontractors.** City shall pay Consultant for work performed by its subcontractors, if any, only at Consultant's actual cost plus an approved mark-up as set forth in the Approved Fee Schedule, Exhibit B. Consultant shall be liable and accountable for any and all payments, compensation, and federal and state taxes to all subcontractors performing services under this Agreement. City shall not be liable for any payment, compensation, or federal and state taxes for any subcontractors.

7. COMPENSATION

7.1. **General.** City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept payment in accordance with the Fee Schedule in full satisfaction for such services. Compensation shall not exceed the Maximum Amount. Consultant shall not be reimbursed for any expenses unless provided for in this Agreement or authorized in writing by City in advance.

7.2. **Invoices.** Consultant shall submit to City an invoice, on a monthly basis or as otherwise agreed to by the Agreement Administrator, for services performed pursuant to this Agreement. Each invoice shall identify the Maximum Amount, the services rendered during the billing period, the amount due for the invoice, and the total amount previously invoiced. All labor charges shall be itemized by employee name and classification/position with the firm, the corresponding hourly rate, the hours worked, a description of each labor charge, and the total amount due for labor charges.

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7.3. **Taxes.** City shall not withhold applicable taxes or other payroll deductions from payments made to Consultant except as otherwise required by law. Consultant shall be solely responsible for calculating, withholding, and paying all taxes.

7.4. **Disputes.** The parties agree to meet and confer at mutually agreeable times to resolve any disputed amounts contained in an invoice submitted by Consultant.

7.5. **Additional Work.** Consultant shall not be reimbursed for any expenses incurred for work performed outside the Scope of Services unless prior written approval is given by the City through a fully executed written amendment. Consultant shall not undertake any such work without prior written approval of the City.

7.6. **City Satisfaction as Precondition to Payment.** Notwithstanding any other terms of this Agreement, no payments shall be made to Consultant until City is satisfied that the services are satisfactory.

7.7. **Right to Withhold Payments.** If Consultant fails to provide a deposit or promptly satisfy an indemnity obligation described in Section 11, City shall have the right to withhold payments under this Agreement to offset that amount.

8. PREVAILING WAGES

Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Consultant shall defend, indemnify, and hold the City, tis elected officials, officers, employees, and agents free and harmless form any claim or liability arising out of any failure or alleged failure of Consultant to comply with the Prevailing Wage Laws.

9. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City except as provided by law. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

10. RELATIONSHIP OF PARTIES

10.1. **General.** Consultant is, and shall at all times remain as to City, a wholly independent contractor.

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10.2. **No Agent Authority.** Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

10.3. **Independent Contractor Status.** Under no circumstances shall Consultant or its employees look to the City as an employer. Consultant shall not be entitled to any benefits. City makes no representation as to the effect of this independent contractor relationship on Consultant's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation, and other applicable federal and state taxes.

10.4. **Indemnification of CalPERS Determination.** In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

11. INDEMNIFICATION

11.1 **Definitions.** For purposes of this Section 11, "Consultant" shall include Consultant, its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement. "City" shall include City, its officers, agents, employees and volunteers.

11.2 **Consultant to Indemnify City.** To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and defend City from and against any and all claims, losses, costs or expenses for any personal injury or property damage arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or failure to comply with any provision in this Agreement.

11.3 **Scope of Indemnity.** Personal injury shall include injury or damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, Property damage shall include injury to any personal or real property. Consultant shall not be required to indemnify City for such loss or damage as is caused by the sole active negligence or willful misconduct of the City.

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11.4 **Attorneys Fees.** Such costs and expenses shall include reasonable attorneys' fees for counsel of City's choice, expert fees and all other costs and fees of litigation. Consultant shall not be entitled to any refund of attorneys' fees, defense costs or expenses in the event that it is adjudicated to have been non-negligent.

11.5 **Defense Deposit.** The City may request a deposit for defense costs from Consultant with respect to a claim. If the City requests a defense deposit, Consultant shall provide it within 15 days of the request.

11.6 **Waiver of Statutory Immunity.** The obligations of Consultant under this Section 11 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City.

11.7 **Indemnification by Subcontractors.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 11 from each and every subcontractor or any other person or entity involved in the performance of this Agreement on Consultant's behalf.

11.8 **Insurance Not a Substitute.** City does not waive any indemnity rights by accepting any insurance policy or certificate required pursuant to this Agreement. Consultant's indemnification obligations apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

12. INSURANCE

12.1. **Insurance Required.** Consultant shall maintain insurance as described in this section and shall require all of its subcontractors, consultants, and other agents to do the same. Approval of the insurance by the City shall not relieve or decrease any liability of Consultant Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

12.2. **Documentation of Insurance.** City will not execute this agreement until it has received a complete set of all required documentation of insurance coverage. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. Consultant shall file with City:

- Certificate of Insurance, indicating companies acceptable to City, with a Best's Rating of no less than A:VII showing. The Certificate of Insurance must include the following reference: Interim Director of Management Services.
- Documentation of Best's rating acceptable to the City.
- Original endorsements effecting coverage for all policies required by this Agreement.

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- City reserves the right to obtain a full certified copy of any Insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of the right to exercise later.

12.3. **Coverage Amounts.** Insurance coverage shall be at least in the following minimum amounts:

- Professional Liability Insurance: $1,000,000 per occurrence, $2,000,000 aggregate

- General Liability:
  - General Aggregate: $2,000,000
  - Products Comp/Op Aggregate $2,000,000
  - Personal & Advertising Injury $1,000,000
  - Each Occurrence $1,000,000
  - Fire Damage (any one fire) $ 100,000
  - Medical Expense (any 1 person) $ 10,000

Any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be the greater of (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured

12.4. **General Liability Insurance.** Commercial General Liability Insurance shall be no less broad than ISO form CG 00 01. Coverage must be on a standard Occurrence form. Claims-Made, modified, limited or restricted Occurrence forms are not acceptable.

12.5. **Worker's Compensation Insurance.** Consultant is aware of the provisions of Section 3700 of the Labor Code which requires every employer to carry Workers' Compensation (or to undertake equivalent self-insurance), and Consultant will comply with such provisions before commencing the performance of the work of this Agreement. If such insurance is underwritten by any agency other than the State Compensation Fund, such agency shall be a company authorized to do business in the State of California. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

12.6. **Professional Liability Insurance or Errors & Omissions Coverage.** The deductible or self-insured retention may not exceed $50,000. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work. Coverage shall be continued for two years after the completion of the work by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

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12.7. **Claims-Made Policies.** If any of the required policies provide coverage on a claims-made basis the Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Claims-Made Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

12.8. **Additional Insured Endorsements.** The City, its City Council, Commissions, officers, and employees of South Pasadena must be endorsed as an additional insured for each policy required herein, other than Professional Errors and Omissions and Worker's Compensation, for liability arising out of ongoing and completed operations by or on behalf of the Consultant. Consultant's insurance policies shall be primary as respects any claims related to or as the result of the Consultant's work. Any insurance, pooled coverage or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. All endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. General liability coverage can be provided using an endorsement to the Consultant's insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37.

12.9. **Failure to Maintain Coverage.** In the event any policy is canceled prior to the completion of the project and the Consultant does not furnish a new certificate of insurance prior to cancellation, City has the right, but not the duty, to obtain the required insurance and deduct the premium(s) from any amounts due the Consultant under this Agreement. Failure of the Consultant to maintain the insurance required by this Agreement, or to comply with any of the requirements of this section, shall constitute a material breach of this Agreement.

12.10. **Notices.** Contractor shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. Consultant shall provide no less than 30 days' notice of any cancellation or material change to policies required by this Agreement. Consultant shall provide proof that cancelled or expired policies of insurance have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages. The name and address for Additional Insured Endorsements, Certificates of Insurance and Notices of Cancellation is: City of South Pasadena, Attn: Tina Lopez, Human Resources & Risk Manager, South Pasadena, CA 91030.

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12.11. **Consultant's Insurance Primary.** The insurance provided by Consultant, including all endorsements, shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

12.12. **Waiver of Subrogation.** Consultant hereby waives all rights of subrogation against the City. Consultant shall additionally waive such rights either by endorsement to each policy or provide proof of such waiver in the policy itself.

12.13. **Report of Claims to City.** Consultant shall report to the City, in addition to the Consultant's insurer, any and all insurance claims submitted to Consultant's insurer in connection with the services under this Agreement.

12.14. **Premium Payments and Deductibles.** Consultant must disclose all deductibles and self-insured retention amounts to the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within retention amounts. Ultimately, City must approve all such amounts prior to execution of this Agreement.

City has no obligation to pay any premiums, assessments, or deductibles under any policy required in this Agreement. Consultant shall be responsible for all premiums and deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein are subject to City's approval.

12.15. **Duty to Defend and Indemnify.** Consultant's duties to defend and indemnify City under this Agreement shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.

13. MUTUAL COOPERATION

13.1. **City Cooperation in Performance.** City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

13.2. **Consultant Cooperation in Defense of Claims.** If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

14. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage

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prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City

Sean Joyce, Interim City Manager
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
Telephone: (626) 403-****
Facsimile: (626) 403-7241

If to Consultant

Josette Reina-Luken
MNJ Advisors, Inc.
4112 Enchanted Circle
Roseville, CA 95747
Telephone: (916) 539-3510

With courtesy copy to:

Roxanne Diaz
South Pasadena City Attorney
Richards Watson Gershon
350 South Grand Ave., 37th Floor
Telephone: (213) 626-8484

15. SURVIVING COVENANTS

The parties agree that the covenants contained in paragraph 5.11 (Records), paragraph 10.4 (Indemnification of CalPERS Determination), Section 11 (Indemnity), paragraph 12.8 (Claims-Made Policies), paragraph 13.2 (Consultant Cooperation in Defense of Claims), and paragraph 18.1 (Confidentiality) of this Agreement shall survive the expiration or termination of this Agreement, subject to the provisions and limitations of this Agreement and all otherwise applicable statutes of limitations and repose.

16. TERMINATION

16.1. **City Termination.** City may terminate this Agreement for any reason on fifteen (15) calendar days' written notice to Consultant. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

16.2. **Consultant Termination.** Consultant may terminate this Agreement for a material breach of this Agreement upon fifteen (15) days' notice.

16.3. **Compensation Following Termination.** Upon termination, Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement. The City shall have

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the benefit of such work as may have been completed up to the time of such termination.

16.4. **Remedies.** City retains any and all available legal and equitable remedies for Consultant's breach of this Agreement.

17. INTERPRETATION OF AGREEMENT

17.1. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of California.

17.2. **Integration of Exhibits.** All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations here from shall be effective and binding only if made in writing and executed on by City and Consultant.

17.3. **Headings.** The headings and captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the language of the section or paragraph shall control and govern in the construction of this Agreement.

17.4. **Pronouns.** Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

17.5. **Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

17.6. **No Presumption Against Drafter.** Each party had an opportunity to consult with an attorney in reviewing and drafting this agreement. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

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18. GENERAL PROVISIONS

18.1. **Confidentiality.** All data, documents, discussion, or other information developed or received by Consultant for performance of this Agreement are deemed confidential and Consultant shall not disclose it without prior written consent by City. City shall grant such consent if disclosure is legally required. All City data shall be returned to City upon the termination or expiration of this Agreement.

18.2. **Conflicts of Interest.** Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subcontractor to file, a Statement of Economic Interest with the City's Filing Officer if required under state law in the performance of the services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

18.3. **Non-assignment.** Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.

18.4. **Binding on Successors.** This Agreement shall be binding on the successors and assigns of the parties.

18.5. **No Third-Party Beneficiaries.** Except as expressly stated herein, there is no intended third-party beneficiary of any right or obligation assumed by the parties.

18.6. **Time of the Essence.** Time is of the essence for each and every provision of this Agreement.

18.7. **Non-Discrimination.** Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Employment actions to which this provision applies shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; or in terms, conditions or privileges of employment, and selection for training. Consultant

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agrees to post in conspicuous places, available to employees and applicants for employment, the provisions of this nondiscrimination clause.

18.8. **Waiver.** No provision, covenant, or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing signed by one authorized to bind the party asserted to have consented to the waiver. The waiver by City or Consultant of any breach of any provision, covenant, or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other provision, covenant, or condition.

18.9. **Excused Failure to Perform.** Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

18.10. **Remedies Non-Exclusive.** Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any or all of such other rights, powers or remedies.

18.11. **Attorneys' Fees.** If legal action shall be necessary to enforce any term, covenant or condition contained in this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs expended in the action.

18.12. **Venue.** The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

SIGNATURES ON THE FOLLOWING PAGE

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"City"
City of South Pasadena

By: Signed by: Sean Joyce 0D867796FCFE42A...
Signature

Printed: Sean Joyce

Title: Interim City Manager

Date: 2/26/2025

"Consultant"
MNJ Advisors, Inc.

By: Josette Reina-Luken
Signature

Printed: Josette Reina-Luken

Title: Vice-President

Date: 02·26·2025

Attest:

By: Signed by: Alma Medina 115BF030396641E... Alma Medina for
Mark Perez
Deputy City Clerk

Date: 2/26/2025

Approved as to form:

By: DocuSigned by: Roxanne Diaz A7800E5CA8A241F...
Roxanne Diaz, City Attorney

Date: 2/26/2025

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Exhibit A

Scope of Services

Serve as and fulfill the duties of the Interim Management Services Director with emphasis on timely completion of the FY2024-25 mid-year budget update and FY2025-26 budget development.

Onsite services will be provided for the initial 2-3 weeks, and the remainder of services will be provided either onsite or remote. Remote work will be specifically set for March 17-26 and April 29th. Work hours may be adjusted to accommodate the budget; the City works on a 4/10 workweek schedule (Monday-Thursday, 10 hours per day). Consultant may work less than 40 hours per week depending on the workload.

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Exhibit B

Fee Schedule

Billable hourly rate of $150 per hour for offsite work and/or $200 per hour for onsite work (travel expenses included in the onsite rate).

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ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/25/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
Next First Insurance Agency, Inc. PO Box 60787 Palo Alto, CA 94306	PHONE (A/C, No, Ext): (855) 222-5919	FAX (A/C, No):
	E-MAIL ADDRESS: support@nextinsurance.com	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : State National Insurance Company, Inc.	12831
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Michael Luken
MNJ Advisors
6160 Rose Garden Ln
Roseville, CA 95747

COVERAGES **CERTIFICATE NUMBER:** 435683699 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:	X	X	NXT9FV43WW-01-GL	01/02/2025	01/02/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$1,000,000.00 $100,000.00 $15,000.00 $1,000,000.00 $2,000,000.00 $2,000,000.00
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					[ ] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
A	Professional Liability	X		NXT9FV43WW-01-GL	01/02/2025	01/02/2026	Each Occurrence: Aggregate:	$1,000,000.00 $2,000,000.00

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is The City of South Pasadena, its City Council, Commissions, officers, and employees. A Waiver of Subrogation applies in favor of this Certificate Holder on the following policies: General Liability. This Certificate Holder is an Additional Insured on the General Liability policy on a primary and non-contributory basis. NEXT will endeavor to provide this Certificate Holder with written notice of cancellation 30 days in advance for any of the following policies: General Liability. All Certificate Holder privileges apply only if required by written agreement between the Certificate Holder and the insured, and are subject to policy terms and conditions.

CERTIFICATE HOLDER

The City of South Pasadena, its City Council, Commissions, officers, and employees
1414 Mission St
South Pasadena, CA 91030

LIVE CERTIFICATE
Click or scan to view

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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MNJ Advisors Inc.

February 25, 2025

Tina Lopez, Human Resources and Risk Manager
City of South Pasadena
1414 Mission St
South Pasadena, CA 91030

Subject – Auto Liability Coverage
City of South Pasadena

Dear Ms. Lopez :

Our firm, MNJ Advisors Inc., does not have any commercial vehicles. We only use our personal vehicles.

Sincerely,

Signed by:
9B6742D92D614F0...
Michael W. Luken
President/CEO

6160 ROSE GARDEN LANE, ROSEVILLE, CA. 95747-8046
T (916)997-2760

The certificate must include:

Additional Requirements:

Following Endorsements Required:

the City of South Pasadena

Signed by:
9B6742D92D614F0...

2/25/2025

Michael W. Luken President/CEO (916)997-2760

Contact Information

If any of the information shown below is a) missing or b) incorrect, please complete or correct it and return it along with your certificate.

City Council Agenda Report

ITEM NO. 2

DATE: April 28, 2025

FROM: Janet Braun, Mayor

PREPARED BY: Mark Perez, Deputy City Clerk

SUBJECT: **CONSIDERATION OF APPOINTMENT TO CULTURAL HERITAGE COMMISSION FOR PARTIAL TERM**

Recommendation

It is recommended by Mayor Braun that the City Council appoint Kristen Carlblom Boyle to the Cultural Heritage Commission for a partial-term ending on December 31, 2025.

Executive Summary

At the beginning of every Mayoral term, appointments are made to various commissions, boards, committees, and regional groups for the calendar year. On February 5, 2025, the City Council approved the Mayor's recommended appointments for regional boards. The proposed recommended appointment is for an unexpected vacancy on the Cultural Heritage Commission.

Background

The South Pasadena Municipal Code (SPMC) Section 2.23(a) states that, “Unless otherwise specified in this article, all boards and commissions shall consist of five adult members, all board and commission members to be appointed by the mayor of the city with at least three affirmative votes of the city council.” Vacancies other than by expiration of a term shall be filled by the mayor, with approval of the city council, for the unexpired portion of the term SPMC Section 2.26(a). In this case, the term for the vacant position that Ms. Boyle will fill, expires on December 31, 2025.

The City has continued community outreach to solicit applications to fill these and other advisory body vacancies. Existing unscheduled vacancies and vacancies occurring in 2025 have been posted on the City’s website consistent with the Maddy Act. For residents interested in serving on a City advisory body, the application is available on the City website or in the City Clerk’s Office.

Fiscal Impact

Cost for onboarding, training, and conducting commission meetings have been accounted for in department budgets.

City Council Agenda Report

ITEM NO. 3

DATE: April 28, 2025

FROM: Todd Hileman, City Manager

PREPARED BY: H. Ted Gerber, Public Works Director

Arpy Kasparian, Environmental Services & Sustainability Manager

SUBJECT: **CONSIDERATION AND DIRECTION OF TERMS OF AN AMENDMENT TO THE EXCLUSIVE SOLID WASTE HANDLING SERVICES AGREEMENT WITH ARAKELIAN ENTERPRISES, INC. (DBA ATHENS SERVICES) FOR COMPLIANCE WITH SENATE BILL 1383**

Recommendation

Staff recommends that the City Council direct staff to execute a contract amendment with Athens Services to comply with Senate Bill 1383 which will add a third waste stream/blue container for recyclables for all solid waste customers.

Executive Summary

Senate Bill (SB) 1383 requires the City to comply with new state law which requires jurisdictions to implement organics collection services for all waste customers, among other requirements. While the City approved a restated and amended agreement in December 2024, an additional amendment is required to address the high diversion requirements of SB 1383. City staff continued negotiations with Athens Services regarding this requirement, which can be achieved with the addition of collection services for a third waste stream (blue container). Staff is seeking direction to proceed with an amendment to the current Exclusive Solid Waste Handling Services Agreement with the following proposed terms:

1. Modify the annual rate adjustment formula from using the regional Consumer Price Index (CPI) to using the national 'Trash' CPI + 1%.
2. Waive the annual rate adjustments for all rates for the scheduled July 1, 2025 and July 1, 2026 rate adjustments, i.e. freeze all rates until the scheduled increase on July 1, 2027.
3. Increase the contract length from a seven-year (7) rolling term to a ten-year (10) rolling term.
4. The City will agree to not issue a Notice of Intent to Wind Down for five years starting with the amendment effective date.

Background

City staff worked with the City's franchise waste hauler, Athens Services, from 2022 - 2024 to update the Exclusive Solid Waste Handling Agreement (Agreement) to accommodate the additional services required by Senate Bill 1383 (SB 1383). The restated and amended Agreement was approved by City Council on October 2, 2024. On December 18, 2024, the City conducted a Proposition 218 (Prop 218) public hearing and there was no majority protest. Accordingly, the Agreement went into effect on January 1, 2025 and included a two-container collection service – black containers for non-organic solid waste mixed with recyclables and green containers for organic waste (Attachment 1). While rates are typically adjusted by Athens each July 1, this amendment required an additional adjustment to rates on January 1, 2025.

At the public hearing, Council directed additional negotiations with Athens to address the high diversion requirements of SB 1383. In January 2025, Athens and a City Athens Negotiations Working Group (Working Group) - comprised of City staff and two City Councilmembers - began meeting to negotiate a transition to a three-container system in which each single-family-home residential customer will receive at minimum one green container for organic waste, one blue container for recyclable materials, and one black container for all other solid waste (up to seven barrels total for single-family-home residential customers). Under this proposal, commercial and multi-family customers would receive one 96 gallon recycle/blue cart serviced one time per week as part of their regular collection service. The focus of the Working Group was to minimize the immediate financial impact to ratepayers given the increase experienced by customers in January 2025.

Additional background information, including the high-diversion facility requirement, new services included in the January 1, 2025 Agreement, and the City's compliance efforts with CalRecycle can be found in the October 2, 2024 City Council Staff Report (Attachment 2).

Analysis

The Working Group met with Athens Services several times between January and April 2025 to negotiate the terms for adding a third waste stream/blue container for recyclables. Considering the recent significant rate increases taking effect January 1, 2025, the Working Group pursued an option to extend services with minimal impact on ratepayers. The proposed and recommended option is as follows:

1. Modify the annual rate adjustment formula from using the "Consumer Price Index, All Urban Consumers, Los Angeles/Long Beach/Anaheim area" (CPI) to using the "Consumer Price Index for Trash & Garbage Collection, U.S. City Average" (Trash CPI) plus 1%.
2. Freeze all rates at the January 1, 2025 rate schedule for all customers for two years, i.e. no annual rate adjustments on July 1, 2025 and July 1, 2026. The next rate adjustment would take place on July 1, 2027.
3. Extend the current seven-year rolling term to a ten-year rolling term.
4. The City will agree to not issue a Notice of Intent to Wind Down for five years starting with the amendment effective date.

Both the current and proposed CPI indicis are published monthly by the U.S. Bureau of Labor Statistics. The CPI index used in the current Agreement with Athens accounts for residential homes and the cost of household goods (e.g., milk, bread, eggs). This index does not represent trash industry cost escalation, and as a result, the actual operating costs of waste hauling outpace the rate adjustments based on 'household' CPI. Moreover, to add the services of a third waste stream as required by SB 1383, Athens will need to incur significant capital expenses, including the purchase of an additional Mother Truck, two Mini Class C Rear Loaders, and four additional manual barrel service pick-up trucks. The additional 1% rate escalator covers these labor, operational, and equipment costs of the third waste stream.

The proposed rate freeze on July 1, 2025 and 2026 provides South Pasadena ratepayers stability during current volatile market conditions. With this option, the scheduled annual rate adjustments for July 1, 2025 and July 1, 2026 will be waived and rates will continue at the January 1, 2025 schedule until July 1, 2027. The additional time on the term length and the prohibition that the City not terminate the Agreement for five years enables Athens to recoup their capital investments and the loss of the rate freeze over time. For market comparison, many peer cities which have agreements with Athens use Trash CPI + 1% for the annual cost escalation and are bound by a *minimum* 10 year rolling term (with one city having a rolling term as long as 30 years) including Azusa, Covina, Downey, Glendora, Norwalk, Sierra Madre, South El Monte, and more. Transitioning to a new collection service model citywide (procuring new trucks and barrels, deploying new barrels and bins citywide, getting residential and commercial customers on board and compliant with new waste disposal practices/procedures) will take several years. During this transition period, it is proposed that neither party will issue a Notice of Intent to Wind Down for five years starting the amendment effective date.

In addition to the expansion of collection services, Athens and the Working Group are working on including adjustments to the current Bulky Item service offered to residents to improve accessibility of the service.

Next Steps

1. Upon Council's direction, City staff will return to Council with an amendment to the Agreement and a resolution to set a date for a Prop 218 public hearing as soon as possible.
2. Upon approval of an amendment and resolution, City staff will provide all ratepayers mailed notices of a Prop 218 public hearing to occur at least 45 days after notice.
3. Upon a successful Prop 218 public hearing, Athens will begin procurement of new residential barrels, commercial recycling carts, and additional collection vehicles. Athens will conduct waste assessments for all commercial and multi-family customers. Manufacturing of barrels may take 16-18 weeks and collection vehicles will take approximately 90 days.
4. New residential barrel and commercial and multi-family bin and cart deployment will begin with extensive outreach and education provided to all account holders. Deployment will take approximately 6-8 weeks. Athens will remove and dispose/recycle customer's old barrels as part of the deployment process.

5. Staff will continue SB 1383 implementation and education regarding new collection services, among other state-mandated requirements.

Alternatives

City staff and the Working Group explored alternative options including making no changes to the current terms related to contract length and the annual rate escalation methodology. However, that option would result in another immediate and substantial rate increase in addition to the annual rate adjustment already scheduled for July 1, 2025. By making the proposed adjustments to the terms of the Agreement, Athens is able to provide an additional collection service and compliance with state regulations, without any additional rate increases in 2025 and 2026.

Fiscal Impact

Residential, multi-family, and commercial solid waste rates are paid by customers directly to Athens, therefore, there is no direct cost to the City being considered in this item. If approved by the City Council, residential and commercial refuse rates will see no changes, and no annual rate adjustments will be made for the years 2025 and 2026. In addition, on July 1, 2027, solid waste rates will be adjusted by the percent change in Trash CPI + 1%.

Key Performance Indicators and Strategic Plan

This item is related to infrastructure solid waste collection goals in the City Council's 2025 compilation of priorities, number 2(g).

Commission Review and Recommendation

This item was not reviewed by a commission; however, the proposed terms were discussed at-length by the City Athens Negotiations Working Group consisting of City staff and two Councilmembers.

Public Notification

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City’s website.

Environmental Analysis

City staff has evaluated the entering into of the proposed Exclusive Franchise Agreement and approval of the proposed terms for purposes of compliance with the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) (CEQA) and the California CEQA Guidelines and has determined that approval of the Exclusive Franchise Agreement and proposed terms are intended to implement State mandated requirements of the California Senate Bill (SB) 1383, Short-lived Climate Pollutant Reduction Act of 2016. Pursuant to CEQA Guidelines Section 15308, Class 8, “Actions by Regulatory Agencies for Protection of the Environment,” these actions are exempt from further review under CEQA. The development and implementation of the amended services is a requirement of the California Department of Resources Recycling and Recovery (CalRecycle), and is exempt from CEQA because it is an action pursuant to a regulatory requirement to assure the protection of the environment, and involves procedures for protection of the environment. Furthermore, the amended services apply to the City’s existing volume of generated solid waste, where there is no expansion of use, and is therefore exempt from the CEQA analysis based on State CEQA Guidelines

requirements under Section 21084 of the Public Resources Code, in accordance with Article 19, Section 15301, Class (1) "existing facilities."

Attachment:
Attachment No. 1 - Exclusive Solid Waste Handling Agreement South Pasadena Athens Services
Attachment No. 2 - October 2, 2024 - Staff Report and Attachments

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EXCLUSIVE SOLID WASTE HANDLING AGREEMENT

Between the

City of South Pasadena

and

Arakelian Enterprises, Inc. (dba Athens Services)

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EXCLUSIVE SOLID WASTE HANDLING AGREEMENT

This **AGREEMENT FOR EXCLUSIVE SOLID WASTE HANDLING SERVICE** ("Agreement") is dated as of October 2, 2024, by and between the **City of South Pasadena ("City")**, a general law city and municipal corporation, and Arakelian Enterprises, Inc. (dba Athens Services), a California corporation **(“Contractor”)**, for the collection, transportation, recycling, processing, composting, and disposal of solid waste, recyclables, and organic materials.

RECITALS

A. The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939"), has declared that it is in the public interest to authorize and require local agencies to make adequate provision for the disposal of all solid waste within their jurisdictions.

B. Pursuant to California Public Resources Code Section 40059(a)(1), the City Council of the City of South Pasadena has determined that the public health, safety, and welfare require that an exclusive franchise agreement be awarded to a qualified solid waste enterprise for solid waste handling services within the City limits.

C. City previously entered a franchise agreement for Refuse and Recyclable Materials Collection, Transportation, and Disposal with Contractor dated November 6, 1996 (the "Prior Agreement"). The Prior Agreement has been previously amended two (2) times, on November 6, 2000 and November 15, 2017. It is the desire of the parties by entering this Exclusive Solid Waste Handling Agreement to restate existing obligations and add services, in order to bring City into compliance with Applicable Law, in a single document.

D. City and Contractor are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling, and Disposal of Solid Waste, including AB 939, the Resource Conservation and Recovery Act ("RCRA"), and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). City and Contractor desire to leave no doubts as to their respective roles, and to memorialize that by entering into this Agreement. City is not thereby becoming an "arranger" or a "generator" as those terms are used in CERCLA, and that it is Contractor, not City, who is "arranging for" the Collection, Transport for Disposal, Composting, and Recycling of municipal Solid Waste in the City which may contain hazardous substances. City and Contractor understand and agree that it is Contractor, and not City, who will arrange to collect Solid Waste, that City has not, and, by this Agreement does not, instruct Contractor on its Collection methods, nor supervise the Collection process, nor do the Parties intend to place title to such Solid Waste in City, but rather intend that whatever, if any, title in and to such Solid Waste that otherwise might exist in or with City in the absence of this Agreement is hereby transferred to Contractor, and further that if Contractor gains title to such Solid Waste it is by operation of law and agreement with its Customers and is not the result of this Agreement.

E. City and Contractor are mindful of recent laws adopted by the State of California, with which the City must comply, intended to divert recyclables and organic materials from being landfilled. AB 341 mandates that commercial waste generators arrange for recycling services. AB 1826 mandates that commercial waste generators recycle their organic waste. AB 1594 excludes organic material from being counted as Alternative Daily Cover (ADC). SB 1383 Regulations require jurisdictions to provide organic waste collection services.

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F. City and Contractor further desire to confirm that Contractor has agreed to indemnify the City in connection with any claims relating to the inadvertent or intentional Collection, Transportation and/or Disposal of Hazardous Substances that may occur in connection with Contractor's performance under this Agreement. Contractor has agreed, as part of this Agreement, to provide such services as are necessary or desirable to ensure City complies with the requirements of AB 939 and Public Resources Code Section 40000, *et seq.*

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, the Parties hereby agree as follows**:**

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1 Definitions

For the purpose of this Agreement, the definitions contained in this Article 1 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. 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. In the event of a conflict between a definition in this Agreement and a definition in Title 14 California Code of Regulations Section 18982, the definition in Section 18982 shall control.

1.1 AB 341

"AB 341" means the California Jobs and Recycling Act of 2011 (Chapter 476, Statues of 2011 [Chesbro, AB 341]), as it may be amended from time to time. AB 341 requires businesses, defined to include Commercial or public entities that generate more than 4 cubic yards of Solid Waste per week or Multi-Family Premises, to arrange for Recycling services and requires jurisdictions to implement a Commercial Solid Waste Recycling program.

1.2 AB 827

"AB 827" means State of California Assembly Bill No. 827 approved October 2, 2019, as it may be amended from time to time. 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.

1.3 AB 939

"AB 939" means the California Integrated Waste Management Act of 1989 (CIWMA), currently codified as California Public Resources Code Section 40000 et seq. as it may be amended from time to time.

1.4 AB 1826

"AB 1826" means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014) as it may be amended from time to time. 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.

1.5 Agreement

"Agreement" means this amended and restated agreement between the City of South Pasadena and Arakelian Enterprises, Inc, for Exclusive Solid Waste Handling Services including all exhibits and attachments, and any amendments.

1.6 Applicable Law

"Applicable Law" means all Federal, State, County of Los Angeles ("County"), and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, Processing, and Disposal of Solid Waste.

1.7 Automated Collection Service

"Automated Collection Service" means Collection of Solid Waste, by automated Collection vehicles including side, rear, and/or front-loading vehicles, from Containers supplied by the Contractor and stored in, and

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returned to, a location determined by Contractor on that Customer's Premises but in no event in the City's public right-of-way.

1.8 Back-Haul

"Back-haul" means generating and transporting Recyclable Materials or Organic Waste by the Waste Generator to a destination owned and operated by Waste Generator using the generator's own employees and equipment.

1.9 Barrel

"Barrel" means a plastic Container with a separate lid, without wheels, and with a capacity of approximately 32 gallons, supplied by Contractor for the deposit and Collection of Solid Waste and manually serviced by a Collection vehicle.

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, supplied by Contractor. It shall be designed to hold from one (1) to six (6) cubic yards of material with the lid properly closed.

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 Black Container

"Black Container" has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the storage and collection of Solid Waste, excluding Source Separated Green Container Organic Waste.

1.13 Bulky Items

"Bulky Items" means large and small household appliances, furniture, carpets, mattresses, White Goods, clothing, tires, and other similar Solid Waste and oversized yard waste such as tree trunks and large branches if no larger than two (2) feet in diameter and four (4) feet in length and similar large items discarded from Customer Premises. Bulky Items do not include Excluded Waste, car bodies, car parts, tires, Construction and Demolition Debris or (except for appliances/White Goods described above) items that cannot reasonably be moved with equipment of the type which, pursuant to industry standards, would normally be carried in a truck Collecting Bulky Items. In the event a question arises as to whether a specific item, or category of items meets the definition of Bulky Items, the Contractor shall be responsible for determining whether said definition shall apply.

1.14 Bus Stop Barrel Collection

"Bus Stop Barrel Collection" means emptying the bus stop Barrel(s) and Collecting Solid Waste therein, supplying the new Barrel liner, and replacing the Barrel liner.

1.15 Business Day

"Business Day" means any Monday through Friday, excluding any Holidays.

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1.16 C&D Processing Facility

"C&D Processing Facility" means any facility that is designed, operated, and legally permitted for the purpose of receiving and Processing C&D.

1.17 California Code of Regulations or CCR

"California Code of Regulations" or "CCR" means the State of California Code of Regulations, as amended from time to time. CCR references in this chapter are preceded with a number that refers to the relevant title of the CCR (e.g., "14 CCR" refers to Title 14 of CCR).

1.18 CalRecycle

"CalRecycle" means California's Department of Resources Recycling and Recovery, which is the department designated with responsibility for developing, implementing, and enforcing SB 1383 regulations on cities (and others).

1.19 Cart

"Cart" means a plastic container with a hinged lid and wheels serviced by an automated or semi-automated truck with a capacity of no less than thirty-two (32) gallons and no greater than one hundred and one (101) gallons. Cart sizes vary depending on the manufacturer, and any reference to Cart sizes in this Agreement is an approximation.

1.20 CERCLA

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

1.21 City

"City" shall mean the City of South Pasadena including any Premises which may be annexed and thereby added to the City limits following the Effective Date.

1.22 City Facility

"City Facility(ies)" means any building or other site owned or leased by the City or otherwise used regularly and significantly by the City for municipal business and the space therein occupied by more than seventy-five percent (75%) by employees or contractors of the City.

1.23 Collect, Collection, or Collecting

"Collect," "Collection," or "Collecting" means to take physical possession of, Transport, and remove Solid Waste from Premises.

1.24 Commercial Business or Commercial

"Commercial Business" or "Commercial" means a firm, partnership, proprietorship, joint stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a Multi-Family Premises, or as otherwise defined in 14 CCR Section 18982(a)(6). A multi-family residential dwelling that consists of fewer than five units is not a commercial business for the purposes of this Agreement.

1.25 Commercial Edible Food Generators

"Commercial Edible Food Generators" includes a Tier One or a Tier Two Commercial Edible Food Generator as defined in 14 CCR Section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).

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1.26 Community Composting

"Community Composting" means any activity that composts Green Waste, agricultural material, Food Scraps, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed one hundred (100) cubic yards and seven hundred and fifty (750) square feet as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

1.27 Compactor

"Compactor" means any Bin or Roll-Off Box that has a compaction mechanism, whether stationary or mobile.

1.28 Compost or Composting

"Compost" or "Composting" has the same meaning as in 14 CCR Section 17896.2(a)(4), as may be amended from time to time, and means the product resulting from the controlled biological decomposition of Organic Waste that are Source Separated from the municipal waste stream, or which are separated at a centralized facility.

1.29 Construction and Demolition Debris or C&D

"Construction and Demolition Debris," "C&D Debris," or "C&D" means any Solid Waste generated at a Premises that is directly related to construction or demolition activities. These activities include, but are not limited to, construction, demolition, remodeling, grading, land clearing, or renovation on any Residential Premises, Commercial, institutional, or industrial building, road, driveway, walkway, or other structure. C&D Debris includes but is not limited to concrete, asphalt paving, asphalt roofing, lumber, gypsum board, rock, soil, and metal.

1.30 Container

"Container" means any and all types of receptacles used for Solid Waste Handling Services, including Barrels, Bins, Carts, and Roll-Off Boxes.

1.31 Container Contamination or Contaminated Container

"Container Contamination" or "Contaminated Container" means a Container, regardless of color, that contains Prohibited Container Contaminants or contaminants otherwise defined in 14 CCR Section 18982(a)(55) or Excluded Waste.

1.32 Contamination Fee

"Contamination Fee" means an amount charged by Contractor to Customers to offset Contractor's additional costs or diminished revenue due to Prohibited Container Contaminants.

1.33 Consumer Price Index (CPI)

"Consumer Price Index (CPI)" means the Consumer Price Index for All Urban Consumers Series ID: CUURS49ASA0, Not Seasonally Adjusted, All Items, Los Angeles-Long Beach-Anaheim, CA as maintained and published by the United States Bureau of Labor Statistics, or its successor index, and is used to calculate the Maximum Service Rates as it pertains to this Agreement.

1.34 Contractor

"Contractor" shall mean Arakelian Enterprises, Inc. or any party permitted pursuant to the terms hereof to become the successor or assignee thereof.

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1.35 Customer

"Customer" means any Person receiving and billed for services provided by Contractor under this Agreement, within the City.

1.36 Disposal or Dispose

“Disposal” or “Dispose” means the ultimate disposition of Solid Waste Collected by the Contractor at a permitted landfill or other permitted Solid Waste Disposal Facility, as defined in California Public Resources Code 40192.

1.37 Disposal Facility(ies) or Site(s)

“Disposal Facility(ies)” or “Disposal Site(s)” means the facility or facilities utilized for the ultimate Disposal of Solid Waste Collected by the Contractor.

1.38 Diversion or Diverted

“Diversion” or “Diverted” means any combination of waste prevention (source reduction), Recycling, reuse and Composting activities that reduces Solid Waste Disposed at landfills.

1.39 Dwelling Unit

“Dwelling Unit” means a building or a portion thereof, designated for residential occupation by one individual or a group of two or more individuals living together as a domestic unit.

1.40 Edible Food

“Edible Food” means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). 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 (California Health and Safety Code §§ 113700 *et seq*.).

1.41 Effective Date

"Effective Date” has the meaning set forth in Section 4.3 of this Agreement.

1.42 Environmental Laws

“Environmental Laws” means the National Environmental Policy Act (NEPA), the California Environmental Quality Act (CEQA), the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.; the Resource Conservation and Recovery Act, 42 USC §6902 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Toxic Substances Control Act, 15 USC §1601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et seq.; the California Toxic Substances Control Act, California Health and Safety Code §25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

1.43 Excluded Waste

“Excluded Waste” means Hazardous Substances, Hazardous Waste, Medical Waste, Biohazardous or Biomedical Waste, Universal Waste, infectious waste, designated waste, volatile, corrosive, regulated radioactive waste, and toxic substances or material that facility operator(s), which receive materials from the City and its generators, reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land

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use restrictions or conditions, waste that cannot be Disposed of in Class III Landfills or accepted at the facility by permit conditions, waste that in Contractor's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor or City to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

1.44 Food Recovery

"Food Recovery" means actions to Collect and distribute food for human consumption which otherwise would be Disposed.

1.45 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, or as otherwise defined in 14 CCR Section 18982 (a)(25), including, but not limited to:

(1) A food bank as defined in Section 113783 of the Health and Safety Code;

(2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,

(3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

1.46 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 as otherwise defined in 14 CCR Section 18982(a)(26).

1.47 Food Scraps

"Food Scraps" means discarded food that will decompose and/or putrefy and is segregated for Collection and Recycling that is accepted for Disposal and Processing by the applicable Processing facility utilized by Contractor under this Agreement. Food Scraps may include, but is not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

1.48 Food-Soiled Paper

"Food-Soiled Paper" means compostable paper material that has come in contact with food or liquid, such as compostable paper plates, paper coffee cups, napkins, and pizza boxes. Food-Soiled Paper does not include Non-Compostable Paper.

1.49 Food Waste

"Food Waste" means Source Separated Food Scraps, Food-Soiled Paper, and 100 percent fiber-based compostable dinnerware. Food Waste is a subset of Source Separated Green Container Organic Waste as specified in Exhibit 4.

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1.50 Franchise

"Franchise" means the exclusive right and privilege to provide Solid Waste Handling Services within the City granted by City to Contractor pursuant to the City's authority under Article 11, Section 7 of the State of California Constitution, and Section 40059 of the Public Resources Code.

1.51 Franchise Area

"Franchise Area" means all Premises within the City Limits, including Premises which may be annexed and thereby added to the City limits following the Effective Date.

1.52 Franchise Fee

"Franchise Fee" means the franchise fee set forth and more fully defined in Section 9.1 hereof.

1.53 Green Container

"Green Container" has the same meaning as in 14 CCR Section 18982.2(a)(29) and shall be used for storage and Collection of Source Separated Green Container Organic Waste.

1.54 Green Waste

"Green Waste" means Solid Waste consisting of any vegetative waste generated from the maintenance or alteration of Residential, Commercial Premises including, but not limited to, grass clippings, leaves, tree trimmings, prunings, brush, weeds, flowers, herbs, and holiday trees and excluding cacti, succulents, yucca, and palm fronds; provided, it shall not include those materials which are not appropriate for Compost (such as tree trunks, more than four inches (4") in diameter or four feet (4') in length, or palm fronds).

1.55 Gross Receipts

"Gross Receipts" includes all monies, fees, charges, consideration, and revenue received by Contractor for the provision of Solid Waste Handling Services carried out by or on behalf of Contractor pursuant to this Agreement. Gross Receipts includes the amounts collected from monthly Customer charges for the Collection of Solid Waste, any Franchise Fees or other fees imposed and collected pursuant to this Agreement, and amounts collected in connection with Temporary Services. Notwithstanding any provision to the contrary in this Agreement, Gross Receipts shall not include revenues received by Contractor from the sale of Recyclable Materials or other materials Diverted from Disposal, Compost or Organics-derived products or energy, grants, cash awards or rebates. Amounts collected as Contractor's "Recycling Revenue Sharing" and paid to City as specified in Section 9.2 shall be deducted from Gross Receipts.

1.56 Hauler

"Hauler" means the entity to whom the City Council shall have awarded a contract, or shall have been otherwise authorized to receive, Collect, carry, haul, Transport, and Dispose of any and all Solid Waste within the City.

1.57 Hauler Route

"Hauler Route" means the designated itinerary or sequence of stops for each segment of the Contractor's routes in the City.

1.58 Hazardous Substance

"Hazardous Substance" means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Waste", "toxic waste", "pollutants" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980,

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42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, 25316, 25501 and 25501.1; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any substances defined, regulated or listed by any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable Federal, State or local environmental laws currently existing or hereafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

1.59 Hazardous Waste

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

1.60 High Diversion Organic Waste Processing Facility

"High Diversion Organic Waste Processing Facility" means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average mixed waste organic content recovery rate of 50 percent between January 1, 2022, and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for organic waste received from the mixed waste organic collection stream as defined in 14 CCR Section 17402(a)(11.5); or as otherwise defined in 14 CCR Section 18982(a)(33).

1.61 Holiday

"Holiday" means New Years' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

1.62 Household Hazardous Waste

"Household Hazardous Waste" ("HHW") means 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 22 CCR Section 66261.3.

1.63 Invalidation Action

"Invalidation Action" means any event or action the result of which City is unable (i) by operation of Applicable Law, (ii) a valid majority protest pursuant to Proposition 218, or (iii) final and conclusive legal challenge, to approve or implement the establishment or adjustment of any Maximum Service Rate(s) that would otherwise be due and payable to Contractor under this Agreement, in whole or in part, but for such event or action.

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1.64 Large Event

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

1.65 Large Venue

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

1.66 Local Education Agency

"Local Education Agency" means a school district, charter school, or county office of education that is not subject to the control of city or county regulations related to Solid Waste.

1.67 Manual Barrel Collection Service

"Manual Barrel Collection Service" means manual Collection of Solid Waste from Barrels supplied by the Contractor that includes the movement by Contractor's employees of Barrels from the Customer's backyard, side yard, driveway, garage, or other location approved by Contractor, and returned to, such location on that Customer's Premises, but in no event in the City's public right-of-way.

1.68 Materials Recovery Facility

"Materials Recovery Facility" or "MRF" means a facility where Solid Waste (not including Source Separated Green Container Organic Waste) or Recyclables are sorted or separated for the purposes of Recycling, Processing or Composting.

1.69 Maximum Service Rate(s)

"Maximum Service Rate(s)" means the maximum amount that Contractor may charge for the services listed in Exhibit 1 of this Agreement, as such exhibit and amounts may be amended or adjusted in accordance with the provisions of this Agreement.

1.70 Medical Waste

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

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1.71 Mulch

"Mulch" means a layer of material applied on top of soil, and, for the purposes of this Agreement, Mulch shall conform with the following conditions, or conditions as otherwise specified in 14 CCR Section 18993.1(f)(4):

(1) Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Section 17852(a)(24.5) (A)(1) through (3).

(2) Was produced at one or more of the following types of facilities: a. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR, Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10); b. Transfer/Processing Facility or Transfer/Processing operation as defined in 14 CCR Section 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR, Division 7; or, c. a Solid Waste landfill as defined in Pub. Res. Code Section 40195.1.

1.72 Multi-Family or Multi-Family Premises

"Multi-Family" or "Multi-Family Premises" means a Premise with five (5) or more Dwelling Units.

1.73 Municipal Code

"Municipal Code" means the South Pasadena Municipal Code.

1.74 Non-Collection Notice

"Non-Collection Notice" means a form developed by Contractor and approved by the City to notify Customers of the reason for non-collection of materials set out by the Customer for Collection by Contractor pursuant to this Agreement.

1.75 Non-Compostable Paper

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

1.76 Non-Organic Waste

"Non-Organic Waste" means Solid Waste excluding matter defined as Organic Waste.

1.77 Organic Waste or Organics

"Organic Waste" or "Organics" means Solid Waste containing material originating from living organisms and their metabolic waste products, including, but not limited to, Food Waste, Green Waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46), excluding animal carcasses not eaten on the Premises such as small rodents (e.g., mice and rats).

1.78 Overflow

"Overflow" means excess Solid Waste (i) placed inside a Container that prevents the lid on the Container from being completely closed (i.e., lid remains open greater than forty-five (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.

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1.79 Overweight

"Overweight" means Solid Waste placed in a Container used for Collection services in excess of the manufacturer's recommended weight capacity for that Container.

1.80 Owner

"Owner" means the Person holding the legal title to the real property constituting the Premises to which Solid Waste Handling Services is to be provided under this Agreement or the Person holding legal title to the Disposal site, depending upon the context used in this Agreement.

1.81 Person

"Person" means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State, the County, towns, cities, and special purpose districts.

1.82 Premises

"Premises" means any land, building, and/or structure within the City limits where Solid Waste is generated or accumulated.

1.83 Process, Processed, or Processing

"Process," "Processed," or "Processing" means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment.

1.84 Prohibited Container Contaminants

"Prohibited Container Contaminants" means any of the following: (i) discarded materials placed in any Container intended for Recyclable Materials that are not identified as acceptable Recyclable Materials for such Container; (ii) discarded materials placed in any Container intended for Organic Waste that are not identified as acceptable for Organic Waste for such Container; (iii) to the extent not encompassed in the foregoing, discarded materials placed in any Container not identified by Contractor or City as acceptable for such Containers; and (iv) Excluded Waste. Contamination shall be determined by Contractor's visual or digital inspection.

1.85 Public Works Director

"Public Works Director" means the Director of Public Works for the City of South Pasadena or his/her designee.

1.86 Recyclables or Recyclable Materials

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

1.87 Recycle or Recycling

"Recycle" or "Recycling" means the process of Collecting, sorting, cleaning, treating and reconstituting materials that would otherwise become waste and returning those materials to the economic mainstream in the form of raw materials for new, reused, or reconstituted products that meet the quality standards to be used in the marketplace. Recycling does not include Transformation as defined in Public Resources Code Section 40201.

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1.88 Recovered Organic Waste Products

"Recovered Organic Waste Products" means products made from California, landfill-diverted, recovered Organic Waste Processed in a permitted or otherwise authorized facility, or as otherwise defined in 14 CCR Section 18982(a)(60).

1.89 Renewable Natural Gas or RNG

"Renewable Natural Gas" or "RNG" means gas derived from Organic Waste that has been Diverted from a landfill and processed at an in-vessel digestion Facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, as defined in 14 CCR Section 18982(a)(62).

1.90 Residential or Residential Premises

"Residential" or "Residential Premises" means all Single-Family Premises.

1.91 Roll-Off Box

"Roll-Off Box" means Solid Waste Collection Containers of ten (10) cubic yards or larger, including Compactors.

1.92 Route Review

"Route Review" means a visual inspection of Containers along a Hauler Route as specified in Section 5.13.1 of the Agreement.

1.93 SB 1383

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

1.94 SB 1383 Regulations

"SB 1383 Regulations" means or refers to, for the purposes of this Agreement, the Short-Lived Climate Pollutants: Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR as amended from time to time.

1.95 Self-Haul, Self-Hauler, or Self-Hauling

"Self-Haul," "Self-Hauler," or "Self-Hauling" means a Person, who hauls Solid Waste, Recyclable Materials, or Organic Waste, that he or she has generated to an appropriate Processing facility. Self-Hauler also includes a Person who Back-Hauls.

1.96 Seniors

"Seniors" means a resident sixty-two years of age or older.

1.97 SFD-A or SFD-A Premises

"SFD-A" or "SFD-A Premises" means Single-Family Premises receiving Automated Collection Service as specified in Section 5.8.

1.98 Single-Family Premises

"Single-Family Premises" means Premises with fewer than five (5) Dwelling Units.

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1.99 Solid Waste

"Solid Waste" has the same meaning as defined in the California Public Resources Code Section 40191, which includes all discarded putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, rubbish, C&D, industrial waste, Bulky Items, and any other discarded solid, semisolid, and liquid waste permitted to be Disposed of at a Class III landfill and which are included within the definition of "Nonhazardous Solid Waste" set forth in the California Code of Regulations, as it may be amended from time to time. Solid Waste includes Recyclable Materials and Organic Waste, unless specified otherwise in the Agreement, but does not include Excluded Waste.

1.100 Solid Waste Handling Services

"Solid Waste Handling Services" means the Collection, Transfer, Transportation, Recycling, Processing, and Disposal of Solid Waste.

1.101 Source Separated

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

1.102 Source Separated Green Container Organic Waste

"Source Separated Green Container Organic Waste" means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste and meets the requirements established by the Contractor as set forth in Exhibit 4, as may be amended from time to time upon mutual agreement of City and Contractor.

1.103 State

"State" means the State of California.

1.104 Street Sweeping Service

"Street Sweeping Service" means the services specified in Section 6.4 of this Agreement.

1.105 Term

"Term" has the meaning ascribed in Section 4 of this Agreement.

1.106 Temporary Service

"Temporary Service" means Solid Waste Handling Services provided by Contractor on an as needed and temporary basis to any Premises within the City in conjunction with construction, demolition, cleanup, or other projects, and by use of temporarily placed Bins or Roll-Off Boxes.

1.107 Tier One Commercial Edible Food Generators

"Tier One Commercial Edible Food Generator" as defined in 14 CCR Section 18982(a)(73) means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982(a)(73):

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A. Supermarket.

B. Grocery Store with a total facility size equal to or greater than 10,000 square feet.

C. Food Service Provider.

D. Food Distributor.

E. Wholesale Food Vendor.

1.108 Tier Two Commercial Edible Food Generators

"Tier Two Commercial Edible Food Generator" as defined in 14 CCR Section 18982(a)(74) means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982(a)(74):

A. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.

B. Hotel with an on-site food facility and 200 or more rooms.

C. Health facility with an on-site food facility and 100 or more beds.

D. Large Venue.

E. Large Event.

F. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.

G. A Local Education Agency with an on-site food facility.

1.109 Tipping Fees

"Tipping Fees" means the all-inclusive costs or charges imposed by a properly permitted Disposal Site, MRF, or Organic Waste Processing facility for Disposal or Processing of Solid Waste.

1.110 Transfer

"Transfer" means the act of transferring Solid Waste Collected by Contractor from Contractor's Collection vehicles into larger vehicles at a transfer facility for Transport to other facilities for Processing or Disposing of such materials.

1.111 Transportation or Transport

"Transportation" or "Transport" means the act of delivering Solid Waste from one location to another.

1.112 Transformation

"Transformation" means incineration, pyrolysis, distillation, or biological conversion other than Composting. Transformation does not include biomass conversion.

1.113 Universal Waste

"Universal Waste" means those Hazardous Wastes identified as universal wastes in 22 CCR Section 66261.9, including but not limited to: fluorescent bulbs and tubes; household batteries (e.g. D. AA, button-type, etc.); non-empty aerosol cans; electronic devices (e.g. televisions, computer monitors, cell phones, radios, video cassette recorders, etc.); and mercury containing devices (e.g. thermometers, thermostats, gauges, etc.), and generated by a Single-Family or Multi-Family residence. Universal Waste does not include any waste generated in the course of operating a business at a residence or business generated waste.

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1.114 Waste Generator

"Waste Generator" means the Owner or occupant of Premises whose act initially produces Solid Waste that is subject to regulation under Federal, State, or local regulations.

1.115 White Goods

"White Goods" means discarded enameled household appliances, such as refrigerators, freezers, stoves, washer/dryers, water heaters, dishwashers, trash compactors and similar items.

1.116 Workday

"Workday" means any day, Monday through Saturday, which is not a Holiday as set forth in Section 1.61 of this Agreement.

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2 Representation and Warranties of Contractor and City

2.1 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 Applicable Law. 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 minimum annual CalRecycle Diversion as required of the City under Public Resources Code Section 41780.

2.2 Diversion

Contractor shall implement the Diversion programs set forth in this Agreement such that City will achieve minimum annual CalRecycle Diversion as required of City under Public Resources Code Section 41780. In this regard, Contractor agrees that it shall provide, undertake and perform the following at its sole cost and expense, in addition to any other Agreement requirement:

a. Assist City in responding to inquiries from CalRecycle or any other regulatory agency relating to this Agreement;

b. Assist City in preparing for, and participating in, CalRecycle's biannual review of City's Source Reduction and Recycling Element (SRRE) pursuant to Public Resources Code Section 41825;

c. Assist City in applying for any extension, including under Public Resources Code Section 41820, if so, directed by City;

d. Assist City in any hearing conducted by CalRecycle, or any other regulatory agency, relating to City's compliance with Applicable Law relating to this Agreement;

e. Assist City with the development of and implementation of 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 Law;

f. Provide City with Recycling, source reduction, and other technical assistance as may be needed to comply with the Applicable Law;

g. Be responsible for and pay, any fees, penalties or other costs imposed against City by CalRecycle, and 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 Public Resources Code Section 41780 to the extent arising from or in any way related to Contractor's performance of its obligations under this Agreement.

2.3 Exception

Notwithstanding other provisions of this Agreement, Contractor's obligations in this Article 2 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 the active negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City, its officers or employees, (iii) in connection with the nonuse of a High Diversion Organic Waste Processing Facility for materials deposited in Black Containers, or (iv) as limited by Public Resources Code Section 40059.1.

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3 Conditions Governing Services Provided by Contractor

3.1 Grant of Exclusive Agreement

City hereby grants to Contractor, and Contractor accepts, on the terms and conditions set forth herein, an exclusive Franchise within the corporate limits of the City. The Franchise granted to Contractor shall be the exclusive right and privilege to Collect, Transfer, Transport, handle, Process, Recycle, and Dispose of in a lawful manner, all Solid Waste, Recyclable Materials, Organic Waste (including Green Waste and Food Waste), and C&D Debris accumulating in the City in accordance with the City's Municipal Code, for the Term of and within the scope set forth in this Agreement; provided, however, that if it has not done so, City shall, within five (5) days after the Effective Date, issue notice concerning C&D exclusivity hereunder in compliance with Public Resources Code Section 49520 and the exclusive right and privilege to Collect, Transfer, Transport, handle, Process, Recycle, and Dispose C&D Debris in the City shall commence on the earliest date permissible in compliance with Public Resources Code Section 49520.

3.1.1 Annexation

If during the term of the Agreement, additional territory within or adjacent to the City is acquired by City through annexation, subject to the requirements of Public Resources Code Section 49520, Contractor agrees to provide Solid Waste Handling Services in such annexed area in accordance with the provisions and Maximum Service Rates set forth in this Agreement.

3.2 Recyclable Materials and Organic Waste Discarded by Customer

Any Person may sell Recyclable Materials or Organic Waste or donate Recyclable Materials or Organic Waste to Persons other than Contractor, provided: (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 is subject to Contractor's Franchise.

3.3 Exclusions of Exclusivity

The following are excluded from the Franchise:

3.3.1 Specialized Recyclable Materials

If Contractor is unable or unwilling to Collect and Process for Diversion Excluded Waste and/or waste to which a third party is able to sell or donate as specified in Section 3.2.

3.3.2 Byproduct of Food and Beverage Processing

Under AB 3036 (2018), certain byproducts from the Processing of food or beverages from agricultural or industrial sources, provided they are Source Separated and used as animal feed, are exempted from this Agreement. Entities requesting exemption must apply to the City and be any of the following: registered pursuant to Section 110460 of the Health and Safety Code or be exempted from registration pursuant to Section 110480 of the Health and Safety Code, or be a beer manufacturer as defined in Section 23012 of the Business and Professions Code, or a distilled spirits manufacturer as defined in Section 23015 of the Business and Professions Code.

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3.3.3 Gardening or Landscape Services

Green Waste removed from a Premises by a gardening, landscaping, or tree trimming company as an incidental part of a total service offered by that company rather than as a hauling service are exempted from the Franchise.

3.3.4 Community Composting

Any Person performing Community Composting.

3.3.5 Structural Work Under a Proper Building Permit

Any Person permitted to Collect, Transport and Dispose of building material residue resulting from structural work under a proper building permit issued by the City as provided in Municipal Code Section 16.5 or a successor section.

3.4 South Pasadena Municipal Code

The provisions of the Municipal Code relating to Collection, Transfer, Transportation, handling, Processing, Recycling and Disposal are hereby incorporated into and made a part of this Agreement, and whenever the provisions of the Municipal Code conflict with the terms of this Agreement, the terms of the Municipal Code shall supersede the provisions of this Agreement, provided, for the avoidance of doubt Contractor's obligations 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 the active negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City, its officers or employees, (iii) in connection with the nonuse of a High Diversion Organic Waste Processing Facility for materials deposited in Black Containers, or (iv) as limited by Public Resources Code Section 40059.1. In the event of a change in the Municipal Code, Section 15.2 (Change in Law) shall apply.

3.5 Prior Agreements

This Agreement amends and restates, and as a result, supersedes and replaces in its entirety all prior agreements or understandings between the City and the Contractor except that Section XIV.D (Insurance), Section XV (Indemnification) and Section XVII (Reports) of the Prior Agreement shall survive only to the extent it relates to services provided before the Effective Date. In the event this Agreement is deemed null, void and of no force or effect by a court of competent jurisdiction, the agreements and understandings in force or effect prior to the Effective Date herein, shall apply.

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4 Term

4.1 Term

This Agreement shall become effective on the Effective Date and continue and through and including the close of business on January 1, 2032 ("Expiration Date"); provided, however that beginning January 1, 2026, and each January 1 thereafter, automatic one-year extensions shall be applied to the Expiration Date (each an "Automatic Extension") so that the term of this Agreement shall thereafter remain at a constant seven (7) years (as may be extended, "Term").

4.2 Wind Down of Term

4.2.1 Notice of Intent to Wind Down

No earlier than January 1, 2026, either party may issue a written notice of intent to cancel the Automatic Extension ("Notice of Intent to Wind Down"). The Notice of Intent to Wind Down may be issued by either party without cause.

4.2.2 Meet and Confer Period

The terminating party hereunder ("Terminating Party") shall host a minimum of two (2) negotiation sessions with the non-terminating party ("Non-Terminating Party") within ninety (90) days of the date upon which the Notice of Intent to Wind Down is received by Non-Terminating Party ("Meet and Confer Period"). The purpose of the Meet and Confer Period is to provide negotiation sessions to discuss, in good faith, recission of the Notice of Intent to Wind Down in exchange for an amendment(s) to the Agreement. City and Contractor may, but are not obligated to, meet more frequently than required, provided that no such conferences shall act to extend or delay the Meet and Confer Period unless expressly agreed to in writing by the Parties.

4.2.3 Notice of Effective Wind-Down

No later than the end of the Meet and Confer Period, if the Terminating Party elects to cancel the Automatic Extension, the Terminating Party must deliver written notice to the Non-Terminating Party that it has concluded efforts to meet and confer in good faith and the Automatic Extension is canceled ("Notice of Effective Wind-Down"). Upon Notice of Effective Wind-Down, the Agreement will remain in full force and effect for a seven (7) year fixed term beginning on the date upon which the Notice of Intent to Wind Down was received by the Non-Terminating Party, unless sooner terminated pursuant to this Agreement.

4.2.4 Effectiveness

Notwithstanding any provision in this Agreement to the contrary, the cancellation of the Automatic Extension shall not become effective if (i) City and Contractor mutually agree to approve and execute an amendment to this Agreement as provided herein; (ii) the Terminating Party fails to hold the minimum number of good faith negotiation sessions during the Meet and Confer Period, provided that the Non-Terminating Party has not unreasonably postponed or delayed the scheduling of such sessions; or (iii) the Terminating Party fails to issue its Notice of Effective Wind-Down within the ninety-day period prescribed herein. Further, if the City issues notices to Contractor hereunder, the notices must be approved in advance by a majority vote of City Council.

4.3 Effective Date

This Agreement is hereby deemed effective on January 1, 2025 when the following have occurred: (i) approval of the Agreement by the City Council; (ii) the culmination of any proceedings relating to Proposition 218, resulting in the approval by City Council of the Maximum Service Rates specified in Exhibit 1; and (iii) the City Attorney indicates and delivers in writing its approval of this Agreement as to form.

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5 Collection Services Provided by Contractor

5.1 Standard of Services

The scope of services to be performed by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of this Agreement. The scope of services to be performed by Contractor pursuant to this Agreement shall be accomplished in a manner so that Customers are provided Solid Waste Handling Services and other services described in this Agreement at all times in accordance with local industry practice in similarly situated jurisdictions.

5.2 Commingling of Materials

Contractor shall not commingle in a vehicle any Source Separated Green Container Organic Waste with other Solid Waste when Collected by Contractor unless otherwise approved by the Public Works Director, which shall not be unreasonably denied, conditioned, or delayed. Contractor shall not be deemed to have violated this Section where such materials were commingled prior to Collection by Customer or where the Container contains Prohibited Container Contaminants.

5.3 Collection of C&D

Contractor shall not be required to remove C&D Debris in the ordinary course of the Customer's regular Solid Waste Collection. Customers will be required to enter into separate Collection arrangements with Contractor for the Collection of such C&D Debris; provided, separate arrangements are not required for Customers that put out C&D Debris for Collection by Contractor if the work generating C&D Debris is minor in nature and is performed individually by Customer; provided, further, that such materials meet the volume and weight restrictions applicable to regular Collection of Solid Waste.

5.4 Collection Hours

Collection service must be provided, commencing no earlier than 7:00 a.m. and terminating no later than 5:00 p.m., Monday through Friday, and between the hours of 7:00 a.m. and 12:00 p.m., Saturday, except for Holidays in accordance with Section 10.2.2. 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 City.

5.5 Collection Schedule and Routes

The schedule and routes for Solid Waste Collection shall be subject to approval of the Public Works Director, whose approval shall not be unreasonably denied, conditioned, or delayed. Contractor shall prepare and transmit to the Public Works Director a Solid Waste Collection, Bus Stop Barrel Collection, Street Sweeping Service, and City garage sweeping service schedule, together with a map of the Collection and Sweeping Service districts within the City.

5.6 Title to Solid Waste

Except as provided otherwise under Applicable Law, title to Solid Waste Collected by Contractor shall pass to Contractor at the time said materials are placed in Contractor's Collection vehicle and such title shall pass to parties that subsequently receive such materials upon deposit from Contractor.

5.7 Residential Collection Service System

5.7.1 Frequency and Scheduling of Service

Residential Collection service must be provided at minimum one (1) time per week for Source Separated Green Container Organic Waste Collection and one (1) time per week for other Solid Waste on a scheduled route basis. Residential Collection service must be scheduled so that all Customers receive Collection service

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for all Customer Barrels or Bins on the same Workday unless the Public Works Director permits otherwise upon the request of Contractor.

5.7.2 Determination of Type of Service

Except as specified in this Agreement, Contractor shall determine the appropriate service type (Automated Collection Service for SFD-A Premises and Manual Barrel Collection Service for all other Residential Premises) and Container size, type, frequency, and quantity for each Customer, subject to reasonable disapproval of City. Designation of a Residential Premises as a SFD-A Premises by Contractor shall be subject to the reasonable disapproval of City and City shall make the final determination as to any disputes between Customer and Contractor arising from the provision of Automated Collection Service for SFD-A Premises.

5.7.3 Residential Manual Barrel Collection Service

5.7.3.1 Default Service

Contractor shall provide Manual Barrel Collection Service to all Residential Premises, excluding SFD-A Premises, whose Solid Waste is properly containerized in Solid Waste Barrels. As a default, Customers must receive, at minimum, one thirty-two (32) gallon green Barrel for Source Separated Green Container Organic Waste and one thirty-two (32) gallon black Barrel for other Solid Waste, and up to five additional Solid Waste Barrels, any combination of black or green, for a maximum seven (7) Barrels total, for Manual Barrel Collection Services. Extra Barrels, in addition to the default service, shall be subject to additional charge in accordance with Exhibit 1.

5.7.3.2 Supply and Placement of Residential Manual Barrels

Barrels shall be supplied by the Contractor and stored in, and returned to, a location on that Customer's Premises mutually and reasonably agreed to between Contractor and that Customer, but in no event in the City's public right-of-way.

5.7.3.3 Uncontainerized Materials

Notwithstanding any provision in this Agreement to the contrary, (i) Customers using Manual Barrel Collection Service may place clean cardboard next to their black Barrels and (ii) Food-Soiled cardboard must be placed inside the green Barrel; provided in each case, cardboard is flattened and stacked neatly. All other Solid Waste must be placed inside Customer's Barrels. Contractor shall not be required to Collect any other Solid Waste that is not placed inside a Barrel or Collect any Barrel that is Overflowing or Overweight.

5.7.3.4 Rates for Residential Manual Barrel Collection Service

Contractor shall provide Residential Customers with Manual Barrel Collection Service at the Maximum Service Rates specified in Exhibit 1.

5.7.4 SFD-A Premises

SFD-A Premises shall receive Collection services, including Automated Collection Service, in accordance with Section 5.8.

5.8 Automated Collection Service System, for Commercial Premises, Including Multi-Family Premises, and SFD-A Premises

5.8.1 Provision of Service

Contractor shall provide Solid Waste Collection services to Customers at Commercial Premises, including Multi-Family Premises, and to SFD-A Premises with Containers supplied by the Contractor. Contractor shall perform waste assessments at all Commercial Premises, including Multi-Family Premises, and at all SFD-A

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Premises in the City to determine the appropriate number and size of Containers and Collection frequency for Solid Waste.

5.8.2 Default Service

Contractor shall determine the appropriate Container size, type, frequency, and quantity for each Customer; provided that, as a default, Customers will receive one 64-gallon Cart for Source Separated Green Container Organic Waste and one 1.5-cubic yard Bin for other Solid Waste. The appropriate Container size, type, frequency, and quantity for each Customer of Collection will be determined by Contractor, subject to reasonable disapproval of City, following a waste assessment. However, Container size, type, frequency, and quantity must be sufficient to comply with Applicable Law and such that no Solid Waste needs to be placed outside the Collection Container.

5.8.3 Location and Emptying of Containers

Contractor shall place Containers to ensure that the flow of traffic is not impeded. Contractor shall determine the Container location, provided that if City determines the Collection location is a nuisance or safety concern, City shall make the final determination as to where Containers shall be stored on Premises, and from where they will be Collected. Contractor shall replace empty Containers to their original location with gates or doors of enclosures secured after Collection is completed. A Bin shall be considered properly located for Collection if it is feasibly accessible by Contractor's front-loading Collection vehicles. A Cart shall be considered properly located for Collection if it is feasibly accessible by Contractor's side-loading Collection vehicles. Contractor shall not be required to Collect any Solid Waste that is not placed inside a Container or Collect any Container that is Overflowing or Overweight.

5.8.4 Automated Collection Service

Contractor shall use Automated Collection Service to Collect Source Separated Green Container Organic Waste and other Solid Waste from all Commercial Customers, including Multi-Family Customers, and from all SFD-A Customers. Contractor shall not Collect Source Separated Green Container Organic Waste from Commercial Customers, including Multi-Family Customers, that have been granted a waiver by the City. Contractor shall Collect all Source Separated Green Container Organic Waste and other Solid Waste that is properly placed in Bins or Carts from all Commercial Customers, including Multi-Family Customers, and all SFD-A Customers at minimum one (1) time per week, or more frequently if needed to handle the amount of Source Separated Green Container Organic Waste and/or other Solid Waste generated at the Premises, or to safeguard public health and safety. Contractor shall provide all Commercial Customers, including Multi-Family Customers, and SFD-A Customers with Automated Collection Service at the Maximum Service Rates specified in Exhibit 1.

5.9 Meet and Confer for Three-Container Collection Service

Notwithstanding any provision in this Agreement to the contrary, upon the request of any Party, the Contractor and City will meet and confer to discuss the transition of Collection services to a Citywide three-Container Source Separated Collection service in which each Customer will receive at least one (1) Container for Source Separated Green Container Organic Waste, one (1) Container for Source Separated Recyclable Materials, and one (1) Container for all other Source Separated Solid Waste, no later than September 1, 2025, or thereafter, as determined upon mutual agreement of City and Contractor ("Transition"). Upon the effective date of any amendment to this Agreement effectuating the Transition, Sections 2.3(iii), 3.4(iii), and 12.8(iii) shall hereby be deemed void and of no force and effect, provided the foregoing will not extend to any loss, cost, liability, fine, penalty, damage, action, suit, duty, obligation, requirement, nonperformance, or noncompliance arising from or relating to actions or inactions prior to such time.

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5.10 Temporary Bin and Roll-Off Box Collection Service

The Contractor shall offer temporary Bin Collection service and temporary Roll-Off Box Collection service to Residential and Commercial Premises, including Multi-Family Premises, for the Collection of Solid Waste or C&D Debris. The Contractor shall deliver and Collect temporary Bins and Roll-Off Boxes at the direction of the Customer. Temporary Bins and Roll-Off Boxes shall be free of graffiti and in good repair and must be clearly marked and identifiable as belonging to the Contactor. In placing temporary Bins and Roll-Off Boxes, the Contractor shall not impede the flow of traffic. The designated Collection location, if disputed by the Customer or the Contractor, shall be determined by the City. Additionally, if in the City's opinion the location of an existing Collection location is inappropriate for aesthetic or safety reasons, City may require the Customer and/or Contractor to relocate the Collection location. Temporary Bin and temporary Roll-Off Box Collection service may require the Customer to obtain a City encroachment permit.

Contractor shall deliver loads of concrete, dirt or any other recoverable material to facilities that recover such materials. Contractor may charge no more than the Maximum Service Rates set forth in Exhibit 1 plus the actual Processing/Disposal cost per ton (net of any rebate for Recyclables).

5.11 Bulky Item Pick-Up Service

Contractor shall provide Bulky Item pick-up service to all Customers on a regularly scheduled Collection day in accordance with the rates specified in Exhibit 1.

5.12 Transportation, Disposal and Processing Service

Contractor shall Transport all Solid Waste that is Collected in City to a lawfully permitted Transfer facility, Materials Recovery Facility, Processing facility, or Disposal Facility. Source Separated Green Container Organic Waste shall be Transported to and Processed at an Organic Waste Processing facility. All other properly deposited Solid Waste shall be Transported to a facility which shall divert materials into Recyclables that can be Processed for recovery, and/or a facility for Solid Waste for Disposal at a landfill. For the avoidance of doubt, Contractor shall not be required to Transport Black Container waste to a High Diversion Organic Waste Processing Facility. Notwithstanding any provision in this Agreement to the contrary, Contractor shall determine the facilities utilized under this Agreement subject to change by City as provided in Section 15.1 or in the event of public health or safety emergencies.

Contractor shall notify the City in writing each year on or before July 1st to identify all the facilities to which the Contractor will Transport Solid Waste. Contractor shall ensure that, at a minimum, all materials shall be weighed upon delivery to a Processing facility or Composting facility, as applicable, and all weight and related delivery information recorded. For those facilities it operates, Contractor will permit visitation by City upon reasonable advance notice during normal operating hours and shall ensure that all scales are regularly maintained, accurate, and in compliance with Applicable Laws. Contractor shall ensure Disposal of any and all residue remaining from the Processing of Recyclable Materials and any non-processable materials in accordance with Applicable Law.

5.13 Contamination Monitoring

Contractor shall meet the SB 1383 Regulations contamination monitoring requirements by complying with Sections 5.13.1 and 5.13.2 as specified below.

5.13.1 Route Reviews

Contractor shall, at its sole expense, on a quarterly basis, commencing with the quarter after the Effective Date occurs, conduct Contractor Route Reviews for Prohibited Container Contaminants, in a manner consistent with and as defined in 14 CCR Section 18984.5(b), in a manner deemed safe by Contractor.

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Containers may be randomly selected along Hauler Routes. Contractor shall develop a hauler review methodology in compliance with 14 CCR Section 18984.5(b) and submit it to City not more than annually upon the request of City.

5.13.2 Facility Waste Evaluations

Contractor shall, at its sole expense, at least twice per calendar year but no more than quarterly, commencing with the quarter after the Effective Date occurs, conduct waste evaluations that meet the requirements of 14 CCR Section 18984.5(c) with respect to waste delivered to a Contractor-owned or -controlled facility, or with respect to information otherwise accessible to Contractor that permits it to perform characterization studies in accordance with Applicable Law. City maintains the right to observe, or hire a third party to observe, the waste evaluations. Contractor shall develop a waste evaluation methodology in compliance with 14 CCR Section 18984.5(c), including corrective actions that shall be taken by Contractor in the event of Contamination of greater than twenty-five percent (25%), and submit it to City not more than annually upon the request of City. Waste evaluations shall occur in two (2) distinct seasons of the calendar year. Contractor shall maintain records required under 14 CCR Section 18984.6 related to its compliance hereunder. Reports shall be provided to the City upon request.

5.13.3 Contamination Protocols

Upon finding Prohibited Container Contaminants in a Container, Contractor shall follow the protocols set forth in this Section.

1. **Record Keeping.** The driver or other Contractor representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container (Black or Green Container); and may maintain photographic evidence.

2. **First and Second Events.** Upon the first and second discoveries of Prohibited Container Contaminants in a Customer's Container within a given calendar year starting January 1, with the first calendar year starting on January 1, 2025, Contractor will Collect the contaminated waste if safe to do so and treat the waste as Solid Waste for handling and billing purposes. Contractor shall provide the Customer a "Courtesy Pick-Up Notice." The Courtesy Pick-Up Notice shall: (i) inform the Customer of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in the Black Container and/or Green Container; (iv) inform the Customer of the courtesy pick-up of the contaminated waste on this occasion with information that with a third and fourth discovery of Prohibited Container Contaminants, the Customer may be charged a Contamination Fee for each contaminated Container as described in Exhibit 1; (v) inform the Customer that with a fifth and any subsequent discoveries of Prohibited Container Contaminants, the Customer may be charged a Contamination Fee for each contaminated Container, and Contractor may increase the size of the Customer's Container or require an additional Container(s); and, (vi) may include photographic evidence. Contractor shall leave the Courtesy Pick-Up Notice attached to or adhered to the Customer's contaminated Containers; at the Premises' door or gate; or, subject to City's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. Contractor shall attempt to contact the Customer if it appears Customer does not have the appropriate level of service for proper Collection of Source Separated Green Container Organic Waste or other Solid Waste. Contractor shall report issuance of Courtesy Pick-Up Notices to the City in accordance with Section 8.2.7.

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3. **Third and Fourth Events.** Upon the third and fourth discoveries of Prohibited Container Contaminants within a given calendar year starting January 1, Contractor will Collect the contaminated waste if safe to do so and treat the waste as Solid Waste for handling and billing purposes. Contractor shall provide Customer a "Contamination Fee Notice." The Contamination Fee Notice shall: (i) inform the Customer of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Customer's requirement to properly separate materials; (iv) indicate that the Customer will be charged a Contamination Fee as described in Exhibit 1 on their next bill; (v) inform the Customer that with a fifth and any subsequent discoveries of Prohibited Container Contaminants, the Customer may be charged a Contamination Fee for each contaminated Container and Contractor may increase the size of the Customer's Container or require an additional Container(s); and, (vi) include, for any assessed Contamination Fee, digital/visual documentation of Contractor's discovery of Prohibited Container Contaminants. Contractor shall leave the Contamination Fee Notice attached to or adhered to the Customer's contaminated Containers; at the Premises' door or gate; or, subject to City's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. Contractor shall attempt to contact the Customer if it appears Customer does not have the appropriate level of service for proper Collection of Source Separated Green Container Organic Waste or other Solid Waste. Contractor shall report issuance of Contamination Fee Notices to City in accordance with Section 8.2.7.
4. **Five or More Events.** Upon each of the fifth and any subsequent discoveries of Prohibited Container Contaminants within a given calendar year starting January 1, Contractor will Collect the contaminated waste in the contaminated Container(s) if safe to do so, treat the waste as Solid Waste for Handling and billing purposes, and charge a Contamination Fee for each event. Contractor shall provide Customer a "Contamination Fee Notice" as described above. Upon five (5) business days' notice to City and the Customer, Contractor may (i) increase the size of the customer's Container, require additional Containers to accommodate excessive Prohibited Container Contaminants, or increase collection frequency; (ii) impose a Contamination Fee equal to fees for a period of six (6) months or until the Customer has demonstrated Prohibited Container Contaminants are not in Containers for a period of three (3) consecutive months; and/or (iii) provide notice that Contractor has recommended that City commence any applicable code enforcement action against the Customer. City will consult with Contractor and consider, and pursue as applicable, appropriate legal remedies against offending Customers in order to secure discontinuance of the Prohibited Container Contaminants. All City costs of such action shall be recovered from the offending Customers.
5. **Disputes.** If a Customer disputes, in writing, an assessment of a Contamination Fee within thirty (30) days of the assessment, Contractor will temporarily halt any such assessment and Contractor may request a ruling by the Public Works Director to resolve the dispute. A request by Contractor to the Public Works Director to render a decision on any such dispute must be filed within ten (10) business days of receipt of a Customer's written dispute, and Contractor must include written documentation and digital/visual evidence of ongoing overall problems. Upon receipt of such documentation, the Public Works Director will adjudicate the dispute within ten (10) business days, and the Public Works Director's decision resolving the dispute between the Customer and Contractor will be final.

5.14 Education and Outreach

5.14.1 City-Specific Website

Contractor shall maintain a City-specific website that fully explains the Contractor's services, the Maximum Service Rates specified in Exhibit 1, the Diversion options available, and allows Customers to submit service changes, inquiries, or complaints. The website must describe and promote the use of the available Organic

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and Non-Organic services and include information pertaining to SB 1383 compliance including waiver information and location and contact information of City's Food Recovery Organizations. 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.

5.14.2 Lists of Acceptable Materials (Website)

Contractor shall maintain an accurate list on its website of acceptable materials for deposit in Containers, by type, as appropriate to encourage source separation.

5.14.3 Education and Outreach Materials

Contractor shall provide education and outreach activities and create and disseminate educational materials to Customers as required by, and in conformance with, Applicable Law, including 14 CCR Section 18985.1. In accordance with the foregoing, Contractor will provide regularly scheduled notices, education materials, billing inserts, or other information disseminated to Customers as required by Applicable Law. Contractor shall maintain records of its education and outreach activities and provide this information upon request to City. All educational materials and informative literature shall be printed and made available in English, Spanish, and Mandarin. City has a shared responsibility to cooperate with Contractor with respect to the education and outreach activities and creation and dissemination of educational materials hereunder.

5.14.4 Available Services Notice and Information

At least annually, Contractor must publish and distribute (by mail or electronically) a notice to all Customers regarding the full range of services offered. The notice must contain at a minimum (i) Contractor's local customer service phone number and website (ii) procedures for properly filling and setting out Containers, (iii) instructions as to what materials may or may not be placed in Containers, (iv) the days when Solid Waste Collection services will be provided and Holidays when Collection Services will not be provided, (v) how to select Container sizes to maximize Diversion, (vi) the fees for overage and contamination in the event of non-compliance, (vii) Bulky Item Collection services, and (viii) the dates and locations of Free Dumpster Days and Free Compost Giveaway Days. The notice must be provided in English, Spanish, and Mandarin and must be distributed by Contractor no later than February 1st of each calendar year.

5.15 Edible Food Recovery Support

5.15.1 Identification of Commercial Edible Food Generators

No later than January 1, 2025, and annually every January 1 thereafter, Contractor shall assist City in identifying Customers that meet the definition of Tier One or Tier Two Commercial Edible Food Generator and provide to City a list of such Customers, which shall include the following information: Customer name, service address, contact information, Tier One or Tier Two classification, and type of business.

5.15.2 Identification of Edible Food Recovery Organizations

To support City's efforts to promote Edible Food Recovery programs Contractor shall maintain, and update annually each January 1, a list of Food Recovery Organizations and Food Recovery Services and information about Edible Food Recovery on Contractor's website, which is specific to City and shall provide a link to information about City's Edible Food Recovery programs on Contractor's website.

5.15.3 Maintain and Promote Listings

Contractor shall cooperate with and assist City with the distribution of information to Commercial Edible Food Generators and Food Recovery Organizations regarding City's Edible Food Recovery programs.

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5.16 Provision of Recovered Organic Waste Products

Contractor shall assist City in procuring sufficient quantities of Compost or Mulch, at composition levels to be determined by Contractor, to allow City to meet the City's required annual per capita procurement of products produced in accordance with 14 CCR Section 18993.1, at no cost, with such per capita procurement amounts prorated during any partial calendar year starting January 1 under this Agreement. Contractor shall comply with the recordkeeping and verification requirements of 14 CCR Section 18993.2. Upon request of City, Contractor will meet and confer with City to discuss an amendment intended to establish a program that would be designed to assist the City in securing sufficient quantities of California-derived Renewable Natural Gas, if commercially available to Contractor, to meet the City's required annual per capita procurement of products produced in accordance with 14 CCR Section 18993.1.

5.17 Emergency or Disaster Recovery Service

In the event of a tornado, major storm, earthquake, fire, natural disaster, or other natural disaster or similar emergency event, Contractor agrees to (ii) provide disaster recovery support to a reasonable degree, upon request by City and (ii) the City may grant the Contractor a variance from regular routes and schedules, which will not be withheld unreasonably. In the event Contractor receives a variance, Contractor must advise the City when it is anticipated that normal routes and schedules can be resumed. The City will make an effort through the local news media to inform the public when regular services may be resumed. For work performed hereunder, which may include the hauling of debris; special handling such as burrito wrapping (tarping a load with plastic to prevent debris from escaping); temporary storage of debris where feasible; additional Disposal; use of different facilities; and documentation of debris type, weight, and Diversion, Contractor will receive additional and reasonable compensation, above the normal compensation contained in this Agreement, to cover the costs of all documented expenses based on Contractor's actual costs plus a reasonable profit provided Contractor has first secured written authorization and approval from City.

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6 Other City Services

6.1 City Public Facilities Collection

Contractor shall Collect, Transport, Recycle, Process, and Dispose of all Solid Waste, including Source Separated Green Container Organic Waste, produced by City at City Facilities without charge to the City.

6.2 City Special Events Collection

Contractor shall Collect, Transport, Recycle, Process, and Dispose of all Solid Waste, including Source Separated Green Container Organic Waste, produced at City's annual Fourth of July celebration and up to ten (10) other, annual special events, as reasonably requested by City, such as concerts in the park, farmer's market (provided the market is operated by the City or a non-profit corporation) and similar community celebrations without charge to the City.

6.3 City Bus Stop Barrel Collection

Contractor shall Collect, Transport, and Dispose of Solid Waste deposited in Barrels at City bus stops at the locations and by the schedule set forth in Exhibit 2, without charge to the City or Customer. The times, days, and Barrel locations specified in Exhibit 2 may be modified from time-to-time upon request of Contractor, upon approval of the Public Works Director, whose agreement shall not be unreasonably denied. Contractor shall empty the bus stop Barrel(s), supply the new Barrel liner, and replace the Barrel liner. Contractor shall remove any Solid Waste outside of the Barrel(s) at the bus stop and pressure wash as needed.

Notwithstanding any provision in this Agreement to the contrary and starting on the Effective Date, Contractor shall provide Bus Stop Barrel Collection without charge to City or Customers, provided that upon any notice as specified in Section 4.2Contractor shall bill the City its then-existing rates for Bus Stop Barrel Collection set forth in Exhibit 1. Thereafter, Contractor shall invoice the City on the first business day of each month for Bus Stop Barrel Collection services rendered during the preceding month.

6.4 City Street Sweeping Service

Contractor shall provide Street Sweeping Service within City in accordance with Exhibit 3.

6.5 Compost Giveaway Events

Beginning January 1, 2025, at no additional cost to City or Customers, Contractor shall host two (2) "Compost Giveaway" events per calendar year, offering free Compost to Customers. Contractor shall host each event at a time and location mutually agreeable between the City and Contractor. During the event, Contractor shall distribute literature on SB 1383 compliance. All literature distributed at the event shall be printed and made available in English, Spanish, and Mandarin.

6.6 Dumpster Day Events

Beginning January 1, 2025, Contractor shall provide, at no charge to City or Customers, four (4) "Dumpster Day" events per calendar year (on days determined by the City) for the Collection of Bulky Items. Contractor shall also provide, at no charge, curbside pick-up of those Bulky Items during the week of the "Dumpster Day" events for Senior citizens' residences within the City, as coordinated by the City, provided that if curbside pick-ups for any Dumpster Day event exceed one hundred (100) pick-ups, then City and Contractor shall negotiate a reasonable charge for such excess pick-ups. In addition to the four (4) Dumpster Day events, the Contractor shall provide one (1) curbside Bulky Item pick-up per calendar year for Seniors at no charge to City or Customer. The Customer shall notify the Contractor at least twenty-four (24) hours in advance of scheduling the no charge curbside Bulky Item pick-up.

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6.7 Holiday Tree Collection

Contractor shall provide Holiday tree Collection for all Residential Premises, including SFD-A Premises, and Multi-Family Premises. Holiday trees must be placed at the curb or near a Customer's Container(s) for Collection during the three-week Collection period beginning January 2nd each calendar year during the term of this Agreement. Contractor must deliver the Collected Holiday trees to an appropriate facility for Disposal and/or Processing. This annual service will be provided at no additional charge to the Customer. Contractor is not required to divert Holiday Trees with tinsel, flocking, or ornaments.

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7 Customer Billings, Charges, and Rates

7.1 Billings for Collection Services

Contractor is responsible for the billing and collection of payments for all services provided under this Agreement. Contractor shall bill Residential Customers, excluding SFD-A Customers quarterly in advance for all services and Commercial Customers and SFD-A Customers monthly in advance for all services. The amount charged to Customers for all services shall not exceed the Maximum Service Rates established in Exhibit 1, as such rates may be adjusted under this Agreement.

7.2 Partial Month Service

If, during a month, a Customer is added or deleted, 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 Customer).

7.3 Production of Invoices

Contractor shall prepare, mail, or electronically transmit, and collect bills (or shall issue written receipts for cash payments) for services provided by Contractor under this Agreement. Billing shall not be permitted more than fifteen (15) days prior to the initiation of Collection service period. Bills shall not be subject to late notification or charges until thirty (30) days following the closing day of the service period. Contractor shall include a customer service e-mail address and phone number on all billing notices. Contractor shall accept payment by check, credit card or ACH debit. Billings shall include sufficient space on the statement to accommodate up to twenty (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 Customer has overpaid for service for any reason, Contractor must provide the Customer a credit against future invoices or a refund (where the account is closing or as selected by the Customer, and where the refund amount exceeds the lesser of the regular invoicing amount or $200) within thirty (30) days of such determination.

7.4 Late Fees

Contractor may assess Customers a late payment fee of ten percent (10%) of the outstanding balance of any invoice after sixty (60) days, plus interest on the outstanding balance not to exceed an annual rate of twelve percent (12%). Such fees will be assessed if the outstanding balance is Five Dollars ($5.00) or greater.

7.5 Delinquent Service Accounts

The Contractor may discontinue service to a Customer who is delinquent in paying for services rendered no earlier than sixty (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 Customer, whichever is later. For this purpose, delivery of the billing shall include the date such billing is deposited by to Contractor into the U.S. Mail or delivered electronically. The Contractor shall notify the Customer and the Public Works Director or designee in writing of its intent to discontinue service not less than ten (10) business days before such discontinuation shall occur.

7.6 Annual City Approval of Maximum Service Rates

On or before May 1, 2025, and annually each May 1 during the term of this Agreement, the Contractor shall notify the Public Works Director of the CPI adjustments to the affected Maximum Service Rates. No later than each June 1, City shall notify Contractor of City's agreement or disagreement with Contractor's calculation of Maximum Service Rates. Any such agreement or disagreement shall occur at the administrative level.

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7.7 Adjustments to Maximum Service Rates using CPI

Beginning on July 1, 2025, and each July 1 thereafter during the Term, Contractor shall, subject to compliance with all provisions of Section 7.8 and each subpart therein, receive an annual adjustment to the Maximum Service Rates as set forth in Exhibit 1.

7.8 Rate Increase Formula

Each of the Maximum Service Rates provided by this Agreement consists of the Operations Component and Disposal Component.

7.8.1 Operations Component

The Operations Component includes Contractor's then-current operational rate to Collect all Solid Waste, including Recyclable Materials and Organic Waste, from all Customers described in Section 5 according to the terms set forth in this Agreement. Also included in the Operations Component is Contractor's then-current operational rate to Transport all Solid Waste to the appropriate facility(ies). The Operations Component is to be adjusted in proportion to the percentage change in CPI for the immediately previous twelve-month period (March through February).

7.8.2 Disposal Component

The Disposal Component shall be based on the per ton costs incurred by Contractor for Disposal and Processing of all Solid Waste, including gate rates or Tipping Fees (inclusive but not limited to all taxes and surcharges) to Dispose and/or Process Solid Waste at the appropriate facility(ies). The Disposal Component is to be adjusted in proportion to the increase or decrease in costs as determined by the percentage change in gate rates or Tipping Fees (inclusive but not limited to all taxes and surcharges) at the appropriate facility(ies). The Disposal Component adjustment shall not exceed the percentage change in CPI, as described above.

7.9 Special Rate Adjustment

In the event circumstances beyond the control of Contractor impose or generate extraordinary cost in the performance of the Agreement, including but not limited to unanticipated increases in Disposal and operational costs in excess of CPI, Contractor may petition City to determine if an adjustment in compensation is warranted to avoid undue financial hardship on Contractor. For each request, Contractor shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate of extraordinary costs. City shall review Contractor's request and, in City's sole judgment, make the final determination on the adjustment, provide, however, that approval of such request not be unreasonably withheld. Further, the Parties agree that if Contractor uses a Disposal Facility other than the San Bernardino County landfill system, subject to City approval, then increases or decreases in the Tipping Fee portion of the Disposal Component for such alternate Disposal Site may be adjusted in excess of the percentage change in CPI in accordance with this Section 7.9.

7.10 Proposition 218

7.10.1 Hearing Procedures

At the City's election, in the City's sole discretion and without admitting the applicability of Proposition 218 (California Constitution Article XIII D) to the rates specified in Exhibit 1, City may determine to comply with the hearing and other requirements of Proposition 218 and the Proposition 218 Omnibus Implementation Act ("Proposition 218") with respect to the City's adjustment of the rates required to be paid by Customers.

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7.10.2 Rate Invalidation Procedures

Within thirty (30) days of an Invalidation Action, City must provide written notice to Contractor identifying such action, with a written justification explaining why City is prohibited or disallowed from establishing, implementing, or adjusting Maximum Service Rate(s), in whole or in part ("Invalidation Notice"). Upon Contractor's receipt of an Invalidation Notice, Contractor will present an accounting of the amounts otherwise due and payable to Contractor but for the Invalidation Action. City and Contractor shall immediately meet and confer and agree to discuss (i) revisions to the schedule of Maximum Service Rates or City payment that may be acceptable to Contractor and/or (ii) adjustments to the services and programs in order to provide minimum State mandated services and programs within the then existing schedule of Maximum Service Rates ("Response Actions"). City and Contractor will negotiate in good faith and will not unreasonably withhold agreement to such Response Actions. If City and Contractor do not reach an agreement within sixty (60) days of the Contractor's receipt of the Invalidation Notice, or as extended by mutual agreement of the parties, Contractor may, notwithstanding Sections 4.1 and 4.2, terminate this Agreement at any time without cause or penalty, provided that termination shall not be effective until at least thirty (30) days' after Contractor issues a written notice of termination. During such period, Contractor will cooperate with City to transition services to City or its designee. Contractor's rights hereunder are in addition to any other rights of Contractor upon the invalidation of any Maximum Service Rate(s) that would otherwise be due and payable to Contractor.

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8 Recordkeeping and Reporting

8.1 Recordkeeping

8.1.1 Accounting Records

Contractor shall maintain financial statements and other relevant information consistent with generally accepted business practices pertaining to Collection services provided under this Agreement, prepared on an accrual basis. The City retains the right, upon reasonable notice, to inspect and audit Contractor's financial statements and records with respect to services provided pursuant to this Agreement to confirm compliance and the calculation of Maximum Service Rates pursuant to Section 7(Customer Billings, Charges, and Rates) and Section 9 (Fees Paid to City). The Parties acknowledge and agree that Contractor's financial information and records constitute proprietary information and trade secrets of Contractor. All financial information provided to City shall be held strictly confidential and not publicly disclosed, to the maximum extent permitted by law, and City shall use its best efforts to prevent any such disclosure. In the event that the audit concludes that Contractor is not in compliance and such non-compliance is material, which shall mean any underpayments greater than $50,000 or more as adjusted annually each July 1 by CPI, Contractor shall reimburse the City for the full cost of the audit plus any underpayments discovered during the audit.

8.1.2 Records Preservation

Contractor shall keep and preserve, during the Term of this Agreement, and for a period of not less than five (5) years following expiration or other termination hereof (or such longer time period if required by Applicable Law), full, complete, and accurate records, including all cash, billing and Disposal records, as indicated in the Agreement.

8.1.3 Materials Records

Contractor must maintain records of the quantities of (i) Residential, including, SFD-A, Multi-Family 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, (iii) Organic Waste by type, Collected, purchased, Processed, sold, donated or given for no compensation, and residue Disposed under the terms of this Agreement, and (iv) Construction and Demolition Debris Collected and Disposed under the terms of this Agreement.

8.1.4 Senate Bill 1383 Implementation Record

Notwithstanding any provision in this Agreement to the contrary, Contractor shall prepare and maintain the records identified in 14 CCR Section 18995.2(f), arising from the Organic Waste Collection services performed by Contractor and assist City in reporting such information.

8.1.5 Other Records

Contractor must maintain all other records reasonably related to provision of Solid Waste Handling Services and compliance with AB 939, AB 341, AB 1826, SB 1383, and all Applicable Laws, whether or not specified in this Agreement.

8.1.6 Access to Records

Contractor shall provide City with business hours access to and any necessary training for use of a Contractor-hosted recordkeeping system in order to validate Contractor performance in accordance with the Organic Waste program. City reserves the right to require Contractor to periodically submit all reports and information by electronic means in a format approved by the City. The City also reserves the right to

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require Contractor to transfer Customer data periodically electronically to a City-selected web-based software platform.

8.2 Quarterly Reporting

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. Quarterly reports to City must include:

8.2.1 Franchised Tonnage and Service Data

Contractor must report the number of unique Residential, including SFD-A, Commercial and Multi-Family Dwelling accounts serviced, tonnage of Solid Waste Collected and Processed for Diversion broken down by Container type, and residual amounts from Recycling and Organic Waste Diversion operations that are landfilled. Quantities and accounts should be broken down by Single-Family Premise (excluding SFD-A Premises), SFD-A Premise, Multi-Family Premise, Commercial Premise, and City Service Collection services. Reports must have tonnage assigned appropriately to Residential and Commercial generators.

8.2.2 Franchise Fee Payment Reporting

The report must include an accounting of Contractor's Gross Receipts received during the preceding quarter and the calculated Franchise Fee.

8.2.3 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.

8.2.4 Non-Collection

The quarterly report must include a summary of each service unit receiving a Non-Collection Notice in the previous quarter.

8.2.5 On-Hold

The quarterly report must include each service unit that was not billed in the previous quarter due to vacation hold, vacancy etc.

8.2.6 Collection Overage Charges

The quarterly report must include each service unit incurring a charge for a Solid Waste Overage in the previous quarter.

8.2.7 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 5.13. This summary must include the total number of accounts where contamination occurred (where Courtesy Pick-Up Notices were issued), the total number of Contamination Fee Notices issued by Contractor to Customers, 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) business days of request by City, Contractor will provide copies of the Contamination Fee Notices and the digital documentation of Prohibited Container Contaminants.

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8.2.8 Customer Service Log

The quarterly report must include the Customer service log collected from the previous quarter as required in Section 10.3.2 of this Agreement.

8.2.9 Data Transfer

If required by City, Contractor shall submit all reports by electronic means in a format compatible with the City's computers and software. At Contractor's expense, Contractor will provide City with business hours access to and any necessary training for use of a Contractor-hosted records systems in order to obtain and transfer Customer data.

8.3 Annual Reporting

An annual report must be submitted no later than 5 p.m. PT on March 1, 2025 and each March 1st thereafter for the previous calendar year. If March 1st falls on a day that City is closed, then the report will be due on the next business day. Annual reports must be provided electronically in software acceptable to the City. Annual reports shall summarize all information provided in the Quarterly Reports for the previous calendar year. In addition, the annual report shall include the following:

8.3.1 Organic Waste Data

Contractor shall provide an annual report of the information identified in 14 CCR Section 18994.2.

8.3.2 Financial Report

The number of Single-Family (including SFD-A), Commercial and Multi-Family 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 Receipts for each type of service unit, and the amount received for the sale of Recyclable Materials.

8.3.3 Education and Outreach Report

Contractor shall document all education and outreach activities conducted throughout the calendar year including, but not limited to, City event participation, school visits, site visits and waste assessments completed, bill inserts distributed, and tours and other activities related to the provision of Collection Services.

8.3.4 Property Damage and Personal Injury

A description of all cases of property damage and personal injury that have occurred while providing services for City pursuant to this Agreement in the immediate past calendar year.

8.3.5 Traffic Citations

A copy or description of all traffic citations received while providing services for City pursuant to this Agreement in the immediate past calendar year.

8.3.6 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: make, model, year, license number, identification number and ownership, route number, date purchased, vehicle type, and tare weight.

8.3.7 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 pick-ups and responses to such calls.

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8.3.8 Summary Narrative

A summary narrative of problems encountered with Collection and Processing activities and actions taken. Indicate type and number of notices left at Customer locations. Indicate instances of property damage or injury, significant changes in operation, market factors, publicity conducted, needs for publicity, and similar information. Include description of Processed material loads rejected for sale, reason for rejection and disposition of load after rejection.

8.4 CalRecycle Reports

Contractor will prepare and submit annual reports to CalRecycle (the "Electronic Annual Report" or EAR), that includes, but is not limited to, supplying required data for preparation of the reports and completing all required data input in CalRecycle's reporting system. In the event that CalRecycle requires City to report an "Implementation Schedule" to comply with Applicable Law, Contractor will provide assistance to City in preparing a report, including Contractor's policies and procedures related to compliance with Applicable Law 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 Reviews, copies of notices, violations, education and enforcement actions issued, and copies of educational materials, flyers, brochures, newsletters, website, and social media. CalRecycle reports shall be provided to the City for review and approval no less than thirty (30) days prior to the report due date.

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9 Fees Paid to City

9.1 Franchise Fee

In consideration of the rights provided to Contractor herein and as set forth in Section 3.1 of this Agreement, for the entire Term of this Agreement, Contractor shall pay City, in accordance with Section 9.4, a Franchise Fee of ten percent (10%) of all Gross Receipts received by Contractor under this Agreement. The Franchise Fee may be adjusted by resolution of the City Council. In the event the City adjusts the Franchise Fee, the City shall adjust the Maximum Service Rates by a commensurate amount to reimburse Contractor for additional Franchise Fee costs.

9.2 Recycling Revenue Sharing

On a quarterly basis (within forty-five (45) days after each quarter), Contractor shall remit (or cause the operator of the MRF at which Contractor deposits Solid Waste Collected within the City) to City twenty-five percent (25%) of the net revenue generated from sales of Recyclable Materials Collected by Contractor within the City. For purposes of this Section, net revenue shall mean Gross Receipts generated from such sale minus any amount paid to the users of the Recyclable Materials as incentives to divert materials. Contractor shall, on an annual basis, provide to the City a report describing the quantity of Recyclable Materials, the dollar value of those sold and the net revenue paid to the City, and explain the reasons, therefor.

9.3 Solid Waste Handling Fee

Commencing on December 1, 2031, and on each seventh anniversary thereafter, provided neither party has given Notice of Intent to Wind-Down as provided in Section 4.2, Contractor shall remit to City an amount equal to $84,782.90, as adjusted herein, to be used toward facilitating City's Solid Waste Handling operations ("Solid Waste Handling Fee"). The Solid Waste Handling Fee shall be adjusted in proportion to the percentage change in the CPI for the seven (7) previous twelve-month periods (March through February). Upon any notice as provided in Section 4.2, this Section 9.3 shall be of no further force or effect and Contractor shall not be obligated to pay any further fees under this Section 9.3

9.4 Time and Method of Payment; Late Fees

Fees owed to City shall be computed and paid based on Gross Receipts received each calendar quarter. Contractor shall prepare and mail such remittance on a quarterly basis to the Finance Director, and such remittance must be delivered or postmarked no later than forty-five (45) days following the end of each quarter.

Contractor shall pay interest on all unpaid, undisputed fees at the rate of six percent (6%) per annum from the date the fees were due and payable to the date actually paid.

If a delay is due to extenuating circumstances, Contractor must request approval in writing from the Public Works Director 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.

9.5 Disputes

In the event of any disputes between the Contractor and the City with respect to the fees described in this Section 9, the City shall provide the Contractor with written objection within 180 days of the receipt of the report described in Section 8.2.2, indicating the portion of the report that is disputed and providing all reasons then known to the City for its objection to or disagreement with such amount. All amounts paid may be subject to independent financial audit and recompilation by the City. If, after a financial audit, such

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recompilation indicates an underpayment or if an underpayment is determined by agreement, mediation, legal proceeding or otherwise, Contractor shall pay to City the amount of the underpayment, with interest thereof at the rate set forth in Section 9.1 from the date the underpayment amount was due to the City. If the objection was in good faith and the underpayment exceeds three percent (3%), Contractor shall reimburse City for all reasonable costs and expenses incurred in connection with the dispute within ten (10) Workdays of receipt of written notice from City that such is the case. If, the review indicates an overpayment, City shall notify Contractor in writing of the amount of the overpayment. Contractor may offset the amounts next due following receipt of such notice by the amount specified therein. Nothing contained in this subsection shall limit the authority of any authorized officer 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.

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10 Quality of Performance of Contractor

10.1 City-Contractor Meetings

The Parties shall meet and confer at least once per quarter, upon the request of any Party, to discuss any matters arising from or relating to the Agreement as determined by the requesting Party.

10.2 Collection Performance Standards

10.2.1 Hours of Collection

The collection of Solid Waste shall only occur between the hours of 7:00 a.m. and 5:00 p.m., Monday through Friday and between the hours of 7:00 a.m. and 12:00 p.m., Saturday. Collection services will not take place on Sundays. Collection earlier than 7:00 a.m. may be authorized upon written approval of the Public Works Director; provided, that Contractor gives written notice to the affected Customers at least ten (10) days prior to the earlier Collection. To the extent reasonably possible, Collections on each route shall commence at the same point, at the same time and follow the same route each time Collections are made.

10.2.2 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 these designated Holidays. In any week in which one of these Holidays falls on a Workday, Residential Collection Services for the Holiday and each Workday thereafter will be delayed one Workday for the remainder of the week with normally scheduled Friday Collection Services being performed on Saturday.

10.2.3 Accessibility

Contractor must Collect all Collection Containers that are readily accessible to Contractor's crew and vehicles and not blocked. However, Contractor may provide "push services" and "stinger/scout truck services" as necessary at the Maximum Service Rates 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.

10.2.4 Manner of Collection

The Contractor must Collect Solid Waste with as little disturbance as possible and must leave any Container in an upright position at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks, or mailboxes. 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.

10.3 Contractor's Customer Service

10.3.1 Customer Service Representative and Performance Standards

All service inquiries and complaints will be directed to Contractor. A representative of Contractor must be available to answer inquiries and receive complaints during normal business hours. All service complaints will be handled by Contractor in a prompt and efficient manner. In the case of a dispute between Contractor and a Customer, the matter will be reviewed, and a decision made by the Public Works Director.

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Contractor shall maintain a local telephone number and maintain telephone listings in the directories of the telephone companies servicing Customers in the name by which the firm is most commonly known.

Contractor shall not repeatedly allow Customer service calls to be put on hold for longer than two minutes.

Contractor shall not repeatedly allow Customer service calls to ring more than ten (10) times.

Contractor's Customer service representatives will treat all Customers in a friendly and courteous manner.

Contractor's Customer service representatives will be fully knowledgeable about this Agreement and the services provided hereunder.

10.3.2 Customer Service Log

Contractor shall maintain a written record of all service requests and complaints received, including the name, address, and telephone number of the Customer, a description of the service requests and/or complaints, the time the service request and/or complaint was received, the action taken in response to the service request/complaint, and the time the responsive action was taken. Contractor shall provide City with a copy of the written Customer Service Log as described in Section 8.3.7.

10.3.3 Complaints and Claims

In the event any Customer reports to the Public Works Director a complaint or claim has not been resolved to the Customer's reasonable satisfaction, the Public Works Director may require Contractor to present a detailed report outlining the nature of the complaint and remedies proposed or action taken to resolve the complaint or claim. If, in the reasonable opinion of the Public Works Director, Contractor's remedies proposed and action taken are insufficient to resolve adequately the complaint or claim, then the Public Works Director may require Contractor to carry-out an alternative reasonable remedy process intended to resolve the complaint or claim. The remedies will be carried out at no cost whatsoever to City, unless otherwise specified by the Public Works Director. For those complaints related to repair or replacement of Collection Containers, the appropriate Sections of this Agreement will apply.

10.3.4 Missed Collections

For those complaints related to missed Collections, where Containers are properly and timely set out, that are received by 12:00 noon on a Workday, Contractor will return to the Service Unit address and Collect the missed materials before leaving the City for the day. For those complaints related to missed Collections that are received after 12:00 noon on a Workday, Contractor will have until the end of the following Workday to resolve the complaint.

10.4 Collection Vehicle Requirements

10.4.1 General

Contractor shall provide vehicles that are sufficient in number and capacity to efficiently perform the work required by this Agreement.

10.4.2 Reserve Equipment

Contractor shall have available to it, at all times, reserve Collection equipment which can be put into service and operation so as to prevent an interruption of services Citywide. Such reserve equipment must correspond in size and capacity to the equipment used by the Contractor to perform the contractual duties.

10.4.3 Appearance

Contractor shall paint each vehicle periodically (including performing all necessary body work), as frequently as necessary to keep clean and in good repair. Contractor shall mark the rear, and both sides of each vehicle

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with the Contractor's name, telephone number, and a vehicle number in letters contrasting sharply with the color of the truck and not less than six (6) inches in height. Contractor shall maintain each vehicle in a clean and sanitary condition both inside and out.

10.4.4 Maintenance

Contractor shall perform all scheduled maintenance functions upon Collection vehicles in accordance with the manufacturer's specifications and schedule. Contractor shall repair, or arrange for the repair of, all its vehicles and equipment for which repairs are needed because of accident, breakdown, or any other cause to maintain all equipment in a safe and operable condition. Contractor shall keep accurate records of all Collection vehicles maintenance and repair, recorded according to date and mileage, including signed verifications that repairs and maintenance has been properly performed, and shall make such records available to City upon request.

10.4.5 Emissions

Contractor's Collection vehicles shall comply with all rules and regulations of the South Coast Air Quality Management District, California Air Resources Board, and any other air-quality regulatory body that may be in authority during the Term of this Agreement.

10.4.6 Noise

Contractor’s vehicles using compaction mechanisms during the stationary compaction process shall not exceed a noise level of seventy-five (75) decibels (dB) twenty-five (25) feet from the Collection vehicle measured at an elevation of five (5) feet above ground level. Contractor shall submit to City, upon City's request, a certificate of vehicle noise level testing, by an independent testing entity, for any Collection vehicle which City or Contractor has received more than two complaints from different Customers regarding excessive noise in a twelve-month period.

10.4.7 Safety

Each vehicle used for Collecting, Transporting, Transferring, handling, Processing, or Disposing of Solid Waste shall be equipped with an audible warning device that is activated when the vehicle is backing up.

10.4.8 Litter Abatement and Minimization of Spills

Each truck shall be constructed and used so that Solid Waste, oil, grease or other fluids or liquids will not blow, fall or leak out of the truck onto the street. All Solid Waste shall be Transported by means of vehicles equipped with water-tight bodies fitted with close fitting metal covers. If any Solid Waste is dropped or spilled in Collecting, Transferring or Transporting, it shall be immediately cleaned up. A broom and shovel shall be carried on each truck at all times for this purpose. Any equipment oil, grease or any other fluids or liquids spilled must be covered immediately with an absorptive material and removed from the street surface. Contractor must notify the City’s Public Works Director 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 Public Works Director to be compliant with the City’s stormwater permit. If required by Applicable Law, Contractor shall undertake any reporting and/or assist in the reporting related to any spill. If Contractor has not cleaned up such droppings or spill within a reasonable time then all expenses incurred by City in the collection and disposal of any such spilled or dropped Solid Waste, oil, grease or other fluids or liquids shall be paid to City, on demand, by Contractor.

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10.4.9 Inspection of Vehicles

Contractor shall inspect each Collection vehicle daily to ensure that all equipment is operating properly. Collection vehicles that are not operating properly shall be removed from service until repaired and operating properly.

Contractor shall regularly inspect each Collection vehicle to ensure it meets the requirements of the California Vehicle Code. Upon request of the Public Works Director, Contractor shall provide to the City copies of its Biannual Inspection of Terminal ("BIT") inspection reports (including all attachments) to City within thirty (30) days of its receipt of such reports. Upon request of the Public Works Director, Contractor shall furnish City a written inventory of all equipment, including Collection vehicles used in providing service pursuant to this Agreement. This inventory shall list all equipment by manufacturer, ID number, date of acquisition, type, and capacity. Contractor shall make its BASIC Score as derived by the Federal Motor Carrier Safety Administration available to City upon request by the Public Works Director. City may cause or require any Collection vehicle used in performance of this Agreement to be inspected and tested at any time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of this Agreement.

The Chief of Police, Public Works Director or City Manager may authorize the removal of any vehicle from service if said vehicle is found to be in noncompliance with the California Vehicle Code. Vehicles shall not be returned to service until duly authorized by the Chief of Police or the Public Works Director.

10.4.10 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 Public Works Director.

10.5 Containers

10.5.1 New Barrels for Residential Manual Barrel Collection Service

Contractor is required and shall provide new Barrels to all Customers receiving Residential Manual Barrel Collection Service. Contractor shall, in good faith, make efforts to diligently provide the new Barrels to Customers without undue delay beginning as of the Effective Date and shall coordinate with the City in that effort, including determining a reasonable and timely delivery schedule for all new Barrels subject to availability.

Subsequent to the delivery of the new Barrels, Contractor will provide one-time free pick-up of Barrels currently in use by Customers (“Used Barrels”). Contractor and City shall coordinate and agree as to when and how the pick-up will be accomplished and how noticing will be provided to Customers. If Customer authorizes the pick-up of the Used Barrels, Contractor shall Recycle or properly Dispose such Used Barrels. Contractor shall also Collect Solid Waste in any Used Barrels at the time of pick-up.

10.5.2 Container Collection; Tagging

Contractor shall only be required to Collect Containers that are delivered by Contractor and comply with SB 1383. Contractor will not Collect Containers that are not supplied by Contractor. Contractor shall “tag” any Containers set for Collection that are not supplied by Contractor and do not comply with SB 1383.

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10.5.3 Ownership of Collection Containers

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

10.5.4 Container Labeling Requirements

Contractor shall, in accordance with 14 CCR Section 18984.8, imprint or place a label on the body or lid of each new Container that has been provided by Contractor to a Customer that includes language or graphic images, or both, indicating the primary materials accepted and the primary materials prohibited in that Container. The imprint or label shall include Contractor company name and telephone number.

10.5.5 Container Color Requirements

Notwithstanding any provision in this Agreement to the contrary, all Containers provided by Contractor to Customers must comply with the color requirements specified in 14 CCR Section 18984.7 under the timelines and requirements of such section. Containers shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation, and the lids and bodies shall be uniform for each Container type, as follows: (i) Black Container bodies and lids shall be black; and (ii) Green Container bodies and lids shall be green. Hardware such as hinges and wheels on the Containers may be a different color than specified herein.

10.5.6 Handling of Collection Containers

All Collection Containers shall be placed upright. Containers shall not be placed or thrown on streets, alleys, highways, or adjoining property. Contractor and Contractor's agents or employees shall not cause Collection Containers to be thrown from the truck to the pavement or parkway, or in any other way break or damage or roughly handle the same. Any claim for damage to Containers, resulting from misuse or rough handling of the Containers by Contractor, shall be presented to Contractor by Customer. Contractor shall make a decision concerning settlement within five (5) business days after receipt of such claim.

10.5.7 Repair of Collection Containers

Contractor is responsible for repair of Collection Containers. Within five (5) Workdays of notification by City or Customer 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 Customer. Collection Container repair also includes the removal of graffiti from the Collection Container.

10.5.8 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) Workdays at no cost or inconvenience to the Customer. Contractor shall replace up to one (1) lost, destroyed, or stolen Barrel per calendar year at no charge to the Customer unless such loss or destruction is caused by Customer. Contractor will be compensated for the cost of all other replacements at the Maximum Service Rates set forth in Exhibit 1. Contractor must deliver a replacement Collection Container to Customer within five (5) Workdays.

10.5.9 Container Exchange

Upon notification to Contractor by City or Customer that a change in their Collection Containers is required, or if Contractor deems a change is necessary to provide services in accordance with Applicable Law subject to City disapproval, Contractor must deliver such Collection Containers to such Customer within five (5) Workdays. Contractor is allowed to charge the Customer for the cost of exchanges in accordance with the appropriate "Collection Container Exchange" service rate set forth in Exhibit 1 as may be adjusted by City

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under this Agreement. Additional Collection Containers or different size Collection Containers are subject to the applicable Maximum Service Rate set forth in Exhibit 1.

10.5.10 Newly Painted Bins and Roll-Off Containers

Contractor shall supply newly painted Bins and Roll-Off Containers in good condition which comply with Collection Container specifications in Section 10.5. 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, Contactor will be eligible for additional compensation in accordance with Section 15.1.

10.5.11 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 (3) calendar 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.

10.5.12 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.

10.6 Personnel

10.6.1 General Requirements

Contractor must employ and assign qualified personnel to perform all services required under this Agreement.

In providing services for City, Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex or sexual orientation. Contractor shall take affirmative action to ensure such non-discrimination. Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Contractor shall, in all solicitation or advertisements for employees placed by or on behalf of Contractor, state that qualified applications will receive consideration for employment without regard to race, creed, color, national origin, sex or sexual orientation.

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.

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.

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.

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Subject to written notice by City, Contractor may be required to submit to the Chief of Police, for fingerprinting, all employees involved in Collecting, Hauling or Disposal of Solid Waste, subject to any conditions imposed by Contractor's Labor Agreement.

Contractor's employees, officers, and agents may not identify themselves or in any way represent themselves as being employees or officials of City.

10.6.2 Route Supervisor

Contractor must assign a qualified supervisor to be in charge of the Collection service within the City and must provide the name of that individual in writing to the Public Works Director no later than January 1, 2025, and any other time the individual in that position changes. The supervisor must be available to the Public Works Director 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 Route Supervisor.

10.6.3 Contract Manager

Contractor must designate an individual who serves the function equivalent to a "Contract Manager" and must provide the name of that individual in writing to City no later than January 1, 2025 and any other time the individual 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 City. The Contract Manager must provide City with an emergency phone number where the Contract Manager can be reached outside of normal business hours.

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11 Insurance and Performance Bond

11.1 Insurance Policies

Contractor must secure and maintain throughout the Term of this Agreement insurance as described in this Section 11 against claims for personal injury or damages to property which may arise from or in connection with Contractor's performance of work or services hereunder or the actions or inactions of Contractor in connection with Contractor's performance. Contractor's performance of work or services includes performance by Contractor's employees, agents, representatives, and subcontractors. City does not, and shall not, waive any rights against Contractor which it may have by reason of the hold harmless and indemnity agreements or the deposit by Contractor of the insurance policies described in this Section. The insurance required is in addition to and separate from any other obligations contained in this Agreement.

11.2 Minimum Scope of Insurance

Insurance coverage must be at least this broad:

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.
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".
3. Workers' Compensation insurance as required by the California Labor Code and Employers Liability Insurance.
4. Environmental Pollution Liability Insurance.

11.3 Minimum Limits of Insurance

Contractor must maintain insurance limits no less than:

11.3.1 Comprehensive General Liability

$5,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit will apply separately to this Agreement, or the general aggregate limit must be $10,000,000. The required limits can be satisfied with an umbrella/excess liability policy.

11.3.2 Automobile Liability

$5,000,000 combined single limit per accident for bodily injury and property damage.

11.3.3 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.

11.3.4 Environmental Pollution Liability

$5,000,000 per occurrence and $10,000,000 aggregate. Should coverage be claims made, coverage shall continue for five (5) years following the termination of this Agreement or should coverage be cancelled, tail or run-off coverage shall be purchased by Contractor for no less than five (5) calendar years. Coverage shall

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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.

11.4 Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to City's risk manager and approved by the City. 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.

11.5 Endorsements

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

11.5.1 General Liability, Automobile and Environmental Liability Coverage

1. City, its elected officials, 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 elected officials, officers, employees, agents, and contractors.
2. Contractor's insurance coverage must be primary insurance as respects City, its elected officials, officers, employees, agents, and contractors. Any insurance, or self-insurance maintained by City will be in excess of Contractor's insurance and will not contribute with it.
3. Any failure to comply with reporting provisions of the policies will not affect coverage provided to City, its elected officials, officers, employees, agents, or contractors.
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.
5. The automobile liability policy shall be endorsed to delete the pollution and/or the asbestos exclusion and add the Motor Carrier Act endorsement (MCS-90), TL 1005, TL 1007 and/or other endorsements required by Federal or State authorities.

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.

11.6 Acceptability of Insurers

Insurance is to be placed with insurers authorized to do business in the State of California and with an A.M. Best rating of A-/VII or better.

11.7 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. The certificates and endorsements are to be received and approved by the City before work commences. City reserves the right to require complete, certified copies of all required insurance policies at any time. Contractor must furnish

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City with a new certificate of insurance and endorsements on each renewal of coverage or change of insurers.

Proof of insurance must be mailed to the following address, or any subsequent address as may be directed by the City:

City of South Pasadena
Attn: Risk Manager
1414 Mission Street
South Pasadena, CA 91030

11.8 Subcontractors

Contractor must include all other companies and subcontractors providing services on behalf of Contractor at its request under this Agreement in the City as additional insureds under its policies or subcontractors and other companies must obtain separate certificates and endorsements. All coverages for companies and subcontractors shall be subject to all of the requirements stated herein. For the avoidance of doubt, facility operators and subhaulers are not considered subcontractors.

11.9 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.

11.10 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.

11.11 Failure to Maintain Insurance

Should Contractor fail to obtain or maintain insurance as required by this Agreement, Contractor shall have seven (7) days to cure the defect, during which time, City shall have the option, but not the obligation to, at Contractor's sole expense obtain replacement insurance coverage during said cure period at Contractor's expense. Should Contractor fail to correct this defect within such time-frame, City shall have the option to terminate this Agreement immediately. The notice shall provide the date of termination.

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12 Hold Harmless and Indemnification

12.1 Defense and Indemnity of Third-Party Claims/Liability

Contractor shall indemnify, defend with legal counsel approved by City, and hold harmless City, its officers, elected officials, agents, employees and volunteers ("City Indemnitees") from and against all liability including, but not limited to, any claim, demand, action, penalty, proceeding or suit in law or equity of any kind (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties), loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature to the extent arising out of or in connection with (i) Contractor's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, or (ii) the failure of Contractor to comply with any Applicable Laws (including, without limitation Environmental Laws, ordinances and regulations, and/or applicable permits and licenses), or (iii) the acts of the Contractor in performing services under this Agreement for which strict liability is imposed by law.

12.2 Nonwaiver

City does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by City, or the deposit with City, of any insurance certificates or policies described in Section 11.

12.3 Diversion Indemnification

Contractor agrees to hold the City harmless and indemnify and defend (with counsel reasonably approved by City), from and against all fines or penalties imposed by CalRecycle on the City to the extent Diversion requirements set forth in Public Resources Code Section 41780 are not met by City and if the lack in meeting such requirements are attributable to the failure of Contractor to implement and operate the Diversion programs required by this Agreement or solely due to Contractor-caused delays in providing information that prevents Contractor or the City from submitting reports to regulators in a timely manner. In the event CalRecycle provides an administrative process to challenge the imposition of a compliance order or a fine or fines, Contractor will be responsible for engaging any consultants or attorneys necessary to represent City in any challenge at Contractor's sole cost and expense (with counsel reasonably approved by City). Any funds expended by Contractor, pursuant to this subsection, for fines and expenses (including consultant fees, attorneys' fees and costs) shall not be passed on to Customers as part of a rate increase or otherwise.

12.4 Hazardous Substances Indemnification

Contractor agrees to indemnify, defend (with counsel reasonably approved by City), protect and hold harmless the City Indemnitees from and against any and all claims, damages, demands, actions and causes of action (including administrative proceedings), suits, losses, costs and expenses (including but not limited to attorneys' fees and costs), penalties, fines, judgments or liabilities of any kind whatsoever resulting, arising from or attributable to the actions of Contractor, including removal action or response action undertaken pursuant to CERCLA or the Carpenter-Presley-Tanner Hazardous Substance Account Act of 1981, with respect to Solid Waste or Household Hazardous Waste Collected, Transported and/or Disposed of or handled by Contractor at Disposal Sites selected by Contractor. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA and Section 25364 of the Health & Safety Code to defend, protect, hold harmless and indemnify the City Indemnitees from all forms of liability under CERCLA and the Carpenter-Presley-Tanner Hazardous Substance Account Act of 1981.

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12.5 Consideration

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

12.6 Obligation

This Agreement obligates Contractor to comply with the foregoing indemnification and release provisions; however, the collateral obligation of providing insurance must also be complied with as set forth in this Agreement.

12.7 Subcontractors

Contractor must require all subcontractors performing work in the City to enter into a contract containing the insurance provisions set forth in Section 11 in which the subcontractor fully indemnifies City in accordance with this Agreement.

12.8 Exception

Notwithstanding other provisions of this Agreement to the contrary, Contractor's obligation to indemnify, hold harmless and defend City Indemnitees will not extend to any liability including, but not limited to, any claim, demand, action, penalty, proceeding or suit in law or equity of any kind (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties), loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature relating to, arising or resulting from, acts or omissions (i) not within the control of Contractor, (ii) constituting the active negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City Indemnitees, (iii) in connection with the nonuse of a High Diversion Organic Waste Processing Facility for materials deposited in Black Containers, or (iv) as limited by Public Resources Code Section 40059.1.

12.9 Uncontrollable Circumstances

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, 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.

1. 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, and when such cause has terminated.
2. The interruption or discontinuance of services by a Party caused by circumstances outside of its control will not constitute a default under this Agreement.

12.10 Damage by Contractor

If Contractor's employees or subcontractors cause any injury, damage, or loss to City property, including but not limited to City streets or curbs, excluding normal wear and tear, Contractor must reimburse City for City's cost of repairing or replacing such injury, damage, or loss. Such reimbursement is not in derogation of

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any right of City to be indemnified by Contractor for any such injury, damage, or loss. With the prior written approval of City, Contractor may repair the damage at Contractor's sole cost and expense. Any injury, damage or loss to private property caused by the negligent or willful acts or omissions of Contractor to private property must be repaired or replaced by Contractor at Contractor's sole expense.

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13 Transition to Next Service Provider

If the transition of Collection services to another company occurs through expiration, termination, default or otherwise, Contractor shall cooperate fully with City and any subsequent contractors to ensure an orderly transition. Such cooperation shall include, but not be limited to, the transfer of non-proprietary computer data, files and tapes; providing non-proprietary routing information, billing and service information, Customer lists and other operating records needed to service all properties covered by this Agreement; providing a complete inventory of all Collection Containers; coordinating Collection of materials set out in new Containers if new Containers are provided for a subsequent agreement and providing other reports and data required by this Agreement.

Contractor shall provide City with detailed route sheets containing service names and addresses, billing names and addresses, monthly rate and service levels (number and size of Containers and pick-up days) at least thirty (30) days prior to the transition date, and provide an updated list two weeks before the transition and a final list of changes the day before the transition. In addition, Contractor shall be responsible for coordinating transfer immediately after Contractor's final pick-ups, so as not to disrupt service.

Contractor shall cooperate in good faith with City and new service provider in scheduling exchanges of Contractor's Containers with Containers provided by the new service provider so as to assure that customers neither need to find storage for two sets of Containers nor go without a Container for an inconvenient length of time; provided, Contractor is not under any obligation to permit the continued use of its Containers upon the start of services by any new service provider.

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14 Default of Agreement

14.1 Default

City may terminate this Agreement by giving Contractor thirty (30) days advance written notice upon the happening of any one of the following events.

1. Any assignment of this Agreement by Contractor without complying with the requirements of Section 16.1.

2. 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

3. 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

4. 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

5. Contractor has defaulted by failing or refusing to pay in a timely manner the 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

6. 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

7. Contractor has frequently, regularly or repetitively defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by Contractor, and is therefore, a “habitual violator.” In order to be deemed a “habitual violator” such violations must have occurred and been noticed to Contractor in writing not less frequently than three (3) times in any twenty-four-month period.

14.2 Discontinuance of Work

Upon receipt of a default action, the Contractor shall promptly discontinue all affected work (unless the notice directs otherwise) and deliver, license or sublicense, or otherwise make available to the City within thirty (30) business days of said termination action all finished or unfinished documents and materials produced or procured under this Agreement, which shall become City property upon date of such

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termination in accordance with reasonable terms and conditions, including measures required to protect the Contractor with respect to any of its licensors. The Contractor agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein within thirty (30) calendar days of said termination.

14.3 Survival

The rights and remedies of the Parties provided in this section shall not be exclusive and in addition to any other rights and remedies provided by law or under this Agreement.

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15 Modification to the Agreement

15.1 City-Directed Change (Facilities; Containers)

City may request changes as specified in Section 5.12 and/or Section 10.5.10 as may from time-to-time be necessary and desirable for the public health and welfare. City agrees to adjust Maximum Service Rates and modify this Agreement to reflect additional costs borne by Contractor. When such modifications are requested, 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 Section 15.1. City and Contractor will not unreasonably withhold agreement to such compensation adjustment for any increase or decrease in the services or other obligations required of Contractor. Should agreement between City and Contractor on compensation adjustment not be reached within six (6) 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 15.3.

15.2 Change in Law

In the event any change in Applicable Law materially alters the obligations of Contractor, then the affected Maximum Service Rates, as established in Exhibit 1 of this Agreement, will be adjusted as provided herein. 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, including applicable case-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 under this Section 15.2. City and Contractor will not unreasonably withhold agreement to such compensation adjustment or other obligations required of Contractor. Should agreement between City and Contractor on compensation adjustment not be reached within six (6) 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 15.3.

15.3 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.

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16 Other Agreement of the Parties

16.1 Assignment

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 Council, which shall not be unreasonably conditioned, delayed, or denied. In the event of any assignment approved by the City Council, 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 Manager, 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.

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 Public Works Director to subcontract such services and the Public Works Director 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 Public Works Director will have the right to require the removal of any approved subcontractor for reasonable cause.

16.2 Permits, Licenses, and Chamber Membership

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 Public Works Director. The Contractor must have a valid City of South Pasadena Business License throughout the term of the Agreement. Contractor shall maintain an active Chamber of Commerce membership.

16.3 Laws to Govern

The law of the State of California governs the rights, obligations, duties and liabilities of City and Contractor under this Agreement and governs the interpretation of this Agreement.

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17 General Provisions

17.1 Consent to Jurisdiction

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 Los Angeles 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.

17.2 Compliance with Laws

In the performance of this Agreement, Contractor must comply with all Applicable Laws, including, without limitation, the South Pasadena Municipal Code. City shall provide written notice to Contractor of any planned amendment of the South Pasadena Municipal 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.

17.3 Independent Contactor

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, shall obtain any rights to any benefits that accrue to City employees.

17.4 Entire Agreement

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.

17.5 Severability

Except as specified in Section 3.5, 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.

17.6 Right to Require Performance

The failure of any Party at any time to require performance by the other Party of any provision of this Agreement will in no way affect the right of the other Party thereafter to enforce same. Nor will waiver 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.

17.7 All Prior Agreements Superseded

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.

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17.8 Amendments to Agreement

This Agreement may not be changed, modified, amended or waived, except in writing and as approved by Contractor and the City Council.

17.9 Headings

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

17.10 Exhibits

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.

17.11 Waiver

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.

17.12 Prohibition Against Gifts

Contractor represents that Contractor is familiar with City's prohibition against the acceptance of any gift by a City officer or designated employee. Contractor may not offer any City officer or designated employee any gifts prohibited by the City.

17.13 Point of Contact

The day-to-day dealings between Contractor and City will be between Contractor and the Public Works Director, or his or her designee.

17.14 City Representative

Whenever this Agreement requires the City to take any action, the City Council designates the Public Works Director to take such action on behalf of the City, unless another individual or entity is otherwise specified in this Agreement or unless the City Council designates actions to different Persons or itself. The Public Works Director may designate individual(s) to administer and monitor the provisions of this Agreement.

17.15 Notices

All notices required or provided for in this Agreement shall be provided to the Parties at the following addresses, by personal delivery or deposit in the U.S. Mail, postage prepaid, registered or certified mails, addressed as specified below. Notices delivered personally shall be deemed received upon receipt; mailed notice (registered or certified) shall be deemed received five (5) days after deposit. A Party may change the address to which notice is given by giving notice and provided herein.

As to the City:

City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
Attn: Public Works Director, Ted Gerber
Email: TGerber@SouthPasadenaCA.gov
Phone: (626) 460-6392

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As the Contractor:

Athens Services
14048 Valley Blvd.
City of Industry, CA 91746
Attn: Steven Librenjak
Email: SLibrenjak@AthensServices.com
Phone: (626) 934-4696

Notice by City to Contractor of a Collection or other Customer problem or complaint may be given to Contractor orally by telephone at Contractor's local office with confirmation sent to Contractor via email by the end of the Workday.

17.16 Signatures

(a) 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.

(b) 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.

(c) Digital/Electronic Signatures. This Agreement may be executed through the use of digital or electronic signatures provided they meet the requirements of the Electronic Signatures in Global and National Commerce (ESIGN) Act and the California Uniform Electronic Transactions Act (UETA) and are produced using a City-approved method. The presence of an electronic signature on this document shall be construed as the Parties' consent to do business electronically.

[Signature page(s) follow]

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IN CONCURRENCE AND WITNESS WHEREOF, City and Contractor have executed this Agreement as of October 2, 2024.

CITY OF SOUTH PASADENA:

By: Signed by: Janet Braun 9CDF47F02E8F481... _____

Janet Braun, Mayor 2/20/2025

CONTRACTOR:

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

By: Signed by: Ron Arakelian III F2C90779D580419... _____

Ron R. Arakelian III, Executive Officer 2/18/2025

By: Signed by: Adam Arakelian 05AACBB7A79A40A... _____

Adam Arakelian, Executive Officer 2/19/2025

ATTEST:

By: Signed by: Mark Perez BA951D463FA0445... _____

Mark Perez, Deputy City Clerk 2/20/2025

APPROVED AS TO FORM:

By: DocuSigned by: Roxanne Diaz A7800E5CA8A241F... _____

Roxanne Diaz, City Attorney 2/12/2025

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Exhibit 1:
MAXIMUM SERVICE RATES

EFFECTIVE JANUARY 1, 2025*

*Rates may escalate on July 1, 2025, July 1, 2026, July 1, 2027, and July 1, 2028

MANUAL BARREL COLLECTION (Non-Organic Waste + Organic Waste)

SINGLE-FAMILY (1 UNIT)

Waste Type: *For Non-Organic and Organic Waste Collection*

Container Type: *Customers can have up to seven 32-gallon Barrels and can choose a mix of Black Barrels (for Non-Organic Waste) and Green Barrels (for Organic Waste) with a minimum of one Barrel of each color. Additional Barrels, after seven, require additional fees. There is no change in rate for having less than seven Barrels.*

Frequency: *1x Collection per week (minimum and maximum)*

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE COMPONENT	TOTAL MONTHLY RATE
1 UNIT	11.75	51.89	63.64	7.07	**$70.71**
EACH ADDITIONAL 32-GALLON BARREL	3.19	3.68	6.87	0.76	**$7.63**
ONE TIME DELIVERY CHARGE FOR ADD. BARREL	-	25.43	25.43	2.83	**28.26***

***One-time charge**

SINGLE-FAMILY (2-4 UNITS)

Waste Type: *For Non-Organic Waste and Organic Waste Collection*

Container Type: *Customers can have up to seven 32-gallon Barrels **per unit** and can choose a mix of Black Barrels (for Non-Organic Waste) and Green Barrels (for Organic Waste) with a minimum of one Barrel of each color **per unit**. Additional Barrels, after seven **per unit**, require additional fees. There is no change in rate for having less than seven Barrels **per unit**.*

Frequency: *1x Collection per week (minimum and maximum)*

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE COMPONENT	TOTAL MONTHLY RATE
2 UNITS	15.59	70.51	86.10	9.57	**$95.67**
3 UNITS	19.09	84.57	103.66	11.52	**$115.18**
4 UNITS	22.50	98.62	121.12	13.46	**$134.58**
EACH ADDITIONAL 32-GALLON BARREL	3.19	3.68	6.87	0.76	**$7.63**
ONE TIME DELIVERY CHARGE FOR ADD. BARREL	-	25.43	25.43	2.83	**28.26***

***One-time charge**

MULTI-FAMILY (5+ UNITS) - MANUAL BARREL COLLECTION SERVICES ARE NOT OFFERED TO MULTI-FAMILY CUSTOMERS

COMMERCIAL - SEE COMMERCIAL COLLECTION BELOW FOR MANUAL BARREL COLLECTION OPTIONS

AUTOMATED BIN COLLECTION (Non-Organic Waste)

SINGLE-FAMILY (1 UNIT)

Waste Type: *For Non-Organic Waste Collection. Organic Waste Collection Service is required in addition to this Non-Organic Waste Collection Service.*

Container Type: *Option of 1.5 yard, 2 yard, 3 yard, 4 yard, and 6 yard Bin*

Frequency: *Option of 1x, 2x, 3x, 4x, 5x, or 6x Collections per week*

Required Additional Services/Fee: *Organic Waste Collection Service is required in addition to this Non-Organic Waste Collection Service.*

		DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE COMPONENT	TOTAL MONTHLY RATE
1.5 YARD BIN	1X per week	31.99	98.03	130.02	14.45	**$144.47**
	2X per week	64.03	174.04	238.07	26.45	**$264.52**
	3X per week	96.06	215.84	311.90	34.66	**$346.56**
	4X per week	128.15	257.49	385.64	42.85	**$428.49**
	5X per week	160.18	299.28	459.46	51.05	**$510.51**
	6X per week	192.16	341.01	533.17	59.24	**$592.41**

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2 YARD BIN	1X per week	42.44	103.39	145.83	16.20	**$162.03**
	2X per week	84.86	184.19	269.05	29.89	**$298.94**
	3X per week	127.33	229.58	356.91	39.66	**$396.57**
	4X per week	169.79	274.81	444.60	49.40	**$494.00**
	5X per week	212.22	320.23	532.45	59.16	**$591.61**
	6X per week	254.68	365.54	620.22	68.91	**$689.13**
3 YARD BIN	1X per week	64.10	145.44	209.54	23.28	**$232.82**
	2X per week	128.19	171.80	299.99	33.33	**$333.32**
	3X per week	192.32	197.96	390.28	43.36	**$433.64**
	4X per week	256.45	235.62	492.07	54.67	**$546.74**
	5X per week	320.53	279.13	599.66	66.63	**$666.29**
	6X per week	384.67	305.45	690.12	76.68	**$766.80**
4 YARD BIN	1X per week	75.39	170.21	245.60	27.29	**$272.89**
	2X per week	200.01	265.38	465.39	51.71	**$517.10**
	3X per week	339.41	345.76	685.17	76.13	**$761.30**
	4X per week	473.74	431.23	904.97	100.55	**$1,005.52**
	5X per week	603.45	521.31	1124.76	124.97	**$1,249.73**
	6X per week	751.96	592.61	1344.57	149.40	**$1,493.97**
6 YARD BIN	1X per week	99.15	222.38	321.53	35.73	**$357.26**
	2X per week	261.93	346.09	608.02	67.56	**$675.58**
	3X per week	443.84	450.70	894.54	99.39	**$993.93**
	4X per week	619.01	562.03	1181.04	131.23	**$1,312.27**
	5X per week	788.13	679.42	1467.55	163.06	**$1,630.61**
	6X per week	981.76	772.27	1754.03	194.89	**$1,948.92**

MULTI-UNIT DWELLINGS (2 UNITS OR MORE)

Waste Type	*For Non-Organic Waste Collection. Organic Waste Collection Service is required in addition to this Non-Organic Waste Collection Service.*
Container Type	*Option of 1.5 yard, 2 yard, 3 yard, 4 yard, or 6 yard Bin*
Frequency	*Option of 1x, 2x, 3x, 4x, 5x, or 6x Collections per week*
Required Additional Services/Fee	*Monthly Bin Rental Fee must be added to monthly service charge. Organic Waste Collection Service is required in addition to this Non-Organic Waste Collection Service.*

		DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE COMPONENT	TOTAL MONTHLY RATE
BIN RENTAL FEE (in addition to per unit charge below)						
	1.5 YARD BIN	5.16	21.73	26.89	2.99	**$29.88**
	2 YARD BIN	7.09	29.46	36.55	4.06	**$40.61**
	3 YARD BIN	10.42	43.32	53.74	5.97	**$59.71**
	*4 YARD BIN	13.75	57.17	70.92	7.88	**$78.80**
	*6 YARD BIN	17.08	71.02	88.10	9.79	**$97.89**
		*Scout Service not available due to Bin Size				
1X PER WEEK	2 UNITS	15.59	70.51	86.10	9.57	**$95.67**
	3 UNITS	19.09	84.57	103.66	11.52	**$115.18**
	4 UNITS	22.50	98.62	121.12	13.46	**$134.58**
	5 UNITS	25.85	112.43	138.28	15.36	**$153.64**
	6 UNITS	28.06	121.96	150.02	16.67	**$166.69**
	7 UNITS	29.96	129.70	159.66	17.74	**$177.40**
	8 UNITS	31.74	137.54	169.28	18.81	**$188.09**
	9 UNITS	33.68	145.42	179.10	19.90	**$199.00**
	10 UNITS	35.54	153.19	188.73	20.97	**$209.70**
	11 UNITS	37.46	161.08	198.54	22.06	**$220.60**

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	12 UNITS	39.26	168.79	208.05	23.12	**$231.17**
	13+ UNITS (add per unit)	3.20	13.16	16.36	1.82	**$18.18**
2X PER WEEK	2 UNITS	38.83	167.00	205.83	22.87	**$228.70**
	3 UNITS	40.91	175.80	216.71	24.08	**$240.79**
	4 UNITS	43.05	184.65	227.70	25.30	**$253.00**
	5 UNITS	45.16	193.45	238.61	26.51	**$265.12**
	6 UNITS	47.04	201.27	248.31	27.59	**$275.90**
	7 UNITS	49.16	210.10	259.26	28.81	**$288.07**
	8 UNITS	51.26	218.84	270.10	30.01	**$300.11**
	9 UNITS	53.32	227.57	280.89	31.21	**$312.10**
	10 UNITS	55.51	236.29	291.80	32.42	**$324.22**
	11 UNITS	57.63	245.05	302.68	33.63	**$336.31**
	12 UNITS	59.60	253.82	313.42	34.82	**$348.24**
	13+ UNITS (add per unit)	4.81	19.74	24.55	2.73	**$27.28**
3X PER WEEK	2 UNITS	66.07	283.49	349.56	38.84	**$388.40**
	3 UNITS	69.57	297.55	367.12	40.79	**$407.91**
	4 UNITS	72.98	311.60	384.58	42.73	**$427.31**
	5 UNITS	76.33	325.41	401.74	44.64	**$446.38**
	6 UNITS	78.92	334.32	413.24	45.92	**$459.16**
	7 UNITS	80.83	342.14	422.97	47.00	**$469.97**
	8 UNITS	82.73	350.07	432.80	48.09	**$480.89**
	9 UNITS	84.51	357.69	442.20	49.13	**$491.33**
	10 UNITS	86.65	366.09	452.74	50.30	**$503.04**
	11 UNITS	88.65	374.25	462.90	51.43	**$514.33**
	12 UNITS	90.54	382.94	473.48	52.61	**$526.09**
	13+ UNITS (add per unit)	6.31	26.39	32.70	3.63	**$36.33**
4X PER WEEK	2 UNITS	97.31	419.99	517.30	57.48	**$574.78**
	3 UNITS	99.39	428.78	528.17	58.69	**$586.86**
	4 UNITS	101.53	437.63	539.16	59.91	**$599.07**
	5 UNITS	103.64	446.43	550.07	61.12	**$611.19**
	6 UNITS	105.52	454.25	559.77	62.20	**$621.97**
	7 UNITS	107.64	463.08	570.72	63.41	**$634.13**
	8 UNITS	109.74	471.82	581.56	64.62	**$646.18**
	9 UNITS	111.80	480.55	592.35	65.82	**$658.17**
	10 UNITS	113.99	489.27	603.26	67.03	**$670.29**
	11 UNITS	116.11	498.03	614.14	68.24	**$682.38**
	12 UNITS	118.08	506.80	624.88	69.43	**$694.31**
	13+ UNITS (add per unit)	7.84	33.02	40.86	4.54	**$45.40**
5X PER WEEK	2 UNITS	132.55	576.48	709.03	78.78	**$787.81**
	3 UNITS	136.05	590.54	726.59	80.73	**$807.32**
	4 UNITS	139.46	604.59	744.05	82.67	**$826.72**
	5 UNITS	142.81	618.39	761.20	84.58	**$845.78**
	6 UNITS	145.40	627.30	772.70	85.86	**$858.56**
	7 UNITS	147.31	635.12	782.43	86.94	**$869.37**
	8 UNITS	149.21	643.06	792.27	88.03	**$880.30**
	9 UNITS	150.99	650.68	801.67	89.07	**$890.74**
	10 UNITS	153.13	659.07	812.20	90.24	**$902.44**
	11 UNITS	155.13	667.23	822.36	91.37	**$913.73**

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	12 UNITS	157.02	675.93	832.95	92.55	**$925.50**
	13+ UNITS (add per unit)	9.37	39.65	49.02	5.45	**$54.47**
6X PER WEEK	2 UNITS	171.79	752.97	924.76	102.75	**$1,027.51**
	3 UNITS	173.87	761.77	935.64	103.96	**$1,039.60**
	4 UNITS	176.01	770.61	946.62	105.18	**$1,051.80**
	5 UNITS	178.12	779.42	957.54	106.39	**$1,063.93**
	6 UNITS	180.00	787.23	967.23	107.47	**$1,074.70**
	7 UNITS	182.12	796.06	978.18	108.69	**$1,086.87**
	8 UNITS	184.22	804.80	989.02	109.89	**$1,098.91**
	9 UNITS	186.28	813.53	999.81	111.09	**$1,110.90**
	10 UNITS	188.47	822.26	1010.73	112.30	**$1,123.03**
	11 UNITS	190.59	831.02	1021.61	113.51	**$1,135.12**
	12 UNITS	192.56	839.79	1032.35	114.71	**$1,147.06**
	13+ UNITS (add per unit)	10.90	46.28	57.18	6.35	**$63.53**

COMMERCIAL

Waste Type	*For Non-Organic Waste Collection. Organic Waste Collection Service is required in addition to this Organic Waste Collection Service.*
Container Type	*Option of 32-gallon Barrel, 1.5 yard, 2 yard, 3 yard, 4 yard, 6 yard, or 3 yard compactor Bin*
Frequency	*Option of 1x, 2x, 3x, 4x, 5x, or 6x Collections per week*
Required Additional Services/Fee	*Organic Waste Collection Service is required in addition to this Non-Organic Waste Collection Service.*

		DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE COMPONENT	TOTAL MONTHLY RATE
1.5 YARD BIN	1X per week	31.99	98.03	130.02	14.45	**$144.47**
	2X per week	64.03	174.04	238.07	26.45	**$264.52**
	3X per week	96.06	215.84	311.90	34.66	**$346.56**
	4X per week	128.15	257.49	385.64	42.85	**$428.49**
	5X per week	160.18	299.28	459.46	51.05	**$510.51**
	6X per week	192.16	341.01	533.17	59.24	**$592.41**
2 YARD BIN	1X per week	42.44	103.39	145.83	16.20	**$162.03**
	2X per week	84.86	184.19	269.05	29.89	**$298.94**
	3X per week	127.33	229.58	356.91	39.66	**$396.57**
	4X per week	169.79	274.81	444.60	49.40	**$494.00**
	5X per week	212.22	320.23	532.45	59.16	**$591.61**
	6X per week	254.68	365.54	620.22	68.91	**$689.13**
3 YARD BIN	1X per week	64.10	145.44	209.54	23.28	**$232.82**
	2X per week	128.19	171.80	299.99	33.33	**$333.32**
	3X per week	192.32	197.96	390.28	43.36	**$433.64**
	4X per week	256.45	235.62	492.07	54.67	**$546.74**
	5X per week	320.53	279.13	599.66	66.63	**$666.29**
	6X per week	384.67	305.45	690.12	76.68	**$766.80**
4 YARD BIN	1X per week	75.39	170.21	245.60	27.29	**$272.89**
	2X per week	200.01	265.38	465.39	51.71	**$517.10**
	3X per week	339.41	345.76	685.17	76.13	**$761.30**
	4X per week	473.74	431.23	904.97	100.55	**$1,005.52**
	5X per week	603.45	521.31	1124.76	124.97	**$1,249.73**
	6X per week	751.96	592.61	1344.57	149.40	**$1,493.97**
6 YARD BIN	1X per week	99.15	222.38	321.53	35.73	**$357.26**
	2X per week	261.93	346.09	608.02	67.56	**$675.58**
	3X per week	443.84	450.70	894.54	99.39	**$993.93**

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	4X per week	619.01	562.03	1181.04	131.23	**$1,312.27**
	5X per week	788.13	679.42	1467.55	163.06	**$1,630.61**
	6X per week	981.76	772.27	1754.03	194.89	**$1,948.92**
3 YARD	1X per week	192.30	149.83	342.13	38.01	**$380.14**
COMPACTOR BIN	2X per week	384.58	180.58	565.16	62.80	**$627.96**
	3X per week	576.97	211.13	788.10	87.57	**$875.67**
	4X per week	769.37	253.17	1022.54	113.62	**$1,136.16**
	5X per week	961.62	301.09	1262.71	140.30	**$1,403.01**
	6X per week	1154.01	331.80	1485.81	165.09	**$1,650.90**
COMMERCIAL MANUAL BARREL COLLECTION (PER BARREL)						
	1X per week	14.56	66.98	81.54	9.06	**$90.60**

ORGANICS COLLECTION

The organics collection services below are required for all single-family customers with automated bin service, multi-family customers, and commercial customers.

FOR SINGLE-FAMILY, MULTI-FAMILY, AND COMMERCIAL CUSTOMERS WITH AUTOMATED BIN COLLECTION

Waste Type — *For Organic Waste Collection Only (Food Scraps, Food-soiled Paper, Green Waste, etc.). Non-Organic Waste Collection Service is required in addition to this Organic Waste Collection Service.*

Container Type — *Option of 64-gallon Cart, 1.5 yard Bin, 2 yard Bin, or Roll-off (3 or 3+ yard Bins are not offered for Organics Collection)*

Frequency — *Option of 1x, 2x, 3x, 4x, or 5x Collections per week*

		DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE COMPONENT	TOTAL MONTHLY RATE
64-GALLON CART	1X per week	-	160.76	160.76	17.86	**$178.62**
(PRIMARY)	2X per week	-	280.69	280.69	31.19	**$311.88**
	3X per week	-	400.60	400.60	44.51	**$445.11**
	4X per week	-	520.54	520.54	57.84	**$578.38**
	5X per week	-	640.46	640.46	71.16	**$711.62**
64-GALLON CART	1X per week	-	136.31	136.31	15.15	**$151.46**
(EACH ADDITIONAL)	2X per week	-	238.67	238.67	26.52	**$265.19**
	3X per week	-	341.10	341.10	37.90	**$379.00**
	4X per week	-	443.47	443.47	49.27	**$492.74**
	5X per week	-	545.88	545.88	60.65	**$606.53**
1.5 YARD BIN	1X per week	-	337.40	337.40	37.49	**$374.89**
(PRIMARY)	2X per week	-	655.15	655.15	72.79	**$727.94**
	3X per week	-	974.54	974.54	108.28	**$1,082.82**
	4X per week	-	1292.28	1292.28	143.59	**$1,435.87**
	5X per week	-	1611.67	1611.67	179.07	**$1,790.74**
1.5 YARD BIN	1X per week	-	276.88	276.88	30.76	**$307.64**
(EACH ADDITIONAL)	2X per week	-	539.80	539.80	59.98	**$599.78**
	3X per week	-	804.55	804.55	89.39	**$893.94**
	4X per week	-	1067.70	1067.70	118.63	**$1,186.33**
	5X per week	-	1332.43	1332.43	148.05	**$1,480.48**
2 YARD BIN	1X per week	-	399.64	399.64	44.40	**$444.04**
(PRIMARY)	2X per week	-	779.63	779.63	86.63	**$866.26**
	3X per week	-	1157.98	1157.98	128.66	**$1,286.64**
	4X per week	-	1537.96	1537.96	170.88	**$1,708.84**
	5X per week	-	1917.95	1917.95	213.11	**$2,131.06**
2 YARD BIN	1X per week	-	312.29	312.29	34.70	**$346.99**
(EACH ADDITIONAL)	2X per week	-	613.04	613.04	68.12	**$681.16**

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3X per week	-	913.31	913.31	101.48	**$1,014.79**
4X per week	-	1214.46	1214.46	134.94	**$1,349.40**
5X per week	-	1516.00	1516.00	168.44	**$1,684.44**
ORGANICS OPEN ROLL-OFF OR COMPACTOR ROLL-OFF					
Haul Rate		304.20	304.20	33.80	**$338.00**
Disposal/Ton Rate		153.79	153.79	17.09	**$170.88**

OTHER CHARGES AND SERVICES

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS	FRANCHISE FEE COMPONENT	TOTAL RATE
ALL ACCOUNTS					
Late Fee (1.5% per month, $5.00 minimum)	-	6.00	-	0.67	**$6.67**
Declined Payment Charge	-	38.46	-	4.27	**$42.73**
Stop Service Charge	-	38.46	-	4.27	**$42.73**
Reactivation Charge	-	38.46	-	4.27	**$42.73**
Contamination Fee - all material (per occurrence)	-	76.89	-	8.54	**$85.43**
Cart/Barrel Roll-out Charge (per container, per frequency)	-	19.23	-	2.14	**$21.37**
Bin Lock Lids (per bin, per frequency)	-	18.80	-	2.09	**$20.89**
Bin Enclosure Pressure Washing (Per Hour, 1 Hour Minimum)	-	76.89	-	8.54	**$85.43**
Bin Wash-Out/Clean-Out Charge	-	76.89	-	8.54	**$85.43**
Bin Overflow Charges	-	76.89	-	8.54	**$85.43**
Bin Overweight Charges	-	76.89	-	8.54	**$85.43**
Bin Extra Dump Charge	-	76.89	-	8.54	**$85.43**
Bin Dead-Run Charge	-	76.89	-	8.54	**$85.43**
Bin Go-Back Charge	-	76.89	-	8.54	**$85.43**
Bin Delivery Charge	-	76.89	-	8.54	**$85.43**
Bin Exchange Charge	-	76.89	-	8.54	**$85.43**
Bin Bring-in Charge	-	76.89	-	8.54	**$85.43**
Priority Emergency Service	-	253.74	-	28.19	**$281.93**
Cardboard Boxes (per box)	-	6.11	-	0.68	**$6.79**
Cardboard Box Liners (per box liner)	-	0.60	-	0.07	**$0.67**
COMMERCIAL SERVICES (INCLUDING SFD-A)					
Bulky Item Pick-Up - First Item, Dead-Run, or Go-Back	-	38.46	-	4.27	**$42.73**
Bulky Item Pick-Up - Each Additional Item	-	23.06	-	2.56	**$25.62**
3 Yard Temporary Bin	-	207.62	-	23.07	**$230.69**
3 Yard Temporary Bin - Extra Dump, Dead-Run, or Go-Back	-	107.66	-	11.96	**$119.62**
3 Yard Temporary Bin with Scout Service	-	246.08	-	27.34	**$273.42**
3 Yard Temporary Bin - Extra Dump with Scout Service	-	146.09	-	16.23	**$162.32**
3 Yard Temporary Bin - Per Day Over 7 Days with No Dump	-	26.15	-	2.91	**$29.06**
3 Yard Temporary Bin - Overweight, Overflow	-	79.53	-	8.84	**$88.37**
Lock-Lids for Temporary Bins	-	19.74	-	2.19	**$21.93**
Roll-off Rate per Haul (Plus Disposal Charges)	-	323.17	-	35.91	**$359.08**
Roll-off Roll-Top Rental Charge	-	76.89	-	8.54	**$85.43**
Roll-off Relocate Charge	-	128.82	-	14.31	**$143.13**
Roll-off Compactor Wash Out Charge	-	322.08	-	35.79	**$357.87**
Roll-off Demurrage (Per Day if no dumps in 7 days)	-	25.58	-	2.84	**$28.42**
Roll-Off Same Day Expedited Request	-	71.07	-	7.90	**$78.97**
Roll-Off Dead-Run Charge	-	177.68	-	19.74	**$197.42**
Storage Box Rental Charge	-	230.68	-	25.63	**$256.31**

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Storage Box Delivery Charge	-	76.89	-	8.54	**$85.43**
Bin Push-out/Scout Service Charge (per bin, per frequency)	-	40.73	-	4.53	**$45.26**
RESIDENTIAL (SINGLE FAMILY & MULTI UNIT)					
Bulky Item Pickup - First Item (In Addition to Annual Event)	-	40.73	-	4.53	**$45.26**
Bulky Item Pick-Up - Each Additional Item	-	24.43	-	2.71	**$27.14**
Cart/Barrel Go-Back or Dead Run Charge	-	33.58	-	3.73	**$37.31**
Bin Push-out/Scout Service Charge (per bin, per frequency)	-	40.73	-	4.53	**$45.26**
CITY SERVICES					**Monthly Rate**
City Garage ad Parking Lot Sweeping Service	-	1115.22	-	-	**$1,115.22**
Bus Stop Barrel Pick-Up	-	2973.93	-	-	**$2,973.93**

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Exhibit 2:
BUS STOP BARREL COLLECTION SCHEDULE

Per Section 6.3 of this Agreement, Contractor shall empty the bus stop Container(s), supply the new Container liner, and replace the Container liner. Contractor shall remove any Solid Waste outside of the Container(s) at the bus stop and pressure wash as needed.

LOCATION	Number of Barrels				SCHEDULE
	NB	SB	WB	EB	
Mission Street					
Grand Avenue	–	–	1	–	M T W TH F
Adelaine Avenue	–	–	–	1	M T W TH F
Orange Grove Avenue	–	–	1	1	M T W TH F
Prospect Avenue	–	–	1	–	M T W TH F
Meridian Avenue	–	–	–	3	M T W TH F
Fairview Avenue	–	–	1	–	M T W TH F
Fremont Avenue	–	–	1	1	M T W TH F
Fair Oaks Avenue	–	–	1	1	M T W TH F
Park Avenue	–	–	1	1	M T W TH F
Milan Avenue	–	–	1	–	M T W TH F
Garfield Avenue	–	–	1	1	M T W TH F
Huntington Drive					
Alhambra Road	1	–	–	–	M T W TH F
Maple Street	1	1	–	–	M T W TH F
Fremont Avenue	–	–	1	3	M T W TH F
Primrose Avenue	–	–	1	1	M T W TH F
Marengo Avenue	–	–	1	1	M T W TH F
Fletcher Avenue	–	–	1	1	M T W TH F
Court Avenue	–	–	1	1	M T W TH F
Fair Oaks Avenue					
Columbia Street	1	1	–	–	M T W TH F
State Street	1	–	–	–	
Mound Avenue	–	1	–	–	M T W TH F
Mission Street	1	1	–	–	M T W TH F
Oxley Street	–	1	–	–	M T W TH F
Monterey Road	1	1	–	–	M T W TH F
Rollin Street	1	1	–	–	M T W TH F
Spruce Street	1	1	–	–	M T W TH F

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LOCATION	Number of Barrels				SCHEDULE
	NB	SB	WB	EB	
Garfield Avenue					
Oak Street	–	1	–	–	M W F
Fremont Street					
Oneonta Knoll Street	–	1	–	–	M W F
Maple Street	1	1	–	–	M W F
Pasadena Avenue					
Sycamore Avenue	–	–	1	1	M W F
Arroyo Drive	–	–	1	1	M W F
Hawthorne Street	1	1	–	–	M W F
El Centro Street	1	1	–	–	M W F
Mission Street	1	1	–	–	M W F
Hill Drive					
Collis Avenue	–	–	1	1	M W F
Total Number of Barrels	**12**	**14**	**17**	**19**	

Abbreviations		
NB - Northbound	EB - Eastbound	W - Wednesday
SB - Southbound	M - Monday	TH - Thursday
WB - Westbound	T - Tuesday	F - Friday

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Exhibit 3:
SWEEPING SERVICES

1. Street Sweeping Services, Approved Sweeping Plan

Contractor shall provide Street Sweeping Services at City streets in public rights of way and other areas within the City, as specified herein, in accordance with the schedule, times, and routes provided in Exhibit 3-A ("Approved Sweeping Plan") without charge to City or Customers. Except as provided in this Exhibit 3 or the Approved Sweeping Plan, Contractor will perform Street Sweeping Services on a bi-weekly basis.

2. Changes to Approved Sweeping Plan

Contractor may request modifications to the Approved Sweeping Plan, subject to the approval of the Public Works Director, whose approval shall not be unreasonably conditioned, delayed, or denied. Further, prior to the start of any new Street Sweeping Service schedule or route, as approved by the Public Works Director, Contractor shall, at Contractor's own expense, provide a written notice to be included, by City, as an insert with regular billings to notify each affected Customer of the day or days of the week on which streets will be swept. The notice shall contain the day or days of the week upon which Solid Waste Collections and Street Sweeping Services will be made, the name, address and telephone number of Contractor, and other information and be provided to each Customer affected unit not less than fourteen (14) days prior to the change of any Street Sweeping Service schedule. Contractor shall also cause the schedule and route of the new Street Sweeping Service to be published twice in a responsible newspaper of local circulation once each week for two (2) successive weeks immediately prior to the change in the Solid Waste Collection and Street Sweeping Service schedule or route in a district. The published schedule and route shall contain the same information as the written notice outlined above and shall clearly indicate the precise area involved in the change.

3. Downtown Sweeping Service

Contractor shall perform Street Sweeping Service three (3) times every week between the hours of 5:00 am and 7:00 am within the City's Downtown area in accordance with the Approved Sweeping Plan.

4. City Parking Lot Sweeping Service

Street Sweeping Service shall include sweeping for the City's seven (7) parking lots specified in the Approved Sweeping Plan (collectively, "City Parking Lots"). Contractor shall sweep the parking lots at minimum one (1) time every other week at the schedule and route set forth in the Approved Street Sweeping Plan, or other frequency as agreed by Contractor and the Public Works Director. Contractor shall also Collect Solid Waste and supply and replace Container liners at any and all City Containers at the City Parking Lots two (2) times per week, or other frequency as agreed by Contractor and the Public Works Director, and pressure wash the parking lot one (1) time per calendar year at times and days approved by the Public Works Director, and in accordance with applicable stormwater regulations. Service shall also include removing any Solid Waste outside of the Containers and the Transportation and Disposal of Solid Waste Collected while providing the services hereunder.

5. City Garage Sweeping Service

Street Sweeping Service shall including sweeping for the City's "Mission Meridian" parking garage specified in the Approved Sweeping Plan. Contractor shall sweep the garage at least one (1) time per week, Collect Solid Waste, supply and replace Container liners at the three (3) parking garage Containers two (2) times per week or other frequency as agreed by Contractor and the Public Works Director, and pressure wash the parking garage one (1) time per calendar year at times and days approved by the Public Works Director and

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in accordance with applicable stormwater regulations. Service shall also include removing any Solid Waste outside of the Containers and the Transportation and Disposal of Solid Waste Collected while providing the services hereunder.

6. Other Associated Work

If circumstances exist that require work similar to but not specifically provided for in this Exhibit, City may request Contractor to perform such other associated work ("OAW"). 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 City and Contractor. Examples of OAW include but are not limited to performance of special sweeps, flood clean-up, street sanitation for parades and celebrations, City requested clean-up services, additional porter services, emergency call-outs, pressure washing, bus shelter clean-up, increases in the frequency or amount of Street Sweeping Service, and any contingency where sweeper and supporting sweeper equipment could assist in a particular instance. Contractor shall be reimbursed for such services at its then-current hourly rates.

7. Equipment

Contractor shall use such standard heavy street sweeping equipment as is necessary to clean the City areas of paper, dirt, rocks, leaves and debris. Contractor shall also maintain all equipment. Equipment should be clean and in good mechanical condition, uniformly painted and numbered. In cases of equipment failure or operator failure which precludes the sweeping of scheduled streets during their posted time frames, Contractor shall make every reasonable effort to provide services during the scheduled time frames. Should the equipment or operator failure be of such a duration that the regularly scheduled street sweeping of a posted street is not able to be swept during the designated time frames, Contractor shall sweep those neglected (not swept during the designated time frames) streets during the first available opportunity.

8. Contractor/City Communication

Contractor shall establish and maintain an office and have an authorized supervisor as the point of contact for communications with City for street sweeping. Contractor's office shall have a twenty-four (24) hour telephone service and a responsible individual in charge seven (7) days a week to receive all requests for emergency service, which are forwarded by City. Contractor shall respond and provide emergency service within three (3) hours from the time a call is placed by the City. Requests for routine service or complaint issues shall be resolved expeditiously within the following twenty-four (24) hour period.

9. Disposal and Recycling of Materials

Contractor shall Transport and Dispose of all sweeping materials in accordance with all City, County, State, and Federal requirements. To the extent possible, Contractor shall Divert or Compost all street sweepings from landfills. Contractor shall report on a monthly basis the tonnage of sweepings Collected and the tonnage Disposed of at a Composting or Recycling center and the name and address of the facility. Upon City's request, Contractor shall also provide City with the pertinent information from the Composting or Recycling facility certifying the percentage of material Processed that is Disposed at landfill and where material is sent after Collection and Processing at the facility.

10. Hazardous Waste

Contractor shall not be required to remove any Hazardous Waste from the street surface. If, in the course of performing Street Sweeping Services, any suspected Hazardous Waste is encountered, Contractor shall immediately report the location to the City, and any other responsible agency.

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11. Damage

Contractor shall report without delay any damage to City equipment, City property or private property. The Contractor shall be liable for damages solely caused by his/her actions. Any repairs and associated cost resulting from Contractor-caused damage shall be the responsibility of the Contractor.

12. Water for Dust Control

City shall provide sufficient water for use of sweeping operations to maintain a near dustless condition. Water for this use will be made available by the City at no cost to Contractor. Contractor is to coordinate with the Public Works Director in advance to identify the regular location(s) for water access. Access to water/hydrants without a meter is prohibited. If Contractor obtains water from a provider that is not the City, Contractor is responsible for obtaining and paying for the water except in such circumstances where the City no longer provides water to Contractor at no cost to Contractor, in which case the City will reimburse Contractor for the cost of procuring water from the City or a replacement provider, as applicable.

13. Wind-Down of Certain City Sweeping Services

Notwithstanding any provision in this Agreement to the contrary, upon any notice specified in Section 4.2 of the Agreement, Contractor shall bill the City its then-existing rates, as listed in Exhibit 1, for services specified in Sections 4 (City Parking Lot Sweeping Service) and 5 (City Garage Sweeping Service) of this Exhibit. Thereafter, Contractor shall invoice the City on the first business day of each month for City parking lot and City garage sweeping services rendered during the preceding month. If City is unable, by operation of Applicable Law, to pay Contractor's then-existing hourly rates applicable for services hereunder, retroactively or prospectively, Contractor shall be entitled to a rate adjustment in accordance with Section 7.9 of the Agreement for the amounts that Contractor would have received but for operation of Applicable Law.

14. Prevailing Wage

Notwithstanding any provision in the Agreement to the contrary, the provision of Street Sweeping Services without charge to City is not subject to payment of prevailing wages or related laws, regulations, or policies ("Prevailing Wage Law"). In the event, the Prevailing Wage Law applies to Street Sweeping Services, retroactively or prospectively, Contractor shall be entitled to a rate adjustment in accordance with Section 7.9 of the Agreement for the provision of Street Sweeping Services in accordance with the Prevailing Wage Law.

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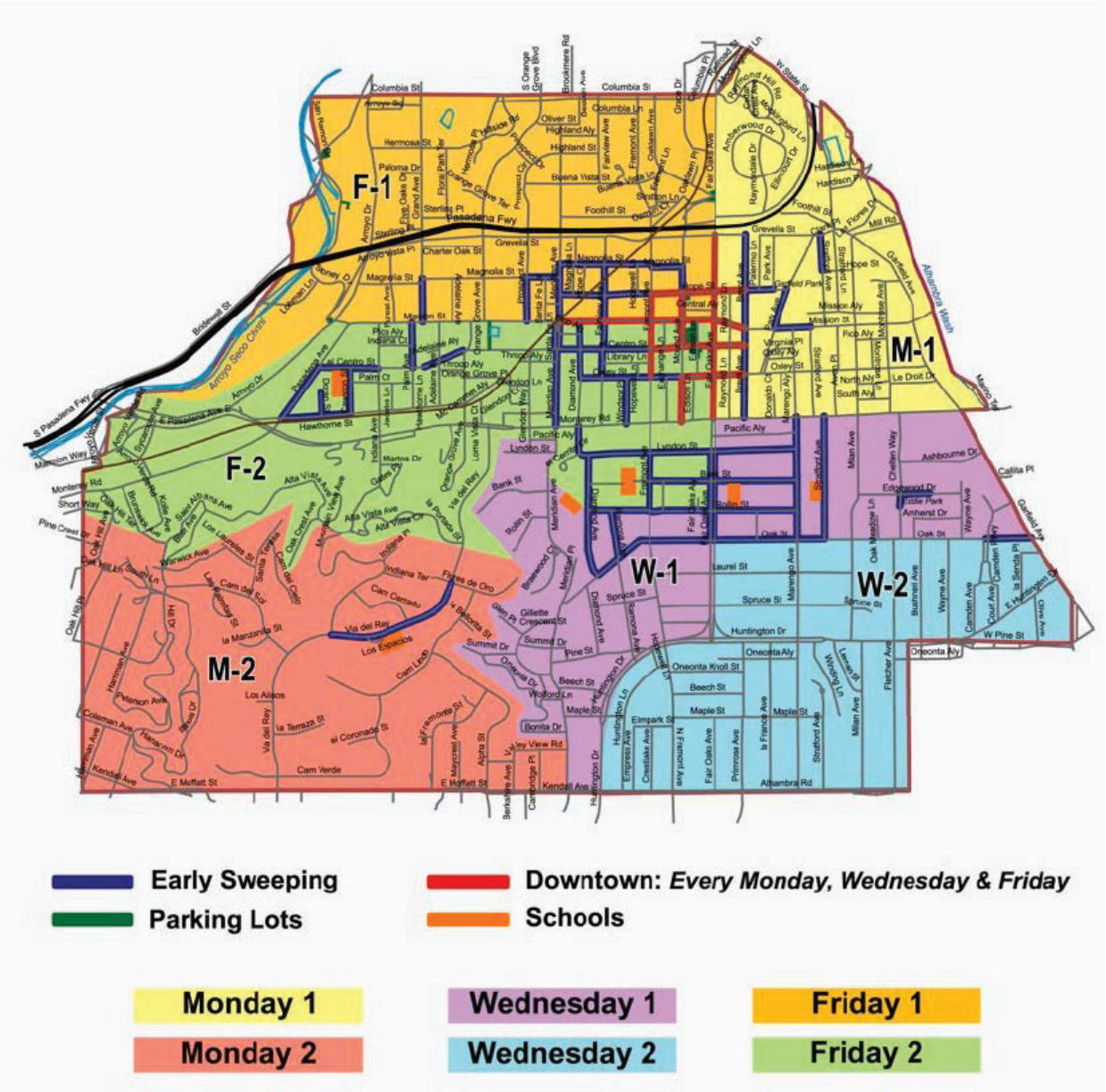
Exhibit 3-A:
APPROVED SWEEPING PLAN

City Street Sweeping Route Map and Schedule



Sweeping shall occur between 7:00 am and 12:00 pm except areas designated for "Early Sweeping" which shall occur between 5:00 am and 7:00 am.

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City Parking Lot Sweeping and Collection Schedule	
1. *Service Yard (825 Mission Street)* 2. *City CNG Station/Storage Yard (660 Stoney Drive)* 3. *Arroyo Seco Racquet Club (920 Loman Lane)* 4. *Arroyo Seco Golf Course (1000-1055 Lohman Lane)* 5. *Hope St. & Mound Ave. Lot (820 Mound Avenue)* 6. *El Centro St. and Mound Ave. Lot #1 (1500 El Centro Street)* 7. *El Centro St. and Mound Ave. Lot #2 (1507 El Centro Street)*	
Sweep Parking Lots	1 day every other week
Collect any and all Containers in Parking Lots	2 days per week (Tuesdays/Fridays)
Pressure Wash Parking Lots	1 time per calendar year

City Garage Sweeping and Collection Schedule	
Mission Meridian Garage (805 Meridian Avenue)	
Sweep Parking Garage	1 day per week
Collect three (3) Containers in Parking Garage	2 days per week (Tuesdays/Fridays)
Pressure Wash Parking Garage	1 time per calendar year

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Exhibit 4:
LIST OF ACCEPTABLE ORGANIC WASTE MATERIALS

GREEN WASTE

- Flower and hedge trimmings
- Grass clippings
- Leaves and branches
- Weeds
- Lumber*
- Scrap wood*
- Plywood*

**Not painted or treated*

FOOD SCRAPS

- Bread, rice, and pasta
- Cheese and dairy
- Coffee grounds and filters
- Fruits and vegetables
- Flowers and herbs
- Meat, bones, and poultry
- Seafood and soft shells
- Pet food (nonmedicated)

FOOD-SOILED PAPER*

- Food-stained paper
- Paper egg cartons
- Paper napkins
- kitchen paper towels
- Pizza boxes
- Plates
- To-go boxes (no coating)
- Wood and fiber-based utensils

**Must be 100% fiber-based. No materials with - p*
wax, or bioplastic coating, liner, or laminate.

UNACCEPTED ITEMS

- All plastics
- Cacti, succulents, and yucca
- Compostable plastics (bioplastics)
- Coffee cups and pods
- Fats, oils, and grease
- Food stickers (please remove from items)
- Gloves
- Hard shells (clams, mussels, oysters)
- Medication
- Palm fronds
- Paper napkins with cleaning chemicals
- Paper towels with cleaning chemicals
- Parchment and wax paper
- Pet waste
- Rocks and soil
- Rubber bands and twist ties
- Tea bags
- Textiles
- Tissues and wet wipes

City Council Agenda Report

ITEM NO. 17

DATE: October 2, 2024

FROM: Donald Penman, Interim City Manager

PREPARED BY: H. Ted Gerber, Public Works Director
Arpy Kasparian, Environmental Services & Sustainability Manager

SUBJECT: **CONSIDERATION OF APPROVAL OF AN EXCLUSIVE SOLID WASTE HANDLING SERVICES AGREEMENT WITH ARAKELIAN ENTERPRISES, INC. (DBA ATHENS SERVICES) AND ADOPTION OF A RESOLUTION TO CONDUCT A PROPOSITION 218 PUBLIC HEARING**

Recommendation

It is recommended that the City Council:

1. Consider approval of the amended and restated agreement with Athens Services for Exclusive Solid Waste Handling Services in the final form approved by the City Attorney; and
2. Consider approval of a resolution directing staff to schedule a Proposition 218 public hearing to consider proposed solid waste rate increases and provide notice of the public hearing.

Executive Summary

City staff have been working with the City's franchise waste hauler, Athens Services, to update the current exclusive refuse service agreement (Agreement) to include additional services required by Senate Bill (SB) 1383.

On October 18, 2023, staff presented Athens' five proposed rate adjustment options/service models for meeting the requirements of SB 1383 to City Council. Staff received direction to maintain the current Backyard Service model with no changes to the contract term. City Council also requested two additional "Dumpster Days" and for Athens to forgo charges for bus barrel collection services and garage sweeping services.

City staff are proposing an amended and restated Agreement which combines all previous amendments and new SB 1383 services into one comprehensive agreement. The effectiveness of the new Agreement is contingent upon the City Council's approval of the proposed rate increases in the absence of a majority protest following a Proposition 218 public

hearing, which must be held at least 45 days after notice is mailed to the public. City staff recommends approval of a resolution setting the Proposition 218 public hearing date on November 20, 2024, or such other date selected by the City Manager.

Background

Senate Bill 1383

In 2016, Senate Bill 1383 (Short-Lived Climate Pollutants) was signed into law in a statewide effort to reduce short-lived climate pollutants, namely methane emissions created by organic waste. Pursuant to SB 1383, jurisdictions are mandated to provide organics collection services and require all residents and businesses to divert organic waste (yard waste, food scraps, food-soiled paper, etc.) from landfills to recycling facilities starting January 1, 2022, as regulated by the California Department of Resources Recycling and Recovery (CalRecycle). In addition, SB 1383 requires jurisdictions to establish an edible food recovery program, conduct education and outreach to the community, procure recyclable and recovered organic waste products for use within the jurisdiction, secure access to recycling and edible food recovery capacity, and monitor compliance and conduct enforcement. Many jurisdictions delegate these tasks, in part, to their waste haulers.

Additional background information including information regarding the City's organic waste ordinance, the City's current exclusive refuse service agreement, the CalRecycle SB 1383 grant program, Athens' Contract Ad Hoc , the City's Notice of Intent to Comply, the City's Corrective Action Plan, Outreach and Community Meetings, and Council's direction on service levels can be found in the October 18, 2023 City Council Staff Report (Attachment 4).

Proposed Options and Direction for Agreement Update

City staff have been working with the City's franchise waste hauler, Athens, to update the Agreement, including the City's service rates and services, to accommodate the additional services required by Senate Bill 1383. Athens proposed a total of five different rate adjustment options/service models for meeting the requirements of SB 1383.

To assist staff in examining these options, the City retained the services of MSW Consultants and R3 Consulting (Consultants). After conducting a community feedback session and presenting an analysis of the five options to City Council, staff received direction to maintain the current service levels and contract terms as described with Option 1. In addition, City Council requested two additional "Dumpster Days" and for Athens to forgo charges for City bus barrel collection services and garage sweeping services.

City Council Selection of Option 1

City Council's selection of Option 1 maintains the City's Residential Manual Barrel Collection Service (aka "Backyard Service"). In addition, with this option:

1. Athens will institute a new residential & commercial 14.00% rate adjustment for SB 1383 compliance programs upon the effective date of the Agreement, in addition to the regular annual rate adjustment that occurs every July 1. SB 1383 compliance programs include:
    - Collection, transportation, and processing of source separated organics.
    - Quarterly contamination monitoring of organics containers (lid flipping).
    - Quarterly outreach & education (visits by Recycling Coordinators, newsletters, contamination follow-up).
    - Commercial account food recovery support (work with qualified commercial accounts to recover & distribute edible food).
    - Quarterly waste stream analysis (waste characterizations of different waste streams in the city).
    - Procurement support (assist City with procuring & using compost and reusable natural gas to help meet its annual procurement target for recovered organic waste products).
    - Data management & reporting of all SB 1383 programs (City interface with Athens web-based system, Cal Recycle reporting).
2. Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for an additional 8.75% rate increase. Athens will replace the barrels at no cost as needed after 5 years.
3. Athens will institute discounted organic rates for all bin (dumpster) customers upon the effective date of the Agreement.
    - For all bin (dumpster) customers (commercial, multi-family, or residential) who require organics containers, Athens will provide multiple 36- and/or 64-gallon organics containers, per individual customer's service level needs.
    - Athens will provide these organics containers at discounted rates for the life of the Agreement, discounted 15% below the current "pay-as-you-throw" rates in the current rate schedule.
4. Most other aspects of the Agreement remain the same including the 7-year rolling term, regular annual CPI rate adjustment, fleet, 2-stream system, operations, and solid waste processing - with some additions/modifications to update the agreement language to reflect current service models and address new compliance requirements or reasonable requests from Athens and the City.

Analysis

City staff have drafted an amended and restated Agreement which combines all previous amendments and new SB 1383 services into one comprehensive Agreement. The new Agreement modernizes language, clarifies all services provided by Athens , updates outdated sections including insurance requirements, and aligns with the City's organics waste ordinance. In addition, the new Agreement includes the following:

Increase in Services

In addition to the added services for SB 1383 compliance (which include organics collection/processing for all customers, contamination monitoring, reporting, procurement support, etc.), the new Agreement also increases the frequency of bus barrel collection (which will address barrel overflowing issues), increases the number of free Senior Citizen Dumpster Weeks/Dumpster Days from two annually to four annually, and adds seven public parking lots to City sweeping services (which will assist City's compliance with stormwater regulations).

New Containers and Collection

Upon the effectiveness of the Agreement and per SB 1383 compliance services, Athens will procure and deploy new standardized 32-gallon barrels to all residential customers. Residential customers will have the opportunity to choose up to a total of 7 – minimum one of each - new black (solid waste: refuse + recyclables) or green barrels (organics: yard waste + food scraps). Athens will also collect and recycle old trash barrels if customers choose to discard their old barrels. Athens will conduct waste assessments for commercial and multi-family customers to assess service levels and to add an appropriately sized organics container.

Grant of Exclusivity, Construction and Demolition Debris

Approval of the Agreement will grant Athens exclusivity for construction and demolition (C&D) debris collection and handling. Following the effective date of the Agreement, City staff will issue notification of the exclusive franchise agreement to any commercial waste haulers providing C&D hauling services in the City. The commercial waste haulers may continue to provide C&D hauling services up to five years after notification. Athens' exclusive right to C&D debris collection and handling will begin on the earliest date permissible in compliance with Public Resources Code Section 49520.

Addressing the High-Diversion Facility Requirement

Per SB 1383 regulations, all jurisdictions with a two-container collection service must send their black container material (non-organic solid waste mixed with recyclables) to a high-diversion organic waste processing facility. A high-diversion organic waste processing facility must meet an organics recovery efficiency rate of 75% by 2025 (50% in 2022). If a facility fails to meet this standard, it may not be used as a destination facility for black container material in a two-container collection system, and doing so may subject a jurisdiction to enforcement action. Alternatively, a jurisdiction may implement a three-container collection service where recyclables and organics are source separated from other solid waste.

To date, there is one organic waste processing facility in the state that qualifies as a high-diversion organic waste processing facility. This facility is located in San Jose and services the

Bay Area. Athens is developing a new Materials Recovery Facility and Transfer Station located in the City of Irwindale which will be operational in early 2025. Though this facility will be one of the most technologically advanced in the country, it has not yet been determined if its recovery rate will be high enough to qualify it as a high-diversion organics waste processing facility. For this reason, upon approval of the Agreement, Athens and City Staff will meet, no later than September 1, 2025, to discuss a transition to a three-container system in which each customer will receive at least one green container for organic waste, one blue container for recyclable materials, and one container for all other solid waste. Furthermore, while the City has a two-container collection system, Athens' obligation to indemnify, hold harmless and defend City indemnitees will not extend to any liability in connection with the nonuse of a high-diversion organic waste processing facility for materials deposited in black containers.

Fees Paid to City and Updates to Rate Schedule

The new Agreement eliminates the charge for Bus Stop Barrel Collection and City Garage and Parking Lot Sweeping Services (approximately $40,000 per year). In the event that a notice of intent to cancel the automatic one-year extensions of the Agreement is issued, Athens will bill the City its then-existing monthly rates for both services.

The City will receive a Solid Waste Handling Fee of $84,782.90 under the current Agreement in November 2024 and will continue to receive a Solid Waste Handling Fee every seven . The Solid Waste Handling Fee will be adjusted in proportion to the percentage change in the CPI for the seven previous twelve-month periods (March through February). In the event that a notice of intent to cancel the automatic one-year extensions of the Agreement is issued, Athens will not be obligated to pay the Solid Waste Handling Fee. In addition, the City will continue to receive, on a quarterly basis, twenty-five percent of the net revenue generated from sales of recyclable materials collected by Athens within the City (Recycling Revenue).

The current Rate Schedule includes a Billing Fee and a Recycle Rate. The new Agreement consolidates both fees into the two maximum service rate components: the operations component and the disposal component. The operations component is adjusted annually in proportion to the percentage change in CPI for the immediately previous twelve-month period (March through February). The disposal component is adjusted annually in proportion to the increase or decrease in gate rates/tipping fees and cannot exceed the percentage change in CPI. The new Agreement increases the franchise fee from 9.4% to 10% and is applied to all gross receipts received by Athens under the new Agreement.

Wind Down of Term

The new Agreement outlines the term of the Agreement and "wind down" process, in the event either party chooses to terminate the Agreement in the future. The term of the Agreement will continue through December 1, 2031, with an automatic one-year extension every year so that the term remains at a constant seven years (seven-year rolling term). If

either Athens or the City chooses to terminate the automatic extensions of the Agreement and thereby wind down the term, a written Notice of Intent to Wind Down must be issued by the terminating party. A meet and confer period of 90 days will then commence to provide negotiation sessions to discuss rescission of the Notice of Intent to Wind Down. Upon conclusion of the meet and confer period, if the terminating party chooses to move forward with termination, they must deliver a written Notice of Effective Wind-Down. Upon the issuance of such notice, the Agreement will remain in full force and effect for a seven-year fixed term beginning on the date upon which the Notice of Intent to Wind Down was received by the non-terminating party.

Per the Agreement, upon issuance of a Notice of Effective Wind-Down, Athens will bill the City its then-existing monthly rates for Bus Stop Barrel Collection and City Garage and Parking Lot Sweeping Services.

The Agreement also addresses the unlikely possibility of an invalidation of rates either through a valid majority protest pursuant to Proposition 218, or some other application of applicable law or conclusive legal challenge. The risk of an invalidation action is that the City may not have the legal authority to charge customers high enough rates that will adequately cover the cost of Athens' services. In the event of an invalidation action, and upon notice to Athens of the action, the City and Athens will meet and confer, specifically to discuss revising rates, services, and/or programs. If an agreement cannot be reached, Athens may choose to terminate the Agreement.

Proposition 218

The implementation of the new Agreement is contingent upon the culmination of proceedings relating to Proposition 218 (holding a noticed public hearing and no majority protest) and the City Council's approval of the rates set forth in the new Agreement. The public hearing must be held at least 45 days after notice is mailed to property owners and customers (Attachment 3). City staff recommends approval of a resolution setting the Proposition 218 public hearing date to November 20, 2024, or such other date selected by the City Manager.

Next Steps

1. Upon Council's approval of the proposed Agreement, provide mailed notice and conduct a Proposition 218 Public Hearing for proposed rate adjustments on November 20, 2024.
2. Upon effective date of the new Agreement, Athens to begin procurement of new residential barrels and conduct waste assessments for commercial and multi-family customers.
3. Upon effective date of new Agreement, Athens begins SB 1383 services.
4. With 5 days following the effective date of the new Agreement, City staff to issue notices of exclusivity to commercial waste haulers providing C&D hauling services in the City.
5. New residential barrel deployment to begin Spring 2025.
6. Staff to continue implementation and education regarding new collection services, among other state-mandated requirements.

Fiscal Impact

If approved by the City Council, residential and commercial solid waste rates, which are paid by customers directly to Athens, will be adjusted to accommodate the additional organics collection and recycling services required by SB 1383. Residential customers will receive a total 22.75% rate adjustment and commercial customers will receive a 14% rate adjustment plus the cost of organics collection (cost will vary depending on service levels).

The gross receipts basis for the franchise fee will be updated and the franchise fee will be increased from 9.4% to 10%.

Key Performance Indicators and Strategic Plan

This item is in line with Task 4a of the City's Strategic Plan: Implement Climate Action Plan for environmental initiatives. It also aligns with the City's Green Action Plan, Goal III, to divert organics from landfill and to implement the requirements of Senate Bill 1383.

Commission Review and Recommendation

This contract approval item was not reviewed by a commission; however, the development of the service model and priorities associated with Athens' services have previously been discussed at-length by the Natural Resources and Environmental Commission and the Athens' Contract Ad Hoc Committee which consisted of two councilmembers and two Natural Resources and Environmental Commission commissioners.

Environmental Analysis

City staff has evaluated the entering into of the proposed Exclusive Franchise Agreement and approval of the Proposed Rate Adjustments for purposes of compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq*.) (CEQA) and the California CEQA Guidelines and has determined that approval of the Exclusive Franchise Agreement and Proposed Rate Adjustments are intended to implement State mandated requirements of the California Senate Bill (SB) 1383, Short-lived Climate Pollutant Reduction Act of 2016. Pursuant to CEQA Guidelines Section 15308, Class 8, "Actions by Regulatory Agencies for Protection of the Environment," these actions are exempt from further review under CEQA. The development and implementation of the amended services is a requirement of the California Department of Resources Recycling and Recovery (CalRecycle), and is exempt from CEQA because it is an action pursuant to a regulatory requirement to assure the protection of the environment, and involves procedures for protection of the environment. Furthermore, the amended services apply to the City's existing volume of generated solid waste, where there is no expansion of use, and is therefore exempt from the CEQA analysis based on State CEQA Guidelines requirements under Section 21084 of the Public Resources Code, in accordance with Article 19, Section 15301, Class (1) "existing facilities."

Attachment:
Attachment 1_Proposed 2024 Exclusive Solid Waste Handling Services Agreement
Attachment 2_Proposition 218 Resolution
Attachment 3_Prop 218 Notice of Public Hearing
Attachment 4_ 10.18.23 City Council Staff Report



EXCLUSIVE SOLID WASTE HANDLING AGREEMENT

Between the

City of South Pasadena

and

Arakelian Enterprises, Inc. (dba Athens Services)

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EXHIBIT 2: BUS STOP BARREL COLLECTION SCHEDULE
EXHIBIT 3: STREET SWEEPING
EXHIBIT 3-A: APPROVED SWEEPING PLAN
EXHIBIT 4: LIST OF ACCEPTABLE ORGANIC WASTE MATERIALS

EXCLUSIVE SOLID WASTE HANDLING AGREEMENT

This **AGREEMENT FOR EXCLUSIVE SOLID WASTE HANDLING SERVICE** ("Agreement") is dated as of October 2, 2024, by and between the **City of South Pasadena ("City")**, a general law city and municipal corporation, and Arakelian Enterprises, Inc. (dba Athens Services), a California corporation **("Contractor")**, for the collection, transportation, recycling, processing, composting, and disposal of solid waste, recyclables, and organic materials.

RECITALS

A. The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989 ("AB 939"), has declared that it is in the public interest to authorize and require local agencies to make adequate provision for the disposal of all solid waste within their jurisdictions.

B. Pursuant to California Public Resources Code Section 40059(a)(1), the City Council of the City of South Pasadena has determined that the public health, safety, and welfare require that an exclusive franchise agreement be awarded to a qualified solid waste enterprise for solid waste handling services within the City limits.

C. City previously entered a franchise agreement for Refuse and Recyclable Materials Collection, Transportation, and Disposal with Contractor dated November 6, 1996 (the "Prior Agreement"). The Prior Agreement has been previously amended two (2) times, on November 6, 2000 and November 15, 2017. It is the desire of the parties by entering this Exclusive Solid Waste Handling Agreement to restate existing obligations and add services, in order to bring City into compliance with Applicable Law, in a single document.

D. City and Contractor are mindful of the provisions of the laws governing the safe Collection, Transport, Recycling, and Disposal of Solid Waste, including AB 939, the Resource Conservation and Recovery Act ("RCRA"), and the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). City and Contractor desire to leave no doubts as to their respective roles, and to memorialize that by entering into this Agreement. City is not thereby becoming an "arranger" or a "generator" as those terms are used in CERCLA, and that it is Contractor, not City, who is "arranging for" the Collection, Transport for Disposal, Composting, and Recycling of municipal Solid Waste in the City which may contain hazardous substances. City and Contractor understand and agree that it is Contractor, and not City, who will arrange to collect Solid Waste, that City has not, and, by this Agreement does not, instruct Contractor on its Collection methods, nor supervise the Collection process, nor do the Parties intend to place title to such Solid Waste in City, but rather intend that whatever, if any, title in and to such Solid Waste that otherwise might exist in or with City in the absence of this Agreement is hereby transferred to Contractor, and further that if Contractor gains title to such Solid Waste it is by operation of law and agreement with its Customers and is not the result of this Agreement.

E. City and Contractor are mindful of recent laws adopted by the State of California, with which the City must comply, intended to divert recyclables and organic materials from being landfilled. AB 341 mandates that commercial waste generators arrange for recycling services. AB 1826 mandates that commercial waste generators recycle their organic waste. AB 1594 excludes organic material from being counted as Alternative Daily Cover (ADC). SB 1383 Regulations require jurisdictions to provide organic waste collection services.

F. City and Contractor further desire to confirm that Contractor has agreed to indemnify the City in connection with any claims relating to the inadvertent or intentional Collection, Transportation and/or Disposal of Hazardous Substances that may occur in connection with Contractor's performance under this Agreement. Contractor has agreed, as part of this Agreement, to provide such services as are necessary or desirable to ensure City complies with the requirements of AB 939 and Public Resources Code Section 40000, *et seq.*

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, the Parties hereby agree as follows**:**

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1 Definitions

For the purpose of this Agreement, the definitions contained in this Article 1 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. 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. In the event of a conflict between a definition in this Agreement and a definition in Title 14 California Code of Regulations Section 18982, the definition in Section 18982 shall control.

1.1 AB 341

"AB 341" means the California Jobs and Recycling Act of 2011 (Chapter 476, Statues of 2011 [Chesbro, AB 341]), as it may be amended from time to time. AB 341 requires businesses, defined to include Commercial or public entities that generate more than 4 cubic yards of Solid Waste per week or Multi-Family Premises, to arrange for Recycling services and requires jurisdictions to implement a Commercial Solid Waste Recycling program.

1.2 AB 827

"AB 827" means State of California Assembly Bill No. 827 approved October 2, 2019, as it may be amended from time to time. 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.

1.3 AB 939

"AB 939" means the California Integrated Waste Management Act of 1989 (CIWMA), currently codified as California Public Resources Code Section 40000 et seq. as it may be amended from time to time.

1.4 AB 1826

"AB 1826" means the Organic Waste Recycling Act of 2014 (Chapter 727, Statutes of 2014) as it may be amended from time to time. 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.

1.5 Agreement

"Agreement" means this amended and restated agreement between the City of South Pasadena and Arakelian Enterprises, Inc, for Exclusive Solid Waste Handling Services including all exhibits and attachments, and any amendments.

1.6 Applicable Law

"Applicable Law" means all Federal, State, County of Los Angeles ("County"), and local laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the Collection, Transportation, Processing, and Disposal of Solid Waste.

1.7 Automated Collection Service

“Automated Collection Service” means Collection of Solid Waste, by automated Collection vehicles, from Containers supplied by the Contractor and stored in, and returned to, a location determined by Contractor on that Customer’s Premises but in no event in the City’s public right-of-way.

1.8 Back-Haul

“Back-haul” means generating and transporting Recyclable Materials or Organic Waste by the Waste Generator to a destination owned and operated by Waste Generator using the generator's own employees and equipment.

1.9 Barrel

“Barrel” means a plastic Container with a separate lid, without wheels, and with a capacity of approximately 32 gallons, supplied by Contractor for the deposit and Collection of Solid Waste and manually serviced by a Collection vehicle.

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, supplied by Contractor. It shall be designed to hold from one (1) to six (6) cubic yards of material with the lid properly closed.

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 Black Container

“Black Container” has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the storage and collection of Solid Waste, excluding Source Separated Green Container Organic Waste.

1.13 Bulky Items

"Bulky Items" means large and small household appliances, furniture, carpets, mattresses, White Goods, clothing, tires, and other similar Solid Waste and oversized yard waste such as tree trunks and large branches if no larger than two (2) feet in diameter and four (4) feet in length and similar large items discarded from Customer Premises. Bulky Items do not include Excluded Waste, car bodies, car parts, tires, Construction and Demolition Debris or (except for appliances/White Goods described above) items that cannot reasonably be moved with equipment of the type which, pursuant to industry standards, would normally be carried in a truck Collecting Bulky Items. In the event a question arises as to whether a specific item, or category of items meets the definition of Bulky Items, the Contractor shall be responsible for determining whether said definition shall apply.

1.14 Bus Stop Barrel Collection

“Bus Stop Barrel Collection” means emptying the bus stop Barrel(s) and Collecting Solid Waste therein, supplying the new Barrel liner, and replacing the Barrel liner.

1.15 Business Day

“Business Day” means any Monday through Friday, excluding any Holidays.

1.16 C&D Processing Facility

"C&D Processing Facility" means any facility that is designed, operated, and legally permitted for the purpose of receiving and Processing C&D.

1.17 California Code of Regulations or CCR

"California Code of Regulations" or "CCR" means the State of California Code of Regulations, as amended from time to time. CCR references in this chapter are preceded with a number that refers to the relevant title of the CCR (e.g., "14 CCR" refers to Title 14 of CCR).

1.18 CalRecycle

"CalRecycle" means California's Department of Resources Recycling and Recovery, which is the department designated with responsibility for developing, implementing, and enforcing SB 1383 regulations on cities (and others).

1.19 Cart

"Cart" means a plastic container with a hinged lid and wheels serviced by an automated or semi-automated truck with a capacity of no less than thirty-two (32) gallons and no greater than one hundred and one (101) gallons. Cart sizes vary depending on the manufacturer, and any reference to Cart sizes in this Agreement is an approximation.

1.20 CERCLA

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

1.21 City

"City" shall mean the City of South Pasadena including any Premises which may be annexed and thereby added to the City limits following the Effective Date.

1.22 City Facility

"City Facility(ies)" means any building or other site owned or leased by the City or otherwise used regularly and significantly by the City for municipal business and the space therein occupied by more than seventy-five percent (75%) by employees or contractors of the City.

1.23 Collect, Collection, or Collecting

"Collect," "Collection," or "Collecting**"** means to take physical possession of, Transport, and remove Solid Waste from Premises.

1.24 Commercial Business or Commercial

"Commercial Business" or "Commercial" means a firm, partnership, proprietorship, joint stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a Multi-Family Premises, or as otherwise defined in 14 CCR Section 18982(a)(6). A multi-family residential dwelling that consists of fewer than five units is not a commercial business for the purposes of this Agreement.

1.25 Commercial Edible Food Generators

"Commercial Edible Food Generators" includes a Tier One or a Tier Two Commercial Edible Food Generator as defined in 14 CCR Section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).

1.26 Community Composting

"Community Composting" means any activity that composts Green Waste, agricultural material, Food Scraps, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed one hundred (100) cubic yards and seven hundred and fifty (750) square feet as specified in 14 CCR Section 17855(a)(4); or as otherwise defined in 14 CCR Section 18982(a)(8).

1.27 Compactor

"Compactor" means any Bin or Roll-Off Box that has a compaction mechanism, whether stationary or mobile.

1.28 Compost or Composting

"Compost" or "Composting" has the same meaning as in 14 CCR Section 17896.2(a)(4), as may be amended from time to time, and means the product resulting from the controlled biological decomposition of Organic Waste that are Source Separated from the municipal waste stream, or which are separated at a centralized facility.

1.29 Construction and Demolition Debris or C&D

"Construction and Demolition Debris," "C&D Debris," or "C&D" means any Solid Waste generated at a Premises that is directly related to construction or demolition activities. These activities include, but are not limited to, construction, demolition, remodeling, grading, land clearing, or renovation on any Residential Premises, Commercial, institutional, or industrial building, road, driveway, walkway, or other structure. C&D Debris includes but is not limited to concrete, asphalt paving, asphalt roofing, lumber, gypsum board, rock, soil, and metal.

1.30 Container

"Container" means any and all types of receptacles used for Solid Waste Handling Services, including Barrels, Bins, Carts, and Roll-Off Boxes.

1.31 Container Contamination or Contaminated Container

"Container Contamination" or "Contaminated Container" means a Container, regardless of color, that contains Prohibited Container Contaminants or contaminants otherwise defined in 14 CCR Section 18982(a)(55) or Excluded Waste.

1.32 Contamination Fee

"Contamination Fee" means an amount charged by Contractor to Customers to offset Contractor's additional costs or diminished revenue due to Prohibited Container Contaminants.

1.33 Consumer Price Index (CPI)

"Consumer Price Index (CPI)" means the Consumer Price Index for All Urban Consumers Series ID: CUURS49ASA0, Not Seasonally Adjusted, All Items, Los Angeles-Long Beach-Anaheim, CA as maintained and published by the United States Bureau of Labor Statistics, or its successor index, and is used to calculate the Maximum Service Rates as it pertains to this Agreement.

1.34 Contractor

"Contractor" shall mean Arakelian Enterprises, Inc. or any party permitted pursuant to the terms hereof to become the successor or assignee thereof.

1.35 Customer

"Customer" means any Person receiving and billed for services provided by Contractor under this Agreement, within the City.

1.36 Disposal or Dispose

“Disposal” or “Dispose” means the ultimate disposition of Solid Waste Collected by the Contractor at a permitted landfill or other permitted Solid Waste Disposal Facility, as defined in California Public Resources Code 40192.

1.37 Disposal Facility(ies) or Site(s)

“Disposal Facility(ies)” or “Disposal Site(s)” means the facility or facilities utilized for the ultimate Disposal of Solid Waste Collected by the Contractor.

1.38 Diversion or Diverted

“Diversion” or “Diverted” means any combination of waste prevention (source reduction), Recycling, reuse and Composting activities that reduces Solid Waste Disposed at landfills.

1.39 Dwelling Unit

“Dwelling Unit” means a building or a portion thereof, designated for residential occupation by one individual or a group of two or more individuals living together as a domestic unit.

1.40 Edible Food

“Edible Food” means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). 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 (California Health and Safety Code §§ 113700 *et seq*.).

1.41 Effective Date

"Effective Date” has the meaning set forth in Section 4.3 of this Agreement.

1.42 Environmental Laws

“Environmental Laws” means the National Environmental Policy Act (NEPA), the California Environmental Quality Act (CEQA), the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §9601 et seq.; the Resource Conservation and Recovery Act, 42 USC §6902 et seq.; the Federal Clean Water Act, 33 USC §1251 et seq.; the Toxic Substances Control Act, 15 USC §1601 et seq.; the Occupational Safety and Health Act, 29 USC §651 et seq.; the California Hazardous Waste Control Act, California Health and Safety Code §25100 et seq.; the California Toxic Substances Control Act, California Health and Safety Code §25300 et seq.; the Porter-Cologne Water Quality Control Act, California Water Code §13000 et seq.; the Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code §25249.5 et seq.; as currently in force or as hereafter amended, and all rules and regulations promulgated thereunder.

1.43 Excluded Waste

“Excluded Waste” means Hazardous Substances, Hazardous Waste, Medical Waste, Biohazardous or Biomedical Waste, Universal Waste, infectious waste, designated waste, volatile, corrosive, regulated radioactive waste, and toxic substances or material that facility operator(s), which receive materials from the City and its generators, reasonably believe(s) would, as a result of or upon acceptance, Transfer, Processing, or Disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land

use restrictions or conditions, waste that cannot be Disposed of in Class III Landfills or accepted at the facility by permit conditions, waste that in Contractor's reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose Contractor or City to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe Collection, Processing, Recycling, treatment, and Disposal of batteries and paint in compliance with Sections 41500 and 41802 of the California Public Resources Code.

1.44 Food Recovery

"Food Recovery" means actions to Collect and distribute food for human consumption which otherwise would be Disposed.

1.45 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, or as otherwise defined in 14 CCR Section 18982 (a)(25), including, but not limited to:

(1) A food bank as defined in Section 113783 of the Health and Safety Code;

(2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,

(3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

1.46 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 as otherwise defined in 14 CCR Section 18982(a)(26).

1.47 Food Scraps

"Food Scraps" means discarded food that will decompose and/or putrefy and is segregated for Collection and Recycling that is accepted for Disposal and Processing by the applicable Processing facility utilized by Contractor under this Agreement. Food Scraps may include, but is not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

1.48 Food-Soiled Paper

"Food-Soiled Paper" means compostable paper material that has come in contact with food or liquid, such as compostable paper plates, paper coffee cups, napkins, and pizza boxes. Food-Soiled Paper does not include Non-Compostable Paper.

1.49 Food Waste

"Food Waste" means Source Separated Food Scraps, Food-Soiled Paper, and 100 percent fiber-based compostable dinnerware. Food Waste is a subset of Source Separated Green Container Organic Waste as specified in Exhibit 4.

1.50 Franchise

"Franchise" means the exclusive right and privilege to provide Solid Waste Handling Services within the City granted by City to Contractor pursuant to the City's authority under Article 11, Section 7 of the State of California Constitution, and Section 40059 of the Public Resources Code.

1.51 Franchise Area

"Franchise Area" means all Premises within the City Limits, including Premises which may be annexed and thereby added to the City limits following the Effective Date.

1.52 Franchise Fee

"Franchise Fee" means the franchise fee set forth and more fully defined in Section 9.1 hereof.

1.53 Green Container

"Green Container" has the same meaning as in 14 CCR Section 18982.2(a)(29) and shall be used for storage and Collection of Source Separated Green Container Organic Waste.

1.54 Green Waste

"Green Waste" means Solid Waste consisting of any vegetative waste generated from the maintenance or alteration of Residential, Commercial Premises including, but not limited to, grass clippings, leaves, tree trimmings, prunings, brush, weeds, flowers, herbs, and holiday trees and excluding cacti, succulents, yucca, and palm fronds; provided, it shall not include those materials which are not appropriate for Compost (such as tree trunks, more than four inches (4") in diameter or four feet (4') in length, or palm fronds).

1.55 Gross Receipts

"Gross Receipts" includes all monies, fees, charges, consideration, and revenue received by Contractor for the provision of Solid Waste Handling Services carried out by or on behalf of Contractor pursuant to this Agreement. Gross Receipts includes the amounts collected from monthly Customer charges for the Collection of Solid Waste, any Franchise Fees or other fees imposed and collected pursuant to this Agreement, and amounts collected in connection with Temporary Services. Notwithstanding any provision to the contrary in this Agreement, Gross Receipts shall not include revenues received by Contractor from the sale of Recyclable Materials or other materials Diverted from Disposal, Compost or Organics-derived products or energy, grants, cash awards or rebates. Amounts collected as Contractor's "Recycling Revenue Sharing" and paid to City as specified in Section 9.2 shall be deducted from Gross Receipts.

1.56 Hauler

"Hauler" means the entity to whom the City Council shall have awarded a contract, or shall have been otherwise authorized to receive, Collect, carry, haul, Transport, and Dispose of any and all Solid Waste within the City.

1.57 Hauler Route

"Hauler Route" means the designated itinerary or sequence of stops for each segment of the Contractor's routes in the City.

1.58 Hazardous Substance

"Hazardous Substance" means any of the following: (a) any substances defined, regulated or listed (directly or by reference) as "Hazardous Substances", "hazardous materials", "Hazardous Waste", "toxic waste", "pollutants" or "toxic substances" or similarly identified as hazardous to human health or the environment, in or pursuant to (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980,

42 USC §9601 et seq. (CERCLA); (ii) the Hazardous Materials Transportation Act, 49 USC §1802, et seq.; (iii) the Resource Conservation and Recovery Act, 42 USC §6901 et seq.; (iv) the Clean Water Act, 33 USC §1251 et seq.; (v) California Health and Safety Code §§25115-25117, 25249.8, 25281, 25316, 25501 and 25501.1; (vi) the Clean Air Act, 42 USC §7901 et seq.; and (vii) California Water Code §13050; (b) any substances defined, regulated or listed by any amendments, rules or regulations promulgated thereunder to such enumerated statutes or acts currently existing or hereafter enacted; and (c) any other hazardous or toxic substance, material, chemical, waste or pollutant identified as hazardous or toxic or regulated under any other applicable Federal, State or local environmental laws currently existing or hereafter enacted, including, without limitation, friable asbestos, polychlorinated biphenyl's ("PCBs"), petroleum, natural gas and synthetic fuel products, and by-products.

1.59 Hazardous Waste

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

1.60 High Diversion Organic Waste Processing Facility

"High Diversion Organic Waste Processing Facility" means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average mixed waste organic content recovery rate of 50 percent between January 1, 2022, and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for organic waste received from the mixed waste organic collection stream as defined in 14 CCR Section 17402(a)(11.5); or as otherwise defined in 14 CCR Section 18982(a)(33).

1.61 Holiday

"Holiday" means New Years' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

1.62 Household Hazardous Waste

"Household Hazardous Waste" ("HHW") means 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 22 CCR Section 66261.3.

1.63 Invalidation Action

"Invalidation Action" means any event or action the result of which City is unable (i) by operation of Applicable Law, (ii) a valid majority protest pursuant to Proposition 218, or (iii) final and conclusive legal challenge, to approve or implement the establishment or adjustment of any Maximum Service Rate(s) that would otherwise be due and payable to Contractor under this Agreement, in whole or in part, but for such event or action.

1.64 Large Event

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

1.65 Large Venue

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

1.66 Local Education Agency

"Local Education Agency" means a school district, charter school, or county office of education that is not subject to the control of city or county regulations related to Solid Waste.

1.67 Manual Barrel Collection Service

"Manual Barrel Collection Service" means manual Collection of Solid Waste from Barrels supplied by the Contractor that includes the movement by Contractor's employees of Barrels from the Customer's backyard, side yard, driveway, garage, or other location approved by Contractor, and returned to, such location on that Customer's Premises, but in no event in the City's public right-of-way.

1.68 Materials Recovery Facility

"Materials Recovery Facility" or "MRF" means a facility where Solid Waste (not including Source Separated Green Container Organic Waste) or Recyclables are sorted or separated for the purposes of Recycling, Processing or Composting.

1.69 Maximum Service Rate(s)

"Maximum Service Rate(s)" means the maximum amount that Contractor may charge for the services listed in Exhibit 1 of this Agreement, as such exhibit and amounts may be amended or adjusted in accordance with the provisions of this Agreement.

1.70 Medical Waste

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

1.71 Mulch

"Mulch" means a layer of material applied on top of soil, and, for the purposes of this Agreement, Mulch shall conform with the following conditions, or conditions as otherwise specified in 14 CCR Section 18993.1(f)(4):

(1) Meets or exceeds the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in 14 CCR Section 17852(a)(24.5) (A)(1) through (3).

(2) Was produced at one or more of the following types of facilities: a. A compostable material handling operation or facility as defined in 14 CCR Section 17852(a)(12), that is permitted or authorized under 14 CCR, Division 7, other than a chipping and grinding operation or facility as defined in 14 CCR Section 17852(a)(10); b. Transfer/Processing Facility or Transfer/Processing operation as defined in 14 CCR Section 17402(a)(30) and (31), respectively, that is permitted or authorized under 14 CCR, Division 7; or, c. a Solid Waste landfill as defined in Pub. Res. Code Section 40195.1.

1.72 Multi-Family or Multi-Family Premises

"Multi-Family" or "Multi-Family Premises" means a Premise with five (5) or more Dwelling Units.

1.73 Municipal Code

"Municipal Code" means the South Pasadena Municipal Code.

1.74 Non-Collection Notice

"Non-Collection Notice" means a form developed by Contractor and approved by the City to notify Customers of the reason for non-collection of materials set out by the Customer for Collection by Contractor pursuant to this Agreement.

1.75 Non-Compostable Paper

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

1.76 Non-Organic Waste

"Non-Organic Waste" means Solid Waste excluding matter defined as Organic Waste.

1.77 Organic Waste or Organics

"Organic Waste" or "Organics" means Solid Waste containing material originating from living organisms and their metabolic waste products, including, but not limited to, Food Waste, Green Waste, organic textiles and carpets, lumber, wood, paper products, printing and writing paper, manure, biosolids, digestate, and sludges, or as otherwise defined in 14 CCR Section 18982(a)(46), excluding animal carcasses not eaten on the Premises such as small rodents (e.g., mice and rats).

1.78 Overflow

"Overflow" means excess Solid Waste (i) placed inside a Container that prevents the lid on the Container from being completely closed (i.e., lid remains open greater than forty-five (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.

1.79 Overweight

"Overweight" means Solid Waste placed in a Container used for Collection services in excess of the manufacturer's recommended weight capacity for that Container.

1.80 Owner

"Owner" means the Person holding the legal title to the real property constituting the Premises to which Solid Waste Handling Services is to be provided under this Agreement or the Person holding legal title to the Disposal site, depending upon the context used in this Agreement.

1.81 Person

"Person" means any individual, firm, association, organization, partnership, corporation, business trust, joint venture, the United States, the State, the County, towns, cities, and special purpose districts.

1.82 Premises

"Premises" means any land, building, and/or structure within the City limits where Solid Waste is generated or accumulated.

1.83 Process, Processed, or Processing

"Process," "Processed," or "Processing" means the controlled separation, recovery, volume reduction, conversion, or Recycling of Solid Waste including, but not limited to, organized, manual, automated, or mechanical sorting, the use of vehicles for spreading of waste for the purpose of recovery, and/or includes the use of conveyor belts, sorting lines, or volume reduction equipment.

1.84 Prohibited Container Contaminants

"Prohibited Container Contaminants" means any of the following: (i) discarded materials placed in any Container intended for Recyclable Materials that are not identified as acceptable Recyclable Materials for such Container; (ii) discarded materials placed in any Container intended for Organic Waste that are not identified as acceptable for Organic Waste for such Container; (iii) to the extent not encompassed in the foregoing, discarded materials placed in any Container not identified by Contractor or City as acceptable for such Containers; and (iv) Excluded Waste. Contamination shall be determined by Contractor's visual or digital inspection.

1.85 Public Works Director

"Public Works Director" means the Director of Public Works for the City of South Pasadena or his/her designee.

1.86 Recyclables or Recyclable Materials

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

1.87 Recycle or Recycling

"Recycle" or "Recycling" means the process of Collecting, sorting, cleaning, treating and reconstituting materials that would otherwise become waste and returning those materials to the economic mainstream in the form of raw materials for new, reused, or reconstituted products that meet the quality standards to be used in the marketplace. Recycling does not include Transformation as defined in Public Resources Code Section 40201.

1.88 Recovered Organic Waste Products

"Recovered Organic Waste Products" means products made from California, landfill-diverted, recovered Organic Waste Processed in a permitted or otherwise authorized facility, or as otherwise defined in 14 CCR Section 18982(a)(60).

1.89 Renewable Natural Gas or RNG

"Renewable Natural Gas" or "RNG" means gas derived from Organic Waste that has been Diverted from a landfill and processed at an in-vessel digestion Facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, as defined in 14 CCR Section 18982(a)(62).

1.90 Residential or Residential Premises

"Residential" or "Residential Premises" means all Single-Family Premises.

1.91 Roll-Off Box

"Roll-Off Box" means Solid Waste Collection Containers of ten (10) cubic yards or larger, including Compactors.

1.92 Route Review

"Route Review" means a visual inspection of Containers along a Hauler Route as specified in Section 5.13.1 of the Agreement.

1.93 SB 1383

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

1.94 SB 1383 Regulations

"SB 1383 Regulations" means or refers to, for the purposes of this Agreement, the Short-Lived Climate Pollutants: Organic Waste Reductions regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR as amended from time to time.

1.95 Self-Haul, Self-Hauler, or Self-Hauling

"Self-Haul," "Self-Hauler," or "Self-Hauling" means a Person, who hauls Solid Waste, Recyclable Materials, or Organic Waste, that he or she has generated to an appropriate Processing facility. Self-Hauler also includes a Person who Back-Hauls.

1.96 Seniors

"Seniors" means a resident sixty-two years of age or older.

1.97 Single-Family Premises

"Single-Family Premises" means Premises with fewer than five (5) Dwelling Units.

1.98 Solid Waste

"Solid Waste" has the same meaning as defined in the California Public Resources Code Section 40191, which includes all discarded putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage,

trash, refuse, rubbish, C&D, industrial waste, Bulky Items, and any other discarded solid, semisolid, and liquid waste permitted to be Disposed of at a Class III landfill and which are included within the definition of "Nonhazardous Solid Waste" set forth in the California Code of Regulations, as it may be amended from time to time. Solid Waste includes Recyclable Materials and Organic Waste, unless specified otherwise in the Agreement, but does not include Excluded Waste.

1.99 Solid Waste Handling Services

"Solid Waste Handling Services" means the Collection, Transfer, Transportation, Recycling, Processing, and Disposal of Solid Waste.

1.100 Source Separated

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

1.101 Source Separated Green Container Organic Waste

"Source Separated Green Container Organic Waste" means Source Separated Organic Waste that can be placed in a Green Container that is specifically intended for the separate Collection of Organic Waste and meets the requirements established by the Contractor as set forth in Exhibit 4, as may be amended from time to time upon mutual agreement of City and Contractor.

1.102 State

"State" means the State of California.

1.103 Street Sweeping Service

"Street Sweeping Service" means the services specified in Section 6.4 of this Agreement.

1.104 Term

"Term" has the meaning ascribed in Section 4 of this Agreement.

1.105 Temporary Service

"Temporary Service" means Solid Waste Handling Services provided by Contractor on an as needed and temporary basis to any Premises within the City in conjunction with construction, demolition, cleanup, or other projects, and by use of temporarily placed Bins or Roll-Off Boxes.

1.106 Tier One Commercial Edible Food Generators

"Tier One Commercial Edible Food Generator" as defined in 14 CCR Section 18982(a)(73) means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982(a)(73):

A. Supermarket.

B. Grocery Store with a total facility size equal to or greater than 10,000 square feet.

C. Food Service Provider.

D. Food Distributor.

E. Wholesale Food Vendor.

1.107 Tier Two Commercial Edible Food Generators

"Tier Two Commercial Edible Food Generator" as defined in 14 CCR Section 18982(a)(74) means a Commercial Edible Food Generator that is one of the following, each as defined in 14 CCR Section 18982(a)(74):

A. Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.

B. Hotel with an on-site food facility and 200 or more rooms.

C. Health facility with an on-site food facility and 100 or more beds.

D. Large Venue.

E. Large Event.

F. A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet.

G. A Local Education Agency with an on-site food facility.

1.108 Tipping Fees

"Tipping Fees" means the all-inclusive costs or charges imposed by a properly permitted Disposal Site, MRF, or Organic Waste Processing facility for Disposal or Processing of Solid Waste.

1.109 Transfer

"Transfer" means the act of transferring Solid Waste Collected by Contractor from Contractor's Collection vehicles into larger vehicles at a transfer facility for Transport to other facilities for Processing or Disposing of such materials.

1.110 Transportation or Transport

"Transportation" or "Transport" means the act of delivering Solid Waste from one location to another.

1.111 Transformation

"Transformation" means incineration, pyrolysis, distillation, or biological conversion other than Composting. Transformation does not include biomass conversion.

1.112 Universal Waste

"Universal Waste" means those Hazardous Wastes identified as universal wastes in 22 CCR Section 66261.9, including but not limited to: fluorescent bulbs and tubes; household batteries (e.g. D. AA, button-type, etc.); non-empty aerosol cans; electronic devices (e.g. televisions, computer monitors, cell phones, radios, video cassette recorders, etc.); and mercury containing devices (e.g. thermometers, thermostats, gauges, etc.), and generated by a Single-Family or Multi-Family residence. Universal Waste does not include any waste generated in the course of operating a business at a residence or business generated waste.

1.113 Waste Generator

"Waste Generator" means the Owner or occupant of Premises whose act initially produces Solid Waste that is subject to regulation under Federal, State, or local regulations.

1.114 White Goods

"White Goods" means discarded enameled household appliances, such as refrigerators, freezers, stoves, washer/dryers, water heaters, dishwashers, trash compactors and similar items.

1.115 Workday

"Workday" means any day, Monday through Saturday, which is not a Holiday as set forth in Section 1.61 of this Agreement.

2 Representation and Warranties of Contractor and City

2.1 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 Applicable Law. 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 minimum annual CalRecycle Diversion as required of the City under Public Resources Code Section 41780.

2.2 Diversion

Contractor shall implement the Diversion programs set forth in this Agreement such that City will achieve minimum annual CalRecycle Diversion as required of City under Public Resources Code Section 41780. In this regard, Contractor agrees that it shall provide, undertake and perform the following at its sole cost and expense, in addition to any other Agreement requirement:

a. Assist City in responding to inquiries from CalRecycle or any other regulatory agency relating to this Agreement;

b. Assist City in preparing for, and participating in, CalRecycle's biannual review of City's Source Reduction and Recycling Element (SRRE) pursuant to Public Resources Code Section 41825;

c. Assist City in applying for any extension, including under Public Resources Code Section 41820, if so, directed by City;

d. Assist City in any hearing conducted by CalRecycle, or any other regulatory agency, relating to City's compliance with Applicable Law relating to this Agreement;

e. Assist City with the development of and implementation of 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 Law;

f. Provide City with Recycling, source reduction, and other technical assistance as may be needed to comply with the Applicable Law;

g. Be responsible for and pay, any fees, penalties or other costs imposed against City by CalRecycle, and 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 Public Resources Code Section 41780 to the extent arising from or in any way related to Contractor's performance of its obligations under this Agreement.

2.3 Exception

Notwithstanding other provisions of this Agreement, Contractor's obligations in this Article 2 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 the active negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City, its officers or employees, (iii) in connection with the nonuse of a High Diversion Organic Waste Processing Facility for materials deposited in Black Containers, or (iv) as limited by Public Resources Code Section 40059.1.

3 Conditions Governing Services Provided by Contractor

3.1 Grant of Exclusive Agreement

City hereby grants to Contractor, and Contractor accepts, on the terms and conditions set forth herein, an exclusive Franchise within the corporate limits of the City. The Franchise granted to Contractor shall be the exclusive right and privilege to Collect, Transfer, Transport, handle, Process, Recycle, and Dispose of in a lawful manner, all Solid Waste, Recyclable Materials, Organic Waste (including Green Waste and Food Waste), and C&D Debris accumulating in the City in accordance with the City's Municipal Code, for the Term of and within the scope set forth in this Agreement; provided, however, that if it has not done so, City shall, within five (5) days after the Effective Date, issue notice concerning C&D exclusivity hereunder in compliance with Public Resources Code Section 49520 and the exclusive right and privilege to Collect, Transfer, Transport, handle, Process, Recycle, and Dispose C&D Debris in the City shall commence on the earliest date permissible in compliance with Public Resources Code Section 49520.

3.1.1 Annexation

If during the term of the Agreement, additional territory within or adjacent to the City is acquired by City through annexation, subject to the requirements of Public Resources Code Section 49520, Contractor agrees to provide Solid Waste Handling Services in such annexed area in accordance with the provisions and Maximum Service Rates set forth in this Agreement.

3.2 Recyclable Materials and Organic Waste Discarded by Customer

Any Person may sell Recyclable Materials or Organic Waste or donate Recyclable Materials or Organic Waste to Persons other than Contractor, provided: (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 is subject to Contractor's Franchise.

3.3 Exclusions of Exclusivity

The following are excluded from the Franchise:

3.3.1 Specialized Recyclable Materials

If Contractor is unable or unwilling to Collect and Process for Diversion Excluded Waste and/or waste to which a third party is able to sell or donate as specified in Section 3.2.

3.3.2 Byproduct of Food and Beverage Processing

Under AB 3036 (2018), certain byproducts from the Processing of food or beverages from agricultural or industrial sources, provided they are Source Separated and used as animal feed, are exempted from this Agreement. Entities requesting exemption must apply to the City and be any of the following: registered pursuant to Section 110460 of the Health and Safety Code or be exempted from registration pursuant to Section 110480 of the Health and Safety Code, or be a beer manufacturer as defined in Section 23012 of the Business and Professions Code, or a distilled spirits manufacturer as defined in Section 23015 of the Business and Professions Code.

3.3.3 Gardening or Landscape Services

Green Waste removed from a Premises by a gardening, landscaping, or tree trimming company as an incidental part of a total service offered by that company rather than as a hauling service are exempted from the Franchise.

3.3.4 Community Composting

Any Person performing Community Composting.

3.3.5 Structural Work Under a Proper Building Permit

Any Person permitted to Collect, Transport and Dispose of building material residue resulting from structural work under a proper building permit issued by the City as provided in Municipal Code Section 16.5 or a successor section.

3.4 South Pasadena Municipal Code

The provisions of the Municipal Code relating to Collection, Transfer, Transportation, handling, Processing, Recycling and Disposal are hereby incorporated into and made a part of this Agreement, and whenever the provisions of the Municipal Code conflict with the terms of this Agreement, the terms of the Municipal Code shall supersede the provisions of this Agreement, provided, for the avoidance of doubt Contractor's obligations 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 the active negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City, its officers or employees, (iii) in connection with the nonuse of a High Diversion Organic Waste Processing Facility for materials deposited in Black Containers, or (iv) as limited by Public Resources Code Section 40059.1. In the event of a change in the Municipal Code, Section 15.2 (Change in Law) shall apply.

3.5 Prior Agreements

This Agreement amends and restates, and as a result, supersedes and replaces in its entirety all prior agreements or understandings between the City and the Contractor except that Section XIV.D (Insurance), Section XV (Indemnification) and Section XVII (Reports) of the Prior Agreement shall survive only to the extent it relates to services provided before the Effective Date. In the event this Agreement is deemed null, void and of no force or effect by a court of competent jurisdiction, the agreements and understandings in force or effect prior to the Effective Date herein, shall apply.

4 Term

4.1 Term

This Agreement shall become effective on the Effective Date and continue and through and including the close of business on December 1, 2031 ("Expiration Date"); provided, however that beginning December 1, 2025, and each January 1 thereafter, automatic one-year extensions shall be applied to the Expiration Date (each an "Automatic Extension") so that the term of this Agreement shall thereafter remain at a constant seven (7) years (as may be extended, "Term").

4.2 Wind Down of Term

4.2.1 Notice of Intent to Wind Down

No earlier than January 1, 2026, either party may issue a written notice of intent to cancel the Automatic Extension ("Notice of Intent to Wind Down"). The Notice of Intent to Wind Down may be issued by either party without cause.

4.2.2 Meet and Confer Period

The terminating party hereunder ("Terminating Party") shall host a minimum of two (2) negotiation sessions with the non-terminating party ("Non-Terminating Party") within ninety (90) days of the date upon which the Notice of Intent to Wind Down is received by Non-Terminating Party ("Meet and Confer Period"). The purpose of the Meet and Confer Period is to provide negotiation sessions to discuss, in good faith, recission of the Notice of Intent to Wind Down in exchange for an amendment(s) to the Agreement. City and Contractor may, but are not obligated to, meet more frequently than required, provided that no such conferences shall act to extend or delay the Meet and Confer Period unless expressly agreed to in writing by the Parties.

4.2.3 Notice of Effective Wind-Down

No later than the end of the Meet and Confer Period, if the Terminating Party elects to cancel the Automatic Extension, the Terminating Party must deliver written notice to the Non-Terminating Party that it has concluded efforts to meet and confer in good faith and the Automatic Extension is canceled ("Notice of Effective Wind-Down"). Upon Notice of Effective Wind-Down, the Agreement will remain in full force and effect for a seven (7) year fixed term beginning on the date upon which the Notice of Intent to Wind Down was received by the Non-Terminating Party, unless sooner terminated pursuant to this Agreement.

4.2.4 Effectiveness

Notwithstanding any provision in this Agreement to the contrary, the cancellation of the Automatic Extension shall not become effective if (i) City and Contractor mutually agree to approve and execute an amendment to this Agreement as provided herein; (ii) the Terminating Party fails to hold the minimum number of good faith negotiation sessions during the Meet and Confer Period, provided that the Non-Terminating Party has not unreasonably postponed or delayed the scheduling of such sessions; or (iii) the Terminating Party fails to issue its Notice of Effective Wind-Down within the ninety-day period prescribed herein. Further, if the City issues notices to Contractor hereunder, the notices must be approved in advance by a majority vote of City Council.

4.3 Effective Date

This Agreement is hereby deemed effective when all of the following have occurred: (i) signing and delivery of this Agreement on behalf of the individual(s) authorized to bind Contractor hereto; (ii) approval of the Agreement by the City Council; (iii) this Agreement has been signed and delivered on behalf of the City by the individual(s) authorized to enter this Agreement on the City's behalf; (iv) the culmination of any

proceedings relating to Proposition 218, resulting in the approval by City Council of the Maximum Service Rates specified in Exhibit 1; and (v) the City Attorney indicates and delivers in writing its approval of this Agreement as to form.

5 Collection Services Provided by Contractor

5.1 Standard of Services

The scope of services to be performed by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, equipment, materials, supplies, and all other items necessary to perform all requirements of this Agreement. The scope of services to be performed by Contractor pursuant to this Agreement shall be accomplished in a manner so that Customers are provided Solid Waste Handling Services and other services described in this Agreement at all times in accordance with local industry practice in similarly situated jurisdictions.

5.2 Commingling of Materials

Contractor shall not commingle in a vehicle any Source Separated Green Container Organic Waste with other Solid Waste when Collected by Contractor unless otherwise approved by the Public Works Director, which shall not be unreasonably denied, conditioned, or delayed. Contractor shall not be deemed to have violated this Section where such materials were commingled prior to Collection by Customer or where the Container contains Prohibited Container Contaminants.

5.3 Collection of C&D

Contractor shall not be required to remove C&D Debris in the ordinary course of the Customer's regular Solid Waste Collection. Customers will be required to enter into separate Collection arrangements with Contractor for the Collection of such C&D Debris; provided, separate arrangements are not required for Customers that put out C&D Debris for Collection by Contractor if the work generating C&D Debris is minor in nature and is performed individually by Customer; provided, further, that such materials meet the volume and weight restrictions applicable to regular Collection of Solid Waste.

5.4 Collection Hours

Collection service must be provided, commencing no earlier than 7:00 a.m. and terminating no later than 5:00 p.m., Monday through Friday, and between the hours of 7:00 a.m. and 12:00 p.m., Saturday, except for Holidays in accordance with Section 10.2.2. 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 City.

5.5 Collection Schedule and Routes

The schedule and routes for Solid Waste Collection shall be subject to approval of the Public Works Director, whose approval shall not be unreasonably denied, conditioned, or delayed. Contractor shall prepare and transmit to the Public Works Director a Solid Waste Collection, Bus Stop Barrel Collection, Street Sweeping Service, and City garage sweeping service schedule, together with a map of the Collection and Sweeping Service districts within the City.

5.6 Title to Solid Waste

Except as provided otherwise under Applicable Law, title to Solid Waste Collected by Contractor shall pass to Contractor at the time said materials are placed in Contractor's Collection vehicle and such title shall pass to parties that subsequently receive such materials upon deposit from Contractor.

5.7 Residential Collection Service System

5.7.1 Frequency and Scheduling of Service

Residential Collection service must be provided at minimum one (1) time per week for Source Separated Green Container Organic Waste Collection and one (1) time per week for other Solid Waste on a scheduled route basis. Residential Collection service must be scheduled so that all Customers receive Collection service

for all Customer Barrels or Bins on the same Workday unless the Public Works Director permits otherwise upon the request of Contractor.

5.7.2 Residential Manual Barrel Collection Service

5.7.2.1 Default Service

Except as specified in this Agreement, Contractor shall provide Manual Barrel Collection Service to all Residential Premises whose Solid Waste is properly containerized in Solid Waste Barrels. Contractor shall determine the appropriate Barrel size, type, frequency, and quantity for each Customer, subject to reasonable disapproval of City; provided that, as a default, Customers must receive, at minimum, one thirty-two (32) gallon green Barrel for Source Separated Green Container Organic Waste and one thirty-two (32) gallon black Barrel for other Solid Waste, and up to five additional Solid Waste Barrels, any combination of black or green, for a maximum seven (7) Barrels total. Extra Barrels, in addition to the default service, shall be subject to additional charge in accordance with Exhibit 1.

5.7.2.2 Supply and Placement of Residential Manual Barrels

Barrels shall be supplied by the Contractor and stored in, and returned to, a location on that Customer's Premises mutually and reasonably agreed to between Contractor and that Customer, but in no event in the City's public right-of-way.

5.7.2.3 Uncontainerized Materials

Notwithstanding any provision in this Agreement to the contrary, (i) Customers using Manual Barrel Collection Service may place clean cardboard next to their black Barrels and (ii) Food-Soiled cardboard must be placed inside the green Barrel; provided in each case, cardboard is flattened and stacked neatly. All other Solid Waste must be placed inside Customer's Barrels. Contractor shall not be required to Collect any other Solid Waste that is not placed inside a Barrel or Collect any Barrel that is Overflowing or Overweight.

5.7.2.4 Rates for Residential Manual Barrel Collection Service

Contractor shall provide Residential Customers with Manual Barrel Collection Service at the Maximum Service Rates specified in Exhibit 1.

5.7.3 Residential Automated Collection Service

To the extent Customers do not receive Manual Barrel Collection Service, Contractor shall provide Residential Premises with Automated Collection Service for Source Separated Green Container Organic Waste and/or other Solid Waste from acceptable Containers supplied by the Contractor and stored in, and returned to, a location on that Customer's Premises mutually and reasonably agreed to among Contractor and that Customer, but in no event in the City's public right-of-way. Residential Automated Collection Service shall be provided at the Maximum Service Rates specified in Exhibit 1. City shall make the final determination as to any disputes between Customer and Contractor arising from this provision related to Automated Collection.

5.8 Commercial Collection Service System, Including Multi-Family

5.8.1 Provision of Service

Contractor shall provide Solid Waste Collection services to Customers at Commercial Premises, including Multi-Family Premises, with Containers supplied by the Contractor. Contractor shall perform waste assessments at all Commercial Premises, including Multi-Family Premises, in the City to determine the appropriate number and size of Containers and Collection frequency for Solid Waste.

5.8.2 Default Service

Contractor shall determine the appropriate Container size, type, frequency, and quantity for each Customer; provided that, as a default, Customers will receive one 64-gallon Cart for Source Separated Green Container Organic Waste and one 1.5-cubic yard Bin for other Solid Waste. The appropriate Container size, type, frequency, and quantity for each Customer of Collection will be determined by Contractor, subject to reasonable disapproval of City, following a waste assessment. However, Container size, type, frequency, and quantity must be sufficient to comply with Applicable Law and such that no Solid Waste needs to be placed outside the Collection Container.

5.8.3 Location and Emptying of Containers

Contractor shall place Containers to ensure that the flow of traffic is not impeded. Contractor shall determine the Container location, provided that if City determines the Collection location is a nuisance or safety concern, City shall make the final determination as to where Containers shall be stored on Premises, and from where they will be Collected. Contractor shall replace empty Containers to their original location with gates or doors of enclosures secured after Collection is completed. A Bin shall be considered properly located for Collection if it is feasibly accessible by Contractor's front-loading Collection vehicles. A Cart shall be considered properly located for Collection if it is feasibly accessible by Contractor's side-loading Collection vehicles. Contractor shall not be required to Collect any Solid Waste that is not placed inside a Container or Collect any Container that is Overflowing or Overweight.

5.8.4 Commercial and Multi-Family Automated Collection Service

Contractor shall use Automated Collection Service to Collect Source Separated Green Container Organic Waste and other Solid Waste from all Commercial and Multi-Family Customers. Contractor shall not Collect Source Separated Green Container Organic Waste from Commercial Customers, including Multi-Family Customers, that have been granted a waiver by the City. Contractor shall Collect all Source Separated Green Container Organic Waste and other Solid Waste that is properly placed in Bins or Carts from all Commercial and Multi-Family Customers at minimum one (1) time per week, or more frequently if needed to handle the amount of Source Separated Green Container Organic Waste and/or other Solid Waste generated at the Premises, or to safeguard public health and safety.

5.9 Meet and Confer for Three-Container Collection Service

Notwithstanding any provision in this Agreement to the contrary, upon the request of any Party, the Contractor and City will meet and confer to discuss the transition of Collection services to a Citywide three-Container Source Separated Collection service in which each Customer will receive at least one (1) Container for Source Separated Green Container Organic Waste, one (1) Container for Source Separated Recyclable Materials, and one (1) Container for all other Source Separated Solid Waste, no later than September 1, 2025, or thereafter, as determined upon mutual agreement of City and Contractor ("Transition"). Upon the effective date of any amendment to this Agreement effectuating the Transition, Sections 2.3(iii), 3.4(iii), and 12.8(iii) shall hereby be deemed void and of no force and effect, provided the foregoing will not extend to any loss, cost, liability, fine, penalty, damage, action, suit, duty, obligation, requirement, nonperformance, or noncompliance arising from or relating to actions or inactions prior to such time.

5.10 Temporary Bin and Roll-Off Box Collection Service

The Contractor shall offer temporary Bin Collection service and temporary Roll-Off Box Collection service to Residential and Commercial Premises, including Multi-Family Premises, for the Collection of Solid Waste or C&D Debris. The Contractor shall deliver and Collect temporary Bins and Roll-Off Boxes at the direction of the Customer. Temporary Bins and Roll-Off Boxes shall be free of graffiti and in good repair and must be

clearly marked and identifiable as belonging to the Contactor. In placing temporary Bins and Roll-Off Boxes, the Contractor shall not impede the flow of traffic. The designated Collection location, if disputed by the Customer or the Contractor, shall be determined by the City. Additionally, if in the City's opinion the location of an existing Collection location is inappropriate for aesthetic or safety reasons, City may require the Customer and/or Contractor to relocate the Collection location. Temporary Bin and temporary Roll-Off Box Collection service may require the Customer to obtain a City encroachment permit.

Contractor shall deliver loads of concrete, dirt or any other recoverable material to facilities that recover such materials. Contractor may charge no more than the Maximum Service Rates set forth in Exhibit 1 plus the actual Processing/Disposal cost per ton (net of any rebate for Recyclables).

5.11 Bulky Item Pick-Up Service

Contractor shall provide Bulky Item pick-up service to all Customers on a regularly scheduled Collection day in accordance with the rates specified in Exhibit 1.

5.12 Transportation, Disposal and Processing Service

Contractor shall Transport all Solid Waste that is Collected in City to a lawfully permitted Transfer facility, Materials Recovery Facility, Processing facility, or Disposal Facility. Source Separated Green Container Organic Waste shall be Transported to and Processed at an Organic Waste Processing facility. All other properly deposited Solid Waste shall be Transported to a facility which shall divert materials into Recyclables that can be Processed for recovery, and/or a facility for Solid Waste for Disposal at a landfill. For the avoidance of doubt, Contractor shall not be required to Transport Black Container waste to a High Diversion Organic Waste Processing Facility. Notwithstanding any provision in this Agreement to the contrary, Contractor shall determine the facilities utilized under this Agreement subject to change by City as provided in Section 15.1 or in the event of public health or safety emergencies.

Contractor shall notify the City in writing each year on or before July 1st to identify all the facilities to which the Contractor will Transport Solid Waste. Contractor shall ensure that, at a minimum, all materials shall be weighed upon delivery to a Processing facility or Composting facility, as applicable, and all weight and related delivery information recorded. For those facilities it operates, Contractor will permit visitation by City upon reasonable advance notice during normal operating hours and shall ensure that all scales are regularly maintained, accurate, and in compliance with Applicable Laws. Contractor shall ensure Disposal of any and all residue remaining from the Processing of Recyclable Materials and any non-processable materials in accordance with Applicable Law.

5.13 Contamination Monitoring

Contractor shall meet the SB 1383 Regulations contamination monitoring requirements by complying with Sections 5.13.1 and 5.13.2 as specified below.

5.13.1 Route Reviews

Contractor shall, at its sole expense, on a quarterly basis, commencing with the quarter after the Effective Date occurs, conduct Contractor Route Reviews for Prohibited Container Contaminants, in a manner consistent with and as defined in 14 CCR Section 18984.5(b), in a manner deemed safe by Contractor. Containers may be randomly selected along Hauler Routes. Contractor shall develop a hauler review methodology in compliance with 14 CCR Section 18984.5(b) and submit it to City not more than annually upon the request of City.

5.13.2 Facility Waste Evaluations

Contractor shall, at its sole expense, at least twice per calendar year but no more than quarterly, commencing with the quarter after the Effective Date occurs, conduct waste evaluations that meet the requirements of 14 CCR Section 18984.5(c) with respect to waste delivered to a Contractor-owned or -controlled facility, or with respect to information otherwise accessible to Contractor that permits it to perform characterization studies in accordance with Applicable Law. City maintains the right to observe, or hire a third party to observe, the waste evaluations. Contractor shall develop a waste evaluation methodology in compliance with 14 CCR Section 18984.5(c), including corrective actions that shall be taken by Contractor in the event of Contamination of greater than twenty-five percent (25%), and submit it to City not more than annually upon the request of City. Waste evaluations shall occur in two (2) distinct seasons of the calendar year. Contractor shall maintain records required under 14 CCR Section 18984.6 related to its compliance hereunder. Reports shall be provided to the City upon request.

5.13.3 Contamination Protocols

Upon finding Prohibited Container Contaminants in a Container, Contractor shall follow the protocols set forth in this Section.

1. **Record Keeping.** The driver or other Contractor representative shall record each event of identification of Prohibited Container Contaminants in a written log or in the on-board computer system including date, time, Customer's address, type of Container (Black or Green Container); and may maintain photographic evidence.

2. **First and Second Events.** Upon the first and second discoveries of Prohibited Container Contaminants in a Customer's Container within a given calendar year starting January 1, with the first calendar year starting on January 1, 2025, Contractor will Collect the contaminated waste if safe to do so and treat the waste as Solid Waste for handling and billing purposes. Contractor shall provide the Customer a "Courtesy Pick-Up Notice." The Courtesy Pick-Up Notice shall: (i) inform the Customer of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Customer's requirement to properly separate materials into the appropriate Containers, and the accepted and prohibited materials for Collection in the Black Container and/or Green Container; (iv) inform the Customer of the courtesy pick-up of the contaminated waste on this occasion with information that with a third and fourth discovery of Prohibited Container Contaminants, the Customer may be charged a Contamination Fee for each contaminated Container as described in Exhibit 1; (v) inform the Customer that with a fifth and any subsequent discoveries of Prohibited Container Contaminants, the Customer may be charged a Contamination Fee for each contaminated Container, and Contractor may increase the size of the Customer's Container or require an additional Container(s); and, (vi) may include photographic evidence. Contractor shall leave the Courtesy Pick-Up Notice attached to or adhered to the Customer's contaminated Containers; at the Premises' door or gate; or, subject to City's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. Contractor shall attempt to contact the Customer if it appears Customer does not have the appropriate level of service for proper Collection of Source Separated Green Container Organic Waste or other Solid Waste. Contractor shall report issuance of Courtesy Pick-Up Notices to the City in accordance with Section 8.2.7.

3. **Third and Fourth Events.** Upon the third and fourth discoveries of Prohibited Container Contaminants within a given calendar year starting January 1, Contractor will Collect the contaminated waste if safe to do so and treat the waste as Solid Waste for handling and billing purposes. Contractor shall provide Customer a "Contamination Fee Notice." The Contamination Fee Notice shall: (i) inform the Customer

of the observed presence of Prohibited Container Contaminants; (ii) include the date and time the Prohibited Container Contaminants were observed; (iii) include information on the Customer's requirement to properly separate materials; (iv) indicate that the Customer will be charged a Contamination Fee as described in Exhibit 1 on their next bill; (v) inform the Customer that with a fifth and any subsequent discoveries of Prohibited Container Contaminants, the Customer may be charged a Contamination Fee for each contaminated Container and Contractor may increase the size of the Customer's Container or require an additional Container(s); and, (vi) include, for any assessed Contamination Fee, digital/visual documentation of Contractor's discovery of Prohibited Container Contaminants. Contractor shall leave the Contamination Fee Notice attached to or adhered to the Customer's contaminated Containers; at the Premises' door or gate; or, subject to City's approval, may deliver the notice by mail, e-mail, text message, or other electronic message. Contractor shall attempt to contact the Customer if it appears Customer does not have the appropriate level of service for proper Collection of Source Separated Green Container Organic Waste or other Solid Waste. Contractor shall report issuance of Contamination Fee Notices to City in accordance with Section 8.2.7.

4. **Five or More Events.** Upon each of the fifth and any subsequent discoveries of Prohibited Container Contaminants within a given calendar year starting January 1, Contractor will Collect the contaminated waste in the contaminated Container(s) if safe to do so, treat the waste as Solid Waste for Handling and billing purposes, and charge a Contamination Fee for each event. Contractor shall provide Customer a "Contamination Fee Notice" as described above. Upon five (5) business days' notice to City and the Customer, Contractor may (i) increase the size of the customer's Container, require additional Containers to accommodate excessive Prohibited Container Contaminants, or increase collection frequency; (ii) impose a Contamination Fee equal to fees for a period of six (6) months or until the Customer has demonstrated Prohibited Container Contaminants are not in Containers for a period of three (3) consecutive months; and/or (iii) provide notice that Contractor has recommended that City commence any applicable code enforcement action against the Customer. City will consult with Contractor and consider, and pursue as applicable, appropriate legal remedies against offending Customers in order to secure discontinuance of the Prohibited Container Contaminants. All City costs of such action shall be recovered from the offending Customers.

5. **Disputes.** If a Customer disputes, in writing, an assessment of a Contamination Fee within thirty (30) days of the assessment, Contractor will temporarily halt any such assessment and Contractor may request a ruling by the Public Works Director to resolve the dispute. A request by Contractor to the Public Works Director to render a decision on any such dispute must be filed within ten (10) business days of receipt of a Customer's written dispute, and Contractor must include written documentation and digital/visual evidence of ongoing overall problems. Upon receipt of such documentation, the Public Works Director will adjudicate the dispute within ten (10) business days, and the Public Works Director's decision resolving the dispute between the Customer and Contractor will be final.

5.14 Education and Outreach

5.14.1 City-Specific Website

Contractor shall maintain a City-specific website that fully explains the Contractor's services, the Maximum Service Rates specified in Exhibit 1, the Diversion options available, and allows Customers to submit service changes, inquiries, or complaints. The website must describe and promote the use of the available Organic and Non-Organic services and include information pertaining to SB 1383 compliance including waiver information and location and contact information of City's Food Recovery Organizations. 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.

5.14.2 Lists of Acceptable Materials (Website)

Contractor shall maintain an accurate list on its website of acceptable materials for deposit in Containers, by type, as appropriate to encourage source separation.

5.14.3 Education and Outreach Materials

Contractor shall provide education and outreach activities and create and disseminate educational materials to Customers as required by, and in conformance with, Applicable Law, including 14 CCR Section 18985.1. In accordance with the foregoing, Contractor will provide regularly scheduled notices, education materials, billing inserts, or other information disseminated to Customers as required by Applicable Law. Contractor shall maintain records of its education and outreach activities and provide this information upon request to City. All educational materials and informative literature shall be printed and made available in English, Spanish, and Mandarin. City has a shared responsibility to cooperate with Contractor with respect to the education and outreach activities and creation and dissemination of educational materials hereunder.

5.14.4 Available Services Notice and Information

At least annually, Contractor must publish and distribute (by mail or electronically) a notice to all Customers regarding the full range of services offered. The notice must contain at a minimum (i) Contractor's local customer service phone number and website (ii) procedures for properly filling and setting out Containers, (iii) instructions as to what materials may or may not be placed in Containers, (iv) the days when Solid Waste Collection services will be provided and Holidays when Collection Services will not be provided, (v) how to select Container sizes to maximize Diversion, (vi) the fees for overage and contamination in the event of non-compliance, (vii) Bulky Item Collection services, and (viii) the dates and locations of Free Dumpster Days and Free Compost Giveaway Days. The notice must be provided in English, Spanish, and Mandarin and must be distributed by Contractor no later than February 1st of each calendar year.

5.15 Edible Food Recovery Support

5.15.1 Identification of Commercial Edible Food Generators

No later than January 1, 2025, and annually every January 1 thereafter, Contractor shall assist City in identifying Customers that meet the definition of Tier One or Tier Two Commercial Edible Food Generator and provide to City a list of such Customers, which shall include the following information: Customer name, service address, contact information, Tier One or Tier Two classification, and type of business.

5.15.2 Identification of Edible Food Recovery Organizations

To support City's efforts to promote Edible Food Recovery programs Contractor shall maintain, and update annually each January 1, a list of Food Recovery Organizations and Food Recovery Services and information about Edible Food Recovery on Contractor's website, which is specific to City and shall provide a link to information about City's Edible Food Recovery programs on Contractor's website.

5.15.3 Maintain and Promote Listings

Contractor shall cooperate with and assist City with the distribution of information to Commercial Edible Food Generators and Food Recovery Organizations regarding City's Edible Food Recovery programs.

5.16 Provision of Recovered Organic Waste Products

Contractor shall assist City in procuring sufficient quantities of Compost or Mulch, at composition levels to be determined by Contractor, to allow City to meet the City's required annual per capita procurement of products produced in accordance with 14 CCR Section 18993.1, at no cost, with such per capita procurement amounts prorated during any partial calendar year starting January 1 under this Agreement. Contractor shall

comply with the recordkeeping and verification requirements of 14 CCR Section 18993.2. Upon request of City, Contractor will meet and confer with City to discuss an amendment intended to establish a program that would be designed to assist the City in securing sufficient quantities of California-derived Renewable Natural Gas, if commercially available to Contractor, to meet the City's required annual per capita procurement of products produced in accordance with 14 CCR Section 18993.1.

5.17 Emergency or Disaster Recovery Service

In the event of a tornado, major storm, earthquake, fire, natural disaster, or other natural disaster or similar emergency event, Contractor agrees to (ii) provide disaster recovery support to a reasonable degree, upon request by City and (ii) the City may grant the Contractor a variance from regular routes and schedules, which will not be withheld unreasonably. In the event Contractor receives a variance, Contractor must advise the City when it is anticipated that normal routes and schedules can be resumed. The City will make an effort through the local news media to inform the public when regular services may be resumed. For work performed hereunder, which may include the hauling of debris; special handling such as burrito wrapping (tarping a load with plastic to prevent debris from escaping); temporary storage of debris where feasible; additional Disposal; use of different facilities; and documentation of debris type, weight, and Diversion, Contractor will receive additional and reasonable compensation, above the normal compensation contained in this Agreement, to cover the costs of all documented expenses based on Contractor's actual costs plus a reasonable profit provided Contractor has first secured written authorization and approval from City.

6 Other City Services

6.1 City Public Facilities Collection

Contractor shall Collect, Transport, Recycle, Process, and Dispose of all Solid Waste, including Source Separated Green Container Organic Waste, produced by City at City Facilities without charge to the City.

6.2 City Special Events Collection

Contractor shall Collect, Transport, Recycle, Process, and Dispose of all Solid Waste, including Source Separated Green Container Organic Waste, produced at City's annual Fourth of July celebration and up to ten (10) other, annual special events, as reasonably requested by City, such as concerts in the park, farmer's market (provided the market is operated by the City or a non-profit corporation) and similar community celebrations without charge to the City.

6.3 City Bus Stop Barrel Collection

Contractor shall Collect, Transport, and Dispose of Solid Waste deposited in Barrels at City bus stops at the locations and by the schedule set forth in Exhibit 2, without charge to the City or Customer. The times, days, and Barrel locations specified in Exhibit 2 may be modified from time-to-time upon request of Contractor, upon approval of the Public Works Director, whose agreement shall not be unreasonably denied. Contractor shall empty the bus stop Barrel(s), supply the new Barrel liner, and replace the Barrel liner. Contractor shall remove any Solid Waste outside of the Barrel(s) at the bus stop and pressure wash as needed.

Notwithstanding any provision in this Agreement to the contrary and starting on the Effective Date, Contractor shall provide Bus Stop Barrel Collection without charge to City or Customers, provided that upon any notice as specified in Section 4.2Contractor shall bill the City its then-existing rates for Bus Stop Barrel Collection set forth in Exhibit 1. Thereafter, Contractor shall invoice the City on the first business day of each month for Bus Stop Barrel Collection services rendered during the preceding month.

6.4 City Street Sweeping Service

Contractor shall provide Street Sweeping Service within City in accordance with Exhibit 3.

6.5 Compost Giveaway Events

Beginning January 1, 2025, at no additional cost to City or Customers, Contractor shall host two (2) "Compost Giveaway" events per calendar year, offering free Compost to Customers. Contractor shall host each event at a time and location mutually agreeable between the City and Contractor. During the event, Contractor shall distribute literature on SB 1383 compliance. All literature distributed at the event shall be printed and made available in English, Spanish, and Mandarin.

6.6 Dumpster Day Events

Beginning January 1, 2025, Contractor shall provide, at no charge to City or Customers, four (4) "Dumpster Day" events per calendar year (on days determined by the City) for the Collection of Bulky Items. Contractor shall also provide, at no charge, curbside pick-up of those Bulky Items during the week of the "Dumpster Day" events for Senior citizens' residences within the City, as coordinated by the City, provided that if curbside pick-ups for any Dumpster Day event exceed one hundred (100) pick-ups, then City and Contractor shall negotiate a reasonable charge for such excess pick-ups. In addition to the four (4) Dumpster Day events, the Contractor shall provide one (1) curbside Bulky Item pick-up per calendar year for Seniors at no charge to City or Customer. The Customer shall notify the Contractor at least twenty-four (24) hours in advance of scheduling the no charge curbside Bulky Item pick-up.

6.7 Holiday Tree Collection

Contractor shall provide Holiday tree Collection for all Residential Premises and Multi-Family Premises. Holiday trees must be placed at the curb or near a Customer's Container(s) for Collection during the three-week Collection period beginning January 2nd each calendar year during the term of this Agreement. Contractor must deliver the Collected Holiday trees to an appropriate facility for Disposal and/or Processing. This annual service will be provided at no additional charge to the Customer. Contractor is not required to divert Holiday Trees with tinsel, flocking, or ornaments.

7 Customer Billings, Charges, and Rates

7.1 Billings for Collection Services

Contractor is responsible for the billing and collection of payments for all services provided under this Agreement. Contractor shall bill Residential Customers quarterly in advance for all services and Commercial Customers monthly in advance for all services. The amount charged to Customers for all services shall not exceed the Maximum Service Rates established in Exhibit 1, as such rates may be adjusted under this Agreement.

7.2 Partial Month Service

If, during a month, a Customer is added or deleted, 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 Customer).

7.3 Production of Invoices

Contractor shall prepare, mail, or electronically transmit, and collect bills (or shall issue written receipts for cash payments) for services provided by Contractor under this Agreement. Billing shall not be permitted more than fifteen (15) days prior to the initiation of Collection service period. Bills shall not be subject to late notification or charges until thirty (30) days following the closing day of the service period. Contractor shall include a customer service e-mail address and phone number on all billing notices. Contractor shall accept payment by check, credit card or ACH debit. Billings shall include sufficient space on the statement to accommodate up to twenty (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 Customer has overpaid for service for any reason, Contractor must provide the Customer a credit against future invoices or a refund (where the account is closing or as selected by the Customer, and where the refund amount exceeds the lesser of the regular invoicing amount or $200) within thirty (30) days of such determination.

7.4 Late Fees

Contractor may assess Customers a late payment fee of ten percent (10%) of the outstanding balance of any invoice after sixty (60) days, plus interest on the outstanding balance not to exceed an annual rate of twelve percent (12%). Such fees will be assessed if the outstanding balance is Five Dollars ($5.00) or greater.

7.5 Delinquent Service Accounts

The Contractor may discontinue service to a Customer who is delinquent in paying for services rendered no earlier than sixty (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 Customer, whichever is later. For this purpose, delivery of the billing shall include the date such billing is deposited by to Contractor into the U.S. Mail or delivered electronically. The Contractor shall notify the Customer and the Public Works Director or designee in writing of its intent to discontinue service not less than ten (10) business days before such discontinuation shall occur.

7.6 Annual City Approval of Maximum Service Rates

On or before May 1, 2025, and annually each May 1 during the term of this Agreement, the Contractor shall notify the Public Works Director of the CPI adjustments to the affected Maximum Service Rates. No later than each June 1, City shall notify Contractor of City's agreement or disagreement with Contractor's calculation of Maximum Service Rates. Any such agreement or disagreement shall occur at the administrative level.

7.7 Adjustments to Maximum Service Rates using CPI

Beginning on July 1, 2025, and each July 1 thereafter during the Term, Contractor shall, subject to compliance with all provisions of Section 7.8 and each subpart therein, receive an annual adjustment to the Maximum Service Rates as set forth in Exhibit 1.

7.8 Rate Increase Formula

Each of the Maximum Service Rates provided by this Agreement consists of the Operations Component and Disposal Component.

7.8.1 Operations Component

The Operations Component includes Contractor's then-current operational rate to Collect all Solid Waste, including Recyclable Materials and Organic Waste, from all Customers described in Section 5 according to the terms set forth in this Agreement. Also included in the Operations Component is Contractor's then-current operational rate to Transport all Solid Waste to the appropriate facility(ies). The Operations Component is to be adjusted in proportion to the percentage change in CPI for the immediately previous twelve-month period (March through February).

7.8.2 Disposal Component

The Disposal Component shall be based on the per ton costs incurred by Contractor for Disposal and Processing of all Solid Waste, including gate rates or Tipping Fees (inclusive but not limited to all taxes and surcharges) to Dispose and/or Process Solid Waste at the appropriate facility(ies). The Disposal Component is to be adjusted in proportion to the increase or decrease in costs as determined by the percentage change in gate rates or Tipping Fees (inclusive but not limited to all taxes and surcharges) at the appropriate facility(ies). The Disposal Component adjustment shall not exceed the percentage change in CPI, as described above.

7.9 Special Rate Adjustment

In the event circumstances beyond the control of Contractor impose or generate extraordinary cost in the performance of the Agreement, including but not limited to unanticipated increases in Disposal and operational costs in excess of CPI, Contractor may petition City to determine if an adjustment in compensation is warranted to avoid undue financial hardship on Contractor. For each request, Contractor shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate of extraordinary costs. City shall review Contractor's request and, in City's sole judgment, make the final determination on the adjustment, provide, however, that approval of such request not be unreasonably withheld. Further, the Parties agree that if Contractor uses a Disposal Facility other than the San Bernardino County landfill system, subject to City approval, then increases or decreases in the Tipping Fee portion of the Disposal Component for such alternate Disposal Site may be adjusted in excess of the percentage change in CPI in accordance with this Section 7.9.

7.10 Proposition 218

7.10.1 Hearing Procedures

At the City's election, in the City's sole discretion and without admitting the applicability of Proposition 218 (California Constitution Article XIII D) to the rates specified in Exhibit 1, City may determine to comply with the hearing and other requirements of Proposition 218 and the Proposition 218 Omnibus Implementation Act ("Proposition 218") with respect to the City's adjustment of the rates required to be paid by Customers.

7.10.2 Rate Invalidation Procedures

Within thirty (30) days of an Invalidation Action, City must provide written notice to Contractor identifying such action, with a written justification explaining why City is prohibited or disallowed from establishing, implementing, or adjusting Maximum Service Rate(s), in whole or in part ("Invalidation Notice"). Upon Contractor's receipt of an Invalidation Notice, Contractor will present an accounting of the amounts otherwise due and payable to Contractor but for the Invalidation Action. City and Contractor shall immediately meet and confer and agree to discuss (i) revisions to the schedule of Maximum Service Rates or City payment that may be acceptable to Contractor and/or (ii) adjustments to the services and programs in order to provide minimum State mandated services and programs within the then existing schedule of Maximum Service Rates ("Response Actions"). City and Contractor will negotiate in good faith and will not unreasonably withhold agreement to such Response Actions. If City and Contractor do not reach an agreement within sixty (60) days of the Contractor's receipt of the Invalidation Notice, or as extended by mutual agreement of the parties, Contractor may, notwithstanding Sections 4.1 and 4.2, terminate this Agreement at any time without cause or penalty, provided that termination shall not be effective until at least thirty (30) days' after Contractor issues a written notice of termination. During such period, Contractor will cooperate with City to transition services to City or its designee. Contractor's rights hereunder are in addition to any other rights of Contractor upon the invalidation of any Maximum Service Rate(s) that would otherwise be due and payable to Contractor.

8 Recordkeeping and Reporting

8.1 Recordkeeping

8.1.1 Accounting Records

Contractor shall maintain financial statements and other relevant information consistent with generally accepted business practices pertaining to Collection services provided under this Agreement, prepared on an accrual basis. The City retains the right, upon reasonable notice, to inspect and audit Contractor's financial statements and records with respect to services provided pursuant to this Agreement to confirm compliance and the calculation of Maximum Service Rates pursuant to Section 7 (Customer Billings, Charges, and Rates) and Section 9 (Fees Paid to City). The Parties acknowledge and agree that Contractor's financial information and records constitute proprietary information and trade secrets of Contractor. All financial information provided to City shall be held strictly confidential and not publicly disclosed, to the maximum extent permitted by law, and City shall use its best efforts to prevent any such disclosure. In the event that the audit concludes that Contractor is not in compliance and such non-compliance is material, which shall mean any underpayments greater than $50,000 or more as adjusted annually each July 1 by CPI, Contractor shall reimburse the City for the full cost of the audit plus any underpayments discovered during the audit.

8.1.2 Records Preservation

Contractor shall keep and preserve, during the Term of this Agreement, and for a period of not less than five (5) years following expiration or other termination hereof (or such longer time period if required by Applicable Law), full, complete, and accurate records, including all cash, billing and Disposal records, as indicated in the Agreement.

8.1.3 Materials Records

Contractor must maintain records of the quantities of (i) Residential, Multi-Family 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, (iii) Organic Waste by type, Collected, purchased, Processed, sold, donated or given for no compensation, and residue Disposed under the terms of this Agreement, and (iv) Construction and Demolition Debris Collected and Disposed under the terms of this Agreement.

8.1.4 Senate Bill 1383 Implementation Record

Notwithstanding any provision in this Agreement to the contrary, Contractor shall prepare and maintain the records identified in 14 CCR Section 18995.2(f), arising from the Organic Waste Collection services performed by Contractor and assist City in reporting such information.

8.1.5 Other Records

Contractor must maintain all other records reasonably related to provision of Solid Waste Handling Services and compliance with AB 939, AB 341, AB 1826, SB 1383, and all Applicable Laws, whether or not specified in this Agreement.

8.1.6 Access to Records

Contractor shall provide City with business hours access to and any necessary training for use of a Contractor-hosted recordkeeping system in order to validate Contractor performance in accordance with the Organic Waste program. City reserves the right to require Contractor to periodically submit all reports and information by electronic means in a format approved by the City. The City also reserves the right to

require Contractor to transfer Customer data periodically electronically to a City-selected web-based software platform.

8.2 Quarterly Reporting

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. Quarterly reports to City must include:

8.2.1 Franchised Tonnage and Service Data

Contractor must report the number of unique Residential, Commercial and Multi-Family Dwelling accounts serviced, tonnage of Solid Waste Collected and Processed for Diversion broken down by Container type, and residual amounts from Recycling and Organic Waste Diversion operations that are landfilled. Quantities and accounts should be broken down by Single-Family Premise, Multi-Family Premise, Commercial Premise, and City Service Collection services. Multi-family reports must have tonnage assigned appropriately to Residential and Commercial generators.

8.2.2 Franchise Fee Payment Reporting

The report must include an accounting of Contractor's Gross Receipts received during the preceding quarter and the calculated Franchise Fee.

8.2.3 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.

8.2.4 Non-Collection

The quarterly report must include a summary of each service unit receiving a Non-Collection Notice in the previous quarter.

8.2.5 On-Hold

The quarterly report must include each service unit that was not billed in the previous quarter due to vacation hold, vacancy etc.

8.2.6 Collection Overage Charges

The quarterly report must include each service unit incurring a charge for a Solid Waste Overage in the previous quarter.

8.2.7 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 5.13. This summary must include the total number of accounts where contamination occurred (where Courtesy Pick-Up Notices were issued), the total number of Contamination Fee Notices issued by Contractor to Customers, 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) business days of request by City, Contractor will provide copies of the Contamination Fee Notices and the digital documentation of Prohibited Container Contaminants.

8.2.8 Customer Service Log

The quarterly report must include the Customer service log collected from the previous quarter as required in Section 10.3.2 of this Agreement.

8.2.9 Data Transfer

If required by City, Contractor shall submit all reports by electronic means in a format compatible with the City's computers and software. At Contractor's expense, Contractor will provide City with business hours access to and any necessary training for use of a Contractor-hosted records systems in order to obtain and transfer Customer data.

8.3 Annual Reporting

An annual report must be submitted no later than 5 p.m. PT on March 1, 2025 and each March 1st thereafter for the previous calendar year. If March 1st falls on a day that City is closed, then the report will be due on the next business day. Annual reports must be provided electronically in software acceptable to the City. Annual reports shall summarize all information provided in the Quarterly Reports for the previous calendar year. In addition, the annual report shall include the following:

8.3.1 Organic Waste Data

Contractor shall provide an annual report of the information identified in 14 CCR Section 18994.2.

8.3.2 Financial Report

The number of Single-Family, Commercial and Multi-Family 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 Receipts for each type of service unit, and the amount received for the sale of Recyclable Materials.

8.3.3 Education and Outreach Report

Contractor shall document all education and outreach activities conducted throughout the calendar year including, but not limited to, City event participation, school visits, site visits and waste assessments completed, bill inserts distributed, and tours and other activities related to the provision of Collection Services.

8.3.4 Property Damage and Personal Injury

A description of all cases of property damage and personal injury that have occurred while providing services for City pursuant to this Agreement in the immediate past calendar year.

8.3.5 Traffic Citations

A copy or description of all traffic citations received while providing services for City pursuant to this Agreement in the immediate past calendar year.

8.3.6 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: make, model, year, license number, identification number and ownership, route number, date purchased, vehicle type, and tare weight.

8.3.7 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 pick-ups and responses to such calls.

8.3.8 Summary Narrative

A summary narrative of problems encountered with Collection and Processing activities and actions taken. Indicate type and number of notices left at Customer locations. Indicate instances of property damage or injury, significant changes in operation, market factors, publicity conducted, needs for publicity, and similar information. Include description of Processed material loads rejected for sale, reason for rejection and disposition of load after rejection.

8.4 CalRecycle Reports

Contractor will prepare and submit annual reports to CalRecycle (the "Electronic Annual Report" or EAR), that includes, but is not limited to, supplying required data for preparation of the reports and completing all required data input in CalRecycle's reporting system. In the event that CalRecycle requires City to report an "Implementation Schedule" to comply with Applicable Law, Contractor will provide assistance to City in preparing a report, including Contractor's policies and procedures related to compliance with Applicable Law 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 Reviews, copies of notices, violations, education and enforcement actions issued, and copies of educational materials, flyers, brochures, newsletters, website, and social media. CalRecycle reports shall be provided to the City for review and approval no less than thirty (30) days prior to the report due date.

9 Fees Paid to City

9.1 Franchise Fee

In consideration of the rights provided to Contractor herein and as set forth in Section 3.1 of this Agreement, for the entire Term of this Agreement, Contractor shall pay City, in accordance with Section 9.4, a Franchise Fee of ten percent (10%) of all Gross Receipts received by Contractor under this Agreement. The Franchise Fee may be adjusted by resolution of the City Council. In the event the City adjusts the Franchise Fee, the City shall adjust the Maximum Service Rates by a commensurate amount to reimburse Contractor for additional Franchise Fee costs.

9.2 Recycling Revenue Sharing

On a quarterly basis (within forty-five (45) days after each quarter), Contractor shall remit (or cause the operator of the MRF at which Contractor deposits Solid Waste Collected within the City) to City twenty-five percent (25%) of the net revenue generated from sales of Recyclable Materials Collected by Contractor within the City. For purposes of this Section, net revenue shall mean Gross Receipts generated from such sale minus any amount paid to the users of the Recyclable Materials as incentives to divert materials. Contractor shall, on an annual basis, provide to the City a report describing the quantity of Recyclable Materials, the dollar value of those sold and the net revenue paid to the City, and explain the reasons, therefor.

9.3 Solid Waste Handling Fee

Commencing on December 1, 2031, and on each seventh anniversary thereafter, provided neither party has given Notice of Intent to Wind-Down as provided in Section 4.2, Contractor shall remit to City an amount equal to $84,782.90, as adjusted herein, to be used toward facilitating City's Solid Waste Handling operations ("Solid Waste Handling Fee"). The Solid Waste Handling Fee shall be adjusted in proportion to the percentage change in the CPI for the seven (7) previous twelve-month periods (March through February). Upon any notice as provided in Section 4.2, this Section 9.3 shall be of no further force or effect and Contractor shall not be obligated to pay any further fees under this Section 9.3

9.4 Time and Method of Payment; Late Fees

Fees owed to City shall be computed and paid based on Gross Receipts received each calendar quarter. Contractor shall prepare and mail such remittance on a quarterly basis to the Finance Director, and such remittance must be delivered or postmarked no later than forty-five (45) days following the end of each quarter.

Contractor shall pay interest on all unpaid, undisputed fees at the rate of six percent (6%) per annum from the date the fees were due and payable to the date actually paid.

If a delay is due to extenuating circumstances, Contractor must request approval in writing from the Public Works Director 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.

9.5 Disputes

In the event of any disputes between the Contractor and the City with respect to the fees described in this Section 9, the City shall provide the Contractor with written objection within 180 days of the receipt of the report described in Section 8.2.2, indicating the portion of the report that is disputed and providing all reasons then known to the City for its objection to or disagreement with such amount. All amounts paid may be subject to independent financial audit and recompilation by the City. If, after a financial audit, such

recompilation indicates an underpayment or if an underpayment is determined by agreement, mediation, legal proceeding or otherwise, Contractor shall pay to City the amount of the underpayment, with interest thereof at the rate set forth in Section 9.1 from the date the underpayment amount was due to the City. If the objection was in good faith and the underpayment exceeds three percent (3%), Contractor shall reimburse City for all reasonable costs and expenses incurred in connection with the dispute within ten (10) Workdays of receipt of written notice from City that such is the case. If, the review indicates an overpayment, City shall notify Contractor in writing of the amount of the overpayment. Contractor may offset the amounts next due following receipt of such notice by the amount specified therein. Nothing contained in this subsection shall limit the authority of any authorized officer 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.

10 Quality of Performance of Contractor

10.1 City-Contractor Meetings

The Parties shall meet and confer at least once per quarter, upon the request of any Party, to discuss any matters arising from or relating to the Agreement as determined by the requesting Party.

10.2 Collection Performance Standards

10.2.1 Hours of Collection

The collection of Solid Waste shall only occur between the hours of 7:00 a.m. and 5:00 p.m., Monday through Friday and between the hours of 7:00 a.m. and 12:00 p.m., Saturday. Collection services will not take place on Sundays. Collection earlier than 7:00 a.m. may be authorized upon written approval of the Public Works Director; provided, that Contractor gives written notice to the affected Customers at least ten (10) days prior to the earlier Collection. To the extent reasonably possible, Collections on each route shall commence at the same point, at the same time and follow the same route each time Collections are made.

10.2.2 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 these designated Holidays. In any week in which one of these Holidays falls on a Workday, Residential Collection Services for the Holiday and each Workday thereafter will be delayed one Workday for the remainder of the week with normally scheduled Friday Collection Services being performed on Saturday.

10.2.3 Accessibility

Contractor must Collect all Collection Containers that are readily accessible to Contractor's crew and vehicles and not blocked. However, Contractor may provide "push services" and "stinger/scout truck services" as necessary at the Maximum Service Rates 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.

10.2.4 Manner of Collection

The Contractor must Collect Solid Waste with as little disturbance as possible and must leave any Container in an upright position at the same point it was Collected without obstructing alleys, roadways, driveways, sidewalks, or mailboxes. 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.

10.3 Contractor's Customer Service

10.3.1 Customer Service Representative and Performance Standards

All service inquiries and complaints will be directed to Contractor. A representative of Contractor must be available to answer inquiries and receive complaints during normal business hours. All service complaints will be handled by Contractor in a prompt and efficient manner. In the case of a dispute between Contractor and a Customer, the matter will be reviewed, and a decision made by the Public Works Director.

Contractor shall maintain a local telephone number and maintain telephone listings in the directories of the telephone companies servicing Customers in the name by which the firm is most commonly known.

Contractor shall not repeatedly allow Customer service calls to be put on hold for longer than two minutes.

Contractor shall not repeatedly allow Customer service calls to ring more than ten (10) times.

Contractor's Customer service representatives will treat all Customers in a friendly and courteous manner.

Contractor's Customer service representatives will be fully knowledgeable about this Agreement and the services provided hereunder.

10.3.2 Customer Service Log

Contractor shall maintain a written record of all service requests and complaints received, including the name, address, and telephone number of the Customer, a description of the service requests and/or complaints, the time the service request and/or complaint was received, the action taken in response to the service request/complaint, and the time the responsive action was taken. Contractor shall provide City with a copy of the written Customer Service Log as described in Section 8.3.7.

10.3.3 Complaints and Claims

In the event any Customer reports to the Public Works Director a complaint or claim has not been resolved to the Customer's reasonable satisfaction, the Public Works Director may require Contractor to present a detailed report outlining the nature of the complaint and remedies proposed or action taken to resolve the complaint or claim. If, in the reasonable opinion of the Public Works Director, Contractor's remedies proposed and action taken are insufficient to resolve adequately the complaint or claim, then the Public Works Director may require Contractor to carry-out an alternative reasonable remedy process intended to resolve the complaint or claim. The remedies will be carried out at no cost whatsoever to City, unless otherwise specified by the Public Works Director. For those complaints related to repair or replacement of Collection Containers, the appropriate Sections of this Agreement will apply.

10.3.4 Missed Collections

For those complaints related to missed Collections, where Containers are properly and timely set out, that are received by 12:00 noon on a Workday, Contractor will return to the Service Unit address and Collect the missed materials before leaving the City for the day. For those complaints related to missed Collections that are received after 12:00 noon on a Workday, Contractor will have until the end of the following Workday to resolve the complaint.

10.4 Collection Vehicle Requirements

10.4.1 General

Contractor shall provide vehicles that are sufficient in number and capacity to efficiently perform the work required by this Agreement.

10.4.2 Reserve Equipment

Contractor shall have available to it, at all times, reserve Collection equipment which can be put into service and operation so as to prevent an interruption of services Citywide. Such reserve equipment must correspond in size and capacity to the equipment used by the Contractor to perform the contractual duties.

10.4.3 Appearance

Contractor shall paint each vehicle periodically (including performing all necessary body work), as frequently as necessary to keep clean and in good repair. Contractor shall mark the rear, and both sides of each vehicle

with the Contractor's name, telephone number, and a vehicle number in letters contrasting sharply with the color of the truck and not less than six (6) inches in height. Contractor shall maintain each vehicle in a clean and sanitary condition both inside and out.

10.4.4 Maintenance

Contractor shall perform all scheduled maintenance functions upon Collection vehicles in accordance with the manufacturer's specifications and schedule. Contractor shall repair, or arrange for the repair of, all its vehicles and equipment for which repairs are needed because of accident, breakdown, or any other cause to maintain all equipment in a safe and operable condition. Contractor shall keep accurate records of all Collection vehicles maintenance and repair, recorded according to date and mileage, including signed verifications that repairs and maintenance has been properly performed, and shall make such records available to City upon request.

10.4.5 Emissions

Contractor's Collection vehicles shall comply with all rules and regulations of the South Coast Air Quality Management District, California Air Resources Board, and any other air-quality regulatory body that may be in authority during the Term of this Agreement.

10.4.6 Noise

Contractor’s vehicles using compaction mechanisms during the stationary compaction process shall not exceed a noise level of seventy-five (75) decibels (dB) twenty-five (25) feet from the Collection vehicle measured at an elevation of five (5) feet above ground level. Contractor shall submit to City, upon City's request, a certificate of vehicle noise level testing, by an independent testing entity, for any Collection vehicle which City or Contractor has received more than two complaints from different Customers regarding excessive noise in a twelve-month period.

10.4.7 Safety

Each vehicle used for Collecting, Transporting, Transferring, handling, Processing, or Disposing of Solid Waste shall be equipped with an audible warning device that is activated when the vehicle is backing up.

10.4.8 Litter Abatement and Minimization of Spills

Each truck shall be constructed and used so that Solid Waste, oil, grease or other fluids or liquids will not blow, fall or leak out of the truck onto the street. All Solid Waste shall be Transported by means of vehicles equipped with water-tight bodies fitted with close fitting metal covers. If any Solid Waste is dropped or spilled in Collecting, Transferring or Transporting, it shall be immediately cleaned up. A broom and shovel shall be carried on each truck at all times for this purpose. Any equipment oil, grease or any other fluids or liquids spilled must be covered immediately with an absorptive material and removed from the street surface. Contractor must notify the City’s Public Works Director 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 Public Works Director to be compliant with the City’s stormwater permit. If required by Applicable Law, Contractor shall undertake any reporting and/or assist in the reporting related to any spill. If Contractor has not cleaned up such droppings or spill within a reasonable time then all expenses incurred by City in the collection and disposal of any such spilled or dropped Solid Waste, oil, grease or other fluids or liquids shall be paid to City, on demand, by Contractor.

10.4.9 Inspection of Vehicles

Contractor shall inspect each Collection vehicle daily to ensure that all equipment is operating properly. Collection vehicles that are not operating properly shall be removed from service until repaired and operating properly.

Contractor shall regularly inspect each Collection vehicle to ensure it meets the requirements of the California Vehicle Code. Upon request of the Public Works Director, Contractor shall provide to the City copies of its Biannual Inspection of Terminal ("BIT") inspection reports (including all attachments) to City within thirty (30) days of its receipt of such reports. Upon request of the Public Works Director, Contractor shall furnish City a written inventory of all equipment, including Collection vehicles used in providing service pursuant to this Agreement. This inventory shall list all equipment by manufacturer, ID number, date of acquisition, type, and capacity. Contractor shall make its BASIC Score as derived by the Federal Motor Carrier Safety Administration available to City upon request by the Public Works Director. City may cause or require any Collection vehicle used in performance of this Agreement to be inspected and tested at any time and in such manner as may be appropriate to determine that the vehicle is being maintained in compliance with the provisions of this Agreement.

The Chief of Police, Public Works Director or City Manager may authorize the removal of any vehicle from service if said vehicle is found to be in noncompliance with the California Vehicle Code. Vehicles shall not be returned to service until duly authorized by the Chief of Police or the Public Works Director.

10.4.10 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 Public Works Director.

10.5 Containers

10.5.1 New Barrels for Residential Manual Barrel Collection Service

Contractor is required and shall provide new Barrels to all Customers receiving Residential Manual Barrel Collection Service. Contractor shall, in good faith, make efforts to diligently provide the new Barrels to Customers without undue delay beginning as of the Effective Date and shall coordinate with the City in that effort, including determining a reasonable and timely delivery schedule for all new Barrels subject to availability.

Subsequent to the delivery of the new Barrels, Contractor will provide one-time free pick-up of Barrels currently in use by Customers (“Used Barrels”). Contractor and City shall coordinate and agree as to when and how the pick-up will be accomplished and how noticing will be provided to Customers. If Customer authorizes the pick-up of the Used Barrels, Contractor shall Recycle or properly Dispose such Used Barrels. Contractor shall also Collect Solid Waste in any Used Barrels at the time of pick-up.

10.5.2 Container Collection; Tagging

Contractor shall only be required to Collect Containers that are delivered by Contractor and comply with SB 1383. Contractor will not Collect Containers that are not supplied by Contractor. Contractor shall “tag” any Containers set for Collection that are not supplied by Contractor and do not comply with SB 1383.

10.5.3 Ownership of Collection Containers

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

10.5.4 Container Labeling Requirements

Contractor shall, in accordance with 14 CCR Section 18984.8, imprint or place a label on the body or lid of each new Container that has been provided by Contractor to a Customer that includes language or graphic images, or both, indicating the primary materials accepted and the primary materials prohibited in that Container. The imprint or label shall include Contractor company name and telephone number.

10.5.5 Container Color Requirements

Notwithstanding any provision in this Agreement to the contrary, all Containers provided by Contractor to Customers must comply with the color requirements specified in 14 CCR Section 18984.7 under the timelines and requirements of such section. Containers shall be colorfast and resistant to fading as a result of weathering or ultraviolet degradation, and the lids and bodies shall be uniform for each Container type, as follows: (i) Black Container bodies and lids shall be black; and (ii) Green Container bodies and lids shall be green. Hardware such as hinges and wheels on the Containers may be a different color than specified herein.

10.5.6 Handling of Collection Containers

All Collection Containers shall be placed upright. Containers shall not be placed or thrown on streets, alleys, highways, or adjoining property. Contractor and Contractor's agents or employees shall not cause Collection Containers to be thrown from the truck to the pavement or parkway, or in any other way break or damage or roughly handle the same. Any claim for damage to Containers, resulting from misuse or rough handling of the Containers by Contractor, shall be presented to Contractor by Customer. Contractor shall make a decision concerning settlement within five (5) business days after receipt of such claim.

10.5.7 Repair of Collection Containers

Contractor is responsible for repair of Collection Containers. Within five (5) Workdays of notification by City or Customer 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 Customer. Collection Container repair also includes the removal of graffiti from the Collection Container.

10.5.8 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) Workdays at no cost or inconvenience to the Customer. Contractor shall replace up to one (1) lost, destroyed, or stolen Barrel per calendar year at no charge to the Customer unless such loss or destruction is caused by Customer. Contractor will be compensated for the cost of all other replacements at the Maximum Service Rates set forth in Exhibit 1. Contractor must deliver a replacement Collection Container to Customer within five (5) Workdays.

10.5.9 Container Exchange

Upon notification to Contractor by City or Customer that a change in their Collection Containers is required, or if Contractor deems a change is necessary to provide services in accordance with Applicable Law subject to City disapproval, Contractor must deliver such Collection Containers to such Customer within five (5) Workdays. Contractor is allowed to charge the Customer for the cost of exchanges 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 Maximum Service Rate set forth in Exhibit 1.

10.5.10 Newly Painted Bins and Roll-Off Containers

Contractor shall supply newly painted Bins and Roll-Off Containers in good condition which comply with Collection Container specifications in Section 10.5. 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, Contactor will be eligible for additional compensation in accordance with Section 15.1.

10.5.11 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 (3) calendar 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.

10.5.12 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.

10.6 Personnel

10.6.1 General Requirements

Contractor must employ and assign qualified personnel to perform all services required under this Agreement.

In providing services for City, Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex or sexual orientation. Contractor shall take affirmative action to ensure such non-discrimination. Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Contractor shall, in all solicitation or advertisements for employees placed by or on behalf of Contractor, state that qualified applications will receive consideration for employment without regard to race, creed, color, national origin, sex or sexual orientation.

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.

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.

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.

Subject to written notice by City, Contractor may be required to submit to the Chief of Police, for fingerprinting, all employees involved in Collecting, Hauling or Disposal of Solid Waste, subject to any conditions imposed by Contractor's Labor Agreement.

Contractor's employees, officers, and agents may not identify themselves or in any way represent themselves as being employees or officials of City.

10.6.2 Route Supervisor

Contractor must assign a qualified supervisor to be in charge of the Collection service within the City and must provide the name of that individual in writing to the Public Works Director no later than January 1, 2025, and any other time the individual in that position changes. The supervisor must be available to the Public Works Director 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 Route Supervisor.

10.6.3 Contract Manager

Contractor must designate an individual who serves the function equivalent to a "Contract Manager" and must provide the name of that individual in writing to City no later than January 1, 2025 and any other time the individual 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 City. The Contract Manager must provide City with an emergency phone number where the Contract Manager can be reached outside of normal business hours.

11 Insurance and Performance Bond

11.1 Insurance Policies

Contractor must secure and maintain throughout the Term of this Agreement insurance as described in this Section 11 against claims for personal injury or damages to property which may arise from or in connection with Contractor's performance of work or services hereunder or the actions or inactions of Contractor in connection with Contractor's performance. Contractor's performance of work or services includes performance by Contractor's employees, agents, representatives, and subcontractors. City does not, and shall not, waive any rights against Contractor which it may have by reason of the hold harmless and indemnity agreements or the deposit by Contractor of the insurance policies described in this Section. The insurance required is in addition to and separate from any other obligations contained in this Agreement.

11.2 Minimum Scope of Insurance

Insurance coverage must be at least this broad:

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.
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".
3. Workers' Compensation insurance as required by the California Labor Code and Employers Liability Insurance.
4. Environmental Pollution Liability Insurance.

11.3 Minimum Limits of Insurance

Contractor must maintain insurance limits no less than:

11.3.1 Comprehensive General Liability

$5,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit will apply separately to this Agreement, or the general aggregate limit must be $10,000,000. The required limits can be satisfied with an umbrella/excess liability policy.

11.3.2 Automobile Liability

$5,000,000 combined single limit per accident for bodily injury and property damage.

11.3.3 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.

11.3.4 Environmental Pollution Liability

$5,000,000 per occurrence and $10,000,000 aggregate. Should coverage be claims made, coverage shall continue for five (5) years following the termination of this Agreement or should coverage be cancelled, tail or run-off coverage shall be purchased by Contractor for no less than five (5) calendar years. 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.

11.4 Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to City's risk manager and approved by the City. 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.

11.5 Endorsements

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

11.5.1 General Liability, Automobile and Environmental Liability Coverage

1. City, its elected officials, 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 elected officials, officers, employees, agents, and contractors.
2. Contractor's insurance coverage must be primary insurance as respects City, its elected officials, officers, employees, agents, and contractors. Any insurance, or self-insurance maintained by City will be in excess of Contractor's insurance and will not contribute with it.
3. Any failure to comply with reporting provisions of the policies will not affect coverage provided to City, its elected officials, officers, employees, agents, or contractors.
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.
5. The automobile liability policy shall be endorsed to delete the pollution and/or the asbestos exclusion and add the Motor Carrier Act endorsement (MCS-90), TL 1005, TL 1007 and/or other endorsements required by Federal or State authorities.

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.

11.6 Acceptability of Insurers

Insurance is to be placed with insurers authorized to do business in the State of California and with an A.M. Best rating of A-/VII or better.

11.7 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. The certificates and endorsements are to be received and approved by the City before work commences. City reserves the right to require complete, certified copies of all required insurance policies at any time. Contractor must furnish

City with a new certificate of insurance and endorsements on each renewal of coverage or change of insurers.

Proof of insurance must be mailed to the following address, or any subsequent address as may be directed by the City:

City of South Pasadena
Attn: Risk Manager
1414 Mission Street
South Pasadena, CA 91030

11.8 Subcontractors

Contractor must include all other companies and subcontractors providing services on behalf of Contractor at its request under this Agreement in the City as additional insureds under its policies or subcontractors and other companies must obtain separate certificates and endorsements. All coverages for companies and subcontractors shall be subject to all of the requirements stated herein. For the avoidance of doubt, facility operators and subhaulers are not considered subcontractors.

11.9 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.

11.10 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.

11.11 Failure to Maintain Insurance

Should Contractor fail to obtain or maintain insurance as required by this Agreement, Contractor shall have seven (7) days to cure the defect, during which time, City shall have the option, but not the obligation to, at Contractor's sole expense obtain replacement insurance coverage during said cure period at Contractor's expense. Should Contractor fail to correct this defect within such time-frame, City shall have the option to terminate this Agreement immediately. The notice shall provide the date of termination.

12 Hold Harmless and Indemnification

12.1 Defense and Indemnity of Third-Party Claims/Liability

Contractor shall indemnify, defend with legal counsel approved by City, and hold harmless City, its officers, elected officials, agents, employees and volunteers ("City Indemnitees") from and against all liability including, but not limited to, any claim, demand, action, penalty, proceeding or suit in law or equity of any kind (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties), loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature to the extent arising out of or in connection with (i) Contractor's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in the Agreement, or (ii) the failure of Contractor to comply with any Applicable Laws (including, without limitation Environmental Laws, ordinances and regulations, and/or applicable permits and licenses), or (iii) the acts of the Contractor in performing services under this Agreement for which strict liability is imposed by law.

12.2 Nonwaiver

City does not waive, nor shall be deemed to have waived, any indemnity, defense or hold harmless rights under this section because of the acceptance by City, or the deposit with City, of any insurance certificates or policies described in Section 11.

12.3 Diversion Indemnification

Contractor agrees to hold the City harmless and indemnify and defend (with counsel reasonably approved by City), from and against all fines or penalties imposed by CalRecycle on the City to the extent Diversion requirements set forth in Public Resources Code Section 41780 are not met by City and if the lack in meeting such requirements are attributable to the failure of Contractor to implement and operate the Diversion programs required by this Agreement or solely due to Contractor-caused delays in providing information that prevents Contractor or the City from submitting reports to regulators in a timely manner. In the event CalRecycle provides an administrative process to challenge the imposition of a compliance order or a fine or fines, Contractor will be responsible for engaging any consultants or attorneys necessary to represent City in any challenge at Contractor's sole cost and expense (with counsel reasonably approved by City). Any funds expended by Contractor, pursuant to this subsection, for fines and expenses (including consultant fees, attorneys' fees and costs) shall not be passed on to Customers as part of a rate increase or otherwise.

12.4 Hazardous Substances Indemnification

Contractor agrees to indemnify, defend (with counsel reasonably approved by City), protect and hold harmless the City Indemnitees from and against any and all claims, damages, demands, actions and causes of action (including administrative proceedings), suits, losses, costs and expenses (including but not limited to attorneys' fees and costs), penalties, fines, judgments or liabilities of any kind whatsoever resulting, arising from or attributable to the actions of Contractor, including removal action or response action undertaken pursuant to CERCLA or the Carpenter-Presley-Tanner Hazardous Substance Account Act of 1981, with respect to Solid Waste or Household Hazardous Waste Collected, Transported and/or Disposed of or handled by Contractor at Disposal Sites selected by Contractor. The foregoing indemnity is intended to operate as an agreement pursuant to Section 107(e) of CERCLA and Section 25364 of the Health & Safety Code to defend, protect, hold harmless and indemnify the City Indemnitees from all forms of liability under CERCLA and the Carpenter-Presley-Tanner Hazardous Substance Account Act of 1981.

12.5 Consideration

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

12.6 Obligation

This Agreement obligates Contractor to comply with the foregoing indemnification and release provisions; however, the collateral obligation of providing insurance must also be complied with as set forth in this Agreement.

12.7 Subcontractors

Contractor must require all subcontractors performing work in the City to enter into a contract containing the insurance provisions set forth in Section 11 in which the subcontractor fully indemnifies City in accordance with this Agreement.

12.8 Exception

Notwithstanding other provisions of this Agreement to the contrary, Contractor's obligation to indemnify, hold harmless and defend City Indemnitees will not extend to any liability including, but not limited to, any claim, demand, action, penalty, proceeding or suit in law or equity of any kind (including, but not limited to, injury to and death of any person and damage to property, or for contribution or indemnity claimed by third parties), loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature relating to, arising or resulting from, acts or omissions (i) not within the control of Contractor, (ii) constituting the active negligence, willful misconduct, material breach of this Agreement, or violation of law on the part of City Indemnitees, (iii) in connection with the nonuse of a High Diversion Organic Waste Processing Facility for materials deposited in Black Containers, or (iv) as limited by Public Resources Code Section 40059.1.

12.9 Uncontrollable Circumstances

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, 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.

1. 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, and when such cause has terminated.
2. The interruption or discontinuance of services by a Party caused by circumstances outside of its control will not constitute a default under this Agreement.

12.10 Damage by Contractor

If Contractor's employees or subcontractors cause any injury, damage, or loss to City property, including but not limited to City streets or curbs, excluding normal wear and tear, Contractor must reimburse City for City's cost of repairing or replacing such injury, damage, or loss. Such reimbursement is not in derogation of

any right of City to be indemnified by Contractor for any such injury, damage, or loss. With the prior written approval of City, Contractor may repair the damage at Contractor's sole cost and expense. Any injury, damage or loss to private property caused by the negligent or willful acts or omissions of Contractor to private property must be repaired or replaced by Contractor at Contractor's sole expense.

13 Transition to Next Service Provider

If the transition of Collection services to another company occurs through expiration, termination, default or otherwise, Contractor shall cooperate fully with City and any subsequent contractors to ensure an orderly transition. Such cooperation shall include, but not be limited to, the transfer of non-proprietary computer data, files and tapes; providing non-proprietary routing information, billing and service information, Customer lists and other operating records needed to service all properties covered by this Agreement; providing a complete inventory of all Collection Containers; coordinating Collection of materials set out in new Containers if new Containers are provided for a subsequent agreement and providing other reports and data required by this Agreement.

Contractor shall provide City with detailed route sheets containing service names and addresses, billing names and addresses, monthly rate and service levels (number and size of Containers and pick-up days) at least thirty (30) days prior to the transition date, and provide an updated list two weeks before the transition and a final list of changes the day before the transition. In addition, Contractor shall be responsible for coordinating transfer immediately after Contractor's final pick-ups, so as not to disrupt service.

Contractor shall cooperate in good faith with City and new service provider in scheduling exchanges of Contractor's Containers with Containers provided by the new service provider so as to assure that customers neither need to find storage for two sets of Containers nor go without a Container for an inconvenient length of time; provided, Contractor is not under any obligation to permit the continued use of its Containers upon the start of services by any new service provider.

14 Default of Agreement

14.1 Default

City may terminate this Agreement by giving Contractor thirty (30) days advance written notice upon the happening of any one of the following events.

1. Any assignment of this Agreement by Contractor without complying with the requirements of Section 16.1.

2. 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

3. 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

4. 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

5. Contractor has defaulted by failing or refusing to pay in a timely manner the 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

6. 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

7. Contractor has frequently, regularly or repetitively defaulted in the performance of any of the covenants and conditions required herein to be kept and performed by Contractor, and is therefore, a “habitual violator.” In order to be deemed a “habitual violator” such violations must have occurred and been noticed to Contractor in writing not less frequently than three (3) times in any twenty-four-month period.

14.2 Discontinuance of Work

Upon receipt of a default action, the Contractor shall promptly discontinue all affected work (unless the notice directs otherwise) and deliver, license or sublicense, or otherwise make available to the City within thirty (30) business days of said termination action all finished or unfinished documents and materials produced or procured under this Agreement, which shall become City property upon date of such

termination in accordance with reasonable terms and conditions, including measures required to protect the Contractor with respect to any of its licensors. The Contractor agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein within thirty (30) calendar days of said termination.

14.3 Survival

The rights and remedies of the Parties provided in this section shall not be exclusive and in addition to any other rights and remedies provided by law or under this Agreement.

15 Modification to the Agreement

15.1 City-Directed Change (Facilities; Containers)

City may request changes as specified in Section 5.12 and/or Section 10.5.10 as may from time-to-time be necessary and desirable for the public health and welfare. City agrees to adjust Maximum Service Rates and modify this Agreement to reflect additional costs borne by Contractor. When such modifications are requested, 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 Section 15.1. City and Contractor will not unreasonably withhold agreement to such compensation adjustment for any increase or decrease in the services or other obligations required of Contractor. Should agreement between City and Contractor on compensation adjustment not be reached within six (6) 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 15.3.

15.2 Change in Law

In the event any change in Applicable Law materially alters the obligations of Contractor, then the affected Maximum Service Rates, as established in Exhibit 1 of this Agreement, will be adjusted as provided herein. 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, including applicable case-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 under this Section 15.2. City and Contractor will not unreasonably withhold agreement to such compensation adjustment or other obligations required of Contractor. Should agreement between City and Contractor on compensation adjustment not be reached within six (6) 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 15.3.

15.3 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.

16 Other Agreement of the Parties

16.1 Assignment

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 Council, which shall not be unreasonably conditioned, delayed, or denied. In the event of any assignment approved by the City Council, 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 Manager, 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.

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 Public Works Director to subcontract such services and the Public Works Director 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 Public Works Director will have the right to require the removal of any approved subcontractor for reasonable cause.

16.2 Permits, Licenses, and Chamber Membership

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 Public Works Director. The Contractor must have a valid City of South Pasadena Business License throughout the term of the Agreement. Contractor shall maintain an active Chamber of Commerce membership.

16.3 Laws to Govern

The law of the State of California governs the rights, obligations, duties and liabilities of City and Contractor under this Agreement and governs the interpretation of this Agreement.

17 General Provisions

17.1 Consent to Jurisdiction

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 Los Angeles 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.

17.2 Compliance with Laws

In the performance of this Agreement, Contractor must comply with all Applicable Laws, including, without limitation, the South Pasadena Municipal Code. City shall provide written notice to Contractor of any planned amendment of the South Pasadena Municipal 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.

17.3 Independent Contactor

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, shall obtain any rights to any benefits that accrue to City employees.

17.4 Entire Agreement

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.

17.5 Severability

Except as specified in Section 3.5, 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.

17.6 Right to Require Performance

The failure of any Party at any time to require performance by the other Party of any provision of this Agreement will in no way affect the right of the other Party thereafter to enforce same. Nor will waiver 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.

17.7 All Prior Agreements Superseded

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.

17.8 Amendments to Agreement

This Agreement may not be changed, modified, amended or waived, except in writing and as approved by Contractor and the City Council.

17.9 Headings

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

17.10 Exhibits

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.

17.11 Waiver

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.

17.12 Prohibition Against Gifts

Contractor represents that Contractor is familiar with City's prohibition against the acceptance of any gift by a City officer or designated employee. Contractor may not offer any City officer or designated employee any gifts prohibited by the City.

17.13 Point of Contact

The day-to-day dealings between Contractor and City will be between Contractor and the Public Works Director, or his or her designee.

17.14 City Representative

Whenever this Agreement requires the City to take any action, the City Council designates the Public Works Director to take such action on behalf of the City, unless another individual or entity is otherwise specified in this Agreement or unless the City Council designates actions to different Persons or itself. The Public Works Director may designate individual(s) to administer and monitor the provisions of this Agreement.

17.15 Notices

All notices required or provided for in this Agreement shall be provided to the Parties at the following addresses, by personal delivery or deposit in the U.S. Mail, postage prepaid, registered or certified mails, addressed as specified below. Notices delivered personally shall be deemed received upon receipt; mailed notice (registered or certified) shall be deemed received five (5) days after deposit. A Party may change the address to which notice is given by giving notice and provided herein.

As to the City:

City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
Attn: Public Works Director, Ted Gerber
Email: TGerber@SouthPasadenaCA.gov
Phone: (626) 460-6392

As the Contractor: Athens Services
14048 Valley Blvd.
City of Industry, CA 91746
Attn:
Email:
Phone:

Notice by City to Contractor of a Collection or other Customer problem or complaint may be given to Contractor orally by telephone at Contractor's local office with confirmation sent to Contractor via email by the end of the Workday.

17.16 Signatures

(a) 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.

(b) 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.

(c) Digital/Electronic Signatures. This Agreement may be executed through the use of digital or electronic signatures provided they meet the requirements of the Electronic Signatures in Global and National Commerce (ESIGN) Act and the California Uniform Electronic Transactions Act (UETA) and are produced using a City-approved method. The presence of an electronic signature on this document shall be construed as the Parties' consent to do business electronically.

[Signature page(s) follow]

IN CONCURRENCE AND WITNESS WHEREOF, City and Contractor have executed this Agreement as of October 2, 2024.

CITY OF SOUTH PASADENA:

By: _____

Evelyn Zneimer, Mayor

CONTRACTOR:

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

By: _____

Title: _____

By: _____

Title: _____

ATTEST:

By: _____

Mark Perez, Deputy City Clerk

APPROVED AS TO FORM:

By: _____

Roxanne Diaz, City Attorney

Exhibit 1:
MAXIMUM SERVICE RATES
PARTIES TO INSERT REVISED RATE SHEET

Exhibit 2:
BUS STOP BARREL COLLECTION SCHEDULE

Exhibit 3:
SWEEPING SERVICES

1. Street Sweeping Services, Approved Sweeping Plan

Contractor shall provide Street Sweeping Services at City streets in public rights of way and other areas within the City, as specified herein, in accordance with the schedule, times, and routes provided in Exhibit 3-A ("Approved Sweeping Plan") without charge to City or Customers. Except as provided in this Exhibit 3 or the Approved Sweeping Plan, Contractor will perform Street Sweeping Services on a bi-weekly basis.

2. Changes to Approved Sweeping Plan

Contractor may request modifications to the Approved Sweeping Plan, subject to the approval of the Public Works Director, whose approval shall not be unreasonably conditioned, delayed, or denied. Further, prior to the start of any new Street Sweeping Service schedule or route, as approved by the Public Works Director, Contractor shall, at Contractor's own expense, provide a written notice to be included, by City, as an insert with regular billings to notify each affected Customer of the day or days of the week on which streets will be swept. The notice shall contain the day or days of the week upon which Solid Waste Collections and Street Sweeping Services will be made, the name, address and telephone number of Contractor, and other information and be provided to each Customer affected unit not less than fourteen (14) days prior to the change of any Street Sweeping Service schedule. Contractor shall also cause the schedule and route of the new Street Sweeping Service to be published twice in a responsible newspaper of local circulation once each week for two (2) successive weeks immediately prior to the change in the Solid Waste Collection and Street Sweeping Service schedule or route in a district. The published schedule and route shall contain the same information as the written notice outlined above and shall clearly indicate the precise area involved in the change.

3. Downtown Sweeping Service

Contractor shall perform Street Sweeping Service three (3) times every week between the hours of 5:00 am and 7:00 am within the City's Downtown area in accordance with the Approved Sweeping Plan.

4. City Parking Lot Sweeping Service

Street Sweeping Service shall include sweeping for the City's seven (7) parking lots specified in the Approved Sweeping Plan (collectively, "City Parking Lots"). Contractor shall sweep the parking lots at minimum one (1) time every other week at the schedule and route set forth in the Approved Street Sweeping Plan, or other frequency as agreed by Contractor and the Public Works Director. Contractor shall also Collect Solid Waste and supply and replace Container liners at any and all City Containers at the City Parking Lots two (2) times per week, or other frequency as agreed by Contractor and the Public Works Director, and pressure wash the parking lot one (1) time per calendar year at times and days approved by the Public Works Director, and in accordance with applicable stormwater regulations. Service shall also include removing any Solid Waste outside of the Containers and the Transportation and Disposal of Solid Waste Collected while providing the services hereunder.

5. City Garage Sweeping Service

Street Sweeping Service shall including sweeping for the City's "Mission Meridian" parking garage specified in the Approved Sweeping Plan. Contractor shall sweep the garage at least one (1) time per week, Collect Solid Waste, supply and replace Container liners at the three (3) parking garage Containers two (2) times per week or other frequency as agreed by Contractor and the Public Works Director, and pressure wash the parking garage one (1) time per calendar year at times and days approved by the Public Works Director and

in accordance with applicable stormwater regulations. Service shall also include removing any Solid Waste outside of the Containers and the Transportation and Disposal of Solid Waste Collected while providing the services hereunder.

6. Other Associated Work

If circumstances exist that require work similar to but not specifically provided for in this Exhibit, City may request Contractor to perform such other associated work ("OAW"). 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 City and Contractor. Examples of OAW include but are not limited to performance of special sweeps, flood clean-up, street sanitation for parades and celebrations, City requested clean-up services, additional porter services, emergency call-outs, pressure washing, bus shelter clean-up, increases in the frequency or amount of Street Sweeping Service, and any contingency where sweeper and supporting sweeper equipment could assist in a particular instance. Contractor shall be reimbursed for such services at its then-current hourly rates.

7. Equipment

Contractor shall use such standard heavy street sweeping equipment as is necessary to clean the City areas of paper, dirt, rocks, leaves and debris. Contractor shall also maintain all equipment. Equipment should be clean and in good mechanical condition, uniformly painted and numbered. In cases of equipment failure or operator failure which precludes the sweeping of scheduled streets during their posted time frames, Contractor shall make every reasonable effort to provide services during the scheduled time frames. Should the equipment or operator failure be of such a duration that the regularly scheduled street sweeping of a posted street is not able to be swept during the designated time frames, Contractor shall sweep those neglected (not swept during the designated time frames) streets during the first available opportunity.

8. Contractor/City Communication

Contractor shall establish and maintain an office and have an authorized supervisor as the point of contact for communications with City for street sweeping. Contractor's office shall have a twenty-four (24) hour telephone service and a responsible individual in charge seven (7) days a week to receive all requests for emergency service, which are forwarded by City. Contractor shall respond and provide emergency service within three (3) hours from the time a call is placed by the City. Requests for routine service or complaint issues shall be resolved expeditiously within the following twenty-four (24) hour period.

9. Disposal and Recycling of Materials

Contractor shall Transport and Dispose of all sweeping materials in accordance with all City, County, State, and Federal requirements. To the extent possible, Contractor shall Divert or Compost all street sweepings from landfills. Contractor shall report on a monthly basis the tonnage of sweepings Collected and the tonnage Disposed of at a Composting or Recycling center and the name and address of the facility. Upon City's request, Contractor shall also provide City with the pertinent information from the Composting or Recycling facility certifying the percentage of material Processed that is Disposed at landfill and where material is sent after Collection and Processing at the facility.

10. Hazardous Waste

Contractor shall not be required to remove any Hazardous Waste from the street surface. If, in the course of performing Street Sweeping Services, any suspected Hazardous Waste is encountered, Contractor shall immediately report the location to the City, and any other responsible agency.

11. Damage

Contractor shall report without delay any damage to City equipment, City property or private property. The Contractor shall be liable for damages solely caused by his/her actions. Any repairs and associated cost resulting from Contractor-caused damage shall be the responsibility of the Contractor.

12. Water for Dust Control

City shall provide sufficient water for use of sweeping operations to maintain a near dustless condition. Water for this use will be made available by the City at no cost to Contractor. Contractor is to coordinate with the Public Works Director in advance to identify the regular location(s) for water access. Access to water/hydrants without a meter is prohibited. If Contractor obtains water from a provider that is not the City, Contractor is responsible for obtaining and paying for the water except in such circumstances where the City no longer provides water to Contractor at no cost to Contractor, in which case the City will reimburse Contractor for the cost of procuring water from the City or a replacement provider, as applicable.

13. Wind-Down of Certain City Sweeping Services

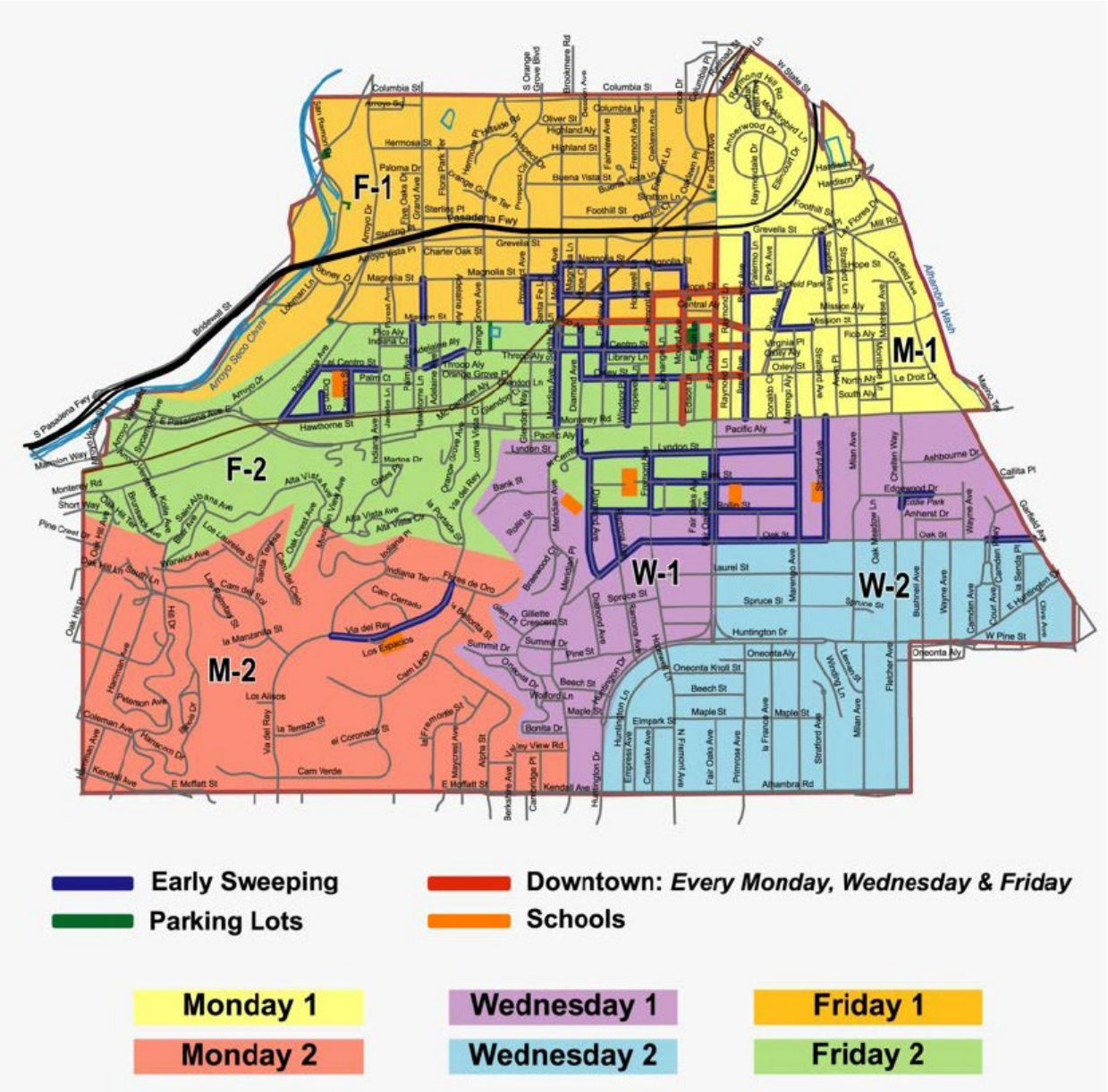
Notwithstanding any provision in this Agreement to the contrary, upon any notice specified in Section 4.2 of the Agreement, Contractor shall bill the City its then-existing rates, as listed in Exhibit 1, for services specified in Sections 4 (City Parking Lot Sweeping Service) and 5 (City Garage Sweeping Service) of this Exhibit. Thereafter, Contractor shall invoice the City on the first business day of each month for City parking lot and City garage sweeping services rendered during the preceding month. If City is unable, by operation of Applicable Law, to pay Contractor's then-existing hourly rates applicable for services hereunder, retroactively or prospectively, Contractor shall be entitled to a rate adjustment in accordance with Section 7.9 of the Agreement for the amounts that Contractor would have received but for operation of Applicable Law.

14. Prevailing Wage

Notwithstanding any provision in the Agreement to the contrary, the provision of Street Sweeping Services without charge to City is not subject to payment of prevailing wages or related laws, regulations, or policies ("Prevailing Wage Law"). In the event, the Prevailing Wage Law applies to Street Sweeping Services, retroactively or prospectively, Contractor shall be entitled to a rate adjustment in accordance with Section 7.9 of the Agreement for the provision of Street Sweeping Services in accordance with the Prevailing Wage Law.

Exhibit 3-A:
APPROVED SWEEPING PLAN

City Street Sweeping Route Map and Schedule



Sweeping shall occur between 7:00 am and 12:00 pm except areas designated for "Early Sweeping" which shall occur between 5:00 am and 7:00 am.

City Parking Lot Sweeping and Collection Schedule	
1. *Service Yard (825 Mission Street)* 2. *City CNG Station/Storage Yard (660 Stoney Drive)* 3. *Arroyo Seco Racquet Club (920 Loman Lane)* 4. *Arroyo Seco Golf Course (1000-1055 Lohman Lane)* 5. *Hope St. & Mound Ave. Lot (820 Mound Avenue)* 6. *El Centro St. and Mound Ave. Lot #1 (1500 El Centro Street)* 7. *El Centro St. and Mound Ave. Lot #2 (1507 El Centro Street)*	
Sweep Parking Lots	1 day every other week
Collect any and all Containers in Parking Lots	2 days per week (Tuesdays/Fridays)
Pressure Wash Parking Lots	1 time per calendar year

City Garage Sweeping and Collection Schedule	
Mission Meridian Garage (805 Meridian Avenue)	
Sweep Parking Garage	1 day per week
Collect three (3) Containers in Parking Garage	2 days per week (Tuesdays/Fridays)
Pressure Wash Parking Garage	1 time per calendar year

Exhibit 4:
LIST OF ACCEPTABLE ORGANIC WASTE MATERIALS

GREEN WASTE

- Flower and hedge trimmings
- Grass clippings
- Leaves and branches
- Weeds
- Lumber*
- Scrap wood*
- Plywood*

**Not painted or treated*

FOOD SCRAPS

- Bread, rice, and pasta
- Cheese and dairy
- Coffee grounds and filters
- Fruits and vegetables
- Flowers and herbs
- Meat, bones, and poultry
- Seafood and soft shells
- Pet food (nonmedicated)

FOOD-SOILED PAPER*

- Food-stained paper
- Paper egg cartons
- Paper napkins
- kitchen paper towels
- Pizza boxes
- Plates
- To-go boxes (no coating)
- Wood and fiber-based utensils

**Must be 100% fiber-based. No materials with - p*
wax, or bioplastic coating, liner, or laminate.

UNACCEPTED ITEMS

- All plastics
- Cacti, succulents, and yucca
- Compostable plastics (bioplastics)
- Coffee cups and pods
- Fats, oils, and grease
- Food stickers (please remove from items)
- Gloves
- Hard shells (clams, mussels, oysters)
- Medication
- Palm fronds
- Paper napkins with cleaning chemicals
- Paper towels with cleaning chemicals
- Parchment and wax paper
- Pet waste
- Rocks and soil
- Rubber bands and twist ties
- Tea bags
- Textiles
- Tissues and wet wipes

RESOLUTION NO. 2024-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, APPROVING AN EXCLUSIVE SOLID WASTE HANDLING AGREEMENT BETWEEN THE CITY OF SOUTH PASADENA AND ARAKELIAN ENTERPRISES, INC. (DBA ATHENS SERVICES), DIRECTING STAFF TO SCHEDULE A PUBLIC HEARING TO CONSIDER PROPOSED RATE INCREASES TO THE CITY'S CHARGES FOR THE COLLECTION, TRANSFER, TRANSPORTATION, RECYCLING, PROCESSING, AND DISPOSAL OF SOLID WASTE, INCLUDING ORGANIC WASTE, AND TO PROVIDE NOTICE OF THE PUBLIC HEARING IN ACCORDANCE WITH CALIFORNIA CONSTITUTION ARTICLE XIII D, AND MAKING A DETERMINATION OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

RECITALS:

WHEREAS, the Legislature of the State of California, by enacting the California Integrated Waste Management Act of 1989, as amended (California Public Resources Code Section 40000 *et seq*.), has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste handling within their respective jurisdictions; and

WHEREAS, the City Council has enacted Chapter 16 of the South Pasadena Municipal Code (Organic and Nonorganic Waste) to establish standards for the collection, transfer, transportation, recycling, processing, and disposal of solid waste, including organic waste and nonorganic waste ("Solid Waste Services"), and the awarding of franchise agreements for Solid Waste Services; and

WHEREAS, pursuant to California Public Resources Code Section 40059(a)(1) and Sections 16.5 and 16.6 of the South Pasadena Municipal Code, the City is authorized to grant an exclusive franchise to a qualified solid waste enterprise for Solid Waste Services within the City without competitive bidding; and

WHEREAS, the City previously entered into an exclusive franchise Agreement for Refuse and Recyclable Materials Collection, Transportation, and Disposal with Arakelian Enterprises, Inc. (dba Athens Services) ("Athens") dated November 6, 1996, which agreement was previously amended on November 6, 2000 and November 15, 2017 (as amended, the "Current Agreement"); and

WHEREAS, following good faith negotiations, the City and Athens desire to enter into a new Exclusive Solid Waste Handling Agreement ("Exclusive Franchise Agreement"), a copy of which is on file in the office of the City Clerk, which will supersede and replace the Current Agreement, in order to add services in order to bring the City into compliance with applicable law, including Senate Bill 1383, the Short-lived Climate

Pollutant Reduction Act, and the SB 1383 Regulations, which require jurisdictions to provide organic waste collection services; and

WHEREAS, as required by the public health, safety and well-being, the City Council desires to approve the Exclusive Franchise Agreement; and

WHEREAS, the City Council is authorized pursuant to California Health and Safety Code Section 5471 to prescribe, revise and collect rates and charges for Solid Waste Services; and

WHEREAS, implementation of an SB 1383 program will result in additional costs being incurred by Athens, and in order to compensate Athens for its additional costs, Athens has requested the City Council to increase the maximum rates for Solid Waste Services for all premises in the City (single-family premises, multi-family premises, and commercial premises) in accordance with the Maximum Service Rates set forth in Exhibit 1 to the proposed Exclusive Franchise Agreement (the "Proposed Rate Adjustments"); and

WHEREAS, City staff recommends that the City Council consider the Proposed Rate Adjustments following a public hearing held and noticed in accordance with the requirements of Article XIII D, Section 6 of the California Constitution (also known as Proposition 218) and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750, *et seq*.) ("Implementation Act"); and

WHEREAS, the City Council desires to initiate proceedings to consider the Proposed Rate Adjustments; and

WHEREAS, the proposed Exclusive Franchise Agreement provides that it will not become effective until after the culmination of any proceedings relating to Proposition 218, resulting in the approval by the City Council of the Maximum Service Rates set forth in Exhibit 1 of the Exclusive Franchise Agreement; and

WHEREAS, City staff has evaluated the entering into of the proposed Exclusive Franchise Agreement and approval of the Proposed Rate Adjustments for purposes of compliance with the California Environmental Quality Act (Public Resources Code Section 21000 *et seq*.) (CEQA) and the California CEQA Guidelines and has determined that approval of the Exclusive Franchise Agreement and Proposed Rate Adjustments are intended to implement State mandated requirements of the California Senate Bill (SB) 1383, Short-lived Climate Pollutant Reduction Act of 2016. Pursuant to CEQA Guidelines Section 15308, Class 8, "Actions by Regulatory Agencies for Protection of the Environment," these actions are exempt from further review under CEQA. The development and implementation of the amended services is a requirement of the California Department of Resources Recycling and Recovery (CalRecycle) and is exempt from CEQA because it is an action pursuant to a regulatory requirement to assure the protection of the environment, and involves procedures for protection of the environment. Furthermore, the amended services apply to the City's existing volume of generated solid waste, where there is no expansion of use, and is therefore exempt from the CEQA analysis based on State CEQA Guidelines requirements under Section

21084 of the Public Resources Code, in accordance with Article 19, Section 15301, Class (1) "existing facilities."

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA AS FOLLOWS:

Section 1. The above recitals are true and correct and incorporated herein as if set forth in full.

Section 2. The City Council hereby approves the Exclusive Franchise Agreement and authorizes the City Manager to execute the Exclusive Franchise Agreement in substantially the form on file with the City Clerk, with such changes as deemed necessary or appropriate by the City Manager or City Attorney, and authorizes the City Manager to do all things necessary and proper to implement this resolution.

Section 3. The City Council hereby directs staff to proceed with mailing notice of a public hearing on the Proposed Rate Adjustments, to be held on November 20, 2024, or such other date selected by the City Manager, in accordance with the requirements of Article XIII D, Section 6 of the California Constitution and the Implementation Act.

Section 4. The City Council concurs with staff's CEQA determination set forth in the recitals.

Section 5. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED by the City Council of the City of South Pasadena on this 2nd day of October 2024.

Evelyn G. Zneimer, Mayor

ATTEST:

Mark Perez,
Deputy City Clerk

APPROVED AS TO FORM:

Roxanne Diaz,
City Attorney

I HEREBY CERTIFY the foregoing resolution was duly adopted by the City Council of the City of South Pasadena, California, at a regular meeting held on the 2nd day of October, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

_____

Mark Perez,
Deputy City Clerk

CITY OF SOUTH PASADENA
CITY CLERK DIVISION
1414 MISSION STREET, SOUTH PASADENA, CA 91030
TEL: (626) 403-7210 ▪ FAX: (626) 403-7211
WWW.SOUTHPASADENACA.GOV

NOTICE OF PUBLIC HEARING IN CONNECTION WITH PROPOSED INCREASES TO THE MAXIMUM SERVICE RATES FOR SOLID WASTE SERVICES

Dear City of South Pasadena Customer/Owner of Record:

This notice is to inform you of a public hearing on proposed rate increases due to the rising costs of providing solid waste services in the City of South Pasadena.

PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, November 20, 2024, at 7:00 p.m.**, or as soon thereafter as the matter may be heard, the City Council of the City of South Pasadena will hold a public hearing in the Council Chambers of City Hall, 1414 Mission Street, South Pasadena, CA 91030, to consider increasing the Maximum Service Rates ("Rates") for the collection, transfer, transportation, recycling, processing, and disposal of solid waste ("Solid Waste Services").

The public hearing will be conducted in accordance with California Constitution Article XIII D, Section 6 (also known as Proposition 218). This notice is being sent to record owners of properties in the City that are subject to the Rates and to tenants that are directly responsible for paying for Solid Waste Services. As a result, you may receive duplicates of this notice.

Please check the agenda for the November 20, 2024 City Council meeting once it is posted on the City's website for additional information about how you can participate in the public hearing. Currently, members of the public have the option to participate in City Council meetings in person or virtually via Zoom or written public comment.

THE PROPOSED INCREASES TO THE MAXIMUM SERVICE RATES

The City currently contracts with a private solid waste hauler, Arakelian Enterprises, Inc. (dba Athens Services) ("Athens"), to provide Solid Waste Services. On October 2, 2024, the City Council approved a new agreement with Athens to provide Solid Waste Services ("Agreement"). The new Agreement will help ensure that the City complies with State law, including Senate Bill (SB)1383, the Short-Lived Climate Pollutant Reduction Act, and the SB 1383 Regulations,

which require the City to provide organic waste collection services. The City is proposing the Rate increases to cover the cost of providing Solid Waste Services under the new Agreement. The new Agreement will not become effective unless the City Council approves the proposed Rate increases.

The proposed increased Rates are shown on the attached chart. If approved by the City Council, the initial Rate increases will become effective on December 1, 2024. In addition, the Operations Component and the Disposal Component of the Rates may be adjusted on July 1, 2025, July 1, 2026, July 1, 2027 and July 1, 2028 without holding additional public hearings as follows:

The Operations Component (which includes Athens' costs of collecting and transporting Solid Waste) may be adjusted in proportion to the percentage change in the CPI for the immediately previous 12-month period (March through February). For purposes of the adjustment, the CPI is the Consumer Price Index for All Urban Consumers Series ID: CUURS49ASA0, Not Seasonally Adjusted, All Items, Los Angeles-Long Beach-Anaheim, CA as maintained and published by the United States Bureau of Labor Statistics, or its successor index.

The Disposal Component (which includes Athens' per ton costs of processing and disposing of Solid Waste) may be adjusted in proportion to the increase or decrease in costs as determined by the percentage change in gate rates or tipping fees (including but not limited to all taxes and surcharges) at the appropriate facility(ies) not to exceed the percentage change in the CPI, as described above.

PUBLIC HEARING AND PROTEST PROCESS

At the public hearing, the City Council will hear and consider all objections or protests to the proposed Rate increases. Any record owner of property subject to the Rates and any tenant that is directly liable for paying for Solid Waste Services (each, a "customer") may submit a written protest against the proposed Rate increases. If a parcel has more than one customer, only one written protest against the proposed Rate increases will be counted in determining the existence of a majority protest against the proposed Rate increases. A majority protest against the proposed Rate increases will exist if at the end of the public hearing, there are written protests submitted (and not withdrawn) by a majority of the customers subject to the proposed Rate increases. The City Council cannot adopt the proposed Rate increases if a majority protest exists.

How to Submit a Written Protest. To be counted in determining the existence of a majority protest against the proposed Rate increases, a protest must: (1) be in writing, (2) identify the parcel subject to the proposed Rate increases (by assessor's parcel number or service street address), (3) state opposition to the proposed Rate increases, and (4) include the name and original signature of the customer submitting the protest.

Written protests may be delivered in person to the City Clerk during the public hearing. Written protests may also be submitted prior to the public hearing by

mail or personal delivery to the Office of the City Clerk at 1414 Mission Street, South Pasadena, CA 91030. Protests that are mailed or delivered to the Office of the City Clerk must be received (not postmarked) at City Hall prior to 12:00 p.m. on November 20, 2024 to be counted. Emailed and faxed protests will not be accepted.

If you have any questions regarding the proposed Rate increases or would like to view the current rate schedule, please contact the City of South Pasadena Public Works Department at (626) 403-7240 or visit www.SouthPasadenaCA.gov.

CITY OF SOUTH PASADENA
PROPOSED RATE SCHEDULE
EFFECTIVE DECEMBER 1, 2024

MANUAL BARREL COLLECTION (Mixed Solid Waste + Organics)

SINGLE-FAMILY (1 UNIT)

Waste Type — *For Mixed Solid Waste and Organic Waste Collection*

Container Type — *Customers can have up to seven 32-gallon Barrels and can choose a mix of Black Barrels (for mixed Solid Waste) and Green Barrels (for Organic Waste) with a minimum of one Barrel of each color. Additional Barrels, after seven, require additional fees. There is no change in rate for having less than seven Barrels.*

Frequency — *1x Collection per week (minimum and maximum)*

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE	TOTAL MONTHLY RATE
1 UNIT	11.75	51.89	63.64	7.07	**$70.71**
EACH ADDITIONAL 32-GALLON BARREL	3.19	3.68	6.87	0.76	**$7.63**
ONE TIME DELIVERY CHARGE FOR ADD. BARREL	-	25.43	25.43	2.83	**$28.26**

MULTI-FAMILY (5+ UNITS) - MANUAL BARREL COLLECTION SERVICES ARE NOT OFFERED TO MULTI-FAMILY CUSTOMERS

COMMERCIAL - MANUAL BARREL COLLECTION SERVICES ARE NOT OFFERED TO COMMERCIAL CUSTOMERS

AUTOMATED BIN COLLECTION (Mixed Solid Waste)

SINGLE-FAMILY (1 UNIT)

Waste Type — *For Mixed Solid Waste Collection. Organic Waste Collection Service is required in addition to this Mixed Solid Waste Collection Service.*

Container Type — *Option of 1.5 yard, 2 yard, 3 yard, 4 yard, and 6 yard Bin*

Frequency — *Option of 1x, 2x, 3x, 4x, 5x, or 6x Collections per week*

Required Additional Services/Fee — *Organic Waste Collection Service is required in addition to this Mixed Solid Waste Collection Service.*

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE	TOTAL MONTHLY RATE
1.5 YARD BIN					
1X per week	31.99	98.03	130.02	14.45	**$144.47**
2X per week	64.03	174.04	238.07	26.45	**$264.52**
3X per week	96.06	215.84	311.90	34.66	**$346.56**
4X per week	128.15	257.49	385.64	42.85	**$428.49**
5X per week	160.18	299.28	459.46	51.05	**$510.51**
6X per week	192.16	341.01	533.17	59.24	**$592.41**
2 YARD BIN					
1X per week	42.44	103.39	145.83	16.20	**$162.03**
2X per week	84.86	184.19	269.05	29.89	**$298.94**
3X per week	127.33	229.58	356.91	39.66	**$396.57**
4X per week	169.79	274.81	444.60	49.40	**$494.00**
5X per week	212.22	320.23	532.45	59.16	**$591.61**
6X per week	254.68	365.54	620.22	68.91	**$689.13**
3 YARD BIN					
1X per week	64.10	145.44	209.54	23.28	**$232.82**

2X per week	128.19	171.80	299.99	33.33	**$333.32**
3X per week	192.32	197.96	390.28	43.36	**$433.64**
4X per week	256.45	235.62	492.07	54.67	**$546.74**
5X per week	320.53	279.13	599.66	66.63	**$666.29**
6X per week	384.67	305.45	690.12	76.68	**$766.80**
4 YARD BIN					
1X per week	75.39	170.21	245.60	27.29	**$272.89**
2X per week	200.01	265.38	465.39	51.71	**$517.10**
3X per week	339.41	345.76	685.17	76.13	**$761.30**
4X per week	473.74	431.23	904.97	100.55	**$1,005.52**
5X per week	603.45	521.31	1124.76	124.97	**$1,249.73**
6X per week	751.96	592.61	1344.57	149.40	**$1,493.97**
6 YARD BIN					
1X per week	99.15	222.38	321.53	35.73	**$357.26**
2X per week	261.93	346.09	608.02	67.56	**$675.58**
3X per week	443.84	450.70	894.54	99.39	**$993.93**
4X per week	619.01	562.03	1181.04	131.23	**$1,312.27**
5X per week	788.13	679.42	1467.55	163.06	**$1,630.61**
6X per week	981.76	772.27	1754.03	194.89	**$1,948.92**

MULTI-UNIT DWELLINGS (2 UNITS OR MORE)

Waste Type	*For Mixed Solid Waste Collection. Organic Waste Collection Service is required in addition to this Mixed Solid Waste Collection Service.*
Container Type	*Option of 1.5 yard, 2 yard, 3 yard, 4 yard, or 6 yard Bin*
Frequency	*Option of 1x, 2x, 3x, 4x, 5x, or 6x Collections per week*
Required Additional Services/Fee	*Monthly Bin Rental Fee must be added to monthly service charge. Organic Waste Collection Service is required in addition to this Mixed Solid Waste Collection Service.*

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE	TOTAL MONTHLY RATE
BIN RENTAL FEE (in addition to per unit charge below)					
1.5 YARD BIN	5.16	21.73	26.89	2.99	**$29.88**
2 YARD BIN	7.09	29.46	36.55	4.06	**$40.61**
3 YARD BIN	10.42	43.32	53.74	5.97	**$59.71**
1X PER WEEK					
2 UNITS	15.59	70.51	86.10	9.57	**$95.67**
3 UNITS	19.09	84.57	103.66	11.52	**$115.18**
4 UNITS	22.50	98.62	121.12	13.46	**$134.58**
5 UNITS	25.85	112.43	138.28	15.36	**$153.64**
6 UNITS	28.06	121.96	150.02	16.67	**$166.69**
7 UNITS	29.96	129.70	159.66	17.74	**$177.40**
8 UNITS	31.74	137.54	169.28	18.81	**$188.09**
9 UNITS	33.68	145.42	179.10	19.90	**$199.00**
10 UNITS	35.54	153.19	188.73	20.97	**$209.70**
11 UNITS	37.46	161.08	198.54	22.06	**$220.60**
12 UNITS	39.26	168.79	208.05	23.12	**$231.17**
13+ UNITS (add per unit)	3.20	13.16	16.36	1.82	**$18.18**
2X PER WEEK					
2 UNITS	38.83	167.00	205.83	22.87	**$228.70**
3 UNITS	40.91	175.80	216.71	24.08	**$240.79**
4 UNITS	43.05	184.65	227.70	25.30	**$253.00**
5 UNITS	45.16	193.45	238.61	26.51	**$265.12**

6 UNITS	47.04	201.27	248.31	27.59	**$275.90**
7 UNITS	49.16	210.10	259.26	28.81	**$288.07**
8 UNITS	51.26	218.84	270.10	30.01	**$300.11**
9 UNITS	53.32	227.57	280.89	31.21	**$312.10**
10 UNITS	55.51	236.29	291.80	32.42	**$324.22**
11 UNITS	57.63	245.05	302.68	33.63	**$336.31**
12 UNITS	59.60	253.82	313.42	34.82	**$348.24**
13+ UNITS (add per unit)	4.81	19.74	24.55	2.73	**$27.28**
3X PER WEEK					
6 UNITS	78.92	334.32	413.24	45.92	**$459.16**
7 UNITS	80.83	342.14	422.97	47.00	**$469.97**
8 UNITS	82.73	350.07	432.80	48.09	**$480.89**
9 UNITS	84.51	357.69	442.20	49.13	**$491.33**
10 UNITS	86.65	366.09	452.74	50.30	**$503.04**
11 UNITS	88.65	374.25	462.90	51.43	**$514.33**
12 UNITS	90.54	382.94	473.48	52.61	**$526.09**
13+ UNITS (add per unit)	6.31	26.39	32.70	3.63	**$36.33**

COMMERCIAL

Waste Type — *For Mixed Solid Waste Collection. Organic Waste Collection Service is required in addition to this Mixed Solid Waste Collection Service.*

Container Type — *Option of 1.5 yard, 2 yard, 3 yard, 4 yard, 6 yard, or 3 yard compactor Bin*

Frequency — *Option of 1x, 2x, 3x, 4x, 5x, or 6x Collections per week*

Required Additional Services/Fee — *Organic Waste Collection Service is required in addition to this Mixed Solid Waste Collection Service.*

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE	TOTAL MONTHLY RATE
1.5 YARD BIN					
1X per week	31.99	98.03	130.02	14.45	**$144.47**
2X per week	64.03	174.04	238.07	26.45	**$264.52**
3X per week	96.06	215.84	311.90	34.66	**$346.56**
4X per week	128.15	257.49	385.64	42.85	**$428.49**
5X per week	160.18	299.28	459.46	51.05	**$510.51**
6X per week	192.16	341.01	533.17	59.24	**$592.41**
2 YARD BIN					
1X per week	42.44	103.39	145.83	16.20	**$162.03**
2X per week	84.86	184.19	269.05	29.89	**$298.94**
3X per week	127.33	229.58	356.91	39.66	**$396.57**
4X per week	169.79	274.81	444.60	49.40	**$494.00**
5X per week	212.22	320.23	532.45	59.16	**$591.61**
6X per week	254.68	365.54	620.22	68.91	**$689.13**
3 YARD BIN					
1X per week	64.10	145.44	209.54	23.28	**$232.82**
2X per week	128.19	171.80	299.99	33.33	**$333.32**
3X per week	192.32	197.96	390.28	43.36	**$433.64**
4X per week	256.45	235.62	492.07	54.67	**$546.74**
5X per week	320.53	279.13	599.66	66.63	**$666.29**
6X per week	384.67	305.45	690.12	76.68	**$766.80**
4 YARD BIN					
1X per week	75.39	170.21	245.60	27.29	**$272.89**
2X per week	200.01	265.38	465.39	51.71	**$517.10**

3X per week	339.41	345.76	685.17	76.13	**$761.30**
4X per week	473.74	431.23	904.97	100.55	**$1,005.52**
5X per week	603.45	521.31	1124.76	124.97	**$1,249.73**
6X per week	751.96	592.61	1344.57	149.40	**$1,493.97**
6 YARD BIN					
1X per week	99.15	222.38	321.53	35.73	**$357.26**
2X per week	261.93	346.09	608.02	67.56	**$675.58**
3X per week	443.84	450.70	894.54	99.39	**$993.93**
4X per week	619.01	562.03	1181.04	131.23	**$1,312.27**
5X per week	788.13	679.42	1467.55	163.06	**$1,630.61**
6X per week	981.76	772.27	1754.03	194.89	**$1,948.92**
3 YARD COMPACTOR BIN					
1X per week	192.30	149.83	342.13	38.01	**$380.14**
2X per week	384.58	180.58	565.16	62.80	**$627.96**
3X per week	576.97	211.13	788.10	87.57	**$875.67**
4X per week	769.37	253.17	1022.54	113.62	**$1,136.16**
5X per week	961.62	301.09	1262.71	140.30	**$1,403.01**
6X per week	1154.01	331.80	1485.81	165.09	**$1,650.90**

ORGANICS COLLECTION

FOR SINGLE-FAMILY, MULTI-UNIT DWELLINGS, AND COMMERCIAL CUSTOMERS WITH AUTOMATED BIN COLLECTION

Waste Type — *For Organic Waste Collection Only (Food Scraps, Food-soiled Paper, Green Waste, etc.). Organic Waste Collection service is required. Mixed Solid Waste Collection Service is required in addition to this Organic Waste Collection Service.*

Container Type — *Option of 32-gallon Cart, 64-gallon Cart, 1.5 yard Bin, or 2 yard Bin (3 or 3+ yard Bins are not offered for Organics Collection)*

Frequency — *Option of 1x, 2x, 3x, 4x, 5x, or 6x Collections per week*

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE	TOTAL MONTHLY RATE
64-GALLON CART (PRIMARY)					
1X per week	-	160.76	160.76	17.86	**$178.62**
2X per week	-	280.69	280.69	31.19	**$311.88**
3X per week	-	400.60	400.60	44.51	**$445.11**
4X per week	-	520.54	520.54	57.84	**$578.38**
5X per week	-	640.46	640.46	71.16	**$711.62**
6X per week	-	760.38	760.38	84.49	**$844.87**
64-GALLON CART (EACH ADDITIONAL)					
1X per week	-	136.31	136.31	15.15	**$151.46**
2X per week	-	238.67	238.67	26.52	**$265.19**
3X per week	-	341.10	341.10	37.90	**$379.00**
4X per week	-	443.47	443.47	49.27	**$492.74**
5X per week	-	545.88	545.88	60.65	**$606.53**
6X per week	-	563.67	563.67	62.63	**$626.30**
ORGANICS COMPACTOR					
Haul Rate		304.20	304.20	33.80	**$338.00**
Disposal/Ton Rate		153.79	153.79	17.09	**$170.88**

OTHER CHARGES AND SERVICES

	DISPOSAL COMPONENT	OPERATIONS COMPONENT	DISPOSAL + OPERATIONS COMPONENTS	FRANCHISE FEE	TOTAL MONTHLY RATE
ALL ACCOUNTS					
Late Fee (1.5% per month, $5.00 minimum)	-	6.00	-	0.67	**$6.67**
Declined Payment Charge	-	38.46	-	4.27	**$42.73**
Stop Service Charge	-	38.46	-	4.27	**$42.73**
Reactivation Charge	-	38.46	-	4.27	**$42.73**
Contamination Fee - all material (per occurrence)	-	76.89	-	8.54	**$85.43**
Cart/Barrel Roll-out Charge (per container, per frequency)	-	19.23	-	2.14	**$21.37**
Bin Lock Lids (per bin, per frequency)	-	18.80	-	2.09	**$20.89**
Bin Enclosure Pressure Washing (Per Hour, 1 Hour Minimum)	-	76.89	-	8.54	**$85.43**
Bin Wash-Out/Clean-Out Charge	-	76.89	-	8.54	**$85.43**
Bin Overflow Charges	-	76.89	-	8.54	**$85.43**
Bin Overweight Charges	-	76.89	-	8.54	**$85.43**
Bin Extra Dump Charge	-	76.89	-	8.54	**$85.43**
Bin Dead-Run Charge	-	76.89	-	8.54	**$85.43**
Bin Go-Back Charge	-	76.89	-	8.54	**$85.43**
Bin Delivery Charge	-	76.89	-	8.54	**$85.43**
Bin Exchange Charge	-	76.89	-	8.54	**$85.43**
Bin Bring-in Charge	-	76.89	-	8.54	**$85.43**
Priority Emergency Service	-	253.74	-	28.19	**$281.93**
Cardboard Boxes (per box)	-	6.11	-	0.68	**$6.79**
Cardboard Box Liners (per box liner)	-	0.60	-	0.07	**$0.67**
COMMERCIAL SERVICES					
Bulky Item Pick-Up - First Item, Dead-Run, or Go-Back	-	38.46	-	4.27	**$42.73**
Bulky Item Pick-Up - Each Additional Item	-	23.06	-	2.56	**$25.62**
3 Yard Temporary Bin	-	207.62	-	23.07	**$230.69**
3 Yard Temporary Bin - Extra Dump, Dead-Run, or Go-Back	-	107.66	-	11.96	**$119.62**
3 Yard Temporary Bin With Scout Service	-	246.08	-	27.34	**$273.42**
3 Yard Temporary Bin - Extra Dump with Scout Service	-	146.09	-	16.23	**$162.32**
3 Yard Temporary Bin - Per Day Over 7 Days with No Dump	-	26.15	-	2.91	**$29.06**
3 Yard Temporary Bin - Overweight, Overflow	-	79.53	-	8.84	**$88.37**
Lock-Lids for Temporary Bins	-	19.74	-	2.19	**$21.93**
Roll-off Rate per Haul (Plus Disposal Charges)	-	323.17	-	35.91	**$359.08**
Roll-off Roll-Top Rental Charge	-	76.89	-	8.54	**$85.43**
Roll-off Relocate Charge	-	128.82	-	14.31	**$143.13**
Roll-off Compactor Wash Out Charge	-	322.08	-	35.79	**$357.87**
Roll-off Demurrage (Per Day if no dumps in 7 days)	-	25.58	-	2.84	**$28.42**
Roll-Off Same Day Expedited Request	-	71.07	-	7.90	**$78.97**
Roll-Off Dead-Run Charge	-	177.68	-	19.74	**$197.42**
Storage Box Rental Charge	-	230.68	-	25.63	**$256.31**
Storage Box Delivery Charge	-	76.89	-	8.54	**$85.43**

RESIDENTIAL (SINGLE FAMILY & MULTI UNIT)					
Bulky Item Pickup (In Addition to Annual Event)	-	40.73	-	4.53	**$45.26**
Bulky Item Pick-Up - Each Additional Item	-	24.43	-	2.71	**$27.14**
Cart/Barrel Go-Back or Dead Run Charge	-	33.58	-	3.73	**$37.31**
Bin Push-out/Scout Charge (per bin, per frequency)	-	40.73	-	4.53	**$45.26**
CITY SERVICES					
City Garage ad Parking Lot Sweeping Service	-	1115.22	-	-	**$1,115.22**
Bus Stop Barrel Pick-Up	-	2973.93	-	-	**$2,973.93**

City Council Agenda Report

ITEM NO. 13

DATE: October 18, 2023

FROM: Arminé Chaparyan, City Manager

PREPARED BY: H. Ted Gerber, Public Works Director
Arpy Kasparian, Environmental Services & Sustainability Manager

SUBJECT: **Consideration of Updated Options to Amend the City's Exclusive Refuse Service Agreement Related to the Implementation of SB 1383 Requirements**

Recommendation

It is recommended that the City Council review and provide staff with direction on the amendment of the City's Exclusive Refuse Service Agreement.

Executive Summary

City staff have been working with the City's franchise waste hauler, Athens Services, to update the current exclusive refuse service agreement (Agreement) to include additional services required by Senate Bill (SB) 1383.

Athens Services proposed three different rate adjustment options/service models for meeting the requirements of SB 1383: two options kept the current Backyard Service (BYS) model, and one option proposed a hybrid BYS and Curbside Service model. On May 17, 2023, staff presented these options to City Council (Attachment 3). Council requested Athens Services to provide a fourth option for consideration: a BYS option with a fixed term length of ten (10) years, in lieu of the current rolling seven-year (7) term. Athens Services has provided the requested option and, additionally, a fifth option for Council consideration.

Details of all five options are included in this report. Staff recommends City Council review the updated options and provide staff direction on the future amendment of the City's Exclusive Refuse Service Agreement.

Background

Senate Bill 1383

In 2016, Senate Bill 1383 (Short-Lived Climate Pollutants) was signed into law in a statewide effort to reduce short-lived climate pollutants, namely methane emissions created by organic waste. Pursuant to SB 1383, jurisdictions are mandated to provide

organics collection services and require all residents and businesses to divert organic waste (yard waste, food scraps, food-soiled paper, etc.) from landfills to recycling facilities starting January 1, 2022, as regulated by the California Department of Resources Recycling and Recovery (CalRecycle). In addition, SB 1383 requires jurisdictions to establish an edible food recovery program, conduct education and outreach to the community, procure recyclable and recovered organic waste products for use within the City, secure access to recycling and edible food recovery capacity, and monitor compliance and conduct enforcement. Many jurisdictions delegate these tasks to their waste haulers.

Additional background information including the City's organic waste ordinance, the City's current exclusive refuse service agreement, the CalRecycle SB 1383 grant program, the Athens' Contract Ad Hoc Committee, the City's Notice of Intent to Comply, and the City's Corrective Action Plan, can be found as attachments in the May 17, 2023 City Council Staff Report (Attachment 3).

Update to Current Exclusive Refuse Service Agreement

City staff have been working with the City's franchise waste hauler, Athens Services, to update the Agreement, including the City's refuse rates and services, to accommodate the additional services required by Senate Bill 1383. Athens Services has now proposed a total of five different rate adjustment options/service models for meeting the requirements of SB 1383: four options keep the current BYS model and one option proposes a hybrid BYS and Curbside Service model. To further assist staff in examining these options, the City retained the services of MSW Consultants and R3 Consulting (Consultants). In addition, the Consultants will assist staff in drafting a new comprehensive Agreement once direction is received from City Council.

May 17, 2023 City Council Direction

On May 17, 2023, City staff and the Consultants presented an analysis of these options to City Council (Attachment 3). Council requested Athens Services to provide a fourth option for consideration with a fixed term length of ten years, in contrast with the proposed rolling seven and rolling ten-year terms. In addition, Council requested to determine the possibility of phasing in any rate increases. Lastly, City staff were directed to conduct a community meeting to gather feedback on the two proposed service models: the current BYS model and the traditional Curbside Service model.

Analysis

Updated Proposed Options

Athens Services has updated their proposal to offer five options for meeting SB 1383 requirements. A fourth option of a BYS, fixed 10-year term and a fifth option of a BYS, rolling 7-year term have been added and all previous three options have also been modified to include the costs of new SB1383-compliant containers.

All options include the following compliance programs for both residential and commercial accounts in addition to the required organics collection and recycling:

1. Quarterly Contamination Monitoring
2. Quarterly Outreach and Education
3. Commercial Account Food Recovery Support and Compliance Assistance
4. Quarterly Waste Stream Analysis
5. Procurement Support of Recycled Organic Products
6. Data Management and Reporting

To fulfill the residential and commercial organics collection and recycling service component, Athens has offered the five options summarized below. Attachment 1 provides a summary of Athens' proposed options in a table format.

OPTION 1

1. Leave the current backyard service (BYS) program "as is" for the entire residential area.
    - Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for an additional 8.75% rate increase. Athens will replace the barrels at no cost as needed after 5 years.

    - This will include service by 8 unleaded BYS pick-up trucks and 2 Renewable Compressed Natural Gas (RCNG) front loaders (mother trucks), with one pass per resident with both mixed waste (trash and recyclables) and organics being placed into the same BYS truck.

    - Mixed waste will be processed at Athens' Material Recovery Facility (MRF) to separate recyclables. Organics (food scraps and yard waste), will be transferred at the MRF and transported to American Organics (AO) to be processed into compost.

2. Athens will institute a new residential & commercial 14.00% rate adjustment for SB 1383 programs upon the effective date of the Amendment, in addition to the regular annual rate adjustment that occurs on July 1.

3. Athens will institute discounted organic rates for all bin (dumpster) customers upon the effective date of the Amendment.

    - For all bin (dumpster) customers (commercial, multi-family, or residential) who require organics containers, Athens will provide multiple 36- and/or 64-gallon organics containers, per individual customer's service level needs.

- Athens will provide these organics containers at discounted rates for the life of the contract, discounted 15% below the current "pay-as-you-throw" rates in the approved rate schedule.

OPTION 2

1. Leave the current backyard service (BYS) program "as is" for the entire residential area (see Option 1, Item 1 above, with exception below).

    - Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for no additional cost. Athens will replace the barrels at no cost as needed after 5 years.

2. Athens will not institute a rate adjustment to BYS rates for SB 1383 programs upon the effective date of the Amendment. Regular annual rate adjustment will occur on July 1, 2024.

3. Athens will institute an extraordinary rate adjustment of 20.00% over 2 phase-in periods to all rates other than the BYS residential rate, as follows:
   Effective with amendment = 10.00%
   Effective July 1, 2024 = 10.00% + regular annual rate adjustment

4. Athens will institute discounted organic rates for all bin (dumpster) customers upon the effective date of the Amendment (see Option 1, Item 3 above).

5. Athens will provide an "Electric Truck Pilot Program" for the residential BYS service. At no additional cost, when an electric truck becomes available that has the ability to perform the same work in a day that a current BYS truck currently provides, Athens will acquire this electric truck and exchange it temporarily for a three-month period with one of the current BYS trucks operating in South Pasadena. Upon completion of the three-month pilot program period, Athens will determine if the electric truck's performance is adequate and if a proposal to use all electric BYS trucks is desired by the City. If so, Athens will provide a proposal to change all unleaded BYS trucks to electric BYS trucks, and what affect that program would have on the rates.

6. Athens will continue to provide the Bus Stop Barrel Pick-up service & City Garage Sweeping service, at the current monthly service levels, at no additional charge to the City. This is proposed as an approximately $40,000.00 per year savings to the City.

7. The contract rolling term will be modified from a 7-year rolling term to a 10-year rolling term.

8. During the phase-in period from the amendment effective date through June 2025, the rolling term shall automatically renew. This is the period in which Athens is providing

rates to be phased-in per #2 & #3 above. The regular renewal term of the contract would start again July 1, 2025.

9. The annual rate adjustment formula in the contract will be modified from using the "Consumer Price Index (CPI), All Urban Consumers, Los Angeles/Long Beach/Anaheim area", to using the "CPI for Trash & Garbage Collection, US City Average" + 1%. Both of these CPI indexes are published on a monthly basis by the same governmental agency, the US Bureau of Labor Statistics. The current CPI index used in the Agreement accounts for residential homes and the cost of goods that residents are faced with (milk, bread, eggs, etc.). Athens has proposed that this index is unrelated to the trash industry, and as a result, the actual operating costs outpace the rate adjustments that are based on the described 'household' CPI. Athens has proposed that using an index that is related to the trash industry helps to cover the actual costs that the hauler is faced with.

OPTION 3

1. Change from the current BYS program to a traditional automated side loader curbside service program for **most** residents.

    - The majority of residents (except for #2 below, or as otherwise needed) will receive three new 64-gallon carts (barrels with wheels): one 64-gallon black cart for trash, one 64-gallon blue cart for recyclables, and one 64-gallon green cart for organics (food scraps and yard waste).

    - This would include service by three new RCNG side loader trucks. Instead of 1-pass with a BYS truck, customers will see 3 passes with 3 different side loader trucks.

    - Trash will be transferred at Athens' MRF and transported to a landfill. Recyclables will be processed at Athens' MRF. Organics (food scraps and yard waste) will be transferred at the MRF and transported to AO to be processed into compost.

2. For residential and multifamily BYS customers located in areas where Athens is unable to provide curbside service, there will be a change from the current 1-pass BYS program to a 2-pass BYS program. This will affect approximately 700 accounts that are in a "hard to service" area where the streets are too narrow for any type of automated side loader vehicle to navigate. This model would also apply to approximately 60 multi-family accounts that have five or more units where curbside service would not be realistic for the large number of units and barrels. These 760 accounts would need to remain with BYS service using only two unleaded BYS trucks and one RCNG front loader.

3. The proposed Curbside rate is $31.00 per month and the proposed BYS rate is $101.00 per month.

    - The Curbside Service rate includes the cost of 3 new carts for residential accounts.

    - BYS accounts will require an additional rate adjustment of 8.75% to cover the costs of up to 7 new 32-gallon barrels per BYS account.

4. Institute a 30% extraordinary rate adjustment over 2 phase-in periods to all rates other than the Curbside and BYS residential rates in #2 above, as follows:
    Effective with amendment = 15.00%
    Effective July 1, 2024 = 15.00% + regular annual rate adjustment

5. Athens will institute discounted organic rates for all bin (dumpster) customers upon effective date of Amendment (see Option 1, Item 3 above).

6. Athens will continue to provide the Bus Stop Barrel Pick-up service & City Garage Sweeping service, at the current monthly service levels, at no additional charge to the City. This is proposed as an approximately $40,000.00 per year savings to the City.

7. The contract rolling term will be modified from a 7-year rolling term to a 10-year rolling term.

8. During the phase-in period from an amendment effective date through June 2025, the rolling term shall automatically renew. This is the period in which Athens is providing rates to be phased-in per #4 & #5 above. The regular renewal features would start again July 1, 2025.

9. Modify the annual rate adjustment formula in the contract from "CPI" to "Trash CPI" + 1% (see the explanation in Option 2, Item 9).

OPTION 4

1. Leave the current backyard service (BYS) program "as is" for the entire residential area (see Option 1, Item 1 above).

2. Athens will institute a new 30.00% extraordinary rate adjustment for all services over 2 phase-in periods as follows:
    Effective with amendment = 15.00%
    Effective July 1, 2024 = 15.00% + annual rate adjustment

3. Athens will institute discounted organic rates for all bin (dumpster) customers upon effective date of Amendment (see Option 1, Item 3 above).

4. The contract rolling term will be modified from a 7-year rolling term to a 10-year fixed term, with two 5-year extensions that Athens receives only if specific compliance metrics are met.

OPTION 5

1. Leave the current backyard service (BYS) program "as is" for the entire residential area (see Option 1, Item 1 above, with exception below).

    - Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for no additional cost. Athens will replace the barrels at no cost as needed after 5 years.

2. Athens will not institute a rate adjustment to BYS rates for SB 1383 programs upon the effective date of the Amendment. Regular annual rate adjustment will occur on July 1, 2024.

3. Athens will institute a 30% extraordinary rate adjustment over 2 phase-in periods to all rates other than the BYS residential rate, as follows:
    Effective with amendment = 15.00%
    Effective July 1, 2024 = 15.00% + regular annual rate adjustment

4. Athens will institute discounted organic rates for all bin (dumpster) customers upon effective date of Amendment (see Option 1, Item 3 above).

5. Athens will continue to provide the Bus Stop Barrel Pick-up service & City Garage Sweeping service, at the current monthly service levels, at no additional charge to the City. This is proposed as an approximately $40,000.00 per year savings to the City.

6. The contract term will remain a 7-year rolling term, and will include a 3-year "meet & confer" process if the intent to terminate the agreement is given. The 7-year rolling term will become fixed and begin to wind down after the 3-year period and only if both parties are unable to resolve the issues that triggered the intent to terminate.
    - If, and only if, the 7-year rolling term becomes fixed and begins to wind down after the 3-year "meet & confer" period is over, a 14.00% rate adjustment will be applied to the BYS rates.

7. Modify the annual rate adjustment formula in the contract from "CPI" to "Trash CPI" + 1% (see the explanation in Option 2, Item 9).
    - After 10 years, the +1% will be removed.

Community Outreach
In 2022, City staff conducted a survey to gather information on current practices and community preferences on service models. The survey received 465 responses and showed that respondents were relatively even-split on their preference between BYS and Curbside. See Attachment 3 for complete results of the survey.

Per Council's direction and to ensure a transparent and collaborative process, City staff, Consultants, and Athens Services, hosted a Solid Waste Community Feedback Session on July 20 to answer questions from the community and to solicit feedback on the proposed Athens options. The session presentation included an overview of the information provided to Council on May 17th. More than 120 community members attended the 2.5 hour meeting. The presentation, along with a Frequently Asked Questions document based on attendees' questions, is available on the City's organics recycling webpage (www.SouthPasadenaCA.gov/OrganicsRecycling) and attached (Attachment 2). Community members can continue to provide feedback and ask questions by emailing EnvironmentalPrograms@SouthPasadenaCA.gov. Below is a summary of the comments/concerns from the community session:

- In general, attendees spoke both in favor and against each service model discussed, and attendees expressed both satisfaction and disappointment with the service they receive from Athens Services.

- There were complaints regarding the cost of "Backyard Service" given that many residents, especially those in the southwest hills area, do not have backyards. These residents bring their containers to their front yards, and as a result, feel they are 'overpaying' for a partial service that those with backyards receive in full. As a note, the Athens staff and equipment necessary to provide the current service is the same for each residence, whether or not the resident has a backyard; Athens staff manually collect trash regardless of where the containers are located on the property.

- Questions were asked about how Curbside Service would impact parking, particularly where parking is limited in some areas, and how this will change with an increase in housing density, or whether there would need to be 'no parking days.' Other concerns were raised over the appearance of containers placed in the streets, and the need to use three different trucks to collect the three different containers. Questions were raised about the larger trucks and their impact to the street surfaces.

- Questions were asked about why rates might increase and if there was an option where the service and the rates stayed the same, to which the presenters responded, yes, with an extension of Athens' contract term (Option 2).

- A concern was raised related to the contract term length and fees shown in the rates (recycling fee, franchise fee, etc.), and why these are not shown in the bill.

- Attendees requested to review the Athens proposed options in more detail, rather than only comment on the service model options.

- Attendees requested more information on the environmental impacts of both service models. An evaluation of the impacts of emissions, noise, number of vehicles, etc. of the service options would require an in-depth study and lengthy analysis.

- Many residents communicated general customer service issues. During the session, City staff offered for those experiencing individual service issues to connect with staff or Athens after the meeting to seek a resolution.

Next Steps
Per Council's direction and to ensure compliance with the CAP, staff may conduct the following next steps:

1. Return to Council with a revised draft Agreement per Council's direction of SB 1383 implementation.
2. Once a revised Agreement is drafted per Councils, direction, conduct a Proposition 218 Public Hearing for rate changes.
3. Per the CAP, implement new collection services, among other state-mandated requirements, by March 1, 2024.

Fiscal Impact
Residential and commercial refuse rates, which are paid by customers directly to Athens, must be adjusted to accommodate the additional organics collection and recycling services required by SB 1383. The rate changes will depend on which proposed option(s) are included in the contract amendment. Proposed impacts to the City's budget, e.g. franchise fee collection, have not yet been analyzed in this process.

Key Performance Indicators and Strategic Plan
This item is in line with Task 4a of the City's Strategic Plan: Implement Climate Action Plan for environmental initiatives. It also aligns with the City's Green Action Plan, Goal III, to divert organics from landfill and to implement the requirements of Senate Bill 1383.

Commission Review and Recommendation
This item was not reviewed by a commission; however, has been previously discussed by the Athens' Contract Ad Hoc Committee.

Attachments

1. Table of Athens' Five Proposed Options for SB1383 Compliance
2. Solid Waste Community Feedback Session Presentation and Frequently Asked Questions
3. May 17, 2023 City Council Staff Report: Update of the City's Exclusive Refuse Service Agreement Related to the Implementation of SB 1383 Requirements

ATTACHMENT 1

Athens Services Proposed Options for SB1383 Compliance

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Athens SB1383 Proposals (5 Options)

All options will provide all SB1383 compliance programs for the entire city including:
1. Collection, transportation, and full processing of source separated organics
2. Quarterly contamination monitoring of organics containers (lid flipping)
3. Quarterly outreach & education (visits by Recycling Coordinators, newsletters, contamination follow-up)
4. Commercial account food recovery support (work with qualified commercial accounts to recover & distribute edible food)
5. Quarterly waste stream analysis (waste characterizations of different waste streams in the city)
6. Procurement support (assist City with requirement of procuring & using compost and reusable natural gas)
7. Data management & reporting of all SB1383 programs (City interface with Athens web based system, Cal Recycle reporting)

BYS = Backyard Service	Mixed Waste = Landfill Waste + Recyclables
HTS = Hard to Service	Organics = Green Waste + Food Scraps
RCNG = Renewable Compressed Natural Gas	Bin = Dumpster
MRF = Material Recovery Facility	Barrel = Container for BYS (no wheels)
AO = American Organics (Athens' organics processing facility)	Cart = Rolling Container for Curbside

1	2	3	4	5	6	7	8	9	10	11
Options	**Residential Rate**	**Hard-to-Service Areas**	**Residential Barrels**	**Commercial + Multifamily Rate**	**Organic Waste Rate for Bin Customers**	**Annual Rate Adjustment**	**Length of Contract Term**	**Fleet**	**Operations & Processing**	**Bus Stop Barrel Pick-up & City Garage Sweeping Service**
(1) Leave BYS as is for all - 7 year rolling contract	Total **22.75%** rate adjustment (14.00% for SB1383 requirements + 8.75% for new barrels) + annual rate adjustment	No changes	Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for an additional 8.75% rate increase. Replace barrels for free as needed after 5 years.	14.00% rate adjustment + annual rate adjustment	Athens will provide organic containers (30 gallon or 60 gallon barrel) discounted at 15% below the current "pay-as-you-throw" rates.	No changes: Regular CPI annual rate adjustment on July 1	No changes: 7 year rolling term	No changes: *8 unleaded gasoline pick-up trucks *2 RCNG front loader trucks (aka mother trucks)	No changes: *1 pass per resident with both mixed waste and organics being placed into same BYS truck No changes: *Mixed waste processed for recyclables at MRF *Organics are transferred at a MRF and transported to AO for organics processing into compost	No changes
(2) Leave BYS as is for all - 10 year rolling contract	Total **0.00%** rate adjustment (0.00% for SB1383 requirements + 0.00% for new barrels) + annual rate adjustment Freeze rates through June 2024.	No changes	Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for an additional 8.75% rate increase. Replace barrels for free as needed after 5 years.	Institute a 20% extraordinary rate adjustment over 2 phase-in periods: *Effective with amendment = 10% *July 1, 2024 = 10% + annual rate adjustment	Athens will provide organic containers (30 gallon or 60 gallon barrel) discounted at 15% below the current "pay-as-you-throw" rates.	Modify the annual rate adjustment from "CPI" to "Trash CPI + 1%"	Increase to 10 year rolling term. Automatically renew rolling term during phase-in period (Amendment effective date - June 2025). Regular term renewal begins July 2025.	No changes: *8 unleaded gasoline pick-up trucks *2 RCNG front loader trucks (aka mother trucks) Provide a "pilot program" with an electric BYS truck if & as soon as the proper technology becomes available	No changes: *1 pass per resident with both mixed waste and organics being placed into same BYS truck No changes: *Mixed waste processed for recyclables at MRF *Organics are transferred at a MRF and transported to AO for organics processing into compost	No additional charge to the City (savings of over $40K per year)
(3) Change BYS to Curbside for most - 10 year rolling contract	**Curbside:** Rate of $31.00 (includes new carts) **BYS (HTS Areas):** Rate of $109.84 ($101.00 + 8.75% rate adjustment for new barrels)	HTS Areas = must remain BYS, cannot switch to Curbside because streets are too narrow for larger vehicles and/or high quantity of barrels is not feasible for Curbside Affects approx. 700 residential accounts + 60 multifamily accounts	**Curbside:** Residents will receive 3 new 64 gallon barrels (black for trash, blue for recyclables, green for organics); cost included in rate. **BYS (HTS Areas):** Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for an additional 8.75% rate increase. Replace barrels for free as needed after 5 years.	Institute a 30% extraordinary rate adjustment over 2 phase-in periods: *Effective with amendment = 15% *July 1, 2024 = 15% + annual rate adjustment	Athens will provide organic containers (30 gallon or 60 gallon barrel) discounted at 15% below the current "pay-as-you-throw" rates.	Modify the annual rate adjustment from "CPI" to "Trash CPI + 1%"	Increase to 10 year rolling term. Automatically renew rolling term during phase-in period (Amendment effective date - June 2025). Regular term renewal begins July 2025.	**Curbside fleet:** *3 RCNG side loader trucks **BYS (HTS Areas) fleet:** *2 unleaded gasoline pick-up trucks *1 RCNG front loader truck (aka mother truck)	**Curbside:** *Change from 1 pass with BYS truck to 3 passes with side loader trucks (1 pass for each waste stream: trash, recyclables, organics) **BYS (HTS Areas):** *Change from the current 1-pass BYS collection (collecting mixed waste + organics with 1 BYS truck trip) to 2-pass BYS collection (collecting trash, recyclables, organics with 2 BYS truck trips) *Trash is transferred at a MRF and transported to a landfill for disposal *Recyclables are processed at a MRF *Organics are transferred at a MRF and transported to AO for organics processing into compost	No additional charge to the City (savings of over $40K per year)
(4) Leave BYS as is for all - 10+5+5 year fixed contract *Requested by Council on 5/17	Total **38.75%** rate adjustment (30.00% for SB1383 requirements + 8.75% for new barrels) for all services over 2 phase-in periods: a. Effective with amendment = 23.75% b. Effective July 1, 2024 = 15% + annual rate adjustment.	No changes	Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for an additional 8.75% rate increase. Replace barrels for free as needed after 5 years.	Institute a 30% extraordinary rate adjustment over 2 phase-in periods: *Effective with amendment = 15% *July 1, 2024 = 15% + annual rate adjustment	Athens will provide organic containers (30 gallon or 60 gallon barrel) discounted at 15% below the current "pay-as-you-throw" rates.	No changes: Regular CPI annual rate adjustment on July 1	Modify to 10-year fixed term, with two 5-year extensions that Athens receives only if specific compliance metrics are met.	No changes: *8 unleaded gasoline pick-up trucks *2 RCNG front loader trucks (aka mother trucks)	No changes: *1 pass per resident with both mixed waste and organics being placed into same BYS truck No changes: *Mixed waste processed for recyclables at MRF *Organics are transferred at a MRF and transported to AO for organics processing into compost	No changes
(5) Leave BYS as is for all - 7 year rolling contract *Additional option proposed by Athens	Total **0.00%** rate adjustment (0.00% for SB1383 requirements + 0.00% for new barrels) + annual rate adjustment If the 7-year rolling term becomes fixed and begins to wind down after the 3-year "meet & confer" period (see column 8) is over, a 14.00% rate adjustment will be applied to the BYS rates at that time.	No changes	Athens will provide each resident with up to 7 new black and green, 32-gallon barrels for an additional 8.75% rate increase. Replace barrels for free as needed after 5 years.	Institute a 30% extraordinary rate adjustment over 2 phase-in periods: *Effective with amendment = 15% *July 1, 2024 = 15% + annual rate adjustment	Athens will provide organic containers (30 gallon or 60 gallon barrel) discounted at 15% below the current "pay-as-you-throw" rates.	Modify the annual rate adjustment from "CPI" to "Trash CPI + 1%." The 1% will be removed after 10 years.	Remains a 7-year rolling term. Include a 3-year "meet & confer" process if the intent to terminate the agreement is given. If, after the 3-year period, issues are not resolved, the 7-year term becomes fixed and begins to wind down.	No changes: *8 unleaded gasoline pick-up trucks *2 RCNG front loader trucks (aka mother trucks)	No changes: *1 pass per resident with both mixed waste and organics being placed into same BYS truck No changes: *Mixed waste processed for recyclables at MRF *Organics are transferred at a MRF and transported to AO for organics processing into compost	No additional charge to the City (savings of over $40K per year)

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ATTACHMENT 2

Solid Waste Community Feedback Session Presentation
and Frequently Asked Questions

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Overview

- Purpose of Community Feedback Session
- Overview of Athens Services
- New Solid Waste Regulations: Senate Bill 1383
- Current Waste Hauling Services
- Option for Council Consideration
- Next Steps
- Q & A + Community Feedback

Why are we here?

- There's a new state law that will affect the trash services in South Pasadena: the law is called Senate Bill 1383 (SB 1383).
- To accommodate the requirements of the new law, the current waste hauling agreement with Athens Services must be updated.
- Athens has provided City Council with a few options on how the agreement can be updated to accommodate the new law and new required services. One of the options proposes a change from the current Backyard Service model to a Curbside Service model.
- City Council reviewed these options at the May 17, 2023 City Council meeting and requested for Athens to make certain adjustments to the options. City Council has not yet decided on which option to choose pending their requested adjustments and the community's feedback on the potential switch to the Curbside Service model. The adjusted options will be brought to Council at a later date (date of meeting to be determined).

Why are we here?

- Today, we are seeking to:
  - ✓ inform and educate the community on the new law (SB 1383)
  - ✓ review the different proposed service models to accommodate the law
  - ✓ answer community questions and solicit feedback

Athens Services



THIS IS
ATHENS SERVICES





Founded more than **65 years** ago in 1957

Family-owned and **operated, recycling** and **waste diversion company** based in **Southern California**

BROAD RANGE OF SOLUTIONS:

- Residential and commercial
- Roll-off and construction and demolition (C&D)
- Street sweeping
- Composting of organics waste
- Landfill management

Athens Services

TODAY

50+ communities in Southern California

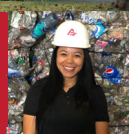
1,000+ vehicle fleet and growing

2.3M residential, commercial, street sweeping, and industrial customers

2,000+ local team members

Athens Services





OUR SERVICES & SOLUTIONS

Collecting waste and **recycling efficiently** and **safely**

Sorting, processing, and **marketing recyclable**

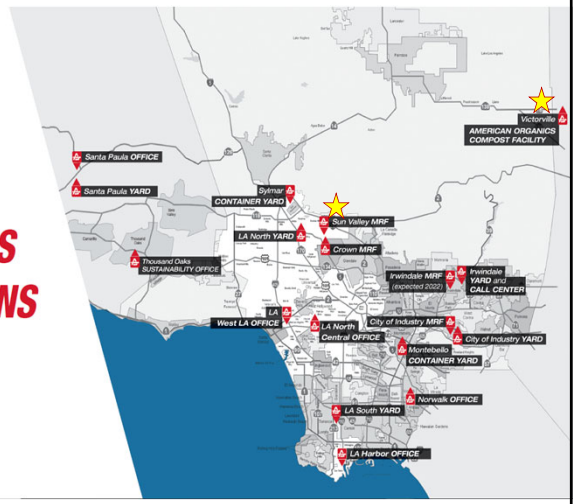
Reducing landfill waste through **maximum diversion**

Converting organic waste to **compost** or **fuel**

Protecting public safety and the **environment**

Athens Services

ATHENS SERVICES LOCATIONS



Athens Services

MATERIALS RECOVERY FACILITIES (MRFS)

Click here to see how a MRF works



Athens Services

Currently, the mixed waste from South Pasadena is taken to a MRF to be sorted for recyclables.

Organic waste (food scraps, food soiled paper, and yard waste) from South Pasadena is taken to American Organics and processed into compost.

AMERICAN ORGANICS COMPOSTING

Covered Aerated Static Pile (CASP) System

Maximize odor control

Reduce composting time from **6 months** to **2 months**

Support requirements of **SB 1383**



Athens Services

NEAR-ZERO EMISSIONS CNG FLEET



90% run on **renewable natural gas (RNG)**

Athens owns on-site **CNG fueling stations**

Each near-zero RNG truck is like taking 225 cars off the road

These vehicles support a safe, healthy and sustainable environment

OUR ZERO WASTE MISSION





- **Landfill-avoidance**
- **Dedicated** Recycling Coordinators
- **Domestic solutions** for recyclable materials
- Meet the state **diversion requirements**

Athens Services

COMMUNITY SUPPORT







- **Athens invests** in **local community organizations**
- **Food recovery organizations**
- **Chambers** of **Commerce**
- **Educational, athletic,** and **civic organizations**
- **Community, civic,** and **cultural events**

Athens Services

Athens provides FREE COMPOST for the City's SPRING and FALL COMPOST GIVEAWAY events





Athens Services

Athens Services

BE PART OF THE ATHENS WAY

SERVICE - PEOPLE - ENVIRONMENT

THE ATHENS WAY

Solid Waste Regulations

- ➢Key Solid Waste Laws
- ➢Senate Bill 1383
  - What is it?
  - What is the City responsible for?
  - How does SB 1383 impact you?

Key Solid Waste Laws

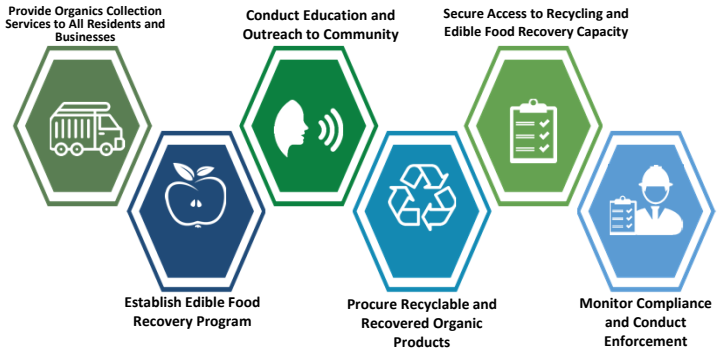
- AB 939 – Waste diversion and recycling
- AB 341 – Mandatory commercial recycling
- AB 1826 – Mandatory commercial organics
- ***SB 1383 – Short-lived climate pollutants***
  - Purpose is to reduce landfilling of organics/edible food
  - Enforcement on jurisdictions and local entities began in 2022

SB 1383

- **Goals**
  - Reduce organics to landfills by 50%
  - Reduce loss of edible food by 20%
- **Reduce landfilling of organics/edible food**
  - State enforcement on local jurisdictions to comply with SB 1383 began in 2022
  - Enforcement on individual generators (residents, businesses, edible food generators, food recovery organizations) will begin in 2024

Jurisdiction Responsibilities

The City of South Pasadena is responsible for the following SB1383 requirements:



CalRecycle Enforcement

- CalRecycle is the state agency responsible for developing and enforcing SB 1383 regulations
- The City of South Pasadena was issued a Corrective Action Plan by CalRecycle and is required to fully comply with regulations following the actions and timeline outlined in the Corrective Action Plan
- Penalty amounts (per violation per day) resulting from noncompliance include:
  - Minor $500 – $4,000
  - Moderate $4,000 - $7,500
  - Major $7,500 - $10,000

City of SOUTH PASADENA 21 MSW CONSULTANTS

How does SB 1383 impact you?

- All trash customers will be required to source separate organic waste (food scraps, etc.) regardless of service model
  - food scraps are not allowed in your trash container and must be placed with your yard waste
- All trash customers will be provided new color-coded and labeled containers regardless of service model
  - per SB 1383 regulations, customer provided containers are noncompliant
- Multifamily accounts will receive an organics container(s) depending on needs
- Commercial accounts will receive an organics container(s) depending on needs

City of SOUTH PASADENA 22 MSW CONSULTANTS

How does SB 1383 impact you?

- Commercial accounts will have the opportunity to apply for a waiver if they do not produce enough organic waste
- Containers will be periodically inspected by Athens Services to ensure proper separation and disposal
- Possible new rates dependent on City Council's pending decision
- Possible new service model dependent on City Council's pending decision

City of SOUTH PASADENA 23 MSW CONSULTANTS

Current Waste Hauling Services Potential Service Changes

- What do current services look like and what are the challenges?
- What are the options for service models?

City of SOUTH PASADENA 24 MSW CONSULTANTS

Current "Backyard" Service

- Drivers pick up containers placed anywhere on the property that is accessible ("backyard") whether or not the property has a backyard
- There are currently 2 waste streams:
  1. **Mixed Waste (Trash + Recyclables)**
  2. **Organics (Yard Waste + Food Scraps)**
- Pick-up trucks pick up both mixed waste and organics and transfer them to a "mother truck"
  1. **Mixed Waste is processed for recyclables at MRF**
  2. **Organics are transported to American Organics to be processed into compost**





Current Fleet:
- 8 unleaded gasoline pick-up trucks
- 2 Renewable CNG front loader trucks

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Current Backyard Service





Drivers pick up customer containers from their property and dispose into a pick-up truck with two compartments: one for mixed waste and one for food/yard waste.

Current Backyard Service



Pick-up trucks drive to parked "mother trucks" that change locations throughout the day.

City of SOUTH PASADENA

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MSW CONSULTANTS

Current Backyard Service



Each compartment is emptied into its designated "mother truck."

City of SOUTH PASADENA

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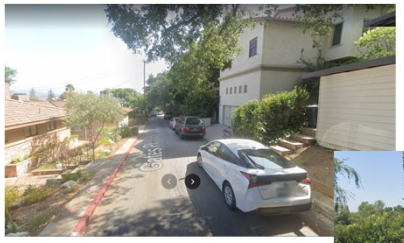
MSW CONSULTANTS

Backyard Service Challenges





Narrow streets in the hillside areas don't allow trucks that are larger than the current pick-up trucks to pass through.

City of SOUTH PASADENA

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MSW CONSULTANTS

Option for Council Consideration

Move to **Curbside Collection** with 3-cart system

One of the options that has been proposed for complying with the new law is to switch to a Curbside Collection model. This would entail the following:

- Customers would have to source separate all trash into 3 categories (instead of 2):
  1. **Trash/Landfill**
  2. **Recyclables**
  3. **Organics (yard waste + food scraps)**
- Customers would have to roll carts to the curb on trash day
- 3 different side-loader trucks would pick up each cart on the same day
  1. **Trash would go straight to Landfill**
  2. **Recyclables would be processed at a MRF**
  3. **Organics would be transported to American Organics to be processed into compost**



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Option for Council Consideration

Move to **Curbside Collection** with 3-cart system

One of the options that has been proposed for complying with the new law is to switch to a Curbside Collection model. This would entail the following:

- Trash rates will decrease by approximately $10-$20 for most accounts in the City except for those located in "Hard-to-Service Areas"

Hard-to-Service Areas (HTS):

- Approximately 700 accounts must remain with the current Backyard Service due to narrow streets (cannot switch to Curbside Service)
- Trash rates for these accounts will increase significantly if the rest of the City switches to Curbside Service



Curbside Fleet:

- 2 unleaded gasoline pick-up trucks (HTS)
- 1 Renewable CNG front loader truck (HTS)
- 3 Renewable CNG side loader trucks

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Hard-to-Service Streets

This map depicts the streets (in red) that would not be able to switch to Curbside Service.



City of SOUTH PASADENA

Athens Services

MSW CONSULTANTS

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Next Steps

1. Gather community questions, concerns, and feedback.
2. At a future City Council meeting (date to be determined), present to City Council the adjusted proposed options from Athens and the gathered community feedback.
   a. During the meeting, City Council will select an option and make a final decision on whether or not to keep the current Backyard Service or switch to Curbside Service.
3. A new Athens Agreement will be drafted to incorporate Council's decision and will be presented to City Council for approval at a following City Council meeting.
4. Once a new Agreement is approved:
   a. New containers will be deployed to all trash accounts
   b. City and Athens will conduct outreach and provide education on the changes to the trash services

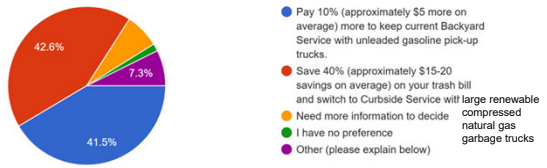
Community Feedback

- Review Results of 2022 Solid Waste Community Survey
- Conduct Q&A Session + Gather Feedback Now
- Presentation will be available on our City website: www.SouthPasadenaCA.gov/OrganicsRecycling
- Email additional questions and comments to: EnvironmentalPrograms@SouthPasadenaCA.gov

Key Survey Results

In **2022**, a citywide solid waste survey was conducted and received over 450 responses. The results of the survey showed respondents were split on which service model they preferred (see below).

Which waste collection service would you prefer?



Q&A + Feedback

- Which service model is preferred and why?
- What concerns do you have with each service model?
- What questions do you have about the new law and the options Council is considering?
- What resources would be helpful to you in implementing the changes described today?
  - For example: kitchen food scrap pails, handouts, labels/signage, etc.
- What is the best way to communicate these changes to you?

THANK YOU!

Presentation and FAQs are available online:
www.SouthPasadenaCA.gov/OrganicsRecycling

Email your questions, concerns, and feedback to:
EnvironmentalPrograms@SouthPasadenaCA.gov

Sign up for the City's Newsletter and Environmental Email List to receive general City news and updates on this topic:
www.southpasadenaca.gov/visitors/contact-us/social-media

City of SOUTH PASADENA

37

MSW CONSULTANTS

Solid Waste Community Feedback Session
July 20, 2023
Frequently Asked Questions

www.SouthPasadenaCA.gov/OrganicsRecycling

General Questions

1. **What is happening?**
   The agreement with the City's waste hauler, Athens Services, is being amended to accommodate new organics recycling requirements. Athens has provided City Council with a few options on how the agreement can be updated. One of the options proposes a change from the current Backyard Service model to a Curbside Service model.

2. **Why is this happening?**
   There is a new state law, called Senate Bill 1383 (SB 1383) that requires jurisdictions to provide organics recycling services (among other things) to all of their trash customers. To accommodate this new law, the City must update its current agreement with Athens.

3. **Has a decision been made, yet?**
   No, City Council has not made a decision on how the agreement will be updated or whether or not they will change the service model. City Council received an informational update on May 17, 2023 on potential agreement changes and requested additional information from Athens. Athens and City Staff will return to Council at a future City Council meeting (date to be determined) to present final options and community feedback to Council. At this meeting, it is likely that City Council will reach a decision on what changes will be made to the Athens agreement.

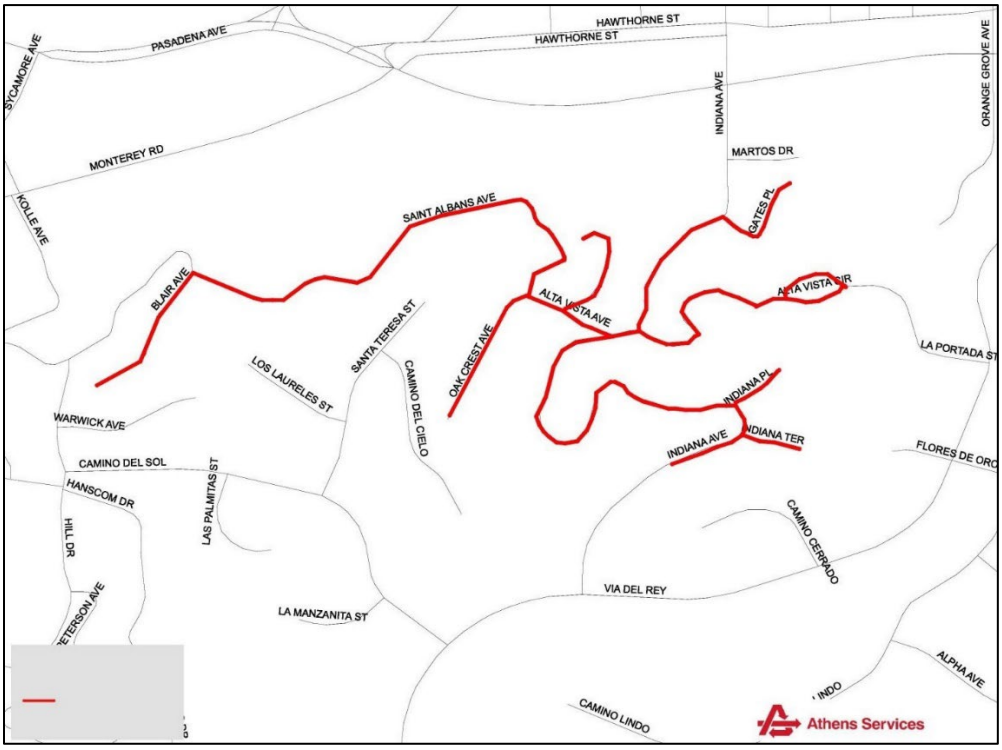
4. **When does this go into effect?**
   Organics collection for single-family homes is already in effect. Residents should dispose food scraps and food-soiled paper in their yard waste containers. Any changes to waste collection and the expansion of organics collection to multifamily and commercial will begin after Council direction and is anticipated to be completed by mid-2024.

5. **What are the options City Council is considering?**
   There are three options City Council has been presented with for amending the Athens agreement. The first two options remain with the current Backyard Service with a rate increase to accommodate the additional organics recycling service and other SB 1383 requirements. The third option changes the service model to curbside for most of the City at a reduced cost (hard to service areas would see an increase in costs and would have to remain with "backyard" service). Other components of each option include adjustments to the contract term, annual CPI adjustment, fleet, processing, etc. Detailed information on the options can be found in the May 17, 2023 Staff Report for Item #23. City Council has asked for a fourth option from Athens which would include Backyard Service and a fixed term. Athens is currently preparing the fourth option.

6. **How long is the current contract term?**
   The current contract term is a rolling 7 year term. This means that every year the contract automatically renews for 7 years. If the termination of the contract is triggered, it would take 7 years for the contract to terminate.

7. **What is diversion?**
   Diversion, in the context of waste disposal, occurs when waste that can be recycled is rerouted from a landfill to other facilities for recycling.

8. **What are Hard-to-Service Areas?**
   Hard-to-Service Areas are areas in the City (approximately 700 accounts) that are difficult to access with larger trucks due to narrow roads or other accessibility issues (mainly affects hillsides and multifamily). These areas will remain with their current waste services regardless of any changes to services for the rest of the City. See below for a map of the areas considered to be Hard-to-Service.



Questions Regarding Containers & Waste Stream

1. **Can I continue to use my own containers for waste collection?**
   No, under the new law, customer-provided containers are not compliant. Regardless of the service model, customers will receive new standardized containers that comply with SB1383's labeling and color requirements.

2. **What would happen to our old containers when we are provided with new standardized containers?**
   Residents will have the option to either keep their containers or have Athens collect and recycle them. Residents will be informed of a pick-up date where they can bring out their old containers to the curb for Athens to collect and recycle. If residents wish to keep their containers, they can; however, they will no longer be allowed to use them for waste collection.

3. **Who will pay for the new containers and how much will they cost?**
   The cost of the new containers will be incorporated into the new trash rates. The cost of the new containers will be amortized over the life of the contract.

4. **How will we know what is acceptable in the green/organics container?**
   Currently, residents can visit the City's Organics Recycling webpage at www.SouthPasadenaCA.gov/OrganicsRecycling to view a list of acceptable items in the green/organics container. Athens and the City will conduct additional outreach to educate residents on what items to place in which containers. Additionally, the new containers will be labeled providing more information on acceptable items.

5. **If the City switches to curbside, what will the new containers look like? How many containers will I receive and what size will they be?**
   If the City switches to Curbside, the new containers for single-family homes will look like the traditional rolling carts. Residents will receive three 64-gallon barrels (1 black, 1 blue, 1 green). Residents will have the option to increase barrel size to 96 gallon (additional cost) or decrease to 35 gallon (lower cost). The barrels will have two back wheels and an attached lid. Containers for residents with bins, multifamily, and commercial are being determined.

6. **If the City remains with Backyard Service, what will the new containers look like? How many containers will I receive and what size will they be?**
   If the City remains with Backyard Service, the new containers for single-family homes will be 32 gallons in size, will be black (for trash and recyclables) and green (for yard and organic waste), will not have wheels, and will have durable lids that deter common pests if the lids are placed on correctly and trash is not overflowing. Residents will receive 6 barrels and will be able to choose how many of each color they would like. Additional containers can be requested at an additional cost. Containers for residents with bins, multifamily, and commercial are being determined.

7. **Is it possible to have a service model with 4 waste streams where food waste is not mixed in with yard waste in order to mulch the yard waste at a lower cost?**
   Having an additional process (mulching) would incur an additional cost and would not lower the overall costs for processing. In addition, 4 waste streams would require 4 trucks and separate containers. Lastly, AB 1594 does not allow the City to take green waste to landfills as landfill cover for diversion credit. Meaning, the green waste will need to be composted, anyway. It is more efficient and cost-effective to collect yard waste and food waste together.

8. **Where does our green waste currently go?**
   Currently, green waste, which includes yard waste, food scraps, and food-soiled paper, is transported to the American Organics facility in Victorville, CA where it is processed and turned into organic compost. Green waste will continue to be processed at American Organics.

9. **Does Athens really recycle?**
   Yes. Recyclables are sorted at Athens' Materials Recovery Facility located in Sun Valley, CA for materials that the market will allow for. Athens only disposes materials that cannot be recycled. The public is welcome to tour the facility and can learn more about their recycling process by visiting: www.AthensServices.com/Sun-Valley-MRF.

Questions Regarding the Potential Switch to a Curbside Model

1. **If the City switches to Curbside with three waste streams, will there be three trash days?**
   No, there will be one trash day with three different trash trucks.

2. **If the City switches to Curbside, will parking need to be restricted on trash days? Has the City considered issues with parking restrictions and traffic considering the planned increase in housing in the City?**
   It is possible that on some streets, parking will need to be restricted on trash days. Not all streets will need to restrict parking. Parking restrictions and traffic are factors that City Council will consider when deciding on which service model to choose.

3. **If the City switches to Curbside, how will that affect what happens on my street?**
   With curbside service, residents can expect trash carts rolled to the curb on one trash day. On their trash day, residents can expect three different trucks to pass their street to pick up the three different carts. Parking might be restricted on certain streets. In Hard-to-Service areas, backyard service will continue as before and there will be no changes to parking, collection vehicles, or cart placement.

4. **If the City switches to Curbside, how will I roll my carts to the curb if I am elderly or disabled?**
   Athens offers a "rollaway" service for the elderly and disabled where drivers will exit their trucks and roll your containers to the curb and back for you. It is not yet determined if this service would incur an additional cost.

5. **If the City switches to Curbside, how will damages caused by their large trucks be handled?**
   Residents can open a claim with Athens Customer Service for any damages caused by Athens.

6. **If the City switches to Curbside, will Athens have to lay off their drivers/employees?**
   No, Athens will not lose any employees over any service changes. Athens will work with employees to find them other positions within their organization.

7. **If the City switches to Curbside, will there be an increase in scavenging and how will that be handled?**
   It is possible that there might be an increase in scavenging. Once a trash container is brought to the curb, there is no longer an expectation of ownership of the trash; therefore, scavenging is not considered theft and there is no crime.

8. **If the City switches to Curbside, will there be an incentive to use less trash?**
   If residents in single-family homes reduce any of their waste, they can request smaller containers (35 gallons) at a lower cost.

Questions Regarding Rates

1. **How will the trash rates be affected under both service models?**
   Trash rates will depend on which option City Council decides on. Updated options with rates will be presented to City Council at a future Council meeting (date to be determined). Generally, a Curbside Service model will likely result in lowered rates for most of the City and a Backyard Service model will likely result in slightly higher rates for the entire City. If Council decides to remain with Backyard Service, rates for Hard-to-Service accounts will be the same as the rest of the City. If Council decides to switch to a Curbside Service model, rates for Hard-to-Service accounts will increase due to Athens running two different operations simultaneously.

2. **If the City switches to Curbside, the rate for the residents in Hard-to-Service areas will increase significantly because Athens must operate a different service in these specific areas.**
   a. **Has Athens/City considered working with neighboring cities who have Backyard Service to ameliorate some of the costs of operation?**
      Yes, Athens has explored the possibility of combining services across their service areas. Unfortunately, this strategy would not be feasible.
   b. **Can the two different rates be evened out throughout the City? In other words, can residents who have the lower cost of Curbside Service pay more to subsidize the higher cost of the residents who must remain with Backyard Service?**
      The City has looked into this option. Unfortunately, the City has determined that, legally, one set of rate payers cannot subsidize another set of rate payers for a different service.

3. **Why are we paying for Backyard Service if Athens doesn't technically come to my backyard?**
   Although the name of the service is called "Backyard," this service involves drivers stepping out of their vehicles and manually picking up containers placed anywhere on the property that is accessible ("backyard") whether or not the property actually has a backyard. Containers can be placed in the customer's backyard, front yard, driveway, etc. as long as it is accessible. The basis of "Backyard" service is that customers do not need to move their containers to the curb for an automated collection. Rather, they can leave their containers anywhere that is accessible and the drivers will retrieve their containers for them.

4. **Why can't I get a discount if I place my containers in my front yard or driveway as opposed to my backyard?**
   The vehicles used and the process for waste collection is the same no matter where you place your containers on your property. The driver still needs to step out of their vehicle, walk to the container, bring it back to the truck, manually empty it into the truck, and place the container back in its spot. Therefore, the costs are the same.

5. **Why is there a price increase if all we're doing is taking food waste from our trash containers and disposing them in our existing green waste containers?**
   The cost of handling/processing organic waste increases when food waste is added, due to increased weight and volume. Furthermore, to be compliant with SB1383, the City must implement other components of the law in addition to organics collection. These components include establishing an edible food recovery program, conducting education and outreach, procuring recovered organic products, conducting quarterly waste characterizations, and monitoring compliance (lid flipping). Athens Services will be assisting the City in meeting these additional requirements along with providing organics waste collection and recycling. The new rates will cover the additional services and assistance provided by Athens.

6. **What are the other fees that are paid by trash customers?**
   South Pasadena trash bills include a 3% Billing Fee (1.5% retained by Athens for their billing services and 1.5% received by the City) and a 9.4% Franchise Fee.

If you have questions or concerns regarding trash collection specifically from your property, please contact Athens Services Customer Service at (888) 336-6100.

ATTACHMENT 3

May 17, 2023 City Council Staff Report:
Update of the City's Exclusive Refuse Service Agreement
Related to the Implementation of SB 1383 Requirements

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City Council Agenda Report

ITEM NO. ___

DATE: **May 17, 2023**

FROM: Arminé Chaparyan, City Manager

PREPARED BY: H. Ted Gerber, Public Works Director
Arpy Kasparian, Environmental Services & Sustainability Manager

SUBJECT: **Receive Update and Provide Direction on Next Steps for the Update of the City's Exclusive Refuse Service Agreement Related to the Implementation of SB 1383 Requirements**

Recommendation
It is recommended that the City Council receive a staff presentation and provide direction on next steps for the update of the City's Exclusive Refuse Service Agreement related to the implementation of SB 1383 requirements.

Executive Summary
In 2016, Senate Bill 1383 (Short-Lived Climate Pollutants) was signed into law in a statewide effort to reduce short-lived climate pollutants, namely methane emissions created by organic waste. Pursuant to SB 1383, jurisdictions are mandated to provide organics collection services, establish an edible food recovery program, conduct education and outreach to the community, procure recyclable and recovered organic waste products for use within the City, secure access to recycling and edible food recovery capacity, monitor compliance, and conduct enforcement.

City staff have been working with the City's franchise waste hauler, Athens Services, to update the current exclusive refuse service agreement (Agreement) to include the added services required by the law. The City's refuse rates and services must be adjusted to accommodate the additional waste hauling services required by SB 1383. Athens Services has proposed three different rate adjustment options/service models for meeting the requirements of SB 1383: two options keep the current Backyard Service (BYS) model, and one option for a hybrid BYS and Curbside Service model. South Pasadena's current BYS model includes individual Athens pickup trucks visiting customers and manually collecting trash barrels from the driveway or backyard with a pickup truck.

The proposed Curbside Service model would generally consist of customers bringing barrels to the street curb for pickup by a larger truck. An analysis of all options is included in the report. Staff recommends City Council review the analysis provided and provide staff direction on next steps.

Background

Senate Bill 1383

In 2016, Senate Bill 1383 (Short-Lived Climate Pollutants) was signed into law in a statewide effort to reduce short-lived climate pollutants, namely methane emissions created by organic waste. The bill established targets to achieve a 75% reduction in disposal of organic waste by 2025. In addition, the bill aims to rescue at least 20% of currently disposed edible food for the millions of Californians experiencing food insecurity. Pursuant to SB 1383, jurisdictions are mandated to provide organics collection services and require all residents and businesses to divert organic waste (yard waste, food scraps, food-soiled paper, etc.) from landfills to recycling facilities starting January 1, 2022, as regulated by the California Department of Resources Recycling and Recovery (CalRecycle). In addition, SB 1383 requires jurisdictions to establish an edible food recovery program, conduct education and outreach to the community, procure recyclable and recovered organic waste products for use within the City, secure access to recycling and edible food recovery capacity, and monitor compliance and conduct enforcement. Many jurisdictions delegate these tasks to their waste haulers.

City Ordinance and Implementation

The City of South Pasadena has taken several steps to meet the requirements of SB 1383. In 2021, the Athens' Contract Ad Hoc Committee was created to negotiate an amendment (Amendment) to the current exclusive refuse service agreement (Agreement) with the City's franchise waste hauler, Athens Services, to ensure compliance with the collection requirements of the mandate. In November 2021, the City joined the San Gabriel Valley Regional Food Recovery Program to comply with SB 1383's edible food recovery regulations. Lastly, in December 2021, the South Pasadena City Council adopted the Mandatory Organic Waste Disposal Reduction Ordinance. Food scrap collection for single-family homes began in South Pasadena on January 1, 2022.

The City is working to update the current Agreement with Athens Services in order to fulfill the remaining requirements of SB 1383 which include: providing organics collection services to all residents and businesses, conducting education and outreach to the community, procuring recyclable and recovered organic waste products for use within the City, monitoring compliance, and reporting.

Current Exclusive Refuse Service Agreement

The City of South Pasadena's Agreement with Athens Services was established in the year 2000 (Attachment 1) and was amended once in 2017 (Attachment 2). It is currently a seven-year evergreen contract, meaning it is on a rolling term and is renewed every year for another seven years. Therefore, termination of the contract would take seven years. Per the amended agreement, Athens Services provides Backyard Service to single-family residences, Bin Service to non-residential and multi-residential properties, Street Sweeping Services, Bus Stop Barrel Pick-Up, City Garage Sweeping Service, and community events such as Dumpster Day. In addition, the City, on a monthly basis, receives 9.4% of gross receipts as a franchise fee, 1.5% as an administrative fee, and

3% as a billing fee. The City also receives $65,000 every seven years for the City Yard refuse handling.

CalRecycle SB 1383 Local Assistance Grant Program

To assist with the implementation of regulation requirements, Department of Resources Recycling and Recovery (CalRecycle) offered the SB 1383 Local Assistance Grant Program, a non-competitive grant program providing one-time funding to local jurisdictions. These funds can be used to assist the jurisdiction in the various components of SB 1383 including capacity planning, collection, edible food recovery, education and outreach, enforcement and inspection, program evaluation, procurement requirements, and record keeping. City staff applied and the City was awarded $37,204. City staff anticipate prioritizing the funds for items that would assist residents and businesses with food scrap separation and collection, which may include organics barrels, food waste pails, education and outreach materials such as signage and labels, etc. Other items that are being considered are recordkeeping software and personnel costs.

Athens' Contract Ad Hoc Committee

In 2021, the Athens' Contract Ad Hoc Committee (Ad Hoc Committee) was created to negotiate an Amendment to the current Agreement with the City's franchise waste hauler, Athens Services, to ensure compliance with the collection requirements of SB 1383. Consisting of two councilmembers and two Natural Resources and Environmental Commission commissioners, the Ad Hoc Committee met several times to review and discuss the components of SB 1383, the current Agreement terms, and the proposed rate adjustments from Athens Services.

Notice of Intent to Comply

As jurisdictions prepared to implement SB 1383 regulations, many local governments faced challenges due to the COVID-19 pandemic. In response, Governor Newsom signed SB 619 (Laird, Chapter 508, Statutes of 2021) into law to support local governments as they designed and implemented successful organic waste recycling programs throughout the state. The law authorized CalRecycle to waive civil penalties if a jurisdiction submitted a Notification of Intent to Comply (NOIC) for some or all of the regulatory requirements and successfully implemented a plan to correct their violations. Per City Council approval, City staff submitted a NOIC to CalRecycle as a precaution to ensure that the City is protected against any penalties.

The City's NOIC, which was approved by CalRecycle, included a schedule and plan of completion of the following items:

1. Implementation of commercial and multifamily organic waste program.
2. Container color and labeling requirements.
3. Processing waivers granted by the jurisdiction.
4. Ongoing organic waste recovery education and outreach.
5. Procurement of recovered organic waste product and associated recordkeeping.

6. Development and implementation of paper procurement policy and associated recordkeeping.

Corrective Action Plan

As City staff and the Ad Hoc Committee have continued to work on the updates to the Athens Agreement to include the various components of SB 1383, CalRecycle has continued to monitor the City's progress. CalRecycle has determined that violations identified in the NOIC that will take more than 180 days to correct may be addressed through a Corrective Action Plan (CAP). City staff and CalRecycle worked together to create an updated schedule of actions necessary for the City to address the violations disclosed in the NOIC and on March 29, 2023, CalRecycle approved and issued the City of South Pasadena a CAP (Attachment 3). CalRecycle will continue to monitor the City's implementation of the actions identified in the CAP from the date of issuance through March 1, 2024 ("the oversight period"), when all implementation actions must be completed. During the oversight period, the City will submit status reports to CalRecycle and attend status meetings with CalRecycle to demonstrate the ongoing progress the City is making on remedying the violations described in the CAP.

Analysis

The City's refuse rates and services must be adjusted to accommodate the additional waste hauling services required by SB 1383. Considering the necessary changes to the Agreement and feedback received from the community, the Ad Hoc Committee requested Athens Services provide a proposed rate adjustment for changing service models from Backyard Service to Curbside Service in addition to the required components of SB 1383. Thus, Athens Services has proposed three different rate adjustment options/service models for meeting the requirements of SB 1383: two options keeping the current BYS model and one option for a hybrid BYS and Curbside Service model. All options proposed include Athens providing organics collection, quarterly contamination monitoring of organics containers, quarterly outreach and education, commercial account food recovery visits, support, and compliance assistance, quarterly waste stream analysis, procurement support of recycled organic products, and data management and reporting of all SB 1383 programs.

To further assist staff in examining these options, the City retained the services of MSW Consultants and R3 Consulting (Consultants). The Consultants provided analyses on how the rates for each option compare to neighboring cities and provided insight on the components of each option. The Consultants will assist staff in drafting a new comprehensive Agreement once a rate adjustment and service level is agreed upon.

Proposed Options

Athens Services has proposed three options for meeting SB 1383 requirements. All options include the following compliance programs for both residential and commercial accounts in addition to the required organics collection and recycling:

- **Quarterly Contamination Monitoring**: Athens will conduct quarterly organics route reviews to monitor contamination by performing hands-on visual checks of organic containers (lid flipping).
- **Quarterly Outreach and Education**: Athens Recycling Coordinators will conduct in-person visits annually to all commercial and multifamily accounts, and as needed or as requested to residential customers. Visits will include waste assessments, edible food requirement support, service level assistance, waiver eligibility, and contamination follow-ups. Quarterly recycling newsletters will be mailed out to all customers or emailed to paperless accounts.
- **Commercial Account Food Recovery Support and Compliance Assistance:** Athens will provide assistance and support with all qualified commercial food generators that are subject to this requirement.
- **Quarterly Waste Stream Analysis**: Athens will fulfill the SB 1383 requirement of performing a specific number of characterizations every quarter for specific waste streams of inbound material, recyclable recovery, organic recovery, and residue going to landfill.
- **Procurement Support of Recycled Organic Products**: Athens will assist in compliance with this requirement through the use of renewable compressed natural gas (RCNG) utilized in their collection vehicles and through the compost produced at Athens' American Organics (AO) facility.
- **Data Management and Reporting**: SB1383 requires jurisdictions to monitor contamination, issue notices of violations, track all organics collection and diversion, and to report this information to CalRecycle. Athens will capture all required data through their web based reporting system that the City can interface, review, and gather data as needed. Athens will also have adequate data to support the City with enforcement actions.

To fulfill the residential and commercial organics collection and recycling service component, Athens has offered the three options summarized below. Also see Attachment 4 for a table format of Athens' proposed options.

Though the options have been discussed at length with the Ad Hoc Committee, reviewed by the City's consultant, and evaluated by staff for compliance with SB 1383 requirements, they have not been vetted with regard to legal implications of the specific terms, conditions, adjustments, and other proposed components, and their relation to existing statutes or recent case law precedent. This evaluation will occur with the development of the revised draft Agreement, to be brought to Council at a later date.

OPTION 1

- Leave the current backyard service (BYS) program "as is" for the entire residential area. This would include service by 8 unleaded BYS pick-up trucks and 2 RCNG front loaders (mother trucks), with one pass per resident with both mixed waste (trash and recyclables) and organics being placed into a BYS truck. Mixed waste

is processed to segregate recyclables at Athens' Material Recovery Facility (MRF). Organics, including food and yard waste, are transferred at the MRF and transported to American Organics (AO) for organics processing into compost.

- Provide new residential & commercial rates for SB 1383 programs upon the effective date of the Amendment. Residential and Commercial 14.00% rate adjustment, in addition to the regular annual rate adjustment that occurs on July 1.Institute discounted organic rates for all bin customers (commercial and multifamily) upon the effective date of the Amendment. For all qualified bin customers (commercial, multi-family, or residential) who require a source separated organics automated barrel per the SB1383 law, Athens will provide multiple 30 and/or 60 gallon organic containers, per individual customer's service level needs. Athens will provide these organic barrels at discounted rates for the life of the contract, discounted 15% below the current "pay-as-you-throw" rates in the approved rate schedule.

OPTION 2

1. Leave the current backyard service (BYS) program "as is" for the entire residential area (see Option 1, Item 1 above).

2. Athens will provide an "Electric Truck Pilot Program" for the residential BYS service. At no additional cost, when an electric truck becomes available that has the ability to perform the same work in a day that a current BYS truck currently provides, Athens will acquire this electric truck and exchange it temporarily for a three-month period with one of the current BYS trucks operating in South Pasadena. Upon completion of the three-month pilot program period, Athens will determine if the electric truck's performance is adequate and if a proposal to use all electric BYS trucks is desired by the City. If so, Athens will provide a proposal to change all unleaded BYS trucks to electric BYS trucks, and what affect that program would have on the rates.

3. Athens will continue to provide the Bus Stop Barrel Pick-up service & City Garage Sweeping service, at the current monthly service levels, at no additional charge to the City. This will save approximately $40,000.00 per year to the City's budget.

4. Athens will freeze the current BYS residential rate of $52.53 through June 2024. The residential rate will not be adjusted per the regular annual rate adjustment until July 1, 2024.

5. Athens will institute a 2-year phase in of a 20.00% extraordinary rate adjustment, to all rates other than the BYS residential rate, as follows:
   Effective July 1, 2023 = 10.00% + regular annual rate adjustment
   Effective July 1, 2024 = 10.00% + regular annual rate adjustment

6. Athens will institute discounted organic rates for all bin customers upon the effective date of the Amendment (see Option 1, Item 3 above).

7. The contract rolling term will be modified from a 7-year rolling term to a 10-year rolling term.

8. During the phase-in period from July 2023 through June 2025, the rolling term shall automatically renew. This is the period in which Athens is providing a rate freeze for the residential BYS rate, and for other rates to be phased-in per #5 & #6 above. The regular renewal term of the contract would start again July 1, 2025.

9. The annual rate adjustment formula in the contract will be modified from using the "Consumer Price Index (CPI), All Urban Consumers, Los Angeles/Long Beach/Anaheim area", to using the "CPI for Trash & Garbage Collection, US City Average" + 1%. Both of these CPI indexes are published on a monthly basis by the same governmental agency, the US Bureau of Labor Statistics. The current CPI index used in the Agreement accounts for residential homes and the cost of goods that residents are faced with (milk, bread, eggs, etc.). Athens has proposed that this index is unrelated to the trash industry, and as a result, the actual operating costs outpace the rate adjustments that are based on the described 'household' CPI. Athens has proposed that using an index that is related to the trash industry helps to cover the actual costs that the hauler is faced with.

OPTION 3

1. Change from the current BYS program to a traditional automated side loader curbside service using three new Renewable Compressed Natural Gas (RCNG) side loader trucks and three new 64-gallon carts for the majority of residents (except for #2 below, or as otherwise needed). The default barrel service will include one of each of the following: a 64-gallon black barrel for trash, a 64-gallon blue barrel for source separated recyclables, and a 64-gallon green barrel for source separated organics. Instead of 1-pass with a BYS truck, customers will see 3-passes with side loader trucks.

2. For all other residential and multifamily BYS customers located in areas where Athens is unable to provide curbside service, there will be a change from the current 1-pass BYS program to a 2-pass BYS program. This will affect approximately 700 accounts that are in a "hard to service" area where the streets are too narrow for any type of automated side loader vehicle to navigate. This model would also apply to about 60 multi-family accounts that have five or more units where curbside service would not be realistic for the large number of units and barrels. These 760 accounts would need to remain with BYS service using only two unleaded BYS trucks and one RCNG front loader.

3. Athens will continue to provide the Bus Stop Barrel Pick-up service & City Garage Sweeping service, at the current monthly service levels, at no additional charge to the City. This will save approximately $40,000.00 per year to the City's budget.

4. Athens will provide new residential rates, effective July 2023, and freeze those rates through June 2024. These two rates will not be adjusted per the regular annual rate adjustment until July 1, 2024. The proposed Curbside rate is $31.00 per month and the proposed BYS rate is $101.00 per month. The City may implement a combination of the two above rates with a net zero change, i.e. increase the curbside rate and decrease the BYS rate, within the legal ability to do so.

5. Institute a 2-year phase in of a 30.00% extraordinary rate adjustment, to all rates other than the Curbside and BYS residential rates in #4 above, as follows:
   Effective July 1, 2023 = 15.00% + regular annual rate adjustment
   Effective July 1, 2024 = 15.00% + regular annual rate adjustment

6. Athens will institute discounted organic rates for all bin customers upon effective date of Amendment (see Option 1, Item 3 above).

7. The contract rolling term will be modified from a 7-year rolling term to a 10-year rolling term.

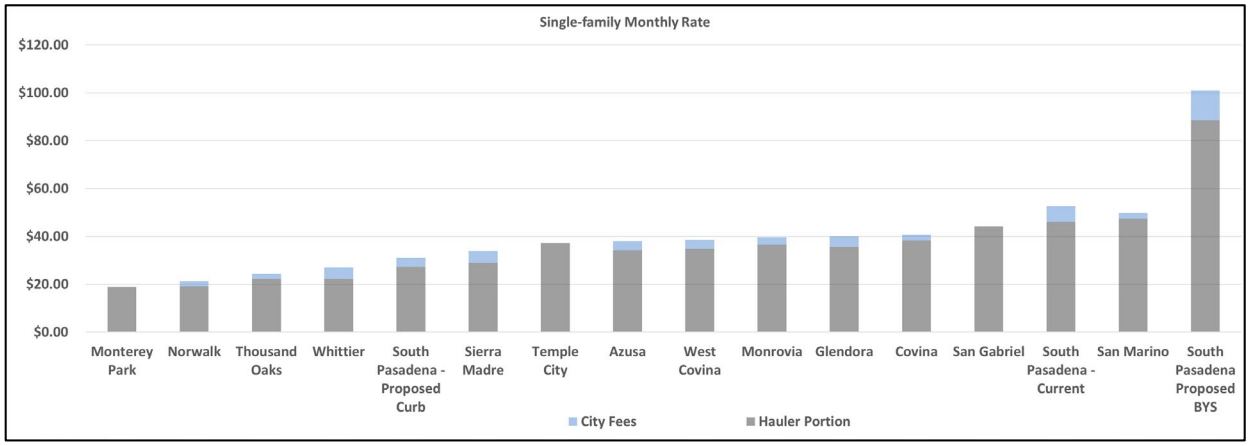
8. During the phase-in period from July 2023 through June 2025, the rolling term shall automatically renew. This is the period in which Athens is providing a rate freeze for the residential BYS rate, and for other rates to be phased-in per #5 & #6 above. The regular renewal features would start again July 1, 2025.

9. The annual rate adjustment formula in the contract will be modified from using the "Consumer Price Index (CPI), All Urban Consumers, Los Angeles/Long Beach/Anaheim area", to using the "CPI for Trash & Garbage Collection, US City Average" + 1% (see the explanation in Option 2, Item 9).

Analysis of Options

The options presented vary in rate, residential service type (BYS v. Curbside), commercial organics recycling implementation, types of fleet vehicles, Agreement term length, CPI index, and added features.

A rate survey was completed to determine how the three residential rates proposed in these options compare to those in surrounding cities. The proposed Curbside rate in Option 3 aligns closely with the Curbside rates of most cities. The current BYS rate is at a higher end (reflecting the higher service level), and the proposed BYS rate about doubles the current average rate, as seen in the chart below. Note that the rates of these cities do not reflect their rate changes necessary to account for SB 1383 implementation and will likely be higher than what is shown in the following chart.



The City of South Pasadena is unique in that the entire City is serviced exclusively with Backyard Service, where pick-up trucks equipped with two compartments, collect refuse and recyclable materials in one compartment, and yard and food waste (also called green waste), in the other compartment. Waste is collected from containers supplied by the customer and stored in the customer's backyard. Currently, residents do not need to roll out their refuse containers to the curb for service – they need only ensure the containers are accessible. Curbside Service is more common in other cities and involves the customer rolling out hauler-provided containers to the curb to be collected by a large side-loader truck. Most cities have a curbside service model, while some have a hybrid curbside service and backyard service model for servicing hard-to-service areas such as hillsides and narrow streets.

Options 1 and 2 would keep the backyard service level as-is in the City and no changes would occur in the service type. Option 3 offers switching to curbside service for most of the City, while retaining backyard service for hard-to-service areas. This would affect approximately 700 accounts that are in a "hard to service" area where the streets are too narrow for any type of automated side loader vehicle to navigate. This model would also apply to about 60 multi-family accounts that have five or more units where curbside service would not be realistic for the large number of units and barrels.

The service type affects the number and type of vehicles used. Options 1 and 2 with BYS would require 8 unleaded BYS pick-up trucks and 2 RCNG front loaders (mother trucks). Option 3 would require 2 unleaded BYS pick-up trucks, 1 RCNG front loader, and 3 RCNG side loader trucks. If switched to Curbside, residents would be required to roll their refuse containers to the curb on their specified collection day. However, Athens does offer a 'roll-away' service feature, where the customer can pay an additional fee to have bins returned from the curb by the Athens driver.

Per SB 1383, all refuse containers must be standardized in color and labeling. Currently with the City's BYS, residents use their own containers. Regardless of whether the City chooses to remain with BYS for all (Options 1 and 2) or to switch to Curbside for most and BYS for some (Option 3), the containers used must be changed to fit the required

color and labeling standards. Per the CAP, these containers must be updated by March 2024. It is important to note that Options 1 and 2 do not include the cost of new containers. Option 3 includes the cost of new containers for the Curbside accounts only and does not include the cost of new containers for the hard-to-service areas which will remain BYS.

Community Outreach

To gather information on community preferences and current practices, City staff conducted a survey which was available online and in-person. The survey received 465 responses and showed that respondents were relatively even-split on their preference between BYS and Curbside. The survey also revealed that most residents will move either their containers or vehicles on collection day to ensure accessibility for Athens' crews. See Attachment 5 for complete results of the survey.

Next Steps

Per Council's direction and to ensure compliance with the CAP, staff may conduct the following next steps:

1. Direct staff to conduct additional community outreach in June/July.
2. Return to Council in August/September with a revised draft Agreement with staff recommendation supported by community feedback.
3. Conduct Proposition 218 Public Hearing for rate changes.
4. Per the CAP, implement new collection services by March 1, 2024.

Fiscal Impact

Residential and commercial refuse rates must be adjusted to accommodate the additional organics collection and recycling services required by SB 1383. The rate increases will depend on which proposed option is chosen. Refuse rates are expected to increase regardless of option.

Key Performance Indicators and Strategic Plan

This item is in line with the City's Green Action Plan and Climate Action Plan to divert organics from landfill and to implement the requirements of Senate Bill 1383.

Commission Review and Recommendation

This item was not reviewed by a commission, however, has been discussed by the Athens' Contract Ad Hoc Committee.

Attachments

1. First Amendment to Exclusive Refuse Services Agreement (2017)
2. Current Exclusive Refuse Services Agreement (2000)
3. CalRecycle Corrective Action Plan
4. Table of Athens' Proposed Options for SB1383 Compliance
5. Community Outreach Survey Results

ATTACHMENT 1
First Amendment to Exclusive Refuse Services Agreement (2017)

FIRST AMENDMENT TO
EXCLUSIVE REFUSE SERVICE AGREEMENT

THIS FIRST AMENDMENT TO EXCLUSIVE REFUSE SERVICE AGREEMENT ("***Amendment***") is made and entered into as of November 15, 2017 ("***Amendment Effective Date***"), by and between the City of South Pasadena, a municipal corporation ("***City***"), and Arakelian Enterprises, Inc. dba Athens Services, a California corporation (as successor to South Pasadena Disposal Company) ("***Contractor***").

RECITALS

A. City and Contractor are parties to that certain Exclusive Refuse Service Agreement, dated November 6, 2000 ("***Original Agreement***").

B. The parties desire to amend the Original Agreement to allow Contractor to assume responsibility for all City refuse billing, to update and modify the applicable rate structure including a rate sheet for "optional" services, to add new services for bus stop barrel pick-up and sweeping service/trash pickup for City's Mission Meridian parking structure, add one (1) additional dumpster day per year for a total of two (2) dumpster days for the City, add one (1) free curbside bulk item pick up for all senior accounts, and to provide for a periodic new payment to City as part of the contract amendment. The Original Agreement as amended by this Amendment shall be referred to herein as the "***Refuse Service Agreement***".

TERMS OF AGREEMENT

1. The fourth Recital of the Original Agreement is deleted in its entirety and replaced by the following:

> "WHEREAS, as partial consideration for City to agree to extend the term of the Backyard Service Agreement, Contractor agrees to provide City with Street Sweeping Service (defined below) for the term of the Bin Service Agreement;"

2. The sixth Recital of the Original Agreement is deleted in its entirety and replaced by the following:

> "WHEREAS, City and Contractor agree to amend and restate the Bin Service Agreement and Backyard Service Agreement to memorialize, in one document, the parties' agreements for (i) Bin Service, (ii) Backyard Service, (iii) Street Sweeping Service, (iv) Bus Stop Barrel Pick-Up, and (v) City Garage Sweeping Service for City and its residents and businesses ("Refuse Service Agreement"); and"

3. A new Section I.V. is added as follows:

> "V. "Bus Stop Barrel Pick-Up" shall mean emptying the bus stop trash receptacle(s), supplying the new trash liner and replacing the trash liner. Contractor shall remove any trash outside of the receptacle at the bus stop

and pressure wash as needed. The schedule and locations for Bus Stop Barrel Pick-Up are set forth on Exhibit D attached hereto."

4. A new Section I.W. is added as follows:

"W. "City Garage Sweeping Service" shall mean parking garage sweeping, emptying the three (3) garage trash receptacles, supplying the new trash liner and replacing the trash liner at the City's Mission Meridian parking garage located at 805 Meridian Avenue, South Pasadena, California. Contractor shall remove any trash outside of the receptacles and pressure wash as needed."

5. A new Section I.X. is added as follows:

"X. "Seniors" shall mean a resident sixty-two years of age or older"

6. Section III.I. of the original agreement is deleted in its entirety and replaced by the following:

"I. Provisions of two (2) dumpster days per year (on days determined by the Public Works Director) for collection of bulky items, including, but not limited to, all large or difficult to handle objects such as couches, refrigerators, rugs and carpets, water heaters, washing machines and other items, excluding typical or ordinary Refuse items. Contractor shall also provide no charge curbside pick-up of those bulky items during the dumpster day events for senior citizens' residences within the City, as coordinated by the City; provided, that if pick-ups for any dumpster day event exceed one hundred (100), then the City and Contractor shall negotiate a reasonable charge for such excess pick-ups. In addition to the two (2) dumpster day events, the Contractor shall also provide one (1) curbside bulky pick-up per year for seniors at no charge. The City shall notify the Contractor at lease twenty four (24) hours in advance of scheduling the no charge curbside bulky pickup."

7. A new Section III.M. is added as follows:

"M. Collection, transportation, cleaning, and disposal of Refuse by Bus Stop Barrel Pick-Up at the locations and schedule set forth on Exhibit D at times and days approved by the Public Works Director and at the rates provided herein."

8. A new Section III.N. is added as follows:

"N. Provision of City Garage Sweeping Service shall include sweeping the garage at least one (1) time a week, collecting trash at the three (3) parking garage receptacles at least two (2) times a week or more as the Public Works Director may occasionally determine is necessary, and pressure washing the parking garage at least one (1) time per year at times

and days approved by the Public Works Director Service shall include transportation and disposal of Refuse collected while providing City Garage Sweeping Service."

9. Section V.A. of the Original Agreement is deleted in its entirety and replaced by the following:

"A. The schedule and routes for Refuse collection, Street Sweeping Service, Bus Stop Barrel Pick-Up, and City Garage Sweeping Service shall be subject to reasonable approval of the Public Works Director. Contractor shall prepare and file with the Public Works Director a Refuse collection, Street Sweeping Service, Bus Stop Barrel Pick-Up, and City Garage Sweep Service schedule, together with a complete map of the Refuse collection and Street Sweeping Service districts within City. The Public Works Director shall indicate thereon in an appropriate and easily understandable manner the days on which Refuse collection, Street Sweeping Service, Bus Stop Barrel Pick-Up, and City Garage Sweeping Service shall be made."

10. Section V.B. of the Original Agreement is deleted in its entirety and replaced by the following:

"B. The Refuse collection, Street Sweeping Service, Bus Stop Barrel Pick-Up, and City Garage Sweeping Service routes and schedule shall be approved by the Public Works Director."

11. Section VII.A. of the Original Agreement is deleted in its entirety and replaced by the following:

"A. As of the Amendment Effective Date and until June 30, 2018, the rates charged and/or received by Contractor for all services provided pursuant to this Refuse Service Agreement shall be as set forth on Exhibit A hereto; provided, that City retains the unilateral right to reduce or increase the AB 939 authorized fee charged by City; and provided, further, that such fee shall be remitted in full to City and such receipts shall not be included in the gross receipts calculations for Contractor. Commencing on July 1, 2018, and on each July 1 thereafter, the rates shall be adjusted as provided in Section VII.C."

12. Section VII.G. of the Original Agreement is deleted in its entirety and replaced by the following:

"G. Contractor shall bill Customers quarterly in advance for all Bin Service, Backyard Service, and Special Services. Contractor shall charge (1) a franchise fee for this Refuse Service Agreement of nine and four-tenths percent (9.4%), and (2) a billing fee of three percent (3%), of the gross receipts Contractor collects for Bin Service, Backyard Service, and Special Services payments during the preceding month, pursuant to

this Refuse Service Agreement; provided, that the amounts collected as Contractor's recycling rate and Green Waste rate shall not be included as part of the gross receipts upon which the franchise fee and billing fee are based."

13. A new Section VII.H. is added as follows:

"H. On the first business day of each month, the Contractor shall bill the City the applicable charges, as provided in Exhibit A, for Bus Stop Barrel Pick-Up and City Garage Sweeping Service rendered during the preceding month. The City shall remit payment within forty-five (45) days from the City approved invoice."

14. Section VIII.A. of the Original Agreement is deleted in its entirety and replaced by the following:

"A. For the entire term of this Refuse Service Agreement, on or before the last business day of each month, City shall receive, as a franchise fee for this Refuse Service Agreement, nine and four-tenths percent (9.4%) of the gross receipts Contractor collects for Bin Service, Backyard Service, and Special Services payments during the preceding month, pursuant to this Refuse Service Agreement; provided, that the amounts collected as Contractor's recycling rate and Green Waste rate shall not be included as part of the gross receipts upon which the franchise fee is based."

15. Section VIII.B. of the Original Agreement is deleted in its entirety and replaced by the following:

"B. For the entire term of this Refuse Service Agreement, on or before the last business day of each month, the City shall receive an administrative fee of one and one-half percent (1.5%) of the gross receipts Contractor collects for Bin Service, Backyard Service, and Special Services during the preceding month, pursuant to this Refuse Service Agreement; provided, that the amounts collected as Contractor's recycling rate and Green Waste rate shall not be included as part of the gross receipts upon which the franchise fee is based."

16. A new Section VIII.D is added as follows:

"D. Commencing on the Amendment Effective Date, and on each seventh anniversary of the Amendment Effective Date thereafter, provided neither party has given notice of termination as provided in Section VI, City shall receive a fee of Sixty-Five Thousand Dollars and Zero Cents ($65,000.00) to be used toward facilitating refuse handling operations at the City Yard. Each lump sum fee shall be adjusted in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price Index for All Urban Consumers, Los Angeles-Riverside-Orange County area ("CPI"), for the seven (7) previous

twelve-month periods (May through April), or an equivalent index approved by mutual agreement in the event the CPI as described above is no longer published. Upon any notice of termination as provided in Section VI, this Section VIII.D. shall be of no further force or effect and Contractor shall not be obligated to pay any further fees under this Section VIII.D."

17. A new Section XVII.D is added as follows:

"D. Contractor shall maintain financial statements and other relevant information consistent with generally accepted business practices regarding the operation of Contractor's waste collection business. The City retains the right, upon reasonable notice, to inspect and audit Contractor's financial statements and records with respect to services provided pursuant to this Agreement to confirm compliance and the calculation of rates pursuant to Section VII (Rates and Billing), Section VIII (Franchise Fee) and Exhibit B (Rate Increase Formula). The parties acknowledge and agree that Contractor's financial information and records constitute proprietary information and trade secrets of Contractor. All financial information provided to City shall be held strictly confidential and not publicly disclosed, to the maximum extent permitted by law, and City shall use its best efforts to prevent any such disclosure."

18. Section XXII.D. of the Original Agreement is deleted in its entirety and replaced by the following:

Unless a party notifies, in writing, the other party of a change of address any notice required to be given under this Refuse Service Agreement shall be given by placing such notice in the United States mail, postage prepaid, addressed as noted below:

If to City:

City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
Attn: Stephanie DeWolfe, City Manager

If to Contractor:

Athens Services
P.O. Box 60009
City of Industry, CA 90071-3301
Attn: Gary M. Clifford II,
Executive Vice President

With courtesy copy to:

Teresa L. Highsmith, Esq.
South Pasadena City Attorney
Colantuono, Highsmith & Whatley, PC
790 E. Colorado Blvd., Ste 850
Pasadena, CA 91101

19. Exhibit A of the Original Agreement is deleted in its entirety and replaced by Exhibit A attached hereto and incorporated herein by reference.

20. Exhibit B of the Original Agreement is deleted in its entirety and replaced by Exhibit B attached hereto and incorporated herein by reference.

21. A new Exhibit, Exhibit D, entitled Bus Stop Barrel Pick-up Locations and Schedule, is added to the Refuse Service Agreement, attached hereto and incorporated herein by reference.

22. This Refuse Service Agreement shall be governed by, and construed, interpreted and enforced in accordance with, the laws of the State of California without regard to any conflict of laws provision that would apply the laws of any other jurisdiction.

23. Except as modified herein, either expressly or by necessary implication, the terms and conditions of the Original Agreement shall remain in full force and effect.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and attested by their respective officers duly authorized as of the Amendment Effective Date first written above, regardless of the actual date of execution by the parties.

Dated: November 15, 2017

"City"
City of South Pasadena

By: _____
Signature

Printed: STEPHANIE DEWOLFE

Title: CITY MANAGER

Date: 11/15/2017

"Contractor"
Arakelian Enterprises, Inc.
dba Athens Services,
a California corporation

By: _____
Signature

Printed: GARY M CLIFFORD II

Title: EXECUTIVE VICE PRESIDENT

Date: 11-14-2017

Attest:

By: _____
Evelyn G. Zneimer, City Clerk

Date: 11/15/2017

Approved as to form:

By: _____
Teresa L. Highsmith, City Attorney

Date: 11/15/2017

[***Signature Page for First Amendment to Exclusive Refuse Service Agreement***]

EXHIBIT A

SCHEDULE OF RATE CALCULATIONS, EFFECTIVE NOVEMBER 15, 2017

EXHIBIT A
CITY OF SOUTH PASADENA
SCHEDULE OF RATE CALCULATIONS
EFFECTIVE NOVEMBER 15, 2017

SERVICE	OPERATIONS COMPONENT	DISPOSAL COMPONENT	NEW NET RATE TO CONTRACTOR	3% BILLING FEE	9.4% FRANCHISE FEE	RECYCLE RATE	TOTAL RATE
REGULAR SERVICES							
STANDARD	25.05	7.52	32.57	1.12	3.49	3.17	40.35
YARD WASTE	3.61	0.00	3.61	0.00	0.00	0.00	3.61
MULTI UNITS 1X							
2	40.01	9.98	49.99	1.71	5.36	3.17	60.24
3	48.61	12.22	60.83	2.08	6.53	3.17	72.61
4	57.20	14.39	71.59	2.45	7.68	3.17	84.90
5	65.65	16.57	82.22	2.82	8.82	3.17	97.03
6	71.48	17.97	89.45	3.06	9.60	3.17	105.28
7	76.20	19.19	95.39	3.27	10.24	3.17	112.06
8	81.00	20.33	101.33	3.47	10.87	3.17	118.85
9	85.82	21.57	107.39	3.68	11.52	3.17	125.76
10	90.57	22.76	113.33	3.88	12.16	3.17	132.54
11	95.40	23.99	119.39	4.09	12.81	3.17	139.46
12	100.11	25.14	125.25	4.29	13.44	3.17	146.15
MULTI UNITS 2X							
6	119.99	30.12	150.11	5.14	16.11	3.17	174.53
7	125.37	31.48	156.85	5.37	16.83	3.17	182.22
8	130.72	32.83	163.55	5.60	17.55	3.17	189.87
9	136.06	34.15	170.21	5.83	18.26	3.17	197.48
10	141.40	35.55	176.95	6.06	18.99	3.17	205.17
11	146.75	36.91	183.66	6.29	19.71	3.17	212.83
12	152.11	38.18	190.29	6.52	20.42	3.17	220.40
13+ ADD PER UNIT							
1X	8.05	2.05	10.10	0.35	1.08	0.00	11.53
2X	12.07	3.08	15.15	0.52	1.63	0.00	17.29
3X	16.14	4.04	20.18	0.69	2.17	0.00	23.04
4X	20.20	5.02	25.22	0.86	2.71	0.00	28.79
BIN RENTAL							
3 YARD	28.52	7.19	35.71	1.22	3.83	0.00	40.76
1.5 YARD	14.30	3.55	17.85	0.61	1.92	0.00	20.38
COMMERCIAL 3YD							
1X	90.07	44.20	134.27	4.60	14.41	3.17	156.45
2X	105.79	88.40	194.19	6.65	20.84	3.17	224.85
3X	121.37	132.63	254.00	8.70	27.26	3.17	293.13
4X	144.43	176.85	321.28	11.00	34.48	3.17	369.93
5X	171.29	221.04	392.33	13.44	42.10	3.17	451.04
6X	186.99	265.26	452.25	15.49	48.53	3.17	519.44
7X	202.71	309.39	512.10	17.54	54.95	3.17	587.76
COMMERCIAL 1.5YD							
1X	59.96	22.07	82.03	2.81	8.80	3.17	96.81
2X	108.68	44.15	152.83	5.23	16.40	3.17	177.64
3X	135.13	66.25	201.38	6.90	21.61	3.17	233.06
4X	161.50	88.36	249.86	8.56	26.81	3.17	288.40
5X	187.98	110.47	298.45	10.22	32.03	3.17	343.87
6X	214.40	132.50	346.90	11.88	37.22	3.17	399.18
MINIMUM COMMERCIAL	40.16	10.04	50.20	1.72	5.39	3.17	60.48
ROLL OFF	207.07	0.00	207.07	7.09	22.22	3.17	239.55

EXHIBIT A
CITY OF SOUTH PASADENA
SCHEDULE OF RATE CALCULATIONS
EFFECTIVE NOVEMBER 15, 2017

SERVICE	OPERATIONS COMPONENT	DISPOSAL COMPONENT	NEW NET RATE TO CONTRACTOR	3% BILLING FEE	9.4% FRANCHISE FEE	RECYCLE RATE	TOTAL RATE
OPTIONAL & OTHER SERVICES							
COMMERCIAL							
Bulky Item Pickup - first item	25.00	0.00	25.00	0.86	2.68	0.00	28.54
Bulky Item Pickup - each additional item	15.00	0.00	15.00	0.51	1.61	0.00	17.12
3 Yard Temporary Bin	135.00	0.00	135.00	4.62	14.49	0.00	154.11
3 Yard Temporary Bin - extra dump	70.00	0.00	70.00	2.40	7.51	0.00	79.91
3 Yard Temporary Bin - per day over 7 days	17.00	0.00	17.00	0.58	1.82	0.00	19.41
Lock Lids	12.00	0.00	12.00	0.41	1.29	0.00	13.70
Declined Payment Charge	25.00	0.00	25.00	0.86	2.68	0.00	28.54
Stop Service Charge	25.00	0.00	25.00	0.86	2.68	0.00	28.54
Reactivation Charge	25.00	0.00	25.00	0.86	2.68	0.00	28.54
Priority Emergency Service	165.00	0.00	165.00	5.65	17.71	0.00	188.36
Commercial Bin Wash/Clean Out Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Pressure Washing/Steam Cleaning Enclosures (per hour)	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Bin Overflow Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Bin Overweight Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Permanent Bin Extra Dump Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Bin Dead Run Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Bin Go Back Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Bin Delivery Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Bin Exchange Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Bin Bring-in Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Storage Box Rental	150.00	0.00	150.00	5.14	16.10	0.00	171.23
RESIDENTIAL							
Residential Bulky Pickup (in addition to annual events)	25.00	0.00	25.00	0.86	2.68	0.00	28.54
Residential Bulky Pickup - each additional item	15.00	0.00	15.00	0.51	1.61	0.00	17.12
Residential E-Waste Pick-up	30.00	0.00	30.00	1.03	3.22	0.00	34.25
Declined Payment Charge	25.00	0.00	25.00	0.86	2.68	0.00	28.54
Stop Service Charge (excludes vacation hold with notice)	25.00	0.00	25.00	0.86	2.68	0.00	28.54
Reactivation Charge (excludes vacation hold with notice)	25.00	0.00	25.00	0.86	2.68	0.00	28.54
Priority Emergency Service	165.00	0.00	165.00	5.65	17.71	0.00	188.36
Residential Bin Cleaning Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Residential Bin Overflow Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Residential Bin Overweight Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Residential Bin Extra Dump Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Residential Bin Dead Run Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Residential Bin Go Back Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Residential Bin Delivery Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Residential Bin Exchange Charge	50.00	0.00	50.00	1.71	5.37	0.00	57.08
Residential Bin Push-out Charge	25.00	0.00	25.00	0.86	2.68	0.00	28.54
ORGANICS							
Primary 32 Gallon Organics Barrel							
1X	104.54	0.00	104.54	3.58	11.22	0.00	119.34
2X	182.51	0.00	182.51	6.25	19.58	0.00	208.34
3X	260.49	0.00	260.49	8.92	27.95	0.00	297.36
4X	338.47	0.00	338.47	11.59	36.32	0.00	386.38
5X	416.45	0.00	416.45	14.26	44.69	0.00	475.40
6X	494.43	0.00	494.43	16.93	53.06	0.00	564.42
Additional 32 Gallon Organics Barrel							
1X	88.63	0.00	88.63	3.04	9.51	0.00	101.18
2X	155.20	0.00	155.20	5.32	16.65	0.00	177.17
3X	221.79	0.00	221.79	7.60	23.80	0.00	253.18
4X	288.36	0.00	288.36	9.88	30.94	0.00	329.18
5X	354.95	0.00	354.95	12.16	38.09	0.00	405.19
6X	366.54	0.00	366.54	12.55	39.33	0.00	418.42
Organics Compactor Haul Rate	197.81	0.00	197.81	6.77	21.23	0.00	225.81
Organics Compactor Disposal/Ton Rate	100.00	0.00	100.00	3.42	10.73	0.00	114.16
CITY SERVICES							
City Garage Sweeping Service	750.00	0.00	750.00	0.00	0.00	0.00	750.00
Bus Stop Barrel Pick-up	2000.00	0.00	2000.00	0.00	0.00	0.00	2000.00

EXHIBIT B

RATE INCREASE FORMULA

Each of the rates provided by this Agreement consists of an Operations Components and a Disposal Components.

The Operations Components includes the costs of collection of all Refuse, including Recyclable Materials and Green Waste for all customers described in SECTION III according to the terms set forth in this Agreement. Also included in the Operations Components are the costs to haul all Refuse, including Recyclable Materials, to the MRF and to haul all Green Waste to a disposal site. The Operations Component includes the rates for Street Sweeping Services, Bus Stop Barrel Pick-up, and City Garage Sweeping Service.

The Disposal Components shall be based on the per ton costs incurred by Contractor for disposal and processing of all Refuse, including Recyclable Materials at the Contractor's MRF (which costs are defined on a per ton basis as the "MRF Gate Fee") and for its disposal of Green Waste at a disposal site.

Rate Adjustment Formula

The Operations Component is to be adjusted in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price Index ("CPI") for the immediately previous twelve month period (May through April) for All Urban consumers in the Los Angles/Anaheim/Riverside area, or an equivalent index approved by mutual agreement in the event the CPI as described above is no longer published.

The Disposal Components is to be adjusted in proportion to the increase or decrease in disposal cost as determined by the percentage change in the MRF Gate Fee or the tipping fee for Green Waste. Contractor agrees that it will not be entitled to any increase in the Disposal Cost Components due to an increase in the MRF Gate Fee other than due to the occurrence of one or more of the following: (1) an adjustment in the non-disposal portion of the MRF Gate Fee directly proportional to the percentage change in the CPI, as described above; and (2) an increase in the tipping fee for residue from the MRF at the disposal sites used by Contractor which comply with Section III.G. The Disposal Component adjustment shall not exceed the percentage change in CPI, as described above; provided, however, that if Contractor uses a disposal site other than the San Bernardino County landfill system subject to City approval, then increases or decreases in the tipping fee portion of the Disposal Component for such alternate disposal site may be adjusted in excess of the percentage change in CPI.

Special Rate Adjustment

Notwithstanding the preceding, as changes occur in the costs incurred by Contractor for collection, processing, and disposal of Organic Waste (as defined in Chapter 12.9 (commencing with Section 42649.8) of Part 3 of Division 30 of the Public Resources Code, sometimes commonly referred to as AB 1826), Contractor and City shall meet and confer in good faith regarding an equitable adjustment to the rates for Organics Services, as reflected in Exhibit A.

In the event circumstances beyond the control of Contractor impose or generate extraordinary cost in the performance of the Agreement, Contractor may petition City to determine if an adjustment in compensation is warranted to avoid undue financial hardship on Contractor. For each request, Contractor shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate of extraordinary costs. City shall review Contractor's request and, in City's sole judgment, make the final determination on the adjustment, provide, however, that approval of such request not be unreasonably withheld.

EXHIBIT D

BUS STOP BARREL PICK-UP LOCATIONS AND SCHEDULE

Location	NB	SB	WB	EB	Schedule
	BSB	BSB	BSB	BSB	
Mission Street					
Grand Avenue	-	-	1	-	M W F
Adelaine Avenue	-	-	-	1	M W F
Orange Grove Avenue	-	-	1	1	M W F
Meridian Avenue	-	-	-	1	M W F
Fremont Avenue	-	-	1	1	M W F
Fair Oaks Avenue	-	-	1	1	M W F
Park Avenue	-	-	1	1	M W F
Milan Avenue	-	-	1	-	M W F
Garfield Avenue	-	-	1	1	M W F
Huntington Drive					
Alhambra Road	1	-	-	-	M W F
Maple Street	1	1	-	-	M W F
Fremont Avenue	-	-	1	1	M W F
Primrose Avenue	-	-	1	1	M W F
Marengo Avenue	-	-	1	1	M W F
Fletcher Avenue	-	-	1	1	M W F
Court Avenue	-	-	1	1	M W F
Fair Oaks Avenue					
Oxley Street	-	1	-	-	M W F
Columbia Street	1	1	-	-	M W F
State Street	1	1	-	-	M W F
Mission Street	-	-	-	-	M W F
Monterey Road	1	1	-	-	M W F
Rollin Street	1	1	-	-	M W F
Spruce Street	1	1	-	-	M W F
Garfield Avenue					
Monterey Road	-	-	-	-	T Th
Oak Street	-	1	-	-	T Th

Location	NB	SB	WB	EB	Schedule
	BSB	BSB	BSB	BSB	
Fremont Avenue					
Oneonta Knoll Street	-	1	-	-	T Th
Maple Street	1	1	-	-	T Th
Pasadena Avenue					
Sycamore Avenue	-	-	1	1	T Th
Arroyo Drive	-	-	1	1	T Th
Hawthorne Street	1	1	-	-	T Th
El Centro Street	1	1	-	-	T Th
Mission Street	1	1	-	-	T Th
Hill Drive					
Collis Avenue	-	-	-	1	T Th
Total	**11**	**13**	**14**	**15**	

Mission Meridian Parking Garage Sweeping and Trash Pick up

Sweep the Parking Garage	1 day per week
Empty three (3) trash cans	2 days per week (T and F)
Pressure wash the parking garage	1 time per year

Abbreviations

BSB - Bus Stop Barrel	EB - Eastbound	W - Wednesday
NB - Northbound	M - Monday	Th - Thursday
SB - Southbound	T - Tuesday	F - Friday
WB - Westbound		

ATTACHMENT 2
Current Exclusive Refuse Services Agreement (2000)

EXCLUSIVE REFUSE SERVICE AGREEMENT

This Agreement is made and entered into by and between the CITY OF SOUTH PASADENA, a municipal corporation ("City") and ARAKELIAN ENTERPRISES, INC. (dba Athens Services), a California corporation (as successor to South Pasadena Disposal Company) ("Contractor").

WHEREAS, City and Contractor are parties to that certain agreement dated November 6, 1996 whereby Contractor provides exclusive Refuse and Recyclable Materials (both defined below) collection, transportation and disposal for Backyard Service (defined below) to single-family residences within City (the "Backyard Service Agreement");

WHEREAS, City and Contractor are parties to that certain agreement dated November 6, 1996 whereby Contractor provides exclusive Refuse and Recyclable Materials collection, transportation and disposal for Bin Service (defined below) to non-residential and multi-residential properties within City (the "Bin Service Agreement");

WHEREAS, pursuant to the Backyard Service Agreement, City gave Contractor notice of City's intent to terminate that agreement;

WHEREAS, as partial consideration for City to agree to extend the term of the Backyard Service Agreement, Contractor agrees to provide City with Street Sweeping Service (defined below), at no charge, for the term of the Bin Service Agreement;

WHEREAS, City agrees to extend the term for Contractor to provide exclusive Backyard Service to the affected residents;

WHEREAS, City and Contractor agree to amend and restate the Bin Service Agreement and Backyard Service Agreement to memorialize, in one document, the parties' agreements for (i) Bin Service, (ii) Backyard Service and (iii) Street Sweeping Service for City and its residents and businesses ("Refuse Service Agreement"); and

WHEREAS, pursuant to this Refuse Services Agreement, Contractor shall have the sole right to collect, transport and dispose of all residential and non-residential Refuse and responsibility to sweep all public streets in City in accordance with the terms and conditions of this Refuse Service Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Refuse Service Agreement City and Contractor do hereby agree as follows:

I. DEFINITIONS

A. "Backyard Service" shall mean collection of Refuse, Recyclable Materials (defined below) and Green Waste (defined below) (not exceeding two hundred twenty (220) gallons per Customer per week) from containers supplied by that Customer (defined below) and stored in, and returned to, that Customer's backyard (or particular substitute location mutually and reasonably agreed to among Contractor, the Public Works Director (defined below) and that Customer, but in no event in the City's public right-of-way) for (i) single-family, two-family, three-family and four-family residential properties, and (ii) subject to the reasonable agreement of Contractor and that Customer, other multi-family residential properties.

B. "Bin Service" shall mean collection of Refuse, Recyclable Materials and Green Waste from bins or roll-off containers supplied by Contractor and stored by the Customer in a location reasonably accepted by Contractor, the Public Works Director and any Customer within City not utilizing Backyard Service (but in no event in the City's public right-of-way).

C. "Bin" shall mean a container (1.5 or 3 cubic yard capacity) provided by Contractor for the deposit and collection of Refuse, Recyclable Materials and Green Waste typically found at commercial and multi-residential properties.

D. "Chief of Police" shall mean City's Chief of Police, or the authorized designee.

E. "City Manager" shall mean City's City Manager, or the authorized designee.

F. "City Attorney" shall mean City's City Attorney.

G. "City Council" shall mean City's City Council.

H. "CIWMA" shall mean the California Integrated Waste Management Act of 1989, as it may be amended from time to time (sometimes commonly referred to as AB 939).

I. "CIWMB" shall mean the California Integrated Waste Management Board and any successor agency.

J. "Compost" shall mean the product resulting from the controlled biological decomposition of organic wastes, either source separated from Refuse, or separated at a centralized facility, and may include vegetables, food, paper and yard and wood wastes, none of which are Hazardous Waste (defined below).

K. "Customer" shall mean any individual, person or organization, utilizing and paying for Contractor's Refuse collection service within the City.

L. "Green Waste" shall mean Refuse which is typically produced by, but not limited to, lawn trimmings, discarded yard plants, pruned branches of trees and bushes and fallen or green leaves or wood waste, all of which is not Hazardous Waste (defined below); provided, it shall not include those materials which are not appropriate for Compost (such as tree trunks, more than four inches (4") in diameter or four feet (4') in length, or palm fronds).

M. "Hazardous Waste" shall mean a waste or combination of wastes defined as a hazardous waste or hazardous substance under any federal or state law, regulation or rule, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*), as amended ("CERCLA") or the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), as amended ("RCRA").

N. "Materials Recovery Facility" ("MRF") shall mean a materials recovery facility used for purposes of recycling materials.

O. "Public Works Director" shall mean City's Director of Public Works or the authorized designee.

P. "Recyclable Materials" shall mean Refuse, including demolition and construction wastes, which can be or has been separated from Refuse and can be returned to the economic mainstream in the form of raw material for new, reused or reconstituted products which meet the quality standards necessary to be used in the marketplace.

Q. "Refuse" shall mean all putrescible and non-putrescible solid and semi-solid wastes, including, but not limited to, garbage, trash, paper, rubbish, ashes, industrial wastes, demolition and construction wastes and other discarded solid and semi-solid wastes; provided, that low-level radioactive waste regulated by the California Health and Safety Code (commencing with § 25800) and Hazardous Waste shall not be included in this definition.

R. "South Pasadena Municipal Code" ("SPMC") shall mean the laws, rules and regulations of the City.

S. "Special Services" shall mean any Refuse collection, transportation and disposal services provided by Contractor to a Customer, other than regular service provided hereunder.

T. "Street Sweeping Service" shall mean regular and emergency (such as after major storms and no more than twelve (12) traffic accidents per calendar year) mechanical cleaning of Refuse, soil, sand, leaves and other plant material and standing water from City's vehicular travel-ways, including public streets, alleys and parking lots, to a level of reasonable quality typical to the community, which complies with applicable storm water discharge, local Air Quality Management District, and all other applicable State and Federal, rules and regulations.

U. "Tipping Fees" shall mean the costs or charges imposed by a properly permitted disposal site, and Contractor's MRF, for dumping or processing of Refuse or Recyclable Materials at the site or facility.

II. EXCLUSIVE FRANCHISE

A. Grant of Franchise. Subject to the SPMC, as amended, California Public Resources Code section 40059 (a) (1), applicable State and Federal laws, rules and regulations, as well as provisions, hereof, this Refuse Service Agreement grants to Contractor an exclusive right for collection, MRF processing, transportation and disposal of discarded Refuse, Recyclable Materials and Green Waste within City; provided, that any person may donate, sell or otherwise dispose of Recyclable Materials or other materials of monetary value that person produces, subject to applicable Federal and State laws, rules and regulations.

B. Franchise Area. This Refuse Service Agreement applies to all property within the jurisdictional boundary of City.

C. Acceptance; Waiver. With the exception of this Refuse Services Agreement, City and Contractor agree to the mutual termination of all previous agreements between the parties and their predecessors relating to Refuse, Recyclable and Green Waste collection, transportation and disposal, including, but not limited to, the Backyard Service Agreement and the Bin Service Agreement.

D. Amortization of Existing Licensed, Non-franchised Refuse Haulers. City and Contractor acknowledge City has notified, pursuant to Public Resources Code section 49520, the licensed non-franchised Refuse haulers, which operated within City on November 6, 1996, Contractor is City's exclusive Refuse collection franchisee. The five-year amortization period provided by section 49520 ends on March 27, 2002.

III. SCOPE OF WORK

In exchange for the compensation described in Article VII, hereof, Contractor shall provide all labor, materials, equipment and services, and pay all costs it incurs in performing the same, for:

A. Collection, transportation and disposal of Refuse by Backyard Service from the premises, described in I.A., above, in the City, at the regularly scheduled intervals reasonably agreed to by Contractor and the Public Works Director, but no less than once a week, and at the rates provided herein;

B. Collection, transportation and disposal of Refuse from premises within City for those Customers who do not receive Backyard Service, by regularly scheduled Bin Service as reasonably agreed to by Contractor and Customer (subject to Article IV of this Refuse Service Agreement), but no less than once a week and, at the rates provided herein;

C. Separation of all Refuse collected by Contractor within City at Contractor's MRF; provided, that Customer shall be required to separate and store, at the same location as the containers used for Backyard Service or Bin Service, whichever is applicable, only Green Waste from other Refuse; provided, that materials which are not able to be processed for inclusion as compost material (*i.e.*, trunks, more than four inches (4") in diameter and four feet (4") in length, or palm fronds) are not to be separated from other Refuse by the Customer;

D. Provision of Street Sweeping Service within City at least once every other week, at times and days approved by the Public Works Director, and transportation and disposal of Refuse collected while providing Street Sweeping Service;

E. Collection, transportation and disposal of all Refuse produced by City at any of City's public facilities; provided, that City shall be required to separate and store, at the same location as the containers used for Refuse only Green Waste from other Refuse;

F. Payment of City's cost for preparation and filing of CIWMA, as amended, reports and waste generation studies and adjustments to base year calculations; provided, that (i) City shall hire a consultant to prepare such reports and studies, (ii) City shall file the reports and (iii) City and Contractor shall reasonably cooperate to determine the content of the reports and studies;

G. Disposal of residual Refuse (that remaining after MRF processing at Contractor's MRF) collected within the City at a landfill or transformation facility permitted by the CIWMB reasonably approved by the Public Works Director and the overall cost for such facility, including fees and transportation costs, shall be no more than the lowest cost incurred to transport and dispose of Refuse at another available CIWMB permitted facility;

H. Provision of free Christmas tree collection for all residential properties, including multi-family dwellings;

I. Provision of one annual dumpster day (on a date reasonably determined by the City Manager) for collection of bulky items, including, but not limited to, all large or difficult to handle objects such as couches, refrigerators, rugs and carpets, water heaters, washing machines and other items, excluding typical or ordinary Refuse items. Contractor shall also provide free pick-up of those items from senior citizens' residences within City, as coordinated by City; provided, that if pick-ups for any annual dumpster day exceed one hundred (100), then City and Contractor shall negotiate a reasonable charge for such excess pick-ups;

J. Provision of community outreach programs to educate Customers about the importance of recycling and proper Hazardous Waste disposal and other waste management issues. These programs shall consist of, but not be limited to, production and printing of flyers, brochures, posters and inserts to be included in City's newsletter, speaking to service clubs and elementary schools, and other educational programs deemed necessary to carry out this program. All printed material shall be reviewed and approved by the Public Works Director prior to distribution;

K. Provision of collection, transportation and disposal of Refuse for City's Fourth of July celebration and ten (10) other special events, such as concerts in the park, farmer's market (provided the market is operated by the City or a non-profit corporation) and other community celebrations; and

L. Provision, at no extra cost to Customer, of collection, transportation and disposal of Green Waste generated by Customer through regular gardening and yard maintenance and minor tree and bush trimming, subject to the two hundred twenty (220) gallon limit.

Notwithstanding any of the forgoing, Contractor shall not be required to remove building materials and other Refuse materials from the construction, alteration, repair, moving or demolition of buildings, in the ordinary course of the Customer's regular Refuse collection. Customer will be required to enter into separate collection arrangements with Contractor for the collection of such materials; provided, that Customers may put out such materials for collection by Contractor if the alteration or repair work is minor in nature and is performed individually by Customer; provided, further, that such materials meet the volume and weight restrictions applicable to regular collection of Refuse.

IV. COLLECTIONS HOURS AND DAYS

The collection of Refuse shall only occur between the hours of 7:00 a.m. and 5:00 p.m., Monday through Friday and between the hours of 7:00 a.m. and 12:00 p.m., Saturday. If the regular collection day falls on a legal holiday, then Contractor shall collect the Refuse regularly scheduled for that holiday on the next workday following that holiday. The other Customers regularly scheduled for that next workday may also be postponed until the following workday; provided, that Refuse collection may be postponed in this manner as necessary to accommodate the holiday, but in no event shall more than six (6) consecutive collection days be postponed. Collection earlier than 7:00 a.m. may be authorized upon written approval of the City Manager; provided, that Contractor gives written notice to the affected Customers at least ten (10) days prior to the earlier collection. To the extent reasonably possible, collections on each route shall commence at the same point, at the same time and follow the same route each time collections are made. Contractor shall provide sufficient personnel and equipment to complete within one day the collection of all Refuse placed for collection in any mutually agreed upon collection district within City on the given collection day.

V. COLLECTION AND STREET SWEEPING SERVICE ROUTES AND SCHEDULES

A. The schedule and routes for Refuse collection and Street Sweeping Service shall be subject to reasonable approval of the Public Works Director. Contractor shall prepare and file with the Public Works Director a Refuse collection and Street Sweeping Service schedule, together with a complete map of the Refuse collection and Street Sweeping Service districts within City. The Public Works Director shall indicate thereon in an appropriate and easily understandable manner the days on which Refuse collection and Street Sweeping Service shall be made.

B. The Refuse collection and Street Sweeping Service routes and schedule, when approved by the Public Works Director shall be maintained unless changed, in writing, by the parties.

C. Prior to the start of any new Refuse collection or Street Sweeping Service schedule or route, as approved by the Public Works Director, Contractor shall, at Contractor's own expense, provide a written notice to be included, by City, as an insert with regular billings to notify each affected Customer of the day or days of the week on which Refuse shall be collected or streets swept. The notice shall contain the day or days of the week upon which Refuse collections and Street Sweeping Services will be made, the name, address and telephone number of Contractor, and other information and be provided to each Customer affected unit not less than fourteen (14) days prior to the change of any Refuse collection and Street Sweeping Service schedule. Contractor shall also cause the schedule and route of Refuse collection and Street Sweeping Service to be published twice in a responsible newspaper of local circulation once each week for two (2) successive weeks immediately prior to the change in the Refuse collection and Street Sweeping Service schedule or route in a district. The published schedule and route shall

contain the same information as the written notice outlined above, and shall clearly indicate the precise area involved in the change.

D. Contractor shall conduct same day collection of all Refuse collected pursuant to this Refuse Service Agreement, including Green Waste.

VI. TERM

Subject to the notice provisions contained in this Article, this Refuse Service Agreement shall have a term of eleven (11) years, commencing as of November 6, 2000; provided, however, that on November 6, 2004 and on each November 6, thereafter, the term of this Refuse Service Agreement shall be extended one (1) year, so that the full term of this Refuse Service Agreement shall remain seven (7) years. If either party desires this Refuse Service Agreement to terminate, then that party must give ninety (90) days' written notice of its desire for termination to the other party and termination, pursuant to that notice, shall not be effective until seven (7) years after the date of that notice. (For example: (i) if a party desires to terminate this Refuse Service Agreement, then the earliest date that termination can be effective is November 6, 2011 and to be so effective as of that date, written notice of termination must be given to the other party no sooner or later than November 6, 2004 or (ii) if a party does not give notice to terminate until, for example, February 1, 2005, then that termination could not be effective until February 1, 2012.) Thirty (30) days after receipt of a notice of termination, either party may request to meet and confer regarding the termination and any notice of termination shall not be effective, unless the party which sent the notice of termination meets and confers, in good faith at least twice (or provides opportunities to do so), with the other party after the other party's timely request to do so.

VII. RATES AND BILLING

A. As of the effective date of this Refuse Service Agreement and until June 30, 2002, the rates charged for Backyard and Bin Services shall be as set forth on Exhibit A hereto; provided, that City retains the unilateral right to reduce or increase the AB 939 authorized fee charged by City; and provided, further, that such fee shall be retained in full by City and such receipts shall not be included in the gross receipts calculations for Contractor.

B. Subject to Exhibit B, hereto, Contractor may increase, but shall decrease, those rates for the period July 1, 2002 to June 30, 2003.

C. Subject to Exhibit B, hereto, on each July 1, after 2002, until the termination of this Refuse Service Agreement, Contractor may increase, but shall decrease, the rates for each period of July 1 to June 30.

D. Contractor shall not make or grant any preference or advantage to any Customer or potential customer, nor subject any Customer or potential customer, to prejudice or disadvantage with respect to rates, fees, charges, service, facilities, rules, regulations, or any other respect.

E. Special Services shall be charged only based on the list described in F., below.

F. Contractor shall provide, upon request, a complete list of the rates for the various types of services, including Special Services, provided by Contractor, a statement indicating how to file a complaint and how complaints are resolved, as well as the possibilities of recourse available to Customers, the holiday schedule, and any other information necessary to assist residents as reasonably determined by the City Manager.

G. City shall bill for all Bin Service, Backyard Service and Special Services on a bi-monthly basis, as part of the regular utility bill. It is the responsibility of Contractor to inform City of the level of trash service provided to each Customer so City may accurately bill. On the first business day of each month, City shall remit to Contractor an amount equal to the billing for service rendered during the preceding month, minus the applicable franchise fee provided for in Article VIII. The franchise fee shall be calculated by City and deducted from the total amount of billings and an amount equal to the balance shall then be submitted to Contractor. The payments shall be accompanied by a report providing reasonable documentation and support for the payments.

VIII. FRANCHISE FEE

A. For the entire term of this Refuse Service Agreement, City shall retain, as a franchise fee for this Refuse Service Agreement, nine and four-tenths percent (9.4%) of the gross receipts City collects for Bin Service, Backyard Service and Special Services payments, pursuant to this Refuse Service Agreement; provided, that the amounts collected as Contractor's recycling rate and Green Waste rate shall not be included as part of the gross receipts upon which the franchise fee is based.

B. In addition, for processing the Customer's payments, City shall retain three percent (3%) of the gross receipts City collects for Bin Service, Backyard Service and Special Services, pursuant to this Refuse Service Agreement; provided, that the amounts collected as Contractor's recycling rate and Green Waste rate shall not be included as part of the gross receipts upon which the franchise fee is based.

C. In addition, on a quarterly basis (within forty-five (45) days after each quarter), Contractor shall remit (or cause the operator of the MRF at which Contractor deposits Refuse collected within City) to City twenty-five percent (25%) of the net revenue generated from sale of Recyclable Materials collected by Contractor within City. For purposes of this Section, net revenue shall mean gross revenue generated from such sale minus any amounts paid to the users of the Recyclable Materials as incentives to divert materials. Contractor shall, on an annual basis, provide to City a report describing the

quantity of Recyclable Materials, the dollar value of those sold and the net revenue paid to City, and explain the reasons, therefor.

IX. OFFICE, INQUIRIES AND COMPLAINTS

A. Contractor shall maintain a local telephone number and maintain telephone listings in the directories of the telephone companies servicing Customers in the name by which the firm is most commonly known.

B. Contractor shall have at all times during the hours between 7:00 a.m. and 5:00 p.m. Monday through Friday and between 7:00 a.m. through 12:00 p.m. Saturday, an employee at Contractor's office to answer inquiries and to receive complaints; provided, that for holidays and special dumpster days Contractor shall have an employee at Contractor's office to answer inquiries and to receive complaints until collection services are completed.

C. Contractor shall maintain a written record of all complaints received, including the name, address, and telephone number of the customer, a description of the complaints, the time the complaint was received, the action taken in response to the complaint, and the time the responsive action was taken. Contractor shall provide City with a copy of the written log of complaints upon request by the City Manager, upon reasonable advance notice.

D. In the event any Customer reports to the City Manager a complaint or claim, for a damaged container, has not been resolved to the Customer's reasonable satisfaction, the City Manager may require Contractor to present a detailed report outlining the nature of the complaint and remedies proposed or action taken to resolve the complaint or claim. If, in the reasonable opinion of the City Manager, Contractor's remedies proposed and action taken are insufficient to resolve adequately the complaint or claim, then the City Manager may require Contractor to carry-out an alternative reasonable remedy process intended to resolve the complaint or claim. The remedies will be carried out at no cost whatsoever to City, unless otherwise specified by the City Manager.

X. CUSTOMER SERVICE PERFORMANCE STANDARDS

A. The Contractor shall not repeatedly allow Customer service calls to be put on hold for longer than two minutes.

B. Contractor shall not repeatedly allow Customer service calls to ring more than ten times.

C. Contractor's Customer service representatives will treat all customers in a friendly and courteous manner.

D. Contractor's Customer service representatives will be fully knowledgeable about this Refuse Service Agreement and the services provided hereunder.

XI. VEHICLES AND EQUIPMENT

A. All trucks and other equipment used to collect, transport or dispose of Refuse or to provide Street Sweeping Service shall at all times be kept clean, in good repair, and well and uniformly painted, to the reasonable satisfaction of the Public Works Director.

B. Each truck shall be constructed and used so that refuse, oil or grease will not blow, fall or leak out of the truck onto the street. All refuse shall be transported by means of vehicles equipped with water-tight bodies fitted with close fitting metal covers. If any refuse is dropped or spilled in collecting, transferring or transporting, it shall be immediately cleaned up. A broom and shovel shall be carried on each truck at all times for this purpose. If Contractor has not cleaned up such droppings or spill within a reasonable time after receipt of notice of same, then all expenses incurred by City in the collection and disposal of any such spilled or dropped refuse shall be paid to City, on demand, by Contractor.

C. Contractor's name and telephone number shall be painted on each side of the body of each truck. The letters shall be in a color contrasting sharply with the color of the truck, and shall not be less than six inches in height and four inches in width.

D. Upon the City Manager's request, Contractor shall submit to City a copy of the most recent CHP B.I.T. report within ten (10) working days after Contractor has received such report.

E. Each vehicle of three or more axles used for collecting, hauling or disposing of residential and commercial refuse in the City shall be maintained in compliance with the Motor Carrier Safety Regulations set forth in Title 13 of the California Administrative Code, as amended, (Motor Vehicles).

F. The Chief of Police, Public Works Director or City Manager may authorize the removal of any vehicle from service if said vehicle is found to be in noncompliance with the California Vehicle Code. Vehicles shall not be returned to service until duly authorized by the Chief of Police or the Public Works Director.

G. Each vehicle used for collecting, hauling or disposing of refuse shall be equipped with an audible warning device that is activated when the vehicle is backing up.

XII. CONTAINERS

A. All Refuse containers shall be placed upright. Containers shall not be placed or thrown on streets, alleys, highways or adjoining property.

B. Contractor and Contractor's agents or employees shall not cause Refuse containers to be thrown from the truck to the pavement or parkway, or in any other way break or damage or roughly handle the same.

C. Any claim for damage to Backyard Service containers, resulting from misuse or rough handling of the containers by Contractor, shall be presented to Contractor by Customer. Contractor shall make a decision concerning settlement within five (5) business days after receipt of such claim.

XIII. TITLE TO REFUSE

Title to Refuse collected by Contractor shall pass to Contractor at the time Contractor takes physical possession of the Refuse and such title shall pass to the owner/operator of the disposal site where such refuse is deposited.

XIV. LICENSES, MEMBERSHIP AND INSURANCE

A. Contractor shall obtain and keep current all required Federal, State and County solid waste hauler permits and licenses.

B. Contractor shall maintain a valid City business license.

C. Contractor must maintain an active Chamber of Commerce membership.

D. Contractor shall, at all times during the term of this Refuse Service Agreement, obtain, and maintain in full force and effect, at its own expense, a valid and unexpired policy of public liability and property damage insurance and comprehensive automobile liability, including coverage of City, its officers, boards, commissioners, agents and employees, as additional insureds, with a California licensed company rated A- or better, protecting City and all persons against liability for loss or damage for personal injury, death and property damage, occasioned by the operations of Contractor under this Refuse Service Agreement with a minimum of not less than Ten Million Dollars ($10,000,000); provided, that, at Contractor's sole discretion such coverage may be provided through a commercial umbrella liability policy with the same terms, definitions, conditions and exclusions as the underlying comprehensive general liability policy of at least Two Million Dollars ($2,000,000) and comprehensive auto liability policy of at least One Million Dollars ($1,000,000) and with no broader coverage than the underlying policies. Such policies shall be endorsed as set forth in Exhibit C. Failure to file or maintain the policy(ies) of insurance shall be deemed a breach of the Agreement, and shall be grounds for termination of this Refuse Service Agreement by City if the policy is not provided

within thirty (30) days after notice from City to Contractor of Contractor's failure to comply with this subsection.

E. Contractor shall at all times keep fully insured, at Contractor's own expense, all persons employed by Contractor in connection with the performance of this Agreement as required by the provisions of the Labor Code of the State of California relating to Workers' Compensation Insurance and shall defend, indemnify and hold harmless, City from all liability arising by reason of injuries of any employee of Contractor incurred in the course of employment hereunder.

XV. INDEMNIFICATION

A. In consideration of the terms and provisions of this Refuse Service Agreement, Contractor hereby agrees to, and hereby does relieve, release, indemnify, defend, hold harmless and forever discharge City and its officers, agents, employees, servants, insurers, successors, heirs and each of them ("Indemnitees"), from any and all claims, rights, debts, liabilities, demands, obligations, liens, promises, acts, agreements, costs and expenses (including but not limited to, attorneys' fees and costs), damages, actions and causes of action (collectively, "Claim") arising from Contractor's services pursuant to this Refuse Service Agreement, excluding only such matters which arise from City's sole negligence or willful acts or omissions; provided, that Indemnitees shall be defended, indemnified and held harmless from any Claims related to Hazardous Waste or federal or state environmental laws, rules or regulations, exclusively, pursuant to subsections B. and C., below.

B. In addition, Contractor shall indemnify, defend and hold harmless Indemnitees from and against any and all claims, fines, rights, debts, liabilities, demands, obligations, liens, promises, acts, agreements, costs and expenses (including but not limited to, attorneys' fees and costs), damages, actions and causes of action and administrative proceedings arising from the handling of Hazardous Waste from the time it is collected by Contractor until the time it is validly deposited by Contractor at an appropriate disposal site. The parties acknowledge and agree this subsection may be affected by subsection (e) of § 9607 of CERCLA and § 25364 of the California Health and Safety Code

C. In addition, Contractor shall indemnify, defend and hold harmless City from and against any and all fines imposed by CIWMB arising from City's failure to meet landfill diversion requirements of AB 939, or substantially similar legislative enactments by the State of California, which do not mandate landfill diversion of more than fifty percent (50%) from the base year. Contractor agrees this subsection applies to the entire waste stream for which City is accountable by the CIWMB and not just that portion of that waste stream processed by Contractor, pursuant to this Agreement. In the event CIWMB provides an administrative process to challenge the imposition of a compliance order or a fine or fines, Contractor shall be responsible for engaging consultants and or attorneys (chosen with City's reasonable consensus) to represent City. Contractor shall also be

responsible for the retention of and payment to any consultants engaged to perform waste diversion studies. Any funds expended by Contractor, pursuant to this subsection, for fines and expenses (including consultant fees, attorneys' fees and costs) shall not be passed on to Customers as part of a rate increase or otherwise.

XVI. TERMINATION

A. Subject to Section B., below, in addition to any other remedy herein provided, or provided by law, City may terminate this Refuse Service Agreement if Contractor is in material breach of any term or provision hereof; provided, that before such right of termination may be exercised by City, City shall give to Contractor written notice of such breach, specifying the particulars in which Contractor is in breach, and if such breach is cured within a thirty (30) days, or if a breach which cannot be reasonably cured within thirty (30) days, then commenced to be cured within thirty (30) days and such cure is diligently pursued and completed within one hundred twenty (120) days after such written notice, this Refuse Service Agreement may not be terminated by City.

B. Acts of God, nature or persons (other than Contractor and Contractor's officers, employees, agents, representatives, affiliates or subsidiary or parent entities) or combinations, thereof, over which Contractor has no reasonable control ("Separate Acts") will extend the time periods set forth in Section A. above, but only for the express time of the delay caused by the Separate Acts. Contractor is responsible to show evidence of the Separate Acts to benefit from this Section B.

C. If this Refuse Service Agreement is terminated for any reason, then all accounts receivable and records, including route records, shall immediately become the property of City; provided, that any payments received for billings made for services satisfactorily provided by Contractor prior to the date of termination shall be paid to Contractor pursuant to sections VII and VIII of this Agreement.

XVII. REPORTS REQUIRED

A. Contractor shall provide the City Manager, at the times and in a form reasonably prescribed by the City Manager, reports with respect to Contractor's operations as may be reasonably necessary or appropriate to the performance of any of the rights, functions or duties of City in connection with this Refuse Service Agreement.

B. Such reports shall include the following, which shall be submitted to the City Manager no later than sixty (60) days following City Manager's request for same:

1. A current list of all vehicles used for collecting, hauling or disposing of residential and commercial refuse in City including the make, type, year, license number, identification number and ownership.

2. The names, titles and addresses of the officers and directors of the firm.

3. The names and titles of all employees used in providing refuse service for City.

4. A description of all cases of property damage and personal injury that have occurred while providing services for City pursuant to this Agreement in the immediate past calendar year.

5. A copy or description of all traffic citations received while providing services for City pursuant to this Agreement in the immediate past calendar year.

C. Within forty-five (45) days after the end of each City quarter and fiscal year, Contractor shall provide City with a written report which shall include:

1. Total tonnage of Refuse collected within City during the previous quarter.

2. Total tonnage breakdown of Recyclable Materials and Green Waste collected within City limits during the previous quarter.

XVIII. EQUAL OPPORTUNITY EMPLOYMENT

In providing refuse service for City, Contractor shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex or sexual orientation. Contractor shall take affirmative action to ensure such non-discrimination. Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Contractor shall, in all solicitation or advertisements for employees placed by or on behalf of Contractor, state that qualified applications will receive consideration for employment without regard to race, creed, color, national origin, sex or sexual orientation.

XIX. EMPLOYEES FINGERPRINTED

Subject to written notice by City, Contractor may be required to submit to the Chief of Police, for fingerprinting, all employees involved in collecting, hauling or disposal of refuse, subject to any conditions imposed by Contractor's Labor Agreement.

XX. NON-ASSIGNABILITY

A. This Agreement shall not be sublet or assigned, nor shall any of the rights or privileges herein granted or authorized be leased, assigned, sold or transferred, either in whole or in part, nor shall title thereof, either legal or equitable, or any right, interest or property therein, pass to or vest in any person through the sale of stock or otherwise, except Contractor, nor shall any change of control or ownership of Contractor occur, either by act of Contractor or by operation of the law ("Transfer"), without the prior

written consent of City; provided, that City consent of an intra-family Transfer is not required, as long as City is notified in writing within thirty (30) days after that Transfer. For the purposes of this Section, Transfer will exist upon sale or hypothecation of more than fifty percent (50%) of Contractor's ownership, stock, or other control. The granting of consent for a Transfer by City shall not be unreasonably withheld.

B. Contractor shall promptly notify City of any proposed Transfer. Any Transfer shall make the Agreement null and void unless and until the City shall have consented, thereto, or shall be immediate grounds for termination, pursuant to Article XVI. For the purpose of determining whether it will consent to any Transfer, City may inquire onto the qualifications of the prospective controlling party, and Contractor shall assist City in any such inquiry. City may condition the Transfer upon reasonable terms and conditions City deems appropriate.

C. Contractor, at least sixty (60) days prior to any Transfer, shall file with City a copy of the deed, agreement, mortgage, lease or other written instrument evidencing the Transfer, certified and sworn to as correct by Contractor.

D. Every Transfer, whether voluntary or involuntary, shall be deemed void and of no effect unless Contractor shall have filed such certified copy as is required and City has given written approval.

E. Subject to Article XVI, failure to obtain the approval of City, as required by this Article, shall entitle City to terminate this Refuse Service Agreement.

XXI. RIGHTS RESERVED TO CITY AND CONTRACTOR

A. At all reasonable times, Contractor shall permit City's authorized representatives to examine all property of Contractor, and to examine and transcribe any and all records kept or maintained by Contractor under Contractor's control which pertain to this Refuse Service Agreement. At all reasonable times, City shall permit Contractor's authorized representatives to examine all property of City, and to examine and transcribe any and all records kept or maintained by City under City's control which pertain to this Refuse Service Agreement.

B. Neither this Refuse Service Agreement nor any provision hereof shall constitute a waiver or bar to the exercise of any governmental right or power of City.

XXII. MISCELLANEOUS

A. The Contractor shall comply with all applicable laws of the City, County, State and Federal Governments.

B. The provisions of the SPMC relating to collection and disposal are hereby incorporated into and made a part of this Refuse Service Agreement, and whenever the provisions of the SPMC conflict with the terms of this Refuse Service Agreement, the terms of the SPMC shall supersede the provisions of this Refuse Service Agreement. If a change in the SPMC results in a demonstrable operating cost increase, Contractor may seek recovery of those costs.

C. Time shall be of the essence of this Refuse Service Agreement. Contractor shall not be relieved of the obligation to comply promptly with any of the provisions of this Refuse Service Agreement by any failure of City to enforce prompt compliance.

D. Unless a party notifies, in writing, the other party of a change in address, any notice required to be given under this Refuse Service Agreement shall be given by placing such notice in the United States mail, postage prepaid, addressed as noted below:

To City:

City of South Pasadena
1414 Mission Street
South Pasadena, California 91030
Attention: Sean Joyce, City Manager

Copy to:

Kane, Ballmer & Berkman
515 S. Figueroa Street, Suite 1850
Los Angeles, California 90071-3301
Attention: Joseph W. Pannone, City Attorney

To Contractor:

Athens Services
P.O. Box 60009
City of Industry, California 91715-0009
Attention: Dennis Chiappetta, Chief Operating Officer

E. This Refuse Service Agreement shall be binding on, and accrue to, the benefit of the heirs, executors, assigns and successors in interest of the parties hereto.

F. Any waiver by either party of any breach of this Refuse Service Agreement shall not be construed as a waiver of any other prior or subsequent breach. Failure of either party to require full and complete compliance with any term of this Refuse Service Agreement shall not be construed as any change to the provision hereof or as an estoppel to enforce any provision hereof.

G. No amendment to this Refuse Service Agreement may be made, except in writing and as approved by Contractor and the City Council.

H. If any section, subsection, sentence, clause or phrase of this Refuse Service Agreement is for any reason held illegal, invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions hereof.

I. This Refuse Service Agreement may be signed in counterparts and all the counterparts taken together shall be deemed to constitute one and the same instrument.

XXIII. EFFECTIVE DATE

This Refuse Service Agreement is effective and operative as of November 6, 2000 and as of that date shall supersede all prior agreements heretofore executed by and between the parties concerning any portion of the subject matter hereof, and shall operate as a discharge of all obligations incurred by either party under any agreements thus superseded.

CITY OF SOUTH PASADENA

Date: Feb. 7, 2001

Dorothy M. Cohen, Mayor

APPROVED AS TO FORM:

Joseph W. Pannone,
City Attorney

[Signatures continued on page 19]

[Signatures continued from page 18]

ARAKELIAN ENTERPRISES, INC., a California corporation (dba Athens Services)

Date: 2/6, 2001 By: _____

Its: Pres.

Date: _____, 2001 By: _____

Its: V.P.

Athens\agreement6

CITY OF SOUTH PASADENA
RATE ADJUSTMENT
EFFECTIVE JULY 2000

EXHIBIT A

	APRIL 1999 CPI	166.60
	APRIL 2000 CPI	170.60
	INCREASE	2.40%
RESIDENTIAL:	PRIOR LANDFILL FEE	27.13
	NEW LANDFILL FEE	27.13
	INCREASE	0.00%
COMMERCIAL:	PRIOR MRF LANDFILL FEE	44.71
	NEW MRF LANDFILL FEE	45.46
	INCREASE	1.68%

SERVICE	CURRENT DISPOSAL COMPONENT	TIPPING ADJMENT	NEW DISPOSAL COMPONENT	CURRENT OPERATIONS COMPONENT	2.40% CPI ADJMENT	NEW OPERATIONS COMPONENT	NEW NET RATE	LESS 3% BILLING	NEW GROSS RATE	2.22 @ 2.40% RECYCLE RATE	CUSTOMER RATE
STANDARD	4.18	0.00	4.18	17.29	0.42	17.71	21.89	21.23	24.24	2.27	26.51
YARD WASTE				2.41	0.06	2.47	2.47	2.47	2.47	N/A	2.47
MULTI UNITS 1X											
2	5.48	0.09	5.57	27.62	0.66	28.28	33.85	32.83	37.48	2.27	39.75
3	6.69	0.11	6.80	33.56	0.81	34.37	41.17	39.93	45.58	2.27	47.85
4	7.89	0.13	8.02	39.49	0.95	40.44	48.46	47.01	53.66	2.27	55.93
5	9.07	0.15	9.22	45.36	1.09	46.45	55.67	54.00	61.64	2.27	63.91
6	9.84	0.17	10.01	49.36	1.19	50.55	60.56	58.74	67.05	2.27	69.32
7	10.53	0.18	10.71	52.64	1.26	53.90	64.61	62.67	71.54	2.27	73.81
8	11.14	0.19	11.33	55.95	1.34	57.29	68.62	66.56	75.98	2.27	78.25
9	11.82	0.20	12.02	59.27	1.42	60.69	72.71	70.53	80.51	2.27	82.78
10	12.47	0.21	12.68	62.56	1.50	64.06	76.74	74.44	84.98	2.27	87.25
11	13.14	0.22	13.36	65.88	1.58	67.46	80.82	78.40	89.50	2.27	91.77
12	13.78	0.23	14.01	69.16	1.66	70.82	84.83	82.29	93.94	2.27	96.21
MULTI UNITS 2X											
2	16.53	0.28	16.81	82.90	1.99	84.89	101.70	98.65	112.61	2.27	114.88
3	17.26	0.29	17.55	86.61	2.08	88.69	106.24	103.05	117.64	2.27	119.91
4	17.99	0.30	18.29	90.30	2.17	92.47	110.76	107.44	122.65	2.27	124.92
5	18.74	0.31	19.05	94.00	2.26	96.26	115.31	111.85	127.68	2.27	129.95
6	19.48	0.33	19.81	97.69	2.35	100.04	119.85	116.25	132.71	2.27	134.98
7	20.23	0.34	20.57	101.38	2.43	103.81	124.38	120.65	137.73	2.27	140.00
8	20.93	0.35	21.28	105.08	2.52	107.60	128.88	125.01	142.71	2.27	144.98
1/4 ADD PER UNIT											
1X	1.12	0.02	1.14	5.58	0.13	5.71	6.85	6.64	7.58	N/A	7.58
2X	1.68	0.03	1.71	8.36	0.20	8.56	10.27	9.96	11.37	N/A	11.37
3X	2.21	0.04	2.25	11.16	0.27	11.43	13.68	13.27	15.15	N/A	15.15
4X	2.74	0.05	2.79	13.96	0.34	14.30	17.09	16.58	18.93	N/A	18.93
BIN RENTAL											
3 YARD	3.94	0.07	4.01	19.72	0.47	20.19	24.20	23.47	26.79	N/A	26.79
1.5 YARD	1.94	0.03	1.97	9.86	0.24	10.10	12.07	11.71	13.37	N/A	13.37
COMMERCIAL 3YD											
1X	24.23	0.41	24.64	62.51	1.50	64.01	88.65	85.99	98.16	2.27	100.43
2X	48.46	0.81	49.27	73.91	1.77	75.68	124.95	121.20	138.36	2.27	140.63
3X	72.70	1.22	73.92	85.24	2.05	87.29	161.21	156.37	178.50	2.27	180.77
4X	96.93	1.63	98.56	101.69	2.44	104.13	202.69	196.61	224.44	2.27	226.71
5X	121.16	2.03	123.19	120.76	2.90	123.66	246.85	239.44	273.33	2.27	275.60
6X	145.40	2.44	147.84	132.17	3.17	135.34	283.18	274.68	313.56	2.27	315.83
COMMERCIAL 1.5YD											
1X	12.11	0.20	12.31	41.49	1.00	42.49	54.80	53.16	60.68	2.27	62.95
2X	24.20	0.41	24.61	75.30	1.81	77.11	101.72	98.67	112.64	2.27	114.91
3X	36.32	0.61	36.93	93.79	2.25	96.04	132.97	128.98	147.24	2.27	149.51
4X	48.43	0.81	49.24	112.24	2.69	114.93	164.17	159.24	181.78	2.27	184.05
5X	60.55	1.02	61.57	130.73	3.14	133.87	195.44	189.58	216.42	2.27	218.69
6X	72.64	1.22	73.86	149.21	3.58	152.79	226.65	219.85	250.97	2.27	253.24
MINIMUM COMMERCIAL	5.45	0.09	5.54	27.71	0.67	28.38	33.92	32.90	37.56	2.27	39.83

EXHIBIT B

RATE INCREASE FORMULA

Each of the rates provided by this Agreement consists of an Operations Component and a Disposal Component.

The Operations Component includes the costs of collection of all Refuse, including Recyclable Materials and Green Waste for all customers described in SECTION III according to the terms set forth in this Agreement. Also included in the Operations Component are the costs to haul all Refuse, including Recyclable Materials, to the MRF and to haul all Green Waste to a disposal site.

The Disposal Component shall be based on the per ton costs incurred by Contractor for disposal and processing of all Refuse, including Recyclable Materials at the Contractor's MRF (which costs are defined on a per ton basis as the 'MRF Gate Fee") and for its disposal of Green Waste at a disposal site.

Rate Adjustment Formula

The Operations Component is to be adjusted in proportion to the increase or decrease in the cost of living as determined by the percentage change in the Consumer Price Index ("CPI") for the immediately previous twelve month period (May through April) for All Urban Consumers in the Los Angeles/Anaheim/Riverside area, or an equivalent index approved by mutual agreement in the event the CPI as described above is no longer published.

The Disposal Component is to be adjusted in proportion to the increase or decrease in disposal costs as determined by the percentage change in the MRF Gate Fee or the tipping fee for Green Waste. Contractor agrees it will not be entitled to any increase in the Disposal Cost Component due to an increase in the MRF Gate Fee other than due to the occurrence of one or more of the following, (1) an adjustment in the non-disposal portion of the MRF Gate Fee directly proportional to the percentage change in the CPI, as described above, and (2) an increase in the tipping fee for residue from the MRF at disposal sites used by Contractor location which complies with III. G.

Special Rate Adjustment

In the event circumstances beyond the control of Contractor impose or generate extraordinary costs in the performance of the Agreement, Contractor may petition City to determine if an adjustment in compensation is warranted to avoid undue financial hardship on Contractor. For each request, Contractor shall prepare a schedule documenting the extraordinary costs. Such request shall be prepared in a form acceptable to City with support for assumptions made by Contractor in preparing the estimate of extraordinary costs. City shall review Contractor's request and, in City's sole judgment, make the final determination on the adjustment, provided, however, that approval of such request not be unreasonably withheld.

EXHIBIT C

SPECIAL INSURANCE ENDORSEMENT - CITY OF SOUTH PASADENA

Notwithstanding any inconsistent expression in the policy to which this endorsement is attached, or in any other endorsement now or hereafter thereto, or made a part thereof, it is agreed that the policy shall and does:

1. Include the City of South Pasadena (the "City") and its officers and employees as additional insureds in the policies described on the attached Certificate of Insurance as they may be held liable for injuries, death or damage to property arising out of or in connection with the contract, executed by the named insured and the City. It is further agreed, this policy shall be primary and noncontributing with any other insurance or self insurance program available to the City and includes a severability of interest clause; and

2. Provide that the naming of the additional insureds as herein provided shall not affect any recovery to which such additional insureds would be entitled under this policy if not named as such additional insureds; and

3. Provide that the additional insureds named herein shall not be held liable for any premium or expense of any nature on this policy or any extension thereof; and

4. Provide that the additional insureds named herein shall not by any reason of being so named be considered a Member of any mutual insurance company for any purpose whatsoever; and

5. Provide that the provisions of the policy shall not be changed, canceled or otherwise terminated as to the interest of the additional insureds named herein without first giving thirty (30) days written notice thereof to the City Attorney of the City by certified mail, return receipt request, and addressed as follows:

City Attorney
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030

This endorsement is effective _____, 20__ when signed below by an Authorized Representative of _____ and when issued to Agency shall be valid and form part of Policy(ies) No. _____ insuring _____ expiring on _____, and shall be in the same amount for the same coverage as the Policy(ies) to which is attached.

_____
Insurer

By: _____

_____
Name and Title
(Or Name Of Agent Or Broker)

_____

_____
Address

By: _____
Signature Of Authorized Representative

(If signed by other than insurer, proof of authority to bind insurer must accompany this form.)

spec end2.doc

ATTACHMENT 3
CalRecycle Corrective Action Plan

STATE OF CALIFORNIA

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

CORRECTIVE ACTION PLAN AND COMPLAINT FOR PENALTY
1476.SLCP.CAP.2023.3

Before: The State of California
Department of Resources Recycling and Recovery
1001 I Street
Sacramento, CA 95814

In the Matter of: City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030

BACKGROUND AND PURPOSE

1. The California Department of Resources Recycling and Recovery is hereinafter referred to as "CalRecycle."

1.1 CalRecycle, in consultation with the California Air Resources Board, adopted regulatory requirements, consistent with the mandate of Senate Bill 1383 (Lara, Chapter 395, Statutes of 2016), that are designed to achieve the organic waste reduction goals established in section 39730.6 of the Health and Safety Code through a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2025. The purpose of these reductions is to further the statewide effort to reduce emissions of short-lived climate pollutants (SLCP), including methane. These SLCP regulations are referred to hereinafter as the “Regulations” and can be found at Title 14 California Code of Regulations (CCR) sections 18981.1 through 18998.4. Cities, counties, and special districts are responsible for implementing these Regulations in their communities starting January 1, 2022.

1.2 The City of South Pasadena is hereinafter referred to as "Jurisdiction." Jurisdiction is required to comply with the Regulations.

1.3 Jurisdiction is or expects to be facing continuing violations of the Regulations commencing during the 2022 calendar year, which could result in significant administrative civil penalties under the Regulations.

1.4 Senate Bill 619 (Laird, Chapter 508, Statutes of 2021), through amendments to section 42652.5 of the Public Resources Code (PRC), created a mechanism called

a Notification of Intent to Comply through which a local jurisdiction may secure administrative civil penalty relief from any continuing violations of the Regulations for the 2022 calendar year and may be eligible for a broader and longer-term regulatory compliance path, including suspended administrative civil penalties, through a Corrective Action Plan.

1.5 Under PRC section 42652.5(e), the Notification of Intent to Comply must include a description of proposed actions to remedy the violations, as well as a proposed schedule for those actions, that the Jurisdiction commits to undertake to remedy the violations.

1.6 The Notification of Intent to Comply is hereinafter referred to as “Notification.”

1.7 For violations taking more than 180 days to correct, PRC section 42652.2 allows CalRecycle to determine, in its sole discretion, that violations identified in a Notification may be addressed through a Corrective Action Plan issued pursuant to 14 CCR section 18996.2.

1.8 The Corrective Action Plan is hereinafter referred to as "CAP.”

1.9 For violations disclosed in the Notification approved by CalRecycle as meeting the requirements of PRC section 42652.5(e), CalRecycle shall waive administrative civil penalties during the 2022 calendar year if the Jurisdiction implements the proposed actions according to the approved Notification’s schedule of actions and, as applicable, approved CAP schedule of actions.

1.10 For violations disclosed in the Notification that commence during the 2022 calendar year and continue into the 2023 calendar year, administrative civil penalties may begin accruing as of January 1, 2023. SB 619 provides administrative civil penalties accruing on and after January 1, 2023, shall be waived upon complete compliance with an approved CAP schedule of action.

DETERMINATION OF VIOLATIONS

2. As authorized by PRC section 42652.5(c), the Jurisdiction notified CalRecycle of its ongoing or anticipated violations of the Regulations and the PRC through a Notification submitted March 1, 2022.

2.1 CalRecycle reviewed the Jurisdiction's Notification, its description of the Jurisdiction’s disclosed violations of the Regulations, and proposed actions and schedule for those actions to remedy those violations for compliance with PRC section 42652.5(e). CalRecycle approved the Notification’s proposed actions and schedule of actions, as modified by this CAP.

2.2 The Jurisdiction's Notification identified the following violations of the Regulations as follows:

2.2.1 The Jurisdiction is and has been in violation of 14 CCR section 18984.2 in that since January 1, 2022, the Jurisdiction has not provided two-container organic waste collection service to all residential and commercial generators and/or has not included food scrap collection service in the two-container collection system provided to all residential and commercial generators.

2.2.2 The Jurisdiction is and has been in violation of 14 CCR section 18984.7 in that since January 1, 2022, the Jurisdiction has not distributed new containers meeting the container color requirements.

2.2.3 The Jurisdiction is and has been in violation of 14 CCR section 18984.8 in that since January 1, 2022, the Jurisdiction has not distributed new containers with proper container labeling.

2.2.4 The Jurisdiction is and has been in violation of 14 CCR section 18984.11 in that since January 1, 2022, the Jurisdiction has not verified each waived generator is eligible for a waiver.

2.2.5 The Jurisdiction is and has been in violation of 14 CCR section 18985.1 in that since February 1, 2022, the Jurisdiction has not provided education and outreach to organic waste generators that are provided an organic waste collection service, including self-haulers, or the information provided did not comply with the requirements.

2.2.6 The Jurisdiction is and has been in violation of 14 CCR section 18985.1 in that since February 1, 2022, the Jurisdiction has not translated educational materials into any non-English language spoken by a substantial number of the public provided organic waste collection services by the Jurisdiction.

2.2.7 The Jurisdiction is and has been in violation of 14 CCR section 18993.1 in that since January 1, 2022, the Jurisdiction has not procured recovered organic waste products to meet or exceed its current annual recovered organic waste product procurement target.

2.2.8 The Jurisdiction is and has been in violation of 14 CCR section 18993.2 in that since January 1, 2022, the Jurisdiction has not included all documents supporting its compliance with Article 12 of the Regulations in the implementation record required by section 18995.2.

2.2.9 The Jurisdiction is and has been in violation of 14 CCR section 18993.3 in that since January 1, 2022, the Jurisdiction has not procured paper products, and printing and writing paper, consistent with the requirements of sections 22150-22154 of the Public Contract Code.

2.2.10 The Jurisdiction is and has been in violation of 14 CCR section 18993.3 in that since January 1, 2022, the Jurisdiction has not required all businesses from whom it purchases paper products and printing and writing paper to comply with the requirements of that section.

2.2.11 The Jurisdiction is and has been in violation of 14 CCR section 18993.4 in that since January 1, 2022, the Jurisdiction has not included all documents supporting its compliance with Article 12 of the Regulations in the implementation record required by section 18995.2.

2.3 CalRecycle accepted the Jurisdiction's self-reported Notification and characterization of its violations therein. CalRecycle has not undertaken a compliance review of Jurisdiction, and thus CalRecycle's approval of the Notification or this CAP should not be taken as an indication that Jurisdiction is in full compliance with Regulations in other respects. CalRecycle will be undertaking a compliance review of all jurisdictions in the future.

SCHEDULE FOR COMPLIANCE

3. Based on the foregoing DETERMINATION OF VIOLATIONS, CalRecycle finds that:
   a. The Jurisdiction worked with CalRecycle to develop this CAP, which includes schedule of actions necessary for the Jurisdiction to achieve address the violations disclosed in the Notification and described in Section 2 (Determination of Violations) above.
   b. CalRecycle hereby approves and issues this CAP pursuant to PRC section 42652.5(c)-(e) and Title 14 CCR section 18996.2.
   c. The Jurisdiction will fully implement the programs identified in this CAP by the dates provided in the Section 3.2 below.
   d. CalRecycle will monitor the Jurisdiction's continued implementation of the programs identified in the CAP from March 29, 2023 through March 1, 2024 ("the oversight period") to assure implementation is complete and timely. The oversight period may be extended at the discretion of CalRecycle if any extensions to the Schedule are granted as described below in Sections 4.4 and 4.5.
   e. During the oversight period, the Jurisdiction will submit status reports to CalRecycle and attend status meetings with CalRecycle to demonstrate the ongoing progress the Jurisdiction is making on remedying the violations described above.
   f. During the oversight period, the Jurisdiction will provide bimonthly status reports to CalRecycle:

      Report Cycle
      Report 1: May 31, 2023, covering March 1, 2023 – April 30, 2023
      Report 3: July 31, 2023, covering May 1, 2023 – June 30, 2023
      Report 4: September 30, 2023, covering July 1, 2023 – August 31, 2023
      Report 5: November 30, 2023, covering September 1, 2023 – October 31, 2023
      Report 6: January 31, 2024, covering November 1, 2023 – December 31, 2023

g. The status reports are to be used to document the status and work completed for each of the identified tasks in the CAP. For each task in the CAP, the Jurisdiction will explain the status of the task, specifying what actions have been taken to complete the task.
h. If the work has been delayed or has not been completed, the Jurisdiction will explain the reason(s) for the delay/incompletion. The Jurisdiction will also attach any previously submitted extension requests made pursuant to section 4.4 of this CAP and any extensions granted pursuant to section 4.5 of this CAP, using additional sheets as necessary for the report. CalRecycle may consider the explanation in deciding whether to allow the Jurisdiction to continue to operate under the Notification and CAP or to revoke approval of the Notification and CAP pursuant to PRC section 42652.5(d).
i. During the oversight period, the Jurisdiction will meet with CalRecycle telephonically or via other remote electronic means (such as Teams or Zoom) bimonthly to provide interim progress updates on the following schedule:

   Meeting Cycle
   Meeting 1: During April 2023
   Meeting 2: During June 2023
   Meeting 3: During August 2023
   Meeting 4: During October 2023
   Meeting 5: During December 2023
   Meeting 6: During February 2024

j. The status meetings are to be used to discuss the most recent status report and to discuss interim progress made by the Jurisdiction on each of the identified tasks in the CAP.
k. Prior to the close of the oversight period, CalRecycle may undertake a compliance review or field visit to supplement other status reporting.
l. At any time prior to the conclusion of the oversight period, if CalRecycle determines the Jurisdiction has failed to implement the programs identified in the Notification and CAP, has failed to participate in status reporting during the oversight period, has substantially misrepresented its progress in status reporting, or has substantially failed to make interim progress on Tasks set out in Section 3.2 for four consecutive reporting periods, CalRecycle may immediately issue a notice revoking its approval of the Notification and CAP and indicating its intent to impose penalties as provided in PRC section 42652.5. Title 14 CCR sections 18997.3, 18997.5, and 18997.6 and PRC section 42652.5 governs the process and considerations CalRecycle will utilize in calculating and assessing administrative civil penalties against the Jurisdiction, which may be up to $10,000 per day per violation.

3.1 Based on the foregoing DETERMINATION OF VIOLATIONS, it is hereby ordered that the Jurisdiction will implement the actions described below in accordance with

the compliance deadlines contained in the schedule of actions to remedy violations as set forth in Section 3.2 below.

3.2 Schedule and Program of Actions

Section 18984.2 Two-Container Organic Waste Collection Services
The Jurisdiction will provide two-container collection service to all residential and commercial generators.

Task #	Description	Target Completion Date
TASK 1	The Jurisdiction will amend its franchise agreement with its organic waste collection service provider.	3/1/2024
TASK 2	The Jurisdiction will provide two-container waste collection service to all residential and commercial customers that are not subject to an exemption or waiver from such service under 14 CCR sections 18984.11, 18984.12, or other provision of the Regulations, or are not an authorized self-hauler subject to the Jurisdiction's ordinance requiring compliance with the requirements of section 18988.3. In implementing this container system, the Jurisdiction will ensure materials are sorted into the containers properly by generators.	3/1/2024

Section 18984.7 Container Color Requirements
The Jurisdiction will distribute new containers meeting the container color requirements.

Task #	Description	Target Completion Date
TASK 3	The Jurisdiction will identify compliant containers and funding to purchase the containers.	3/1/2024
TASK 4	Since new containers need to be purchased, the Jurisdiction will require and verify the hauler will provide containers for collection services to generators that comply with the container color requirements specified in Article 3 of the Regulations.	3/1/2024
Task 5	The Jurisdiction will deploy containers to all residential and commercial generators.	3/1/2024

Section 18984.8 Container Labeling Requirements
The Jurisdiction will distribute new containers with proper container labeling.

Task #	Description	Target Completion Date

TASK 6	The Jurisdiction will develop labeling or use model labeling provided by CalRecycle for use on containers. 1. Labels on containers must include language or graphic images or both indicating the primary materials accepted and the primary materials prohibited in that container, OR 2. Containers must include imprinted text or graphic images indicating the primary materials accepted and the primary materials prohibited in that container.	3/1/2024
TASK 7	The Jurisdiction will require and verify the hauler will label each new container or lid provided to generators. • Labels will be consistent with the applicable container collection requirements specifying what materials are allowed to be placed in each container.	3/1/2024

Section 18984.11 Waivers
The Jurisdiction will verify each waived generator is eligible for a waiver.

Task #	Description	Target Completion Date
TASK 8	The Jurisdiction will update requirements for waiver eligibility.	9/1/2023
TASK 9	The Jurisdiction will establish a procedure for verifying eligibility for waivers and granting waivers.	1/1/2024
TASK 10	The Jurisdiction will grant waivers and begin recordkeeping.	3/1/2024

Section 18985.1 Organic Waste Recovery Education and Outreach
The Jurisdiction will provide organic waste recovery education and outreach to residential and commercial generators.

Task #	Description	Target Completion Date
TASK 11	The Jurisdiction will contract with a designee to implement education and outreach requirements.	3/1/2024
TASK 12	The Jurisdiction will provide organic waste recovery education and outreach to residential and commercial generators. • Information on the organic waste generator's requirements to properly separate materials in appropriate containers pursuant to Chapter 12 of the Regulations.	3/1/2024

	• Information on methods for: the prevention of organic waste generation, recycling organic waste on-site, sending organic waste to community composting, and any other local requirements regarding organic waste. • Information regarding the methane reduction benefits of reducing the landfill disposal of organic waste, and the methods of organic waste recovery the organic waste collection service uses. • Information regarding how to recover organic waste and a list of approved haulers. • Information related to the public health and safety and environmental impacts associated with the landfill disposal of organic waste. • Information regarding programs for the donation of edible food. • If a jurisdiction allows generators subject to its authority to self-haul organic waste pursuant to Section 18988.1, information regarding self-hauling requirements will be included in education and outreach material.	
TASK 13	The Jurisdiction will post the education information on its website and update as needed. The information will be specific to the Jurisdiction's residential and commercial programs, provide compliance options, contact information for the franchise hauler, edible food recovery programs.	3/1/2024
TASK 14	The Jurisdiction will require and verify the hauler will post and maintain organic waste recovery information and edible food donation program information on its website.	3/1/2024
TASK 15	The Jurisdiction will send letters to covered residential and commercial generators providing organic waste recovery information.	3/1/2024
TASK 16	The Jurisdiction will mail a program flyer/brochure/letter to all residential and commercial generators to provide education on organics and explain the Jurisdiction’s program including types of organic materials accepted and the franchise hauler’s contact information.	3/1/2024
TASK 17	The Jurisdiction will conduct community meetings with residential generators.	3/1/2024
TASK 18	The Jurisdiction will host workshops with commercial generators, targeting the following organizations: Homeowner Associations and Chamber of Commerce.	3/1/2024

TASK 19	The Jurisdiction will provide outreach and education to organic waste generators that are provided organic waste collection services or self-haul within the Jurisdiction, that are not subject to an exemption or waiver from such service under 14 CCR sections 18984.11 and 18984.12 (a) and (c). (Note: A jurisdiction may still have a separate obligation under the Mandatory Commercial Recycling (MCR) and Mandatory Organics Recycling (MORe) laws—Public Resources Code (PRC) Sections 42649.3 (d) and 42649.82 (d)(1)(C)—that is separate and independent of SB 1383, the SB 1383 Regulations, and this plan.)	3/1/2024

The Jurisdiction will translate educational materials into any non-English language spoken by a substantial number of the public with organic waste collection services provided by the Jurisdiction.

Task #	Description	Target Completion Date
TASK 20	The Jurisdiction will identify the non-English languages spoken by a substantial number of the public.	3/1/2024
TASK 21	The Jurisdiction/its designee will translate the following educational materials: website, flyers, and letters.	3/1/2024
TASK 22	The Jurisdiction will post the translated educational materials.	3/1/2024

Section 18993.1 Recovered Organic Waste Product Procurement Target

The Jurisdiction will procure organic waste products to meet its procurement target.

Task #	Description	Target Completion Date
TASK 23	The Jurisdiction will annually procure a quantity of recovered organic waste products that meets or exceeds its current annual recovered organic waste product procurement target by one or both of the following: • Directly procuring recovered organic waste products for use or giveaway. • Requiring, through a written contract or agreement, that a direct service provider to the Jurisdiction procure recovered organic waste products and provide written documentation of such procurement to the Jurisdiction.	12/31/2023
TASK 24	The Jurisdiction will identify additional procurement opportunities within its departments and divisions for expanding the use of recovered organic waste products.	12/31/2023

TASK 25	The Jurisdiction will meet regulatory procurement targets established by CalRecycle pursuant to 14 CCR section 18993.1; enforcement of this provision by CalRecycle will be consistent with the legislative directives in PRC section 42652.5 (a)(5)(B) and 42652.6, as amended in AB 1985 (R. Rivas, Chapter 344, Statutes of 2022).	12/31/2023

Section 18993.2 Recordkeeping Requirements for Recovered Organic Waste Procurement Target

The Jurisdiction will establish recordkeeping related to recovered organic waste procurement.

Task #	Description	Target Completion Date
TASK 26	The Jurisdiction will include all documents supporting compliance with Article 12 of the Regulations in the implementation record including, but not limited to, the following: • A description of how the Jurisdiction will comply with the requirements of Article 12 of the Regulations. • The name, physical location, and contact information of each entity, operation, or facility from whom the recovered organic waste products were procured, and a general description of how the product was used, and if applicable, where the product was applied. • All invoices or similar records evidencing all procurement. • If including procurement of recovered organic waste products made by a direct service provider to comply with the procurement requirements of section 18993.1(a), the Jurisdiction will include all records of procurement of recovered organic waste products made by the direct service provider on behalf of the Jurisdiction including invoices or similar records evidencing procurement. • If a jurisdiction will include renewable gas procured from a POTW for any of the uses identified in section 18993.1(f)(2) to comply with the procurement mandate of Section 18993.1(a), a written certification by an authorized representative of the POTW, under penalty of perjury in a form and manner determined by the Jurisdiction, attesting to the following for the applicable procurement compliance year: • (A) That the POTW was in compliance with the exclusion in Section 17896.6(a)(1); • (B) The total tons of organic waste received from the types of solid waste facilities listed in Section 18993.1(h)(1); and • (C) The percentage of biosolids that the POTW produced and transported to activities that constitute landfill disposal. • If a jurisdiction will include electricity procured from a biomass conversion facility to comply with the procurement mandate of	3/1/2024

	Section 18993.1(a), a written certification by an authorized representative of the biomass conversion facility certifying that biomass feedstock was received from a permitted solid waste facility identified in 18993.1(i) will be provided to the Jurisdiction. The certification will be furnished under penalty of perjury in a form and manner determined by the Jurisdiction. • If the Jurisdiction is implementing the procurement requirements of Section 18993.1 through an adjusted recovered organic waste product procurement target pursuant to Section 18993.1(j), the Jurisdiction will include records evidencing the 6 total amount of transportation fuel, electricity, and gas for heating applications procured during the calendar year prior to the applicable reporting period. • For jurisdictions complying with the requirements of Section 18993.1, through the procurement of mulch, a copy of the ordinance or similarly enforceable mechanism the Jurisdiction has adopted requiring that mulch procured by the Jurisdiction, or a direct service provider meets the land application standards specified in Section 18993.1.	

Section 18993.3 Recycled Content Paper Procurement Requirements
The Jurisdiction will procure paper products, and printing and writing paper, consistent with the Requirements.

Task #	Description	Target Completion Date
TASK 27	The Jurisdiction will research and identify vendors with paper products meeting the requirements of sections 22150-22154 of the Public Contract Code and ensure paper products and printing and writing paper is eligible to be labeled with an unqualified recyclable label as defined in Code of Federal Regulations (CFR) Section 260.12.	3/1/2024
TASK 28	The Jurisdiction will procure paper products and printing and writing paper meeting the Requirements.	3/1/2024
TASK 29	The Jurisdiction will require all businesses from whom the Jurisdiction purchases paper products and printing and writing paper to certify in writing: • The minimum percentage, if not the exact percentage, of postconsumer material in the paper products and printing and writing paper offered or sold to the Jurisdiction. o The Jurisdiction may waive the certification requirement if the percentage of postconsumer material in the paper products, printing and writing paper, or both can be	3/1/2024

	verified by a product label, catalog, invoice, or a manufacturer or vendor Internet website. That the paper products and printing and writing paper offered or sold to the Jurisdiction is eligible to be labeled with an unqualified recyclable label as defined in 16 CFR Section 260.12.	

Section 18993.4 Recordkeeping Requirements for Recycled Content Paper Procurement

The Jurisdiction will establish recordkeeping related to recycled content paper procurement.

Task #	Description	Target Completion Date
TASK 30	The Jurisdiction will establish a system for tracking purchases for recordkeeping and reporting.	3/1/2024
TASK 31	The Jurisdiction will begin tracking and compiling documentation, including but not limited to the following: 1. Copies of invoices, receipts or other proof of purchase that describe the procurement of paper products by volume and type for all paper purchases. 2. Copies of all certifications or other verification required.	3/1/2024

COMPLIANCE REVIEW, ENFORCEMENT, AND RELEASE

4. Communications. All approvals and decisions of CalRecycle regarding notifications will be communicated to the Jurisdiction in writing by the Branch Chief, Jurisdiction and Agency Compliance and Enforcement Branch, Waste Permitting, Compliance and Mitigation Division, or the Branch Chief's designee. No formal advice, guidance, suggestions, or comments by CalRecycle regarding reports, plans, specifications, schedules, or any other writings by Jurisdiction shall be construed to relieve the Jurisdiction of the obligation to obtain such formal approvals as may be required.

4.1 Submittal. All reporting from the Jurisdiction described in section 3 (Schedule for Compliance), paragraph 3.f, shall be submitted through an online portal or compliance module developed by CalRecycle with instructions provided to Jurisdiction. All other communications from the Jurisdiction according to this CAP shall be sent in writing electronically to:

Apollo Fraidany
apollo.fraidany@calrecycle.ca.gov

4.2 Compliance Review. At the end of the oversight period or at any time deemed appropriate by CalRecycle, CalRecycle will meet with the Jurisdiction to assess the Jurisdiction's CAP implementation efforts and to determine whether or not the Jurisdiction has timely complied with all commitments in all sections of this CAP. If requested by the Jurisdiction, CalRecycle has discretion to issue notice of a hearing at any time upon its staff's recommendation that the Jurisdiction has completed the conditions of the CAP. In accordance with PRC section 42652.5, failure to implement programs and or comply with all sections of the CAP at any time may result in CalRecycle's revocation of its approval of the Notification and CAP and imposition of administrative civil penalties retroactively to the date of violation in 2022, for administrative civil penalties accruing in 2023, and for administrative civil penalties accruing during any other additional time covered by the Notification and CAP. These potentially applicable penalties are described in Section 5.0 of this CAP.

4.3 CalRecycle Review and Approval: If CalRecycle determines that any report, plan, schedule, or other document submitted for approval pursuant to this CAP fails to comply with the Notification as amended by this CAP or fails to achieve successful implementation of the Regulations, CalRecycle may:

a. Amend the CAP as appropriate to remedy the violations of the Regulations expeditiously, and/or
b. Serve a notice that CalRecycle will revoke approval of the Notification and consider the imposition of penalties in accordance with Title 14 CCR sections 18997.3, 18997.5, and 18997.6.

4.4 Extension Request and Other Task Modification Requests: If the Jurisdiction determines that it will be unable to perform any activity or submit any document within the time required under this CAP, the Jurisdiction may, as far in advance of the due date as possible, request an extension of time in writing. The extension request shall include a justification for the delay. If the Jurisdiction finds that a task required by this CAP in Section 3.1 is not feasible, despite the Jurisdiction's best and substantial efforts, the Jurisdiction may propose an alternative task that is substantially similar or equally effective to the original task, subject to the approval of CalRecycle. The modification request shall include an explanation of the infeasibility, an explanation of how the alternative task is substantially similar or equally effective, and a justification for any extension of time associated with the change.

4.5 Extension and Other Task Modification Approvals: If CalRecycle determines that good cause exists for an extension, considering the factors set out in Title 14 CCR section 18996.2(a)(2), it will grant an extension as appropriate and specify in writing a new compliance schedule. If CalRecycle determines that good cause exists for the change in task because the original task is infeasible and the alternative task is substantially similar or equally effective, it will grant an approval

and extension as appropriate and specify in writing the new task; additionally, if CalRecycle determines that good cause exists for any extension associated with the change in task, considering the factors set out in Title 14 CCR section 18996.2(a)(2), it will grant an extension as appropriate and specify in writing a new compliance schedule.

4.6 Compliance with Applicable Laws: The Jurisdiction shall carry out this CAP in compliance with all Local, State, and Federal requirements, including but not limited to requirements to obtain necessary permits.

4.7 Liability: Nothing in this CAP shall constitute or be construed as a satisfaction or release from liability for any conditions or claims arising as a result of past, current, or future operations of the Jurisdiction, including for violations of the Regulations that were not disclosed in the Notification and any violations of the Regulations that the Jurisdiction fails to remedy notwithstanding commitments in the Notification and this CAP.

4.8 Government Liabilities: The State of California and CalRecycle shall not be liable for injuries or damages to persons or property resulting from acts or omissions in carrying out activities pursuant to this CAP, nor shall the State of California be held as a party to any contract entered into by the Jurisdiction or its agents in carrying out activities pursuant to the CAP. The Jurisdiction shall indemnify, defend, and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting in connection with the performance of this CAP.

4.9 Parties Bound: This CAP shall apply to and be binding upon the Jurisdiction and upon CalRecycle and any successor agency (regional agency, etc.) that may have responsibility for, and the authority over, the subject matter of this CAP.

PENALTY

5. Penalties, if any, shall be assessed and calculated in accordance with the provisions of PRC 42652.5 and Title 14 CCR sections 18997.3, 18997.5, and 18997.6. Penalties shall be calculated based on the factors set out in section 18997.3 and may be as much as $10,000 per day per violation for the duration of the violation(s).

5.1 Penalty Procedures. Penalty, if any, shall be imposed in accordance with the procedures and methodology set out in PRC section 42652.5 and Title 14 CCR sections 18997.3, 18997.5, and 18997.6. Regulatory violations that are considered “minor,” meaning they involve violations constituting minimal deviation from regulations, shall be subject to penalties of no less than five hundred dollars ($500) per violation and no more than four thousand dollars ($4,000) per violation per day; “moderate” violations are subject to no less than four thousand dollars ($4,000) per

violation and shall be no more than seven thousand five hundred dollars ($7,500) per violation per day; and “major” violations, are subject to penalties no less than seven thousand five hundred dollars ($7,500) per violation per day and no more than ten thousand dollars ($10,000) per violation per day. The following types of deviations are deemed to be “major” under the regulations for the purposes of assessing penalties:

a. Failure to have any ordinance or similarly enforceable mechanism for organic waste disposal reduction and edible food recovery.
b. Failure to have a provision in a contract, agreement, or other authorization that requires a hauler to comply with the requirements the Regulations.
c. Failure to have an edible food recovery program.
d. Failure to have any Implementation Record.
e. Implementation or enforcement of an ordinance, policy, procedure, condition, or initiative that is prohibited under Title 14 CCR sections 18990.1 or 18990.2.
f. Failure to submit the reports required in Title 14 CCR sections 18994.1 and 18994.2.

EFFECTIVE DATE

6. Issuance. This Corrective Action Plan is final and effective from the date of issuance.

6.1 Date of Issuance March 29, 2023

Mark de Bie, Deputy Director
Waste Permitting, Compliance and Mitigation Division
Department of Resources Recycling and Recovery

ATTACHMENT 4
Table of Athens' Proposed Options for
SB1383 Compliance

Athens SB1383 Proposals (3 Options)

All options will provide all SB1383 compliance programs for the entire city including:

1. Collection, transportation, and full processing of source separated organics
2. Quarterly contamination monitoring of organics containers (lid flipping)
3. Quarterly outreach & education (visits by Recycling Coordinators, newsletters, contamination follow-up)
4. Commercial account food recovery support (work with qualified commercial accounts to recover & distribute edible food)
5. Quarterly waste stream analysis (waste characterizations of different waste streams in the city)
6. Procurement support (assist City with requirement of procuring & using compost and reusable natural gas)
7. Data management & reporting of all SB1383 programs (City interface with Athens web based system, Cal Recycle reporting)

BYS = Backyard Service	Mixed Waste = Landfill Waste + Recyclables
HTS = Hard to Service	Organics = Green Waste + Food Scraps
RCNG = Renewable Compressed Natural Gas	Bin = Dumpster
MRF = Material Recovery Facility	Barrel = Rolling Cart
AO = American Organics (Athens' organics processing facility)	

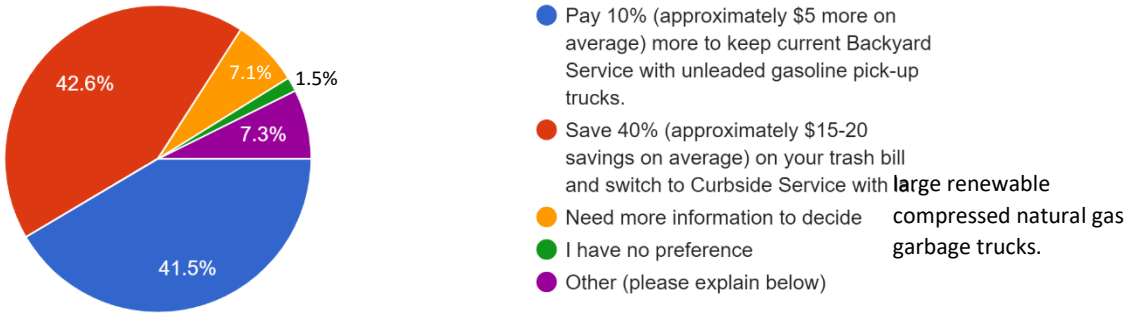
Options	Residential Rate	Hard-to-Service Areas	Residential Barrels	Commercial + Multifamily Rate	Organic Waste Rate for Bin Customers	Annual Rate Adjustment	Length of Contract Term	Fleet	Operations & Processing	Bus Stop Barrel Pick-up & City Garage Sweeping Service
(1) Leave BYS as is for all - 7 year contract	14.00% rate adjustment + annual rate adjustment	No changes	Will need to provide new residential barrels; cost not included in rate.	14.00% rate adjustment + annual rate adjustment	Athens will provide organic containers (30 gallon or 60 gallon barrel) discounted at 15% below the current "pay-as-you-throw" rates.	Regular CPI annual rate adjustment on July 1 (no changes)	7 year rolling term (no changes)	Fleet does not change: *8 unleaded gasoline pick-up trucks *2 RCNG front loader trucks (aka mother trucks)	No changes: *1 pass per resident with both mixed waste and organics being placed into same BYS truck No changes: *Mixed waste processed for recyclables at MRF *Organics are transferred at a MRF and transported to AO for organics processing into compost	No changes
(2) Leave BYS as is for all - 10 year contract	Freeze current rate of $52.53 through June 2024	No changes	Will need to provide new residential barrels; cost not included in rate.	Institute a 2-year phase in of 20% extraordinary rate adjustment: *July 1, 2023 = 10% + annual rate adjustment *July 1, 2024 = 10% + annual rate adjustment	Athens will provide organic containers (30 gallon or 60 gallon barrel) discounted at 15% below the current "pay-as-you-throw" rates.	Modify the annual rate adjustment from "CPI" to "Trash CPI + 1%" No annual rate adjustment until July 2024 for residential	Increase to 10 year rolling term Automatically renew rolling term during phase-in period (July 2023 - June 2025). Regular term renewal begins July 2025.	Fleet does not change: *8 unleaded gasoline pick-up trucks *2 RCNG front loader trucks (aka mother trucks) Provide a "pilot program" with an electric BYS truck if & as soon as the proper technology becomes available	No changes: *1 pass per resident with both mixed waste and organics being placed into same BYS truck No changes: *Mixed waste processed for recyclables at MRF *Organics are transferred at a MRF and transported to AO for organics processing into compost	No additional charge to the City (savings of over $40K per year)
(3) Change BYS to Curbside for most - 10 year contract	**Curbside:** Rate of $31.00 **BYS (HTS Areas):** Rate of $101.00 Freeze rates through June 2024	HTS Areas = must remain BYS, cannot switch to Curbside because streets are too narrow for larger vehicles and/or high quantity of barrels is not feasible for Curbside Affects approx. 700 residential accounts + 60 multifamily accounts	**Curbside:** Residents will receive 3 new 64 gallon barrels (black for trash, blue for recyclables, green for organics); cost included in rate. **BYS (HTS Areas):** Will need to provide new residential barrels; cost not included in rate.	Institute a 2-year phase in of 30% extraordinary rate adjustment: *July 1, 2023 = 15% + annual rate adjustment *July 1, 2024 = 15% + annual rate adjustment	Athens will provide organic containers (30 gallon or 60 gallon barrel) discounted at 15% below the current "pay-as-you-throw" rates.	Modify the annual rate adjustment from "CPI" to "Trash CPI + 1%" No annual rate adjustment until July 2024 for residential	Increase to 10 year rolling term Automatically renew rolling term during phase-in period (July 2023 - June 2025). Regular term renewal begins July 2025.	**Curbside fleet:** *3 RCNG side loader trucks **BYS (HTS Areas) fleet:** *2 unleaded gasoline pick-up trucks *1 RCNG front loader truck (aka mother truck)	**Curbside:** *Change from 1 pass with BYS truck to 3 passes with side loader trucks (1 pass for each waste stream: trash, recyclables, organics) **BYS (HTS Areas):** *Change from the current 1-pass BYS collection (collecting mixed waste + organics with 1 BYS truck trip) to 2-pass BYS collection (collecting trash, recyclables, organics with 2 BYS truck trips) *Trash is transferred at a MRF and transported to a landfill for disposal *Recyclables are processed at a MRF *Organics are transferred at a MRF and transported to AO for organics processing into compost	No additional charge to the City (savings of over $40K per year)

ATTACHMENT 5
Community Outreach Survey Results

Waste Collection Survey Results

465 responses

1. Currently, the City of South Pasadena utilizes Backyard Service for residential waste collection, where an unleaded gasoline pick-up truck goes up your driveway and collects your waste containers from your backyard or similar location. Other cities utilize Curbside Service, where residents wheel their barrels out to their curb to be collected by a large renewable compressed natural gas (RCNG) garbage truck. Which waste collection service would you prefer?

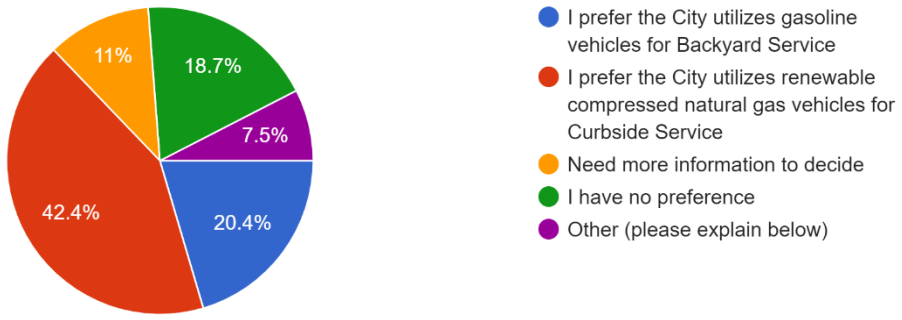


Other responses (summarized):

- Curbside causes a lot of arguments between neighbors. City of LA has a trash can court to deal with these conflicts.
- Busy, narrow residential streets like Meridian Avenue, with speeding traffic will increase road rage as the trucks are blocking the streets.
- Curbside service uses fewer cans, but they are all out in the street for several days.
- Trashcans at the curb are unsightly and take away parking space.
- Large trucks damage our neighborhood streets and trash spews out from the dumping onto the streets.
- The open bed trucks drive through the streets and trash blows out of the back and litters streets throughout South Pasadena.
- Use small zero emission electric motor trucks instead of gasoline or natural gas.
- Not possible to do curbside in narrow streets in the hills. What about streets with low hanging trees?
- Elderly and disabled cannot haul bins to the curb and back. Residents living in ADUs and long driveways cannot haul bins to the curb and back.
- Request more information on 'renewable compressed natural gas (RCNG), who supplies containers, street parking restrictions, etc. Need more information to choose.

- What do people do who have schools on their block? We already have problem of noise pollution from large trash trucks at schools at 7AM
- We have a wide driveway (enough to fit 2 small cars) but only keep one in driveway. Athens refuses to pick up from our driveway because there is 1 car in the driveway. They are asking us to bring bins to the curb. We are well and able to do that but it's not ok to pay for a premium service and not get that (more than double what we were paying in LA)
- My garbage cans are located in the alley. How would this impact my service?

2. Do you have a preference whether the City utilizes gasoline vehicles for Backyard Service versus renewable compressed natural gas vehicles for Curbside Service?



Other responses (summarized):

- Prefer biofuel or full on hybrid/electric. Natural gas only sounds environmentally conscious while in fact is not a sustainable alternative.
- Is there a net climate change difference between the two? Both emit greenhouse gases. If no climate change difference, prefer to pay more for convenience.
- Prefer electric vehicles be used for either backyard or curbside service.
- Have the gasoline vehicles for backyard service converted to all electric.
- Keep backyard service and use renewable energy/update to natural gas.
- Prefer electric. If electric is not possible, CNG is better than gas.
- This is important but shouldn't be the sole determination.
- Prefer whichever is least expensive.
- Request more information on 'renewable compressed natural gas (RCNG) such as where the renewable compressed natural gas supply comes from. What is the source of the renewable natural gas (landfill, livestock, wastewater treatment, etc)?

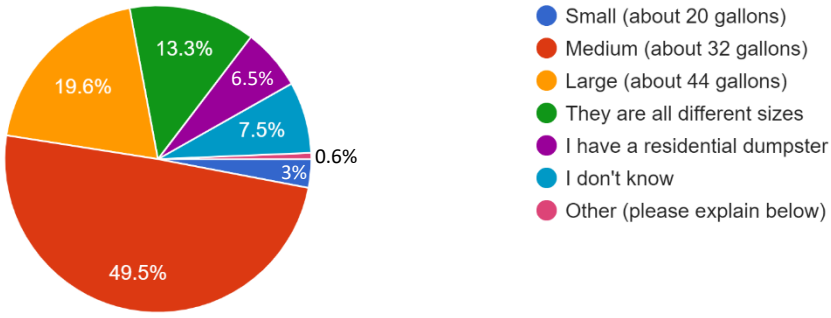
3. Do you currently move your trash containers on trash day?



Other responses (summarized):

- They are in an accessible place on the side of my driveway, where I don't need to move them or our cars for pickup.
- Trashcans live in a space on the alley, where they are picked up. I don't move them, but they are accessible anyhow.
- Cans are stored at the top of a long driveway. It would be very hard to move them to the street, plus there is no room in the street for them to stage. It's a cul-de-sac with numerous driveways.
- Trash containers are housed in an enclosure, specially built to keep them from being an eyesore. Athens picks them up from the enclosure.
- I move them 3 feet so that gate doesn't need to be opened.
- Everyone on our block drags trash bins to driveway between house and sidewalk
- Extra containers moved occasionally.
- I have a residential dumpster that Athens moves for me.
- Sometimes they are moved, sometimes not.
- Containers are moved to avoid damage and mess caused by Athens.

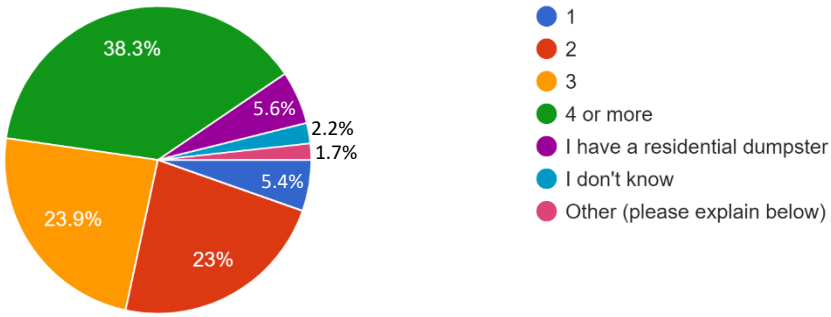
4. How large are your current trash containers?



Other responses (summarized):

- Residents have different size containers for different waste (ex: large for yard waste, medium for landfill).

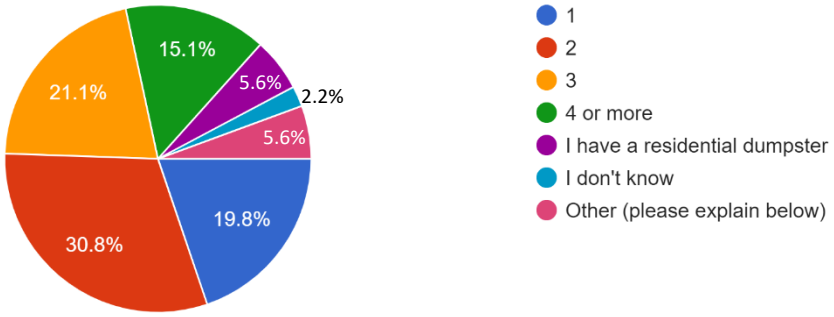
5. How many containers do you currently have for mixed waste (trash and recyclables)?



Other responses (summarized):

- Varies weekly depending on how much waste there is.
- Don't always use all the containers.
- Some containers are shared with neighbors.

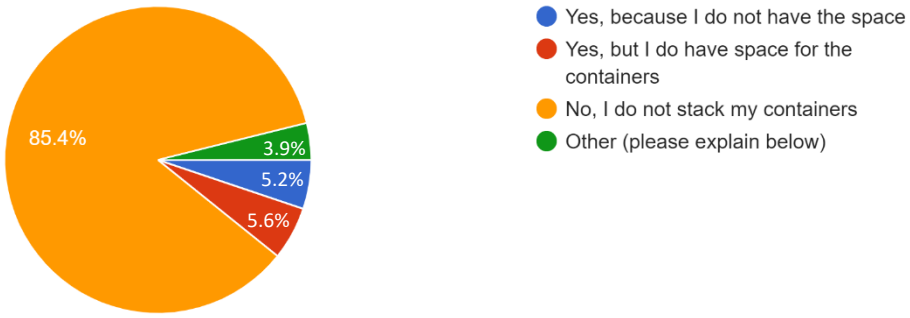
6. How many containers do you currently have for yard waste (tree trimmings and now, organic waste)?



Other responses (summarized):

- Varies weekly depending on how much waste there is.
- I don't have designated cans. Use as many as I need depending on the week.
- Zero. Don't separate yard waste because it is so minimal.
- Don't always use all the containers.
- Some containers are shared with neighbors.

7. Do you stack your containers when not in use?



Other responses (summarized):

- Sometimes yes, sometimes no.
- I have a dumpster.
- The containers have wheels and are not stackable.

8. Do you have any other comments or concerns regarding your current Backyard Waste Collection service that you would like to share?

Pro Curbside Comments (summarized)

- The amount of trash on the street on trash day that inevitably results from BYS. It (and especially plastic bags) flies out of the small trucks used to provide BYS.
- They park the huge truck in one place all day, spewing noise and exhaust into our homes. It is a terrible waste of gas to have all these little trucks everywhere.
- Backyard service is expensive and not used since residents move their containers anyway.
- Prefer curbside service because it is more environmentally friendly and less intrusive.
- With larger bins and curbside pickup, I would cancel my residential 1.5 yard dumpster. The bins for backyard service are too small. We need larger bins and curbside service.
- Backyard service is already too expensive.

Pro Backyard Comments (summarized)

- There is no sidewalk or curb space in some areas. Steep driveways and elderly - curbside will not work for everyone.
- It would be a blight to have cans lingering out on the streets all of the time and will inevitably lead to conflicts between neighbors.
- Backyard service keeps South Pasadena beautiful and more peaceful between neighbors.
- Containers on the street will cause parking issues and traffic.
- The small trucks are much less intrusive and don't spill trash all over our streets like the big automatic ones do.
- BYS trucks are quieter.
- Backyard collection keeps coyotes away.
- Please keep backyard waste collection. I would pay anything to keep that service regardless of vehicles used.
- Keep backyard service, but make it environmentally friendly.
- Curbside would cause people to rummage through the trash when it is on the curb.

General Comments (summarized)

- Drivers complain that trashcans are too heavy and do not pick up the trash.
- More education is requested for sorting waste.
- Many complaints about trash service in general including not picking up “overweight” containers, tossing containers and damaging them, trash being left behind, trash flying off the trucks, drivers not actually going in the backyard to pick up trash, damage property (walls, sprinklers, etc.), etc. No uniformity – every driver does things differently. However, there were a few compliments on service as well.

- Concerns that recyclables do not get recycled and that food waste is not composted.
- Who will provide the new trash containers? This information is important in deciding which option is better.
- Supportive of a 3-container system.
- Concern over only two options. Would prefer backyard, but with electric or renewable fuel.
- This should be discussed more fully with residents and with more information. Will there be an open meeting on this so we can ask questions at such a meeting?
- There should be recycling options in all apartment complexes.
- If switching to curbside, there should be even greater savings.
- What are the comparative environmental effects of the two types of vehicles for South Pasadena specifically?
- Are the comparative prices fixed, or is that 40% savings actually just a loss-leader that will evaporate over time?

Food Waste Comments (summarized)

- Claims that Athens puts everything together in their trucks anyway.
- Need method of separating green waste for those who have a residential dumpster or live in apartment buildings.
- Allow use of compostable bags for organic waste to help with the smell.
- Organic waste separation is inconvenient to a point of not wanting to comply.
- I would pay extra if the city, or Athens, provided me with an organic waste container.
- I'm concerned about rodents and the spread of disease as well and foul smell from composting food waste in the yard waste bin.

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PROFESSIONAL SERVICES AGREEMENT
FOR CONSULTANT SERVICES

(City of South Pasadena / MNJ Advisors, Inc.)

1. IDENTIFICATION

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the City of South Pasadena, a California municipal corporation ("City"), and MNJ Advisors, Inc.("Consultant").

2. RECITALS

2.1. City has determined that it requires the following professional services from a consultant: Interim Director of Management Services

2.2. Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

2.3. Consultant represents that it has no known relationships with third parties, City Council members, or employees of City which would (1) present a conflict of interest with the rendering of services under this Agreement under Government Code Section 1090, the Political Reform Act (Government Code Section 81000 *et seq.*), or other applicable law, (2) prevent Consultant from performing the terms of this Agreement, or (3) present a significant opportunity for the disclosure of confidential information.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

3. DEFINITIONS

3.1. "Scope of Services": See Exhibit A

3.2. "Agreement Administrator": The Agreement Administrator for this project is Sean Joyce, Interim City Manager. The Agreement Administrator shall be the principal point of contact at the City for this project. All services under this Agreement shall be performed at the request of the Agreement Administrator. The Agreement Administrator will establish the timetable for completion of services and any interim milestones. City reserves the right to change this designation upon written notice to Consultant.

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3.3. "Approved Fee Schedule": Consultant's compensation rates are set forth in the fee schedule attached hereto as Exhibit B and incorporated herein by this reference. This fee schedule shall remain in effect for the duration of this Agreement unless modified in writing by mutual agreement of the parties.

3.4. "Maximum Amount": The highest total compensation and costs payable to Consultant by City under this Agreement. The Maximum Amount under this Agreement is Thirty Thousand Dollars ($30,000.00).

3.5. "Commencement Date": March 3, 2025

3.6. "Termination Date": June 30, 2025

4. TERM

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Termination Date unless extended by written agreement of the parties or terminated earlier under Section 18 ("Termination") below. Consultant may request extensions of time to perform the services required hereunder. Such extensions shall be effective if authorized in advance by City in writing and incorporated in written amendments to this Agreement.

5. CONSULTANT'S DUTIES

5.1. **Services**. Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

5.2. **Coordination with City**. In performing services under this Agreement, Consultant shall coordinate all contact with City through its Agreement Administrator.

5.3. **Budgetary Notification**. Consultant shall notify the Agreement Administrator, in writing, when fees and expenses incurred under this Agreement have reached eighty percent (80%) of the Maximum Amount. Consultant shall concurrently inform the Agreement Administrator, in writing, of Consultant's estimate of total expenditures required to complete its current assignments before proceeding, when the remaining work on such assignments would exceed the Maximum Amount.

5.4. **Business License.** Consultant shall obtain and maintain in force a City business license for the duration of this Agreement.

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5.5. **Professional Standards.** Consultant shall perform all work to the standards of Consultant's profession and in a manner reasonably satisfactory to City. Consultant shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of this Agreement, including all Cal/OSHA requirements, the conflict of interest provisions of Government Code § 1090 and the Political Reform Act (Government Code § 81000 et seq.).

5.6. **Avoid Conflicts.** During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if such work would present a conflict interfering with performance under this Agreement. However, City may consent in writing to Consultant's performance of such work.

5.7. **Appropriate Personnel.** Consultant has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Josette Reina-Luken shall be Consultant's project administrator and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project administrator without City's prior written consent.

5.8. **Substitution of Personnel.** Any persons named in the proposal or Scope of Services constitutes a promise to the City that those persons will perform and coordinate their respective services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. If City and Consultant cannot agree as to the substitution of key personnel, City may terminate this Agreement for cause.

5.9. **Permits and Approvals.** Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

5.10. **Notification of Organizational Changes.** Consultant shall notify the Agreement Administrator, in writing, of any change in name, ownership or control of Consultant's firm or of any subcontractor. Change of ownership or control of Consultant's firm may require an amendment to this Agreement.

5.11. **Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. In addition, pursuant to

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Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under this Agreement.

6. SUBCONTRACTING

6.1. **General Prohibition.** This Agreement covers professional services of a specific and unique nature. Except as otherwise provided herein, Consultant shall not assign or transfer its interest in this Agreement or subcontract any services to be performed without amending this Agreement.

6.2. **Consultant Responsible.** Consultant shall be responsible to City for all services to be performed under this Agreement.

6.3. **Identification in Fee Schedule.** All subcontractors shall be specifically listed and their billing rates identified in the Approved Fee Schedule, Exhibit B. Any changes must be approved by the Agreement Administrator in writing as an amendment to this Agreement.

6.4. **Compensation for Subcontractors.** City shall pay Consultant for work performed by its subcontractors, if any, only at Consultant's actual cost plus an approved mark-up as set forth in the Approved Fee Schedule, Exhibit B. Consultant shall be liable and accountable for any and all payments, compensation, and federal and state taxes to all subcontractors performing services under this Agreement. City shall not be liable for any payment, compensation, or federal and state taxes for any subcontractors.

7. COMPENSATION

7.1. **General.** City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept payment in accordance with the Fee Schedule in full satisfaction for such services. Compensation shall not exceed the Maximum Amount. Consultant shall not be reimbursed for any expenses unless provided for in this Agreement or authorized in writing by City in advance.

7.2. **Invoices.** Consultant shall submit to City an invoice, on a monthly basis or as otherwise agreed to by the Agreement Administrator, for services performed pursuant to this Agreement. Each invoice shall identify the Maximum Amount, the services rendered during the billing period, the amount due for the invoice, and the total amount previously invoiced. All labor charges shall be itemized by employee name and classification/position with the firm, the corresponding hourly rate, the hours worked, a description of each labor charge, and the total amount due for labor charges.

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7.3. **Taxes.** City shall not withhold applicable taxes or other payroll deductions from payments made to Consultant except as otherwise required by law. Consultant shall be solely responsible for calculating, withholding, and paying all taxes.

7.4. **Disputes.** The parties agree to meet and confer at mutually agreeable times to resolve any disputed amounts contained in an invoice submitted by Consultant.

7.5. **Additional Work.** Consultant shall not be reimbursed for any expenses incurred for work performed outside the Scope of Services unless prior written approval is given by the City through a fully executed written amendment. Consultant shall not undertake any such work without prior written approval of the City.

7.6. **City Satisfaction as Precondition to Payment.** Notwithstanding any other terms of this Agreement, no payments shall be made to Consultant until City is satisfied that the services are satisfactory.

7.7. **Right to Withhold Payments.** If Consultant fails to provide a deposit or promptly satisfy an indemnity obligation described in Section 11, City shall have the right to withhold payments under this Agreement to offset that amount.

8. PREVAILING WAGES

Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Consultant shall defend, indemnify, and hold the City, tis elected officials, officers, employees, and agents free and harmless form any claim or liability arising out of any failure or alleged failure of Consultant to comply with the Prevailing Wage Laws.

9. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City except as provided by law. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

10. RELATIONSHIP OF PARTIES

10.1. **General.** Consultant is, and shall at all times remain as to City, a wholly independent contractor.

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10.2. **No Agent Authority.** Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

10.3. **Independent Contractor Status.** Under no circumstances shall Consultant or its employees look to the City as an employer. Consultant shall not be entitled to any benefits. City makes no representation as to the effect of this independent contractor relationship on Consultant's previously earned California Public Employees Retirement System ("CalPERS") retirement benefits, if any, and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation, and other applicable federal and state taxes.

10.4. **Indemnification of CalPERS Determination.** In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

11. INDEMNIFICATION

11.1 **Definitions.** For purposes of this Section 11, "Consultant" shall include Consultant, its officers, employees, servants, agents, or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement. "City" shall include City, its officers, agents, employees and volunteers.

11.2 **Consultant to Indemnify City.** To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and defend City from and against any and all claims, losses, costs or expenses for any personal injury or property damage arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or failure to comply with any provision in this Agreement.

11.3 **Scope of Indemnity.** Personal injury shall include injury or damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, Property damage shall include injury to any personal or real property. Consultant shall not be required to indemnify City for such loss or damage as is caused by the sole active negligence or willful misconduct of the City.

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11.4 **Attorneys Fees.** Such costs and expenses shall include reasonable attorneys' fees for counsel of City's choice, expert fees and all other costs and fees of litigation. Consultant shall not be entitled to any refund of attorneys' fees, defense costs or expenses in the event that it is adjudicated to have been non-negligent.

11.5 **Defense Deposit.** The City may request a deposit for defense costs from Consultant with respect to a claim. If the City requests a defense deposit, Consultant shall provide it within 15 days of the request.

11.6 **Waiver of Statutory Immunity.** The obligations of Consultant under this Section 11 are not limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City.

11.7 **Indemnification by Subcontractors.** Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 11 from each and every subcontractor or any other person or entity involved in the performance of this Agreement on Consultant's behalf.

11.8 **Insurance Not a Substitute.** City does not waive any indemnity rights by accepting any insurance policy or certificate required pursuant to this Agreement. Consultant's indemnification obligations apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

12. INSURANCE

12.1. **Insurance Required.** Consultant shall maintain insurance as described in this section and shall require all of its subcontractors, consultants, and other agents to do the same. Approval of the insurance by the City shall not relieve or decrease any liability of Consultant Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

12.2. **Documentation of Insurance.** City will not execute this agreement until it has received a complete set of all required documentation of insurance coverage. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. Consultant shall file with City:

- Certificate of Insurance, indicating companies acceptable to City, with a Best's Rating of no less than A:VII showing. The Certificate of Insurance must include the following reference: Interim Director of Management Services.
- Documentation of Best's rating acceptable to the City.
- Original endorsements effecting coverage for all policies required by this Agreement.

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- City reserves the right to obtain a full certified copy of any Insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of the right to exercise later.

12.3. **Coverage Amounts.** Insurance coverage shall be at least in the following minimum amounts:

- Professional Liability Insurance: $1,000,000 per occurrence, $2,000,000 aggregate

- General Liability:
  - General Aggregate: $2,000,000
  - Products Comp/Op Aggregate $2,000,000
  - Personal & Advertising Injury $1,000,000
  - Each Occurrence $1,000,000
  - Fire Damage (any one fire) $ 100,000
  - Medical Expense (any 1 person) $ 10,000

Any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements or limits shall be available to the additional insured. Furthermore, the requirements for coverage and limits shall be the greater of (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured

12.4. **General Liability Insurance.** Commercial General Liability Insurance shall be no less broad than ISO form CG 00 01. Coverage must be on a standard Occurrence form. Claims-Made, modified, limited or restricted Occurrence forms are not acceptable.

12.5. **Worker's Compensation Insurance.** Consultant is aware of the provisions of Section 3700 of the Labor Code which requires every employer to carry Workers' Compensation (or to undertake equivalent self-insurance), and Consultant will comply with such provisions before commencing the performance of the work of this Agreement. If such insurance is underwritten by any agency other than the State Compensation Fund, such agency shall be a company authorized to do business in the State of California. If Consultant has no employees while performing services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

12.6. **Professional Liability Insurance or Errors & Omissions Coverage.** The deductible or self-insured retention may not exceed $50,000. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work. Coverage shall be continued for two years after the completion of the work by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

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12.7. **Claims-Made Policies.** If any of the required policies provide coverage on a claims-made basis the Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work. Claims-Made Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

12.8. **Additional Insured Endorsements.** The City, its City Council, Commissions, officers, and employees of South Pasadena must be endorsed as an additional insured for each policy required herein, other than Professional Errors and Omissions and Worker's Compensation, for liability arising out of ongoing and completed operations by or on behalf of the Consultant. Consultant's insurance policies shall be primary as respects any claims related to or as the result of the Consultant's work. Any insurance, pooled coverage or self-insurance maintained by the City, its elected or appointed officials, directors, officers, agents, employees, volunteers, or consultants shall be non-contributory. All endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. General liability coverage can be provided using an endorsement to the Consultant's insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37.

12.9. **Failure to Maintain Coverage.** In the event any policy is canceled prior to the completion of the project and the Consultant does not furnish a new certificate of insurance prior to cancellation, City has the right, but not the duty, to obtain the required insurance and deduct the premium(s) from any amounts due the Consultant under this Agreement. Failure of the Consultant to maintain the insurance required by this Agreement, or to comply with any of the requirements of this section, shall constitute a material breach of this Agreement.

12.10. **Notices.** Contractor shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. Consultant shall provide no less than 30 days' notice of any cancellation or material change to policies required by this Agreement. Consultant shall provide proof that cancelled or expired policies of insurance have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages. The name and address for Additional Insured Endorsements, Certificates of Insurance and Notices of Cancellation is: City of South Pasadena, Attn: Tina Lopez, Human Resources & Risk Manager, South Pasadena, CA 91030.

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12.11. **Consultant's Insurance Primary.** The insurance provided by Consultant, including all endorsements, shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

12.12. **Waiver of Subrogation.** Consultant hereby waives all rights of subrogation against the City. Consultant shall additionally waive such rights either by endorsement to each policy or provide proof of such waiver in the policy itself.

12.13. **Report of Claims to City.** Consultant shall report to the City, in addition to the Consultant's insurer, any and all insurance claims submitted to Consultant's insurer in connection with the services under this Agreement.

12.14. **Premium Payments and Deductibles.** Consultant must disclose all deductibles and self-insured retention amounts to the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within retention amounts. Ultimately, City must approve all such amounts prior to execution of this Agreement.

City has no obligation to pay any premiums, assessments, or deductibles under any policy required in this Agreement. Consultant shall be responsible for all premiums and deductibles in all of Consultant's insurance policies. The amount of deductibles for insurance coverage required herein are subject to City's approval.

12.15. **Duty to Defend and Indemnify.** Consultant's duties to defend and indemnify City under this Agreement shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.

13. MUTUAL COOPERATION

13.1. **City Cooperation in Performance.** City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.

13.2. **Consultant Cooperation in Defense of Claims.** If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

14. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage

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prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City

Sean Joyce, Interim City Manager
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
Telephone: (626) 403-****
Facsimile: (626) 403-7241

If to Consultant

Josette Reina-Luken
MNJ Advisors, Inc.
4112 Enchanted Circle
Roseville, CA 95747
Telephone: (916) 539-3510

With courtesy copy to:

Roxanne Diaz
South Pasadena City Attorney
Richards Watson Gershon
350 South Grand Ave., 37th Floor
Telephone: (213) 626-8484

15. SURVIVING COVENANTS

The parties agree that the covenants contained in paragraph 5.11 (Records), paragraph 10.4 (Indemnification of CalPERS Determination), Section 11 (Indemnity), paragraph 12.8 (Claims-Made Policies), paragraph 13.2 (Consultant Cooperation in Defense of Claims), and paragraph 18.1 (Confidentiality) of this Agreement shall survive the expiration or termination of this Agreement, subject to the provisions and limitations of this Agreement and all otherwise applicable statutes of limitations and repose.

16. TERMINATION

16.1. **City Termination.** City may terminate this Agreement for any reason on fifteen (15) calendar days' written notice to Consultant. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

16.2. **Consultant Termination.** Consultant may terminate this Agreement for a material breach of this Agreement upon fifteen (15) days' notice.

16.3. **Compensation Following Termination.** Upon termination, Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement. The City shall have

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the benefit of such work as may have been completed up to the time of such termination.

16.4. **Remedies.** City retains any and all available legal and equitable remedies for Consultant's breach of this Agreement.

17. INTERPRETATION OF AGREEMENT

17.1. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of California.

17.2. **Integration of Exhibits.** All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations here from shall be effective and binding only if made in writing and executed on by City and Consultant.

17.3. **Headings.** The headings and captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the language of the section or paragraph shall control and govern in the construction of this Agreement.

17.4. **Pronouns.** Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

17.5. **Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to the extent necessary to, cure such invalidity or unenforceability, and shall be enforceable in its amended form. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

17.6. **No Presumption Against Drafter.** Each party had an opportunity to consult with an attorney in reviewing and drafting this agreement. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

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18. GENERAL PROVISIONS

18.1. **Confidentiality.** All data, documents, discussion, or other information developed or received by Consultant for performance of this Agreement are deemed confidential and Consultant shall not disclose it without prior written consent by City. City shall grant such consent if disclosure is legally required. All City data shall be returned to City upon the termination or expiration of this Agreement.

18.2. **Conflicts of Interest.** Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Consultant further agrees to file, or shall cause its employees or subcontractor to file, a Statement of Economic Interest with the City's Filing Officer if required under state law in the performance of the services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

18.3. **Non-assignment.** Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.

18.4. **Binding on Successors.** This Agreement shall be binding on the successors and assigns of the parties.

18.5. **No Third-Party Beneficiaries.** Except as expressly stated herein, there is no intended third-party beneficiary of any right or obligation assumed by the parties.

18.6. **Time of the Essence.** Time is of the essence for each and every provision of this Agreement.

18.7. **Non-Discrimination.** Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Employment actions to which this provision applies shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; or in terms, conditions or privileges of employment, and selection for training. Consultant

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agrees to post in conspicuous places, available to employees and applicants for employment, the provisions of this nondiscrimination clause.

18.8. **Waiver.** No provision, covenant, or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing signed by one authorized to bind the party asserted to have consented to the waiver. The waiver by City or Consultant of any breach of any provision, covenant, or condition of this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other provision, covenant, or condition.

18.9. **Excused Failure to Perform.** Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

18.10. **Remedies Non-Exclusive.** Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any or all of such other rights, powers or remedies.

18.11. **Attorneys' Fees.** If legal action shall be necessary to enforce any term, covenant or condition contained in this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and costs expended in the action.

18.12. **Venue.** The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.

TO EFFECTUATE THIS AGREEMENT, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

SIGNATURES ON THE FOLLOWING PAGE

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"City"
City of South Pasadena

By: Signed by: Sean Joyce 0D867796FCFE42A...
Signature

Printed: Sean Joyce

Title: Interim City Manager

Date: 2/26/2025

"Consultant"
MNJ Advisors, Inc.

By: Josette Reina-Luken
Signature

Printed: Josette Reina-Luken

Title: Vice-President

Date: 02·26·2025

Attest:

By: Signed by: Alma Medina 115BF030396641E... Alma Medina for
Mark Perez
Deputy City Clerk

Date: 2/26/2025

Approved as to form:

By: DocuSigned by: Roxanne Diaz A7800E5CA8A241F...
Roxanne Diaz, City Attorney

Date: 2/26/2025

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Exhibit A

Scope of Services

Serve as and fulfill the duties of the Interim Management Services Director with emphasis on timely completion of the FY2024-25 mid-year budget update and FY2025-26 budget development.

Onsite services will be provided for the initial 2-3 weeks, and the remainder of services will be provided either onsite or remote. Remote work will be specifically set for March 17-26 and April 29th. Work hours may be adjusted to accommodate the budget; the City works on a 4/10 workweek schedule (Monday-Thursday, 10 hours per day). Consultant may work less than 40 hours per week depending on the workload.

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Exhibit B

Fee Schedule

Billable hourly rate of $150 per hour for offsite work and/or $200 per hour for onsite work (travel expenses included in the onsite rate).

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ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/25/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:	
Next First Insurance Agency, Inc. PO Box 60787 Palo Alto, CA 94306	PHONE (A/C, No, Ext): (855) 222-5919	FAX (A/C, No):
	E-MAIL ADDRESS: support@nextinsurance.com	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : State National Insurance Company, Inc.	12831
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Michael Luken
MNJ Advisors
6160 Rose Garden Ln
Roseville, CA 95747

COVERAGES **CERTIFICATE NUMBER:** 435683699 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:	X	X	NXT9FV43WW-01-GL	01/02/2025	01/02/2026	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$1,000,000.00 $100,000.00 $15,000.00 $1,000,000.00 $2,000,000.00 $2,000,000.00
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY HIRED AUTOS ONLY SCHEDULED AUTOS NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					[ ] PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
A	Professional Liability	X		NXT9FV43WW-01-GL	01/02/2025	01/02/2026	Each Occurrence: Aggregate:	$1,000,000.00 $2,000,000.00

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The Certificate Holder is The City of South Pasadena, its City Council, Commissions, officers, and employees. A Waiver of Subrogation applies in favor of this Certificate Holder on the following policies: General Liability. This Certificate Holder is an Additional Insured on the General Liability policy on a primary and non-contributory basis. NEXT will endeavor to provide this Certificate Holder with written notice of cancellation 30 days in advance for any of the following policies: General Liability. All Certificate Holder privileges apply only if required by written agreement between the Certificate Holder and the insured, and are subject to policy terms and conditions.

CERTIFICATE HOLDER

The City of South Pasadena, its City Council, Commissions, officers, and employees
1414 Mission St
South Pasadena, CA 91030

LIVE CERTIFICATE
Click or scan to view

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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MNJ Advisors Inc.

February 25, 2025

Tina Lopez, Human Resources and Risk Manager
City of South Pasadena
1414 Mission St
South Pasadena, CA 91030

Subject – Auto Liability Coverage
City of South Pasadena

Dear Ms. Lopez :

Our firm, MNJ Advisors Inc., does not have any commercial vehicles. We only use our personal vehicles.

Sincerely,

Signed by:
9B6742D92D614F0...
Michael W. Luken
President/CEO

6160 ROSE GARDEN LANE, ROSEVILLE, CA. 95747-8046
T (916)997-2760

The certificate must include:

Additional Requirements:

Following Endorsements Required:

the City of South Pasadena

Signed by:
9B6742D92D614F0...

2/25/2025

Michael W. Luken President/CEO (916)997-2760

Contact Information

If any of the information shown below is a) missing or b) incorrect, please complete or correct it and return it along with your certificate.

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FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT FOR CONSULTANT SERVICES

THIS AMENDMENT ("Amendment") is made on this 19th day of March 2025, by and between the CITY OF SOUTH PASADENA ("CITY") and MNJ ADVISORS, INC. ("CONSULTANT').

RECITALS

WHEREAS, on February 26, 2025, the CITY and CONSULTANT entered into an Agreement for PROFESSIONAL SERVICES ("Agreement") for CONSULTANT to perform Interim Director of Management Services services for the City; and

WHEREAS, the original Agreement was in the amount of $30,000, for the Scope of Services; and

WHEREAS, the CITY desires to execute an Amendment to increase the total contract in an amount not to exceed $25,000. The aggregate total of Agreement and this Amendment is a sum total of $55,000; and

NOW THEREFORE, THE CITY AND THE CONSULTANT AGREE AS FOLLOWS:

1. That Section 3.4 "Maximum Amount" of the Agreement is hereby amended to read as follows:
   "Maximum Amount": The highest total compensation and cost payable to CONSULTANT by CITY under this agreement. The Maximum Amount under this Agreement is Fifty-Five Thousand Dollars ($55,000).

2. All other terms, conditions, and provisions of the Agreement to the extent not modified by this Amendment, shall remain in full force and effect.

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"City"
City of South Pasadena

By: Signed by: Sean Joyce 0D867796FCFE42A...
Signature

Printed: Sean Joyce

Title: Interim City Manager

Date: 3/26/2025

"Consultant"
MNJ Advisors, Inc.

By: Signed by: Josette Reina Luken 1F105C114A13448...
Signature

Printed: Josette Reina Luken

Title: Vice President

Date: 3/26/2025

Attest:

By: DocuSigned by: Mark Perez 8C20A8A8EFB14A7...
Mark Perez, Deputy City Clerk

Date: 3/26/2025

Approved as to form:

By: DocuSigned by: Roxanne Diaz A7800E5CA8A241F...
Roxanne M. Diaz, City Attorney

Date: 3/26/2025